



OIL AND NATURAL GAS CORPORATION LTD  
HUMAN RESOURCE GROUP  
TEL BHAVAN, DEHRADUN

DDN/HRG/PRP-PMS/Payout 2011-12

Dated: December 25, 2012

OFFICE ORDER

**Subject: Payment of Performance Related Pay for the year 2011-12**

The Competent Authority has accorded its approval for PRP payout for the year 2011-12 to executives (E0 to E9) and staff (S-Level including upgraded employees, A-Level including Top of Class-III and W-Level). The modalities for payment are as under:

**1. Methodology for Payout:**

- a. The PRP shall be calculated in two components as under:

**PRP 1 = Pool Proportion (60 % component) x Annual Basic x MOU rating x Executive/Staff grade ceiling x Individual Performance (payout bucket moderated as per Bell curve) x Pool Availability Factor (relevant for 60 % component)**

PLUS

**PRP 2 = Pool Proportion (40 % component) x Annual Basic x MOU rating x Executive/Staff grade ceiling x Individual Performance (payout bucket moderated as per Bell curve) x Pool Availability Factor (relevant for 40 % component)**

- b. The Pool Availability Factor shall be taken as 1.0 in each case for PRP 1 and PRP2.
- c. The MOU rating of the company is to be taken as "Excellent" i.e. 1.0 for the year 2011-12.
- d. **Executive & Staff Grade Ceiling:** Level wise executive and staff grade ceiling for PRP payout of executive and staff employees are as under:

- i. Executive Grade Ceilings:

Executive level in ONGC	PRP % of Basic pay
E0-E1	40
E2-E3	50
E4-E6	60
E7/E8/E9	70

- ii. Staff Grade Ceilings:

Grouping of Staff Levels	PRP % of Basic Pay
S1, S2, S3, and S4 #	40
A1, A2, A3, A4 & TC, W3, W4, W5, W6 & W7	39
W1 & W2	38

# Staff with up-graded pay scales without designation will also be covered.

e. **Bell curve formation for Payout:**

- i) **For Executives:** The bell curves are to be formed from the PAR marks of individual executives by following a percentile system, by grouping at accepting levels, BU levels and at corporate level for a minimum group size of 7 executives. Wherever the group size is less than 7 executives under an accepting officer, grouping is proposed to be escalated at the next senior level executive in the reporting chain of that accepting officer. The grouping for the year 2011-12 will be as follows:

Level of Appraisee	Accepting Officer
E0-E2	Level-III officer at least E5 level or above
E3	Level-II officer of at least E6 level or above
E4	Level-II officer of at least E7 level or above
E5	L-I officer or above
E6	Respective Director or CMD
E7, E8 and E9	CMD

For executives of E0-E5 levels, the bell curves are to be formed within BU by grouping of appraisee executives of E0-E2 level in one common band and rest (E3, E4 & E5) at individual levels. For E6, E7, E8 & E9 executives separate bell curves are to be formed at company (global) level.

- ii) **For Staff:** The bell curve for staff cadre shall be formed by grouping all Class-III (including supervisory along with upgraded employees) and Class-IV employees separately at sector level. The PRP payout at individual level is to be regulated based on the individual performance by ranking the PAR scores to follow bell curve, using percentile system, to derive payout rate.
- f. **Payout Buckets:** The executives/staff based on their position in the simulated bell curve will be grouped into 9 (nine) rating buckets for PRP payouts, by following distribution as under:

Buckets	Percentage of Population	Payout Rate
1	Top 15%	100%
2	Next 20%	95%
3	Next 20%	90%
4	Next 25%	85%
5	Next 10%	80%
6	Last 10%	Other than PAR grades B, C & D
7		PAR grade B
8		PAR grade C
9		PAR grade D
		40%
		25%
		10%
		0%

- g. **Assured minimum payout rates:** Minimum payout rates of PRP (for different range of PAR scores) are to be maintained so that the executives and staff with high PAR scores may be ensured at least minimum payout rate as under:

PAR Grade	Minimum Payout rate
C	10%
B	25%
B+	40%
A-	80%
A	85%
A+	90%



- h. **Differentiation for Field Roles, CRC Positions & Job Rotation:** The executives who are empowered with CRC positions in the Organization and those executives & staff who are performing field duties are to be incentivized additionally with Positional PRP. Such PRP is to be provided over and above the normal PRP, within the ceiling of maximum permissible PRP, considering MOU rating factor of the company and the grade ceiling of the executive/staff. The rate of positional PRP will be as under:

Level/ Grade	Positional PRP for Field roles only (max.)	CRC Position	Positional PRP for CRC roles (max.)
E6-E9	Normal PRP+20%	L3/L4	Normal PRP+20%
E5 & below incl. S, A & W-Level	Normal PRP+30%	L1/L2	Normal PRP+30%

A Special Positional PRP will be paid to such executives who have served in at least 3 different sectors which include North-East for a minimum period of 3 years each. The payment of Special Positional PRP will be up to 20% additional over normal PRP, subject to maximum permissible ceiling. However, if an individual has been posted in the third sector during 2011-12 and has yet to complete 3 years, will also be eligible for such dispensation. Further, second tenure to NE will also be considered as third sector.

