

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

O/o Managing Director
Mushirabad, HYDERABAD-20.

Dated: 18 JULY 1990.

No. IX/1990/IED.

C I R C U L A R

SUB:- PRODUCTION INCENTIVE BONUS SCHEME - Production Incentive Bonus Scheme at Tyre Retreading Shops, Hyderabad, Vijayawada, Cuddapah, Karimnagar and Vizianagaram - Extension of the Scheme for a period of 2 years and 9 months from the production month of JULY 1990 to MARCH 1993 - Communication of sanction - Regarding.

- REF:-
1. Corpn. Resolution No. 1/1976, dt. 24-1-1976.
 2. Corpn. Resolution No. 39/1977, dt. 24-3-1977.
 3. Corpn. Resolution No. 11/1980, dt. 16-1-1980.
 4. Corpn. Resolution No. 23/1985, dt. 16-2-1985.
 5. Corpn. Resolution No. 4/1986, dt. 9-1-1986.
 6. Corpn. Resolution No. 93/1987, dt. 10-6-1987.

1. INTRODUCTION:

1.1. The Production Incentive Bonus Scheme was initially introduced in Tyre Retreading Shops at Hyderabad and Vijayawada in 1976 and was subsequently extended to other Tyre Retreading Shops at Cuddapah, Karimnagar in course of time. The PIB Scheme for precured process of Tyre Retreading was introduced in Tyre Retreading Shop at Vizianagaram in 1986 and further extended to all Tyre Retreading Shops of Corporation.

1.2. Considering the advantages in operating the PIB Schemes, the validity of the schemes was extended after periodical review from time to time by the Corporation Board. The last extension for conventional process of Tyre Retreading is valid upto the end of DEC 1989 and precured process of tyre retreading is valid upto APR 1990.

1.3. Vide Resolution No. 83/1990, dated 2-7-1990, Corporation Board has accorded sanction for further extension of Production Incentive Bonus Schemes for a period of 2 years and 9 months with effect from the production month of JULY 1990 to MARCH 1993 and also ratified the action taken by the VC & MD for temporary extension of the PIB scheme for conventional process upto APR 1990 to make it co-terminus with PIB Scheme of precured process and also ratified the action taken by VC & MD for temporary extension of both the schemes upto JUNE 1990.

2.1. To operate the incentive scheme the Tyre Retreading Shops are divided into the following sections/groups:

- I. Tyre Retreading Shops: VJA/CDP & KRMR
- a) Group-A -- RT/RC of tyres (conventional process)
 - b) Group-B -- Repairs of Tyres & Tubes (conventional & precured)
 - c) Group-A1 -- RC of tyres (Precured process)
 - d) Group-C -- General.

- II. Tyre Retreading Shops: VZM/HYD
- a) Group-A -- RC of tyres (Precured process)
 - b) Group-B -- Repairs of tyres & tubes (precured process)
 - c) Group-C -- General.

2.2. Production groups consisting of men attached to production activity and General group consisting of all other supporting staff.

2.3. In order to compute the out put of Tyre Retreading Shop at the end of the production month, the work content of each production item is established in terms of standard man minutes as indicated at Annexure 'A'.

2.4. The base performance level for the payment of incentive amount shall be reckoned as 80%. When once this performance level is crossed, the rate of distribution of the savings on Labour Cost between workmen and management will be as follows:

PL	Share of Saving	1st slab	2nd slab	3rd slab	4th slab
80-85	65%	Above 80% and upto 85% performance level - 65% of savings on Std. cost of Labour to the workmen and 35% to the management.	Above 85% and upto 100% PL - 80% of savings on Std. cost of Labour to the workmen and 20% to the management.	Above 100% and upto 125% PL - 90% of savings on Std. cost of Labour to the workmen and 10% to the management.	Above 125% PL - 100% of savings on Std. cost of Labour to the workmen. (For conventional process only)
85-100	80%				
100-125	90%				
>125%	100%				

of
Std. Labour Cost

2.5. The maximum performance level for precured process of tyre retreading is limited to 125% in order to maintain the quality.

2.6. The workmen are divided into two categories viz. skilled/semi-skilled and unskilled. These two categories of workmen will be paid incentive amount in the ratio of 1.2 : 0.8.

2.7. The workmen in the General section are eligible to receive the incentive amount on par with the corresponding category of production men subject to fulfilment of the other eligibility clauses.

2.8. The rates of incentive amount payable to Officers/Supervisors are as follows:

i) Leading Hand	..	Amount earned by the skilled workmen of General section	+ Rs.10/-
ii) Dy. Supdt. (Mech)	..	-do-	+ Rs.15/-
iii) Supdt. (Mech)	..	-do-	+ Rs.20/-
iv) Asst. Engineer (Mech.)	..	-do-	+ Rs.25/-
v) Officer-in-charge.	..	-do-	+ Rs.50/-

2.9. MAN HOUR RATE:

The man hour rate will be revised once in every year during the month of April considering the salaries (PAY + DA + HRA + CCA) paid during the preceeding three months. Supervisors and their salaries are excluded for this purpose.

