



O/o the VC & MD, Bus Bhavan,
Musheerabad,
Hyderabad-500624,
Dated: 06-02-2008.

No.IE-2/367(13)/2007-IED

CIRCULAR No. 02/2008-IED

Sub: - **DIS:** Payment of Additional Incentive amount to KMPL team members on improvement of HSD Oil KMPL at Bus Depots-Reg.

Ref: - Circular No. 08/2004-IED, dated: 10-05-2004.

I. INTRODUCTION:

The Corporation has spent around Rs.1428 Crores in 2006-07 in purchasing HSD Oil alone which is second largest cost item and constitutes about 35% of total cost of operation of KMs, next to the Personnel cost. The Corporation has registered 5.26 KMPL during the year 2006-07. For every 0.01 improvement in HSD, KMPL, at corporate level, the savings would be around Rs.2.75 Crores per annum.

In view of the introduction of New Technology by the Manufacturers of Chassis with high Horse Power Engines to meet the present competitive scenario, the role of HSD KMPL mechanic in the Depots has become prominent in improving KMPL. Based on the importance of HSD Oil KMPL and to appreciate the efforts made in improving the HSD KMPL, the KMPL team consisting of Mechanic(s) and Assistant(s), need to be motivated further. In view of the above facts an Additional incentive scheme is designed which is applicable to the KMPL team working at the Bus Depots.

II. SALIENT FEATURES OF THE SCHEME:

For the purpose of operating the Additional incentive scheme, the 202 Depots of the Corporation have been grouped as follows:

1. Depots of Hyderabad and Secunderabad Regions and Paderu Depot (22 Depots).
2. Rest of the Depots (180 Depots).

This additional Incentive amount shall be allowed only if the HSD KMPL of the Depot is more than 4.80 in case Depots of Hyderabad and Secunderabad Region and Paderu depot (22 Depots) and more than 5.00 in case of rest of the Depots (180 Depots).

III. TERMS & CONDITIONS:

1. This incentive Scheme is applicable only for HSD KMPL team of a Depot, in addition to the incentive amount paid under group incentive scheme along with other maintenance employees of the depot.
2. The slabs of HSD KMPL and incentive earnings i.e fixed incentive amount for reaching the target and variable incentive amount on crossing the target are furnished as follows:

Ranges and Slabs applicable for the Depots of Hyderabad and Secunderabad Regions and Paderu Depot.

S.No.	SLABS	On reaching the Target		On crossing the Target	
		Fixed Incentive Amount in Rs.		Incentive Amount in Rs. per unit (0.01)	
		Mechanic	Assistant	Mechanic	Assistant
1	> 4.80 & Up to 5.00	135.00	90.00	60.00	40.00
2	> 5.00 & Up to 5.10	150.00	100.00	75.00	50.00
3	> 5.10 & Up to 5.20	180.00	120.00	90.00	60.00
4	> 5.20 & Up to 5.30	210.00	140.00	120.00	80.00
5	> 5.30	240.00	160.00	150.00	100.00

Ranges and Slabs applicable for rest of 180 Depots.

S.No.	SLABS	On reaching the Target		On crossing the Target	
		Fixed Incentive Amount in Rs.		Incentive Amount in Rs. per unit (0.01)	
		Mechanic	Assistant	Mechanic	Assistant
1	> 5.00 & Up to 5.20	135.00	90.00	60.00	40.00
2	> 5.20 & Up to 5.30	150.00	100.00	75.00	50.00
3	> 5.30 & Up to 5.40	180.00	120.00	90.00	60.00
4	> 5.40 & Up to 5.50	210.00	140.00	120.00	80.00
5	> 5.50	240.00	160.00	150.00	100.00

3. The fixation of target of a month of a depot is the HSD KMPL achieved during corresponding month of previous year as per the incentive claim sheet plus 0.01. The operated KMs and HSD oil consumed by VOLVO & Kinglong buses should be excluded for this purpose.
4. Incentive amount under the Scheme will be paid to the HSD KMPL team if the Depot Manager concerned is satisfied with the performance of KMPL Team.
5. The HSD KMPL should be considered up to two decimals.
6. If Schedules of a Depot are below 100, one Mechanic and one Assistant (Shramik or Helper) shall be eligible to receive incentive amount under this scheme.

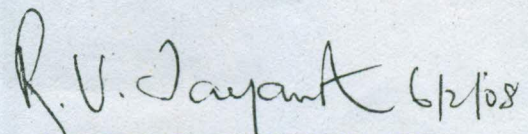
7. If Schedules of a depot are equal to 100 or more, maximum of two mechanics and two assistants only, shall be eligible to receive incentive amount under this scheme, provided they are deployed as HSD KMPL team completely in that month. A certification to that effect should be obtained from Regional Dy.CME before arranging payment.
8. The rest of the terms & conditions stipulated in Circular No. 08/2004-IED, dated 10-05-2004 are unchanged and subject to revision or extension or withdrawal as the case may be deemed.
9. The validity of scheme is from 01-02-2008 to 31-05-2008 only.

IV. ILLUSTRATION:

For better understanding an illustration is furnished here under:

<u>ILLUSTRATION</u>	
Name of the Depot (Mofussil):	"X"
No. of Schedules in that month:	112
HSD KMPL achieved during Feb' 07 =	5.18
Targeted HSD KMPL for the month of Feb' 08 (5.18+0.01) =	5.19
HSD KMPL achieved for the month of Feb' 08 =	5.23
KMPL team members (say); Mechanic-1, Assistants-2	
Additional Incentive Payment to KMPL Team:	
Fixed Incentive for achieving the Target = 5.19	
Mechanic	=Rs.135.00-- A
Each Assistant	=Rs. 90.00-- B
The additional incentive on crossing the target:	
Mechanic =100 X (5.23-5.19) X Rs.60.00	=Rs. 240.00-- C
Each Assistant =100 X (5.23-5.19) X Rs.40.00	=Rs. 160.00-- D
Total Additional incentive amount for the Mechanic (A + C) = Rs. 375.00	
Total Additional incentive amount for Each Assistant (B + D) = Rs. 250.00	

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


CHIEF ENGINEER (IT)

