

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4290
ANSWERED ON:20.02.2014
INCENTIVES TO EMPLOYEES
Azad Shri Kirti (Jha)

Will the Minister of POWER be pleased to state:

- (a) whether the Rural Electrification Corporation (REC) and Power Grid Corporation of India Limited (PGCIL) are giving gold coins worth crores of rupees and performance related pay, ex-gratia and performance incentives to their employees each year;
- (b) if so, the details thereof along with the competent authority for sanctioning the same;
- (c) whether approvals of the Government have also been taken by the REC and PGCIL in this regard;
- (d) if so, the details thereof and the manner in which the Government exercises control over such lavish spendings by REC and PGCIL; and
- (e) the action taken/proposed to be taken against the REC and PGCIL for taking such decision causing losses to the public exchequer?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) : In Rural Electrification Corporation (REC) Ex Gratia, performance related Pay, Performance Incentives etc. to executives and non-unionized employees are paid in terms of guidelines of Department of Public Enterprises (DPE). The payment to unionized employees is based on negotiated settlement for which the Board of Directors of REC is competent. There is no practice of giving gold coins to employees each year.

Power Grid Corporation of India Limited (PGCIL) is paying Performance Related Pay (PRP) in accordance with DPE Guidelines to its eligible executives and supervisors, which was introduced as part of paypackage as per implemented Wage Revision. For workmen, it is a negotiable settlement and PRP for them is being paid in line with aforesaid PRP to executives and supervisors from 2010-11 onwards in lieu of incentive. PGCIL has not paid any incentive, ex-gratia, gold coin, etc. other than PRP to its executives and supervisors after wage revision.

(b) : Board of Directors of REC is the competent authority for sanction of the Performance related payments.

So far as PGCIL is concerned, the Remuneration Committee, (a sub-committee of Board of Directors) which includes independent directors and Government Directors, sanctions Performance related payments to executives and non-unionized supervisors. For workmen, PGCIL Board of Directors is authorized for making policy for incentive/PRP payment.

(c) & (d): Both in REC & PGCIL, the incentives are paid as per the DPE guidelines for executives and non-unionized supervisors. For workmen, the Board of Directors is authorized for making policy for incentive/PRP payment.

(e) : In view of (a) to (d) above, does not arise.