2.10. STANDARD MAN MINUTES:

2.10.1. Standard man minutes for a job work is the total time required for completion of the work by an average person working under normal conditions including personal and relaxation allowances, allowances for variation of work content and other contingencies as furnished at Annexure-A.

2.11. AVAILABLE MAN HOURS:

2.11.1. Average effective man hours available for production per worker per month is computed and arrived at 152 hours after making provisions for:

- a) Dress change and hands cleaning .. 40 minutes/day.
- b) Tea and refreshment .. 30 "
- c) 10% allowances towards exigencies.

2.11.2. The man power provision is made on average production demand equating to 125% PL.

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2.12. The monthly production figures will be verified by the Dy. Managers (Finance) of concerned region before payment of incentive amount.

2.13. All the production statements and audited claim sheets should be sent to C.L.(IE) for verification and record, who will intum give clearance to pay the next month's incentive after verification of calculations to avoid excess or short payments.

2.14. METHOD OF CALCULATION OF PERFORMANCE LEVEL:

2.14.1. The in put of the Tyre Retreading Shop is computed in terms of standard man hours by multiplying the total staff in the production section (excluding leave reserve) with 152 hours.

2.14.2. The out put of the Tyre Retreading Shop is computed basing on the actual production turned out during the production month multiplied by the standard man minutes allowed for each item.

2.14.3. Performance level of the section of the TRS for any month is calculated as follows:

$$P.L. = \frac{\text{Out put during the month}}{\text{In put during the month}} \times 100$$

2.15. METHOD OF CALCULATION OF INCENTIVE AMOUNT:

2.15.1. Incentive amount payable to skilled/unskilled workers shall be calculated based on the performance of individual sections and payment shall be made to the men of that section only.

2.15.2. Total amount earned by the production sections shall be pooled and divided by the equivalent men of production sections. The amount thus earned for an equivalent worker has to be multiplied by 1.2 and 0.6 to get the incentive amount payable to skilled/Helper and Semi/unskilled workmen of General section respectively.

2.16. In order to maintain the quality of production in conventional process the base production has been reduced to the extent of 10 tyres per one working mould and also the average curing time of the sectional repairs has been increased from 2.6 Hours to 2.8 Hours per tyre.

2.17. To bring down the inprocess failure rate in conventional process and to motivate the workmen to attain the rejection rate of less than 1% an additional incentive is offered. The incentive amount will be equivalent to the material cost saved on below 1% process failure, distributed among the workmen of retreading/recaping (conventional

process) section if the performance level of the section is above base performance i.e. above 80% PL.

3. TERMS & CONDITIONS FOR ELIGIBILITY OF INCENTIVE AMOUNT :

3.1. A workman/supervisor/Officer will be eligible for incentive amount only if his absence from work does not exceed:

a) 10 days in a production month in case if he has leave to his credit.

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b) 5 days in a production month in case he does not have sufficient leave to his credit to cover the period of absence.

3.2. The staff deputed for training in Fire fighting/home guards/improvement of skills in the trade/in the sports in and outside the State will be eligible to receive production incentive bonus amount irrespective of the period of such training. The maximum number of participants in such training programme will be decided by the Sr.Engineer(Works) concerned.

3.3. The employees participating in a strike / agitation/work to rule/lightening strike/Tool down strike etc. are not eligible to receive the incentive amount payable at the end of the production month.

3.4. The Employees who have attended to their duties on the day of strike/agitation, etc. shall be eligible to receive the incentive amount payable for that month even if a section of the employee participated in a strike/agitation, etc. subject to fulfilment of other eligibility clauses.

3.5. TRANSFERS:

3.5.1. An employee who has worked in a section for more than 15 days in a production month and subsequently transferred to another section within the TRS, should be included in the base production of the section and is eligible for the incentive amount of the section in which he has worked for more than 15 days.

3.5.2. In case of an employee who has worked in a section for more than 15 days in a production month and subsequently transferred to other places (outside the TRS) on administrative grounds, he should be included in the base production of the section and is eligible for the incentive of the section in which he has worked for more than 15 days.

3.5.3. If an employee on promotion is retained in the same section or transferred to any other section, the incentive amount and the base production be calculated in that section and cadre where he has worked for more than 15 days.

of the production month which is less than 20 days
not be eligible for the incentive amount.

3.7. LIFTING OF SUSPENSION:

3.7.1. In case an employee resumes to his duty after lifting the suspension after 10 days in a production month and works for less than 20 days, he will not be eligible to receive the incentive amount.

