

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

Lr.No. IE-2/367(3)/2003-IED

O/O the Managing Director,
Mushirabad, Hyderabad- 20.

Dated : 26.02.2003.

CIRCULAR No. 2/2003-IED

Sub: **INCENTIVES** - Depot incentive Scheme & Special Incentive Scheme
- Revision of rates of Incentive payments on Earnings Parameter and
fixation of Service-wise targets consequent to **FARE REVISION W.E.F**
04-2-2003 - Circular instructions issued - Reg.

- Ref: 1. Circular No. 09/2003 - OPD(P), dt. 03 -02-2003.
2. Cir.No.1/2001-IED, dt. 09.02.2001.
3. Cir.No.2/2001-IED, dt. 09.02.2001.
4. Cir.No.3/2001-IED, dt. 09.02.2001.
5. Cir.No.30/2001-IED, dt. 04.12.2001.
6. Cir.No.IED -18/1999 dt.31.08.1999.

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I. INTRODUCTION:

Vide Circular 1st cited, the Corporation has revised the fares in respect of District Ordinary, Express, Luxury, Ghat road operations and City/Town services w.e.f. **04.02.2003**. In view of the revision of the fares, it is necessary to revise the rates of incentive on Earnings Parameter and service-wise targets. The Circular instructions will come in to force w.e.f. **04.02.2003**.

II. PERCENTAGE OF FARE INCREASE:

The impact of the fare increase on various types of services has been computed. The % increase due to revision of fare hike is as shown below:

Sl. No	Type of Service	% of increase
A. DISTRICT SERVICES:		
1.	Ordinary	8.00
2.	Express	8.11
3.	Luxury	2.27
4.	Hi-Tech/Del.	No change
5.	A.C./Sleeper	No change
6.	Gramani	8.24
B. ALL CITY/TOWN SERVICES:		
1.	Ordinary	2.00
2.	Green Express (VSP & VJA)	13.73
3.	Metro/City Express	5.25
4.	Metro/City Liner (VEERA)	1.75
5.	Sub-Urban	2.00

Contd..2,

For District services operated by Hyderabad City Region depots, the percentage of fare increase is same as in the case of District services shown at para No.II.A. Similarly, for sub-urban services operated by District depots the percentage of fare increase is same as in the case of City/Town Sub-urban services.

III. **FIXATION OF SERVICE-WISE TARGETS:**

For easy understanding the method to be adopted for fixing the targets in respect of "**District Ordinary Services**" is illustrated below:

a) **TARGETS FOR FEBRUARY 2003:**

Increase the EPK of service by 8.00 % for 12 months i.e. from February 2002 to January 2003 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.05 and Schedule Kms. to obtain the service Target.

b) **TARGETS FOR MARCH 2003:**

Increase the EPK of service by 8.00 % for 11 months i.e. from March 2002 to January 2003. Add the EPK of February '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.05 and Schedule Kms. to obtain the service Target.

c) **TARGETS FOR APRIL 2003:**

Increase the EPK of service by 8.00 % for 10 months i.e. from April 2002 to January 2003. Add the EPK of February '03 & March '03 and obtain the average EPK for 12 months.. Multiply this average EPK with monthly correction factor 1.05 and Schedule Kms. to obtain the service Target.

d) **TARGETS FOR MAY 2003:**

Increase the EPK of service by 8.00 % for 9 months i.e. from May 2002 to January 2003. Add the EPK from February '03 to April '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.10 and Schedule Kms. to obtain the service Target.

e) **TARGETS FOR JUNE 2003:**

Increase the EPK of service by 8.00 % for 8 months i.e. from June 2002 to January 2003. Add the EPK from February '03 to May '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.10 and Schedule Kms. to obtain the service Target.

f) **TARGETS FOR JULY 2003:**

Increase the EPK of service by 8.00 % for 7 months i.e. from July 2002 to January 2003. Add the EPK from February '03 to June '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 0.95 and Schedule Kms. to obtain the service Target.