- i) The Positional PRPs will be paid to the executives & staff through bell curve approach as under:
  - a) For field roles of executives two separate BU-wise Bell curves will be drawn; one for E0-E5 levels and the other for E6-E9 levels.  
For staff positional PRP for field roles shall be paid through bell curve approach at sector level.
  - b) For CRC positions, 4 (four) bell curves will be drawn at enterprise level, one each for L1, L2, L3 & L4 level positions respectively.
  - c) For executives considered for sectoral movement including North-East, one bell curve will be drawn at enterprise level.
- ii) For these bell curves, 9 Payout Buckets (same as referred in Para 1.f above) will be applicable to arrive at effective rate of enhancement of normal PRP.
- iii) In case executives who are entitled for any two or more types of Positional PRPs, they are proposed to be given additional PRP on account of only one of the above three Positional PRPs based on the amount of PRP whichever is the maximum of all.

## 2. Coverage:

- a. All executives (E0 to E9) & all staff employees (S-Level including upgraded employees, A-Level including Top of Class-III and W-Level) of ONGC and OVL who were in full time regular service during the period 01.04.2011 to 31.03.2012, are eligible.
- b. All eligible ONGC & OVL executives and staff who are on deputation out to other organizations, shall be paid PRP, subject to the condition that they have not adopted the PRP/incentive scheme of the borrowing organizations.
- c. All term based employees (sports quota) are eligible.
- d. All eligible executives and staff employees who have served less than one year during 2011-12, their payment shall be made proportionately. A new appointee who has put in more than 4 months of service in the year 2011-12 shall be

covered for payment. In case, period of service for such an appointee is less than 4 months, no PRP shall be payable.

- e. PRP to the executives/staff on deputation to ONGC shall be kept pending till decision in this regard from GOI is received. However, for deputationists for whom approval for such payments already exists, may be paid PRP.
- f. Employees, who have resigned during 2011-12 or thereafter and whose resignations have been duly accepted as per Rule 24 (with amendment) of ONGC Service Rules, 1995 relating to resignation, are eligible for PRP payment on pro-rata basis for the year of 2011-12.

### 3. Other Conditions:

- a. No other component of pay except the Basic Pay is to be taken into account while calculating the PRP for the year 2011-12.
- b. The payment of PRP shall be regulated to an individual based upon his/her level for which the performance evaluation of the year 2011-12 has been carried out.
- c. The PRP for an individual whose PAR for the year 2011-12 has not been accepted/ received, shall be paid PRP after completion of his/her PAR(s).
- d. **Filing of IPR/MPR:** Temporary deduction of PRP, limited to 25% of admissible PRP of defaulting employees who have not filed IPR/MPR for the calendar year 2011 (as per rule 22 of ONGC CDA Rules, 1994 - Amended in 2011). However, the deducted amount shall be released subsequently after filing of IPR/MPR.
- e. **Separations other than resignation:** For executives and staff employees who have separated during the year due to VRS, Superannuation or Death and had not filled their PARs for the year, the payment of PRP shall be made based upon their average PAR marks of the previous three years, or the last available three years where previous three years PARs are not available, with rest of the methodology remaining the same.
- f. **Late pay fixation:** In cases where the executives/staff had joined on promotion before issue of this order, PRP payment may be kept pending till the pay is fixed on promoted post.
- g. **Payment of PRP after review of PAR grading:** The payment to the executives/staff whose PAR grading has been reviewed for the period 2011-12 is to be regulated as per the reviewed PAR grading.
- h. No PRP will be payable for the period of:
  - i) Absence from the work on leave except casual leave;
  - ii) Unauthorised absence;
  - iii) Suspension
- i. **Employees maintaining Lien with ONGC:** The employees during the period of lien shall not be eligible for any payment against PRP from ONGC.
- j. **D&A/Vigilance cases:** The employees against whom disciplinary/vigilance action is pending and the same is recorded in the system vide IT 9635, the payment of PRP in such cases shall be kept in abeyance till the settlement of the case and nature of penalty imposed. Further, no PRP shall be paid in the cases where disciplinary action has concluded with the imposition of the penalty of dismissal/ termination/ removal from services. The amount of PRP shall be regulated in accordance with the current ONGC-CDA rules effective from 14.03.2011.
- k. As already advised, all In-charges HR/ER of respective workcentres shall ensure that the entries are recorded in the system vide IT 9635 against those employees who are facing disciplinary proceedings.

- l. **Part PARs:** In cases where part PARs have been filled due to transfers etc., average of PAR scores shall be taken into consideration for the payment of PRP.
- m. Further, the Interim Advance against PRP for the year 2011-12 given vide Office Order No. DDN/ HRG/PRP-PMS/Adhoc/2011-12 dated October 18, 2012 shall be adjusted from the final payment. However, the executives/staff who could not earn any PRP for the year 2011-12, the aforesaid advance shall be recovered from his/her salary in 3 equal monthly installments.
- n. This will be full and final settlement of PRP for the year 2011-12 and no supplementary payment will be made except in case of upward revision of PAR scores for the year 2011-12 and special positional PRP for serving 3 different sectors including North-East for a minimum period of 3 years each.
- o. The programme for PRP Payout to the executives & staff shall be run centrally by ICE, Delhi along with December 2012 salary.

This issues with the approval of the competent authority.



(Sachin Sain)  
GGM-Chief HRD

**Distribution:**

- 1) Head ICE, ONGC, New Delhi
- 2) Head Corporate Communication for placing it on OR.net

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