3.8. IN CASE OF SPECIAL CASUAL LEAVE:

3.8.1. In case an employee avails special casual leave for more than 10 days due to infectious diseases, he will not be eligible to receive incentive amount.

3.8.2. In case an employee avails special casual leave for sterilisation operation, he will be eligible to receive the incentive amount on pro-rata basis for the number of days he has worked in that production month in case the total leave availed is more than the limits of attendance clause..

3.9. DIVERSION OF AMOUNTS ACCRUED DUE TO APPLICATION OF ABSENTEEISM CLAUSE:

3.9.1. The incentive amount accrued due to application of absenteeism clause should be diverted to the Tyre Retreading Shops wherever the Canteen facility is not available and will be distributed among the eligible employees uniformly.

3.10. Sweepers engaged against sanctions, working in Tyre Retreading Shops, are eligible to receive production incentive bonus in the same manner as an unskilled worker subject to their acceptance in writing to adhere to the leave conditions & timings as applicable to the unskilled workers of Tyre Retreading Shops.

3.11. The casual workmen engaged against sanctions shall be included for base and production performance computation. They are also eligible to receive incentive amount on par with the other workmen of the corresponding category and section subject to eligibility and other clauses.

4. DELEGATION OF POWERS:

4.1. Increase in manpower due to increase in demand shall be done with the prior approval of ED(E) in consultation with CE(IE) though the sanctions are available.

4.2. Reduction of base in any section for reason of staff being long absent/sick/leave, etc. for a period of more than 6 months shall be done with the approval of Regional Manager and the concurrence of Sr. Manager(Finance)

- 4.3. The right to recover or arrange incentive payment as the case may be arising out of errors in calculation if any detected at a later date rests with CE(IE).
- 4.4. Officer in-charge of all Tyre Retreading Shops should submit the production statements and audited production incentive claim sheets to CE(IE) for verification and record who will in turn give clearance to pay next months incentive to avoid excess/short payments.
- 4.5. ED(E) is authorised to make any changes in the scheme as may be considered necessary from time to time in consultation with CE(IE).
- 4.6. Transfer of men from any production section to general section shall be done with the prior approval of ED(E) in consultation with CE(IE).
- 4.7. Transfer of men from one production section to other production section shall be done with the prior approval of Regional Manager with the concurrence of Sr.Manager(Finance).
- 4.8. ED(E) is authorised to relax the ceiling 125% PL in precured tyre retreading process, considering the demand in consultation with CE(IE).
- 4.9. Transfer of men from General section to any production section within the TRS shall be done with the prior approval of Regional Manager and concurrence of Sr.Manager(Finance).
- 4.10. Transfer of men from TRS to other units and vice-versa keeping the general men to production men ratio unaltered shall be done by Regional Manager with the concurrence of Sr.Manager(Finance).
- 4.11. Sr.Engineer(Works) is authorised to reduce the base production in case of an employee removed/terminated/expired/retired or promoted as Supervisor, duly making an endorsement in the production incentive claim sheets.

Sd/-
CHIEF ENGINEER(IE)

Copy to :

FA&CAO/All EDs/All HODs/All RMs/Secretary to Board
Sr.Engineers(W)/Sr.Manager(F) & (P)/Sr.Engineer(Mech) of
all Regions.
Sr.Engineer(Prod.)/HYD, Sr.Manager(F)(TA&I) 10 Copies/HYD.
Sr.Engineer(Tyres)/HYD/Sr.Manager(ML):HYD/AG Audit, RTC Branch.
Dy.Engineer(Tyres)/Dy.Manager(F)(P&A) of all Regions.
Dy.Manager(P), RM/GR: Dy.Manager(P) of all Regional Workshops
Secy.to Chairman/Secy.to VC &MD.
Dy.Manager(Costing)/Sr.Manager(F)(CB&C)/HYD.
Genl.Secretary, APSRTC, N M U, Vidyanagar, Hyderabad
Convenors, Shop Committees of all TRSs(through Dy.Engineer(Tyres))

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STANDARD MAN MINUTES

1. Retreading/Recapping of Tyres (Conventional Process)	= 181
2. Section Repairs of Tyres (Conventional Process)	= 266
3. Tube Repairs (Conventional Process)	= 22
4. Recapping of Tyres (Precured process) MGL 2 tyre steam bender	= 90 *
5. Unipatch repairs	= 105
6. Uniseal repairs	= 40
7. Tube repairs (Precured Process)	= 18
8. Lug filling for semi lug type	= 30 (Adhoc)
9. <u>Curing of unipatch in sectional moulds</u>	= 11 (Adhoc)
10. Valve base repairs of tubes	= 2.5 times the tube repair of conventio- nal or precured as the case may be.
11. Recapping of tyres (Precured Process) INDAG Process.	= 90 * (Adhoc)

* As revised during negotiations
with N.M.U. on 20 MAR 1990.