

**AGENDA ITEM NO: 9**

**CONSIDERATION OF RELEASE OF PRODUCTIVITY LINKED INCENTIVE TO THE EMPLOYEES OF THE CORPORATION FOR THE FINANCIAL YEAR 2023-24.**

The State Warehousing Corporation is paying Productivity Linked Incentive to its employees from FY 2000-01 onwards to encourage them in their endeavor in achieving the business targets of the Corporation keeping in view of the progress in business & increase in profits with new heights every year. Initially PLI was paid to all the employees uniformly. Later, performance indicators of warehouses & certain parameters are taken into consideration for payment of PLI as per observations of the AG auditors.

The Board in its 20<sup>th</sup> Board of Directors meeting held on 27.09.2023, resolved to pay the PLI to the employees of the Corporation including the personnel engaged on Contract/outsourcing basis, for the period from April, 2022 to March, 2023.

The Policy approved in 12<sup>th</sup> Board of Directors meeting held on 19.09.2020 for release of PLI in TGSWC.

The committee met on 23.05.2024 and on 13.06.2024 for release of PLI to the employees of Corporation for Financial Year 2023-24 and made the following recommendations based on the approved policy:

- Total PLI payable in a year shall not exceed 5% of operational profit of that year.
- PLI be paid on Basic pay + D.A. of the year.
- PLI need not be considered for the staff at warehouses where occupancy is less than 40% of the capacity. Where business is more than 40% of the capacity in respect of owned/hired godowns, PLI be fixed in variable basis based on occupancy level of warehouse on the following slabs.

Occupancy %	PLI%
41% to 50%	18 %
51% to 60%	20 %
61% to 70%	21 %
71% to 80%	22 %
81% to 90%	23 %
91% to 100%	25 %

- The increase/decrease of PLI over the basic rates of PLI fixed as below, subject to minimum of aforementioned rates when occupancy is over 80%:

:2:

Increase or decrease in occupancy	Increase or decrease in PLI
1-10%	1%
Above 10-20%	2%
Above 20-30%	3%
Above 30%-40%	4%
Above 40%-50%	5%
Above 50%-60%	6%
Above 60%	7%

Note: (+) or (-) 1 % or 1% above tens is ignored. If the occupancy is above 100%, increase or decrease is not applicable.

- The maximum ceiling on percentage of PLI payable is 25%.
- The PLI is fixed at 18% (i.e. minimum slab rate) for IG/PEG godowns as business is under guarantee basis and occupancy level found to be 100% or more than 100%.
- If any employee posted at owned/hired warehouses and are also looking after nearby IG/PEG godowns, the rate of PLI shall be applicable whichever is higher.
- PLI for engineering staff working in the field are considered at par with the Head Office staff, as they are no way directly connected with the rise/fall of business.
- The PLI payments relating to employees, who are directly connected with unjustified storage losses, be withheld till the finalization of such cases of storage losses.
- Staff of Regional Offices including Regional Managers are hitherto being paid the PLI based on the performance of all Own warehouses in respective Regions, that be continued.
- Staff of Head Office including Managing Director and General Managers are hitherto being paid the PLI based on the performance of all Own warehouses in the State, that be continued.
- For the purpose of the calculation of PLI of an employee, the place of working on the closing day of the month is considered as his station for that month.
- Since there is no recruitment for the last 36 years, the Corporation is utilizing services of Contract/Outsource personnel and they are taking major part in increasing the productivity and thereby profits of the Corporation. Hence PLI be considered @ 2 ½ months to Contract/Outsource personnel whose performance is satisfactory on pro rata basis of their average 12 months remuneration subject to condition that their service shall be not less than three months in that financial year. An undertaking to avoid legal complications is to be obtained from Contract/Outsource personnel before sanctioning PLI to them.

The Provisional Operational profit for the period from April 2023 to March 2024 is **Rs. 75.09 Crores**. The ceiling of 5% of operational profit works out to **Rs. 3.75 Crores**.

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Based on the recommendations suggested by the Committee, the financial commitment towards payment of PLI for the period from April 2023 to March 2024 works out to approximately **Rs 3.59 crores** approximately, for TGSWC employees which are equivalent of **4.78%** of operational profit projected. The details are as follows:

Sl.No	Category	Amount (Rs.) (Approximately)
1	Regular Employees	1.04 Crores
2	Contract Personnel	0.25 Crores
3	Outsourcing Personnel	2.30 Crores
	<b>Total</b>	<b>3.59 Crores</b>

The list of Centre wise (Owned/AMC Centres) PLI rates applicable along with the PLI rates applicable for Regional Offices and Head Office is enclosed as (**Annexure-I**).

The subject is placed before the Board for consideration and approval please.

COMMITTEE REPORT

A Committee comprising of the Functional Heads at Head office met on 23.05.2024 and on 13.06.2024 to make recommendations for the release of payment of 'Productivity Linked Incentive' to the employees of the Corporation for the financial year 2023-24 i.e., period from April 2023 to March 2024.