Contd..3,

g) TARGETS FOR AUG 2003:

Increase the EPK of service by 8.00 % for 6 months i.e. from August 2002 to January 2003. Add the EPK from February '03 to July '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 0.95 and Schedule Kms. to obtain the service Target.

h) TARGETS FOR SEPTEMBER 2003:

Increase the EPK of service by 8.00 % for 5 months i.e. from September 2002 to January 2003. Add the EPK from February '03 to Aug '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 0.95 and Schedule Kms. to obtain the service Target.

i) TARGETS FOR OCTOBER 2003:

Increase the EPK of service by 8.00 % for 4 months i.e. from October 2002 to January 2003. Add the EPK from February '03 to September '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.00 and Schedule Kms. to obtain the service Target.

j) TARGETS FOR NOVEMBER 2003:

Increase the EPK of service by 8.00 % for 3 months i.e. from November 2002 to January 2003. Add the EPK from February '03 to October '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.00 and Schedule Kms. to obtain the service Target.

k) TARGETS FOR DECEMBER 2003:

Increase the EPK of service by 8.00 % for 2 months i.e. from December 2002 to January 2003. Add the EPK from February '03 to November '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.00 and Schedule Kms. to obtain the service Target.

l) TARGETS FOR JANUARY 2004:

Increase the EPK of service by 8.00 % for the month of January 2003. Add the EPK from February '03 to December '03 and obtain the average EPK for 12 months. Multiply this average EPK with monthly correction factor 1.05 and Schedule Kms. to obtain the service Target.

There is no need to increase the EPK of the service from February '04 onwards.

On similar basis new targets for other District Express, Luxury, Gramani/and City/Town services etc., may be fixed with the respective percentage of increase as shown in this Circular vide para No.II.

IV. REVISED RATES OF INCENTIVE PAYMENTS:

The following are the revised rates of incentive payments on earnings parameter for different types of services to be implemented w.e.f. 04.02.2003.

1. DISTRICT DEPOTS:

Type of Service	CATEGORY	75% Tgt to Below Target	On Reaching the Tgt.	ABOVE TARGET	
				>0% - 30% of Above Tgt	>30% Earn.
ORD.	DRIV SPOT	0.07	0.19	2.92	4.81
	COND SPOT	0.07	0.19	2.92	4.81
	COND M.End	0.07	0.19	1.71	2.82
	POOL	0.00	0.00	1.85	1.85
	TOTAL	0.21	0.57	9.40	14.29
EXP.	DRIV SPOT	0.06	0.16	2.52	4.15
	COND SPOT	0.06	0.16	2.52	4.15
	COND M.End	0.06	0.16	1.48	2.44
	POOL	0.00	0.00	1.54	1.54
	TOTAL	0.18	0.48	8.06	12.28
LUX.	DRIV SPOT	0.06	0.15	2.24	3.70
	COND SPOT	0.06	0.15	2.24	3.70
	COND M.End	0.06	0.15	1.32	2.18
	POOL	0.00	0.00	1.58	1.58
	TOTAL	0.18	0.45	7.38	11.16
HI-TECH	DRIV SPOT	0.05	0.12	1.94	3.20
	COND SPOT	0.05	0.12	1.94	3.20
	COND M.End	0.05	0.12	1.14	1.88
	POOL	0.00	0.00	1.56	1.56
	TOTAL	0.15	0.36	6.58	9.84
A.C./ SLEEPER	DRIV SPOT	0.04	0.11	1.68	2.77
	COND SPOT	0.04	0.11	1.68	2.77
	COND M.End	0.04	0.11	0.99	1.64
	POOL	0.00	0.00	1.67	1.67
	TOTAL	0.12	0.33	6.02	8.85
GRAM.	DRIV SPOT	0.06	0.17	2.59	4.26
	COND SPOT	0.06	0.17	2.59	4.26
	COND M.End	0.06	0.17	1.52	2.50
	POOL	0.00	0.00	1.64	1.64
	TOTAL	0.18	0.51	8.34	12.66

