

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No. APSRTC-12023/1/2019-IE



Office of the VC & MD,
RTC House, Vijayawada-13.

CIRCULAR No.04/2019-IED, Dated:30.10.2019.

Sub: PIB: Operation of Production Incentive Bonus (PIB) scheme of all Tyre Retreading Shops – Extension of validity of scheme – Reg.

- Ref: 1. Circular No.9/2004-IED, dt.13.05.2004.
2. Circular No.13/2004-IED, dt.09.12.2004.
3. Circular No.22/2010-IED, dt.25.10.2010.
4. Circular No.03/2017-IED, dt.03.10.2017.

The Tyre Retreading Shops were established to meet the demand of RC, RT, Repair of Tyres etc., from Depots / Units. The Production Incentive Bonus (PIB) scheme for Tyre Retreading Shops was initially introduced at Vijayawada and Hyderabad (Musheerabad) in the year 1976 and was subsequently extended to other unit.

With the induction of pre-cured process in the year 1986, the PIB scheme for this process was evolved and introduced at TRS: Vizianagaram and was extended to other units of the Corporation. Considering the advantages in operating the PIB scheme in Tyre Retreading Shops, the validity of the scheme was extended from time to time with required modifications.

The first revised Circular on PIB Scheme for Tyre Retreading Shops was communicated vide Circular no.IX/1990-IED, dt.18.07.1990.

In order to improve productivity, taking in to account of technology improvements like using of pre-cured rubber for capping of tyres (belting), use of electrical curing chambers for retread, repair and recapping tyres, improvised repair patches etc., second revised Circular on Production Incentive Scheme was communicated to all Tyre Retreading Shops of the Corporation vide Circular No. **09/2004-IED, dt.13.05.2004** w.e.f. 01.06.2004. The Effective Man Hours (EMHs) were revised from 142 to 152. The man power provision is made at 125% PL and obsolete activities like “**major repairs**” were eliminated.

The revised Circular No.13/2004-IED, dt.09.12.2014 came in to force from the production month of December 2004, on the request of recognized union duly making effective man hours to 142, study was proposed to examine to eliminate “major repairs” activity and to carry out time study to arrive man minutes for radial tyres.

Vide Circular no.22/2010-IED, the man minutes for processing of radial tyres were communicated.

The Production Incentive Bonus Schemefor TRSs is in operation at the following units of the Corporation;

1. Tyre Retreading Shop, Kadapa (KDP)
2. Tyre Retreading Shop, Nellore (NLR)
3. Tyre Retreading Shop, Vijayawada (VJA)
4. Tyre Retreading Shop, Vizianagaram (VZM)

In order to suit the present environment of operations in APSRTC, VC&MD has formulated three committees to submit their recommendations to improve the productivity of Production Units. Whenever the approved recommendations received, separate circular instructions shall be issued.

The Government of Andhra Pradesh have proposed to merge APSRTC in to Government by renaming as Public Transport Department. An expert committee was formed by the Government & obtained recommendations on procedure to be followed in merging the APSRTC in to Government of Andhra Pradesh.

Besides extending the validity of the PIB Scheme of Tyre Retreading Shops, the following clauses are included.

Clause No. II :

c.1) Auditing and allowing man hours based on job cards vis-a-vis actual work carried out shall be done by AO / Dy. CAO concerned, but not allowing the complete Standard Man Hours (SMHs) given for that Activity. It means the SMHs shall be arrived and allowed purely based on the actual work/activities turned out.

g.1) Non sanctioned post/category shall not be operated in Tyre Retreading Shops by WM / AME concerned.

g.2) ED (Z) has to ensure the ratio between General to Production & Workmen to Supervisor by keeping the ratio of immediate previous production month or the ratio stipulated for that Unit, whichever is less.

g.3) The requirement of category wise manpower shall be arrived based on the production hours given up to that month in that cycle period (by implementing) on monthly basis along with auditing of production given vis-a-vis identification of surplus / shortage of employees category wise shall be notified by AO / Dy.CAO concerned.

g.4) Redeployment of manpower shall be carried out in every January and July months of every year in order to keep manpower in commensuration with the production given up to that month by Executive Director (Zone) in consultation with Dy. CAO (Zone).

g.5) The Executive Director (Zone) in consultation with Dy. CAO(Zone) is empowered to fill up the shortage of category wise manpower by means of outsourcing / contract basis / repatriation after establishing need and sufficient justification, when there are no same surplus categories available in the Zone, for a period of 6 months or till a regular postings are given as per the rules and regulations in vogue, whichever occurs earlier.

h.1) The base hours of the employee shall take into consideration for that particular production month when the employee is worked for full / partial month. However, the clauses for payment of incentive are stands good as per Circular No.13/2004-IED, Dt.09.12.2004.

k. 1) The MHR applicable for sharing of labour cost saved at various slabs and various %PLs i.e., 80 - 85%PL (1st slab), 85 - 100% PL (2nd slab) and 100 - 125/150%PL (3rd slab) should be rounded off to two decimal points.