The Committee made recommendations as per the policy framed in Telangana State Warehousing Corporation is as follows:

- Total PLI payable in a year shall not exceed 5% of operational profit of that year.
- PLI be paid on Basic pay + D.A. of the year.
- PLI need not be considered for the staff at warehouses where occupancy is less than 40% of the capacity. Where business is more than 40% of the capacity in respect of owned/hired godowns, PLI be fixed in variable basis based on occupancy level of warehouse on the following slabs.

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- Staff of Regional Offices including Regional Managers are hitherto being paid the PLI based on the performance of all Own warehouses in respective Regions, that be continued.
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- For the purpose of the calculation of PLI of an employee, the place of working on the closing day of the month is considered as his station for that month.
- Since there is no recruitment for the last 36 years, the Corporation is utilizing services of Contract/Outsource personnel and they are taking major part in increasing the productivity and thereby profits of the Corporation. Hence PLI be considered @ 2 ½ months to Contract/Outsource personnel whose performance is satisfactory on pro rata basis of their average 12 months remuneration subject to condition that their service shall be not less than three months in that financial year. An undertaking to avoid legal complications is to be obtained from Contract/Outsource personnel before sanctioning PLI to them.

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	Total	3.59 Crores

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## STATEMENT SHOWING THE PLI PAYABLE ON AVERAGE PERCENTAGE OF OCCUPANCY DURING THE PERIOD FROM APRIL-2023 TO MARCH 2024

OWN / AMC *		Apr-2022 & March -2023 Avg Total				Apr-2023 & March -2024 Avg Total			% of Occupancy Diff	Eligible PLI % as per the slab	Increase /Decrease in PLI % on occupancy	Total PLI % 2023-24 As per Norms
S No	Name of the Region/ Warehouse	Cap	Occup	% of Occup	PLI % paid for 2022-23	Cap	Occup	% of Occup				
<b>HYDERABAD REGION</b>												
<b>Mahabubnagar Dist.</b>												
1	Ladcherla (own)	10000	8945	89%	25%	10000	11085	111%	22	25%	3	25%
<b>Ranga Reddy Dist</b>												
2	Shadnagar(own)	1050	1050	100%	18%	1050	1050	100%	0	18%	0	18%
3	Konduru (AMC)*	1782	1877	105%	25%	2140	2240	105%	0	25%	0	25%
<b>Hyderabad District.</b>												
4	Musheerabad	4000	4000	100%	18%	4000	4000	100%	0	18%	0	18%
<b>Wanaparthy District</b>												
5	Sri Rangapuram (own)	10000	8878	89%	22%	10000	11772	118%	29	25%	3	25%
6	Suguru (Own)	10000	10317	103%	25%	10000	11384	114%	11	25%	2	25%
7	Annam (own)	10000	11800	118%	25%	10000	10707	107%	-11	25%	-2	25%
8	Veerapally (Own)	10000	5000	50%	18%	10000	10000	100%	50	25%	5	25%
9	Konkalapally (Own)	9167	7500	82%	23%	10000	10124	101%	19	25%	2	25%
10	Almapally (Own)	10000	9375	94%	25%	10000	10972	110%	16	25%	2	25%
11	Chutyal (own)	10000	8333	83%	25%	10000	10000	100%	17	25%	2	25%
<b>Medak District</b>												
12	Allapur (own)	20000	15250	76%	22%	20000	18783	94%	18	25%	2	25%
<b>Narayanpet District</b>												
13	Rudrasamudram (Own)	-	-	-	-	10000	8571	86%	86	23%	-	23%
<b>Siddipet District</b>												
14	Siddannapet (own)	5000	5518	110%	25%	5000	5205	104%	-6	25%	-1	25%
15	Guralagondi (own)	10000	10203	102%	25%	14583	13750	94%	-8	25%	-1	25%
16	Vitalapur (own)	10000	11295	113%	25%	10000	10061	101%	-12	25%	-2	25%
17	Habsipur (Own)	10000	7822	78%	22%	10000	10849	108%	30	25%	3	25%
18	Jakkapur (Own)	10000	7500	75%	22%	10000	10241	102%	27	25%	3	25%
19	Charla Ankireddypally (Own)	10000	9641	96%	25%	10000	10318	103%	7	25%	1	25%
<b>Region Total</b>		<b>166475</b>	<b>150080</b>	<b>90%</b>	<b>25%</b>	<b>176773</b>	<b>181112</b>	<b>102%</b>	<b>12</b>	<b>25%</b>	<b>2</b>	<b>25%</b>
<b>NALGONDA REGION</b>												
<b>Nalgonda Dist</b>												
20	Muralagoda (Own)	2150	473	22%	-	2150	1558	72%	50	22%	5	22%
21	Kondamallepally (AMC)*	4625	4625	100%	25%	4000	4000	100%	0	25%	0	25%
22	Avanthipuram (AMC)*	2853	2853	100%	25%	377	377	100%	0	25%	0	25%
<b>Suryapet Dist</b>												
23	Neredacherla (Own)	12500	5046	40%	18%	12500	10207	82%	42	23%	5	25%
24	Huzurnagar(Own)	17300	14698	85%	22%	17300	13610	79%	-6	22%	-1	21%
25	Kodad (Own)/Balajinagar	26500	23468	89%	22%	26500	23310	88%	-1	23%	-1	23%
<b>Khammam District.</b>												
26	Khammam-I (Own)	7300	4250	58%	19%	7300	4640	64%	6	21%	1	22%
27	Khammam-II (Own)	24000	19257	80%	20%	24000	21007	88%	8	23%	1	24%
28	Raghunadhapalem (Own)	-	-	-	-	20000	10061	50%	50	18%	-	18%
<b>Badradhri (kothagudem) Dist</b>												
29	Kothagudem (Own)	8300	6750	81%	23%	8300	5013	60%	-21	20%	-2	18%
30	Ashwaraopet (AMC)*	5000	5000	100%	25%	5000	5000	100%	0	25%	0	25%
<b>Region Total</b>		<b>110528</b>	<b>86420</b>	<b>70%</b>	<b>19%</b>	<b>124927</b>	<b>98783</b>	<b>79%</b>	<b>9</b>	<b>22%</b>	<b>1</b>	<b>23%</b>