2. HYDERABAD CITY REGION DEPOTS:

Sl. No.	Type of Service	CATEGORY	ON Reaching TARGET(%)	ABOVE TARGET EARN (%)	
				>0% - 20%	>20%
CITY SERVICES:					
1.	ORDINARY	POOL AMT.	0.68	1.60	3.92
2.	METRO EXPRESS	POOL AMT.	0.83	1.96	4.80
3.	METRO LINER	POOL AMT.	0.64	1.50	3.71
4.	SUB-URBAN	POOL AMT.	0.67	1.55	3.79
5.	GRAMANI	POOL AMT.	0.63	1.46	3.58
DISTRICT SERVICES:					
1.	ORDINARY	POOL AMT.	0.76	1.13	2.76
2.	EXPRESS	POOL AMT.	0.64	0.96	2.37
3.	LUXURY	POOL AMT.	0.60	0.89	2.14
4.	HI-TECH	POOL AMT.	0.49	0.79	1.89
5.	A.C./SLEEPER	POOL AMT.	0.45	0.72	1.70

3. VISAKHAPATNAM CITY, VIJAYAWADA & HANMAKONDA TOWN SERVICES:

Sl. No.	TYPE of SERVICE	CATEGORY	ON Reaching TARGET(%)	ABOVE TARGET EARN (%)	
				>0% - 20%	>20%
1	ORDINARY	COND. DRI.	0.20	0.78	2.35
			0.14	0.16	0.59
2	EXPRESS	COND. DRI.	0.16	0.62	1.84
			0.11	0.13	0.48
3	CITY EXPRESS	COND. DRI.	0.23	0.93	2.77
			0.17	0.20	0.70
4	CITY LINER	COND. DRI.	0.19	0.74	2.19
			0.13	0.15	0.54
5	SUB-URBAN	COND. DRI.	0.20	0.76	2.28
			0.14	0.16	0.59
6	GRAMANI	COND. DRI.	0.18	0.72	2.15
			0.13	0.15	0.55

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V. SPECIAL INCENTIVE SCHEME FOR D.Ms AND SUPERVISORS:

Vide para No.6 of Circular No.IED-18/1999, Dt.31.08.1999, it was clearly mentioned that whenever fare hike occurs, the percentage of fare hike has to be calculated. The EPB of corresponding month of previous year shall be increased by the above percentage and compared with the actual EPB of the current month. Hence, from February '03 to January '04 **fare hike factor** has to be calculated every month and EPB of corresponding month of last year shall be multiplied with this fare hike factor of the month and then compared with EPB of current month. The monthly fare hike factor has to be calculated as shown below:

$$\text{Fare Hike Factor} = 1 + \frac{(\text{No.of Dist. Ord.Veh. X 8.00} + \text{No.of Exp.Veh X 8.11} + \text{No.of Lux.Veh. X 2.27} + \text{No.of H.T.Veh. X 0} + \text{No.of A.C. Veh. X 0} + \text{No.of Gram. Veh. X 8.24} + \text{No.of City Ord. Veh. X 2.00} + \text{No.of Green Exp.Veh. X 13.73} + \text{No.of Metro/City .Exp.Veh. X 5.25} + \text{No. of Metro/City Liner Veh. X 1.75} + \text{No.of Sub-urban Veh. X 2.00})}{\text{TOTAL FLEET HELD DURING THE MONTH X 100}}$$

$$\% \text{ Growth in EPB} = \frac{\text{EPB of current month} - (\text{EPB of corresponding month of last year X Fare Hike Factor})}{\text{EPB of corresponding month of last year X Fare Hike Factor}}$$

After obtaining the percentage growth in EPB as per above procedure, incentive pool is calculated and the same is distributed among D.M and Supervisors as per the existing Circular.

