



PHD Research Bureau
PHD Chamber of Commerce and Industry



Decisions taken by the Union Cabinet (6th October 2021)

- **Cabinet approves Productivity Linked Bonus to railway employees for the financial year 2020-21**

The Union Cabinet, chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the Productivity Linked Bonus (PLB) equivalent to 78 days' wages for the financial year 2020-21 for all eligible non-gazetted railway employees (excluding RPF/RPSF personnel). The financial implication of payment of 78 days' PLB to railway employees has been estimated to be Rs.1984.73 crore. The wage calculation ceiling prescribed for payment of PLB to the eligible non-gazetted railway employees is Rs.7000/- p.m. The maximum amount payable per eligible railway employee is Rs. 17,951 for 78 days.

About 11.56 lakh non-gazetted railway employees are likely to benefit from the decision. Payment of PLB to eligible railway employees is made each year before the Dusshera/ Puja holidays. The decision of the Cabinet shall be implemented before the holidays for this year as well. The PLB amount of 78 days' wages were paid for the financial years from 2010-11 to 2019-20. For the year 2020-21 also PLB amount equivalent to 78 days' wages will be paid which is expected to motivate the employees for working towards improving the performance of the Railways. The Productivity Linked Bonus on Railway covers all non-gazetted railway employees (excluding RPF/RPSF personnel) who are spread over the entire country.

Method for calculating PLB:

1. The PLB has been paid as per formula approved by the Cabinet in its meeting held on 23.9.2000 for the years 1998-99 to 2013-14 (except 2002-03 to 2004-05 when slight changes were done with respect to Capital Weightage and Staff Strength). This formula was input: output based where output was reckoned in terms of equated net tonne kilometres and input was reckoned as the non-gazetted staff strength (excluding RPF/RPSF personnel) modified by Capital Weightage.
2. For the financial year 2012-13, PLB for 78 days was approved as a special case

with the condition that the formula for PLB would be revisited keeping in view the recommendations of the Sixth CPC and the views of the Ministry of Finance. Consequently, the Ministry of Railways constituted a Committee to evolve a new formula.

3. The Committee recommended that weightage to both the formula of year 2000 and the new formula based on Operation Ratio (OR) may be in the ratio of 50:50. This formula ensured equal representation to the productivity in terms of physical parameters as well as financial parameters. The formula recommended by the Committee has been used for calculation of PLB from 2014-15 to 2019-20.

- **Government has approved setting up of 7 Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total outlay of Rs. 4,445 crore in a period of 5 years**

With a view to realize the vision of Hon'ble Prime Minister, Shri Narendra Modi, of building an Aatmanirbhar Bharat and to position India strongly on the Global textiles map, the Government has approved the setting up of 7 PM MITRA parks as announced in Union Budget for 2021-22. PM MITRA is inspired by the 5F vision of Hon'ble Prime Minister. The '5F' Formula encompasses - Farm to fibre; fibre to factory; factory to fashion; fashion to foreign. This integrated vision will help furthering the growth of textile sector in the economy.

The 7 Mega Integrated Textile Region and Apparel Parks (PM MITRA) will be setup at Greenfield / Brownfield sites located in different willing States. Proposals of State Governments having ready availability of contiguous and encumbrance-free land parcel of 1,000+ acres along with other textiles related facilities & ecosystem are welcome.

Maximum Development Capital Support (DCS) of Rs 500 crore to all Greenfield PM MITRA and a maximum of Rs 200 Crore to Brownfield PM MITRA will be provided for development of Common Infrastructure (@30% of the Project Cost) and Rs 300 Crore of Competitiveness Incentive Support (CIS) will also be provided to each PM MITRA park for early establishment of textiles manufacturing units in PM MITRA. State Government supports will include provision of 1,000 Acre land for development of a world class industrial estate. For a Greenfield PM MITRA park, the GOI Development Capital Support will be 30% of the Project Cost, with a cap of Rs 500 Cr. For Brownfield sites, after assessment, Development Capital Support @30% of project cost of balance infrastructure and other support facilities to be developed and restricted to a limit of Rs. 200 Crore. This is in a form of viability gap funding to make the project attractive for participation of private sector.

The PM MITRA parks will have following:

1. Core Infrastructure: Incubation Centre & Plug & Play facility, Developed Factory Sites, Roads, Power, Water and Waste Water system, Common Processing House

& CETP and other related facilities e.g. Design Centre, Testing Centres etc.

2. Support Infrastructure: Workers' hostels & housing, logistics park, warehousing, medical, training & skill development facilities

PM MITRA park will be developed by a Special Purpose Vehicle which will be owned by State Government and Government of India in a Public Private Partnership (PPP) Mode. The Master Developer will not only develop the Industrial Park but also maintain it during the concession period. Selection of this Master Developer will happen based on objective criteria developed jointly by State and Central Governments.

Government of India will also provide a fund of Rs 300 Crore for each PM MITRA Park to incentivize manufacturing units to get established. This will be known as Competitiveness Incentive Support (CIS) and will be paid upto 3% of turnover of a newly established unit in PM MITRA Park. Such support is crucial for a new project under establishment which has not been able to break even and needs support till it is able to scale up production and be able to establish its viability.

Please find enclosed the detailed document on the same for your kind reference.

Please contact for any query related to this mail to Ms Abhi Tomar, Research Associate at abhi.tomar@phdcci.in with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Senior Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce and Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