KARIMNAGAR REGION												
Karimnagar District												
31	Huzurabad (Own)	15000	13329	89%	22%	15000	15592	104%	15	25%	0	25%
32	Jammikunta (Own)	17500	15583	89%	21%	17500	17567	100%	11	25%	0	25%
33	Karimnagar (Own)	15500	10391	67%	18%	15500	10391	67%	0	21%	0	21%
Jagtial District.												
34	Metpalli (Own)	10700	11156	104%	25%	10700	10685	100%	-4	25%	0	25%
35	Korutla (Own)	3200	3541	111%	25%	3200	3255	102%	-9	25%	0	25%
Mancherial District												
36	Mandamarri (AMC) *	5000	5413	108%	25%	5000	5017	100%	-8	25%	0	25%
Peddapally District.												
37	Peddapalli (Own)	8300	6122	74%	20%	8300	7337	88%	14	23%	2	25%
38	Peddapalli (AMC)*	19698	19698	100%	25%	3300	3353	102%	2	25%	0	25%
Region Total		94898	85233	90%	22%	78500	73197	93%	3	25%	1	25%
Warangal Region												
Hanamakonda District												
39	Warangal (Own)	12500	12500	100%	25%	12500	12501	100%	0	25%	0	25%
40	Dharmasagar (AMC)*	5000	5000	100%	25%	5000	5161	103%	3	25%	0	25%
Warangal District												
41	Chalaparthi (Own)	10000	8750	88%	23%	10000	10070	101%	13	25%	0	25%
42	Arshanapally (Own)	-	-	-	-	5000	2891	58%	58	20%	-	20%
43	Peddakarpole (Own)	-	-	-	-	10000	5299	53%	53	20%	-	20%
44	Bhanjipet (Own)	-	-	-	-	10000	8282	83%	83	23%	-	23%
45	Narsampet (AMC)*	33750	33842	100%	25%	5000	5000	100%	0	25%	0	25%
Yadadri Dist												
46	Bhongir (Own)	3700	3019	82%	25%	3700	3169	86%	4	23%	1	24%
47	Choularamaram (Own)	-	-	-	-	15000	12000	80%	8	22%	-	22%
Janagan District												
48	Station Ghanpur (AMC)*	5000	5000	100%	25%	5000	5000	100%	0	25%	0	25%
Region Total		69950	68111	97%	25%	81200	69373	85%	-12	23%	-2	21%
Nizamabad Region												
Nizamabad District.												
49	Sarangapur (Own)	10000	10000	100%	25%	10000	12528	125%	25	25%	3	25%
50	Sikhindrapur (Own)	10000	8750	88%	23%	10000	10000	100%	12	25%	2	25%
Kamareddy Dist												
51	Madaram (Own)	13400	9711	72%	22%	13400	12946	97%	25	25%	3	25%
52	Patharajampet (Own)	-	-	-	-	24000	25056	104%	104	25%	-	25%
53	Boregon (Own)	-	-	-	-	6666	6666	100%	100	25%	-	25%
54	Kamareddy (Own)	15000	18178	121%	25%	15000	18476	123%	2	25%	0	25%
Adilabad District												
55	Echoda (AMC)*	6851	6851	100%	25%	5597	5597	100%	0	25%	0	25%
Region Total		55251	53490	97%	25%	84663	91269	108%	11	23%	2	25%
GRAND TOTAL:		497102	486409	87%	24%	546063	513734	94%	7	25%	1	25%

\* and other connected AMC units

P.I. is not applicable due to occupancy is less than 40%

1	Nalgonda (Own)	20000	8934	45%	18%	19000	3747	20%	-25		-3
2	V.T Palem (Own)	20500	10593	52%	18%	20500	7591	37%	-15		-2
3	Palvancha (Own)	3250	2558	79%	25%	9750	2500	26%	-53		
4	Gundlapahad (Own)					10000	3334	33%	33		
5	Lakkora (Own)					10000	2907	29%	29		

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