Clause No. III :

a.1) The procedure for calculation of the incentive payments at TRSs with outsourced manpower in Production Section is shown at Appendix-D.

d.1) Dy. CAO / A.O. is responsible to allow the incentive amount to the employees who are working in the production units based on the sanctions given by the competent authority, on monthly basis.

All other terms and conditions of the Circular No.13/2004-IED, & 3/2017-IED remain unchanged.

The Vice Chairman & Managing Director with the concurrence of FA&CAO accorded sanction for **extension of the validity of Production Incentive Bonus Scheme to all the Tyre Retreading Shops for a period of one year i.e., from 01.12.2019 to 30.11.2020 with the above modifications** or till a new / modified incentive scheme is introduced, whichever occurs earlier.



CHIEF ENGINEER (IE)

Copy to: ED(E), ED(A), ED(O), Director(V&S), FA&CAO & all EDs(Z) for favour of information please.

: Sr.RAO(AG), RTC House, Vijayawada for information please.

: All RMs / HODs for information please.

: CE (IT) is requested to arrange to keep the scanned copy of this circular in web portal under "IED" circulars.

: Secretary to Chairman and Secretary to VC&MD for kind information please.

: All WMs/Dy.CMEs/Dy.CAOs/AOs/Principals of ZSTCs/Principal of Transport Academy

: PO (HRD) for inclusion in monthly index.

: The General Secretary, APSRTC, E.U, PNBS, Vijayawada.

: The General Secretary, APSRTC, National Mazdoor Union, Vijayawada.

: The General Secretaries of APSRTC Karmika Parishat, APSRTC SWF, APSRTC BWU, APSRTC Karmika Sangh, APSRTC Workers Union & YSR RTC Mazdoor Union.

: The General Secretary, APSRTC Class-II Supervisors' Association.

Illustration for calculating the incentive payments at TRSs with Outsourced Manpower in Production Section:

Production Particulars:

Sl.No	Particulars	Actual No. of Units Produced (a)	Man Minutes per Unit (b)	Total Man Minutes c = a x b
1	RC Tyres			
	a) Nylon	2	90	180.00
	b) Radial	1484	146	216664.00
2	RT Tyres	0	181	0.00
3	Repair Tyres cured			
	a) Nylon	4	11	44.00
	b) Radial	187	18.98	3549.26
4	Uniseals	5	40	200.00
5	RC (UP)			
	a) Nylon	0	100.17	0.00
	b) Radial	390	95	37050.00
6	Repair & Re-Use (UP)			
	a) Nylon	4	100.17	400.68
	b) Radial	457	95	43415.00
7	Spotters curing Repair	95	4.83	458.85
8	Spotters curing Nylon	0	105	0.00
9	Spotters curing Radial	0	99.83	0.00
Grand Total				301961.79
OR SAY 5032.70 (301961.79/60) HOURS				

Production Section Strength:

1	Skilled Employees	18
2	Unskilled Employees	07
3	Out Sourced	04
Total		29

Equivalent manpower of RTC = 68 (Skilled x 3 + Unskilled x 2).

General Section Strength:

1	Skilled Employees	02
2	Unskilled Employees	02
3	Out Sourced	01
Total		05

The Effective Man Hours (EMHs) per employee per month are 142.

Base Production Hours at 80% PL = 3294.40 (RTC = 2840.00 & O/S = 454.40).

%PL = (Actual Production / Base Production) x 80

= (5032.70 / 3294.40) x 80 = 122.21

Actual Production Hours = 5032.70.

From
ARM/JEP.

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Less

a) SMHs of Outsourced persons – 4 x 142 x 1.2221 = 694.15

Production arrived for RTC Employees (5032.70 - 694.15) = 4338.55

%PL (4338.55/2840.00) x 80 = 122.21

CALCULATION FOR PAYABLE INCENTIVE AMOUNT :Output :

1. At 80%	25x142x0.80	= 2840.00
2. At 85%	25x142x0.85	= 3017.50
3. At 100%	25x142x1.00	= 3550.00
4. At 122.21%		= 338.55

Assuming the Man Hour Rate (MHR) to be = Rs.79.37 Ps.

Amount Payable + (Man Hours Saved X MHR X Employee sharing):

1. First slab	= ((3017.50-2840.00) X 79.37 X 0.65)	= Rs. 9,157.31
2. Second slab	= ((3550.00-3017.50) X 79.37 X 0.80)	= Rs.33,811.62
3. At 122.21% PL	= ((4338.55-3550.00) X 79.37 X 0.90)	= Rs.56,335.59
	Total	= Rs.99,304.52

Incentive amount for Skilled = (99304.52x3.0)/68.00
= Rs.4,381.08Incentive amount for Un-skilled = (99304.52x2.0)/68.00
= Rs.2,920.72

Incentive to the Skilled Manpower of Production Section = 78859.44 (4381.08x18)

Incentive to the Un-Skilled Manpower of Production Section = 20445.04 (2920.72x07)

Incentive to the Skilled Manpower of General Section = 8762.16 (4381.08x02)

Incentive to the Un-Skilled Manpower of General Section = 5841.44 (2920.72x02)

Note: No incentive to the Outsourcing Persons.

Shree
AEM/IED

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