1. FOR THE MONTH OF FEBRUARY '03:

- A) Earnings from 1-2-2002 to 3-2-2002 = Rs. _____
- B) Earnings from 4-2-2002 to 28-2-2002 = Rs. _____

C) Earnings for the month of February'2002= Rs. A + (B X Fare Hike Factor)

$$\text{EPB for February '2002} = \frac{C}{\text{Cum. Fleet held during Feb'2002}}$$

The EPB for February'2002 calculated as shown above shall be compared With actual EPB of February'2003 to calculate the % of growth in EPB.

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Feb'03} - (\text{EPB of Feb'02 as calculated above})}{\text{EPB of Feb'02 as calculated above}}$$

2. FOR THE MONTH OF MARCH '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Mar '03} - (\text{EPB of Mar '02} \times \text{Fare Hike Factor})}{\text{EPB of Mar '02} \times \text{Fare Hike Factor}}$$

3. FOR THE MONTH OF APRIL '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Apr '03} - (\text{EPB of Apr '02} \times \text{Fare Hike Factor})}{\text{EPB of Apr '02} \times \text{Fare Hike Factor}}$$

4. FOR THE MONTH OF MAY '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of May '03} - (\text{EPB of May '02} \times \text{Fare Hike Factor})}{\text{EPB of May '02} \times \text{Fare Hike Factor}}$$

5. FOR THE MONTH OF JUNE '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Jun '03} - (\text{EPB of Jun '02} \times \text{Fare Hike Factor})}{\text{EPB of Jun '02} \times \text{Fare Hike Factor}}$$

6. FOR THE MONTH OF JULY '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Jul '03} - (\text{EPB of Jul '02} \times \text{Fare Hike Factor})}{\text{EPB of Jul '02} \times \text{Fare Hike Factor}}$$

7. FOR THE MONTH OF AUGUST '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of AUG '03} - (\text{EPB of Aug '02} \times \text{Fare Hike Factor})}{\text{EPB of Aug '02} \times \text{Fare Hike Factor}}$$

8. FOR THE MONTH OF SEPTEMBER '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Sep '03} - (\text{EPB of Sep '02} \times \text{Fare Hike Factor})}{\text{EPB of Sep '02} \times \text{Fare Hike Factor}}$$

9. FOR THE MONTH OF OCTOBER '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Oct '03} - (\text{EPB of Oct '02} \times \text{Fare Hike Factor})}{\text{EPB of Oct '02} \times \text{Fare Hike Factor}}$$

10. FOR THE MONTH OF NOVEMBER '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Nov '03} - (\text{EPB of Nov '02} \times \text{Fare Hike Factor})}{\text{EPB of Nov '02} \times \text{Fare Hike Factor}}$$

11. FOR THE MONTH OF DECEMBER '03:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Dec '03} - (\text{EPB of Dec '02} \times \text{Fare Hike Factor})}{\text{EPB of Dec '02} \times \text{Fare Hike Factor}}$$

12. FOR THE MONTH OF JANUARY '04:

$$\% \text{ Growth in EPB} = \frac{\text{EPB of Jan '04} - (\text{EPB of Jan '03} \times \text{Fare Hike Factor})}{\text{EPB of Jan '03} \times \text{Fare Hike Factor}}$$

From February '04 onwards existing procedure may be adopted. The rates of incentive payments shown in detailed at para No.IV are subject to further revision in fare structure in future. The revised rates of incentive payments are effective from **04.02.2003**.

All the Depot Managers shall fix the revised service-wise targets from 04.02.2003 as per the procedure detailed at para No.III and arrange payment of incentive amounts as per the above revised rates. Any amounts paid from 04.02.2003 in pre-revised rates shall be reviewed and excess/short payments shall be adjusted.

The Regional Managers while fixing the service-wise targets from Feb '03 should ensure that fare hike effect is given for the preceding months service-wise EPK as detailed above and confirm to CE(IE&C) along with a copy of service-wise target fixation sheets of all depots for the month of February 2003.

This has the approval of VC&MD and concurrence of the Financial Advisor.


EXECUTIVE DIRECTOR(MIS)

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