

Andhra Pradesh State Road Transport Corporation

Office of the VC&MD,
RTC House,
Vijayawada-520 013.

No.C5/541(37)/2020-Dy.CM(C-2)

Circular No.1/2020-OPD(C), Dated 04.09.2020

Sub: **APSRTC Logistics** – Fixation of fare for bulk cargo (full loads & part loads) booked at APSRTC counters / Authorized cargo Agent counters for transportation through DGTs- Instructions issued - Reg.

- Ref: 1. Circular No.13/2016-OPD(C-2), Dated 16.06.2016.
2. Circular No.03/2018-Comm, Dated 01-06-2018.
3. Circular No.10/2020-OPD(T),Dated 30-03-2020.

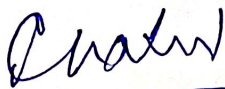
APSRTC has started logistics business on its own in June 2016 and total parcel and courier services business was taken over from M/s ANL Parcel services w.e.f 27.08.2017 to improve cargo revenue from the prevailing revenue of Rs.9.00 cr. per annum being paid by M/s ANL. APSRTC Logistics has generated gross revenue of Rs.25 cr. in 2016-17, Rs.57 cr. in 2017-18, Rs.101 cr. in 2018-19, Rs.97 cr. in 2019-20 and Rs.22 cr. in 2020-21 up to Aug, 2020.

Vide ref. 1st cited, tariffs were fixed for parcel and courier transportation for various weight slabs and KM slabs and standard operating procedure for logistics was communicated. Vide ref. 2nd cited, tariffs were revised latest.

Vide ref. 3rd cited, the commercial revenue target was fixed as Rs 300 cr. for the year 2020-21, out of which Rs 120 cr. is to be generated on logistics. Further, targets are fixed to realise traffic revenue of Rs. 5873 Cr. by operating 164 Cr kms with an EPK of Rs.35.90. To achieve the cargo target, new models of business areas are to be explored.

Before covid-19, the average cargo revenue realised was Rs.19.00 lakhs per day on 19000 bookings. Customers are offered with 3 types of fares for one ton load transportation in buses either in dickey or on rooftop viz.,

- i. @ Rs.3/- per KM in night services for monthly contract
- ii. @ Rs.2/- per KM in day services for monthly contract
- iii. @ Rs.5/- per KM for customers on daily basis.



The existing parcels and couriers tariff is limited to maximum of one ton capacity, but demand is there for bulk loads. This has necessitated for fixation of fare for bulk cargo to penetrate in the cargo transport market.

Corporation realised an amount of Rs 7.96 cr. on operating 4322 trips with Rs.32.18 EPK (up Rs.40.86 & down Rs.23.39) on cargo transportation from April'20 to August'20 while the traffic EPK is Rs.31.31 for 2019-20. Total CPK upto March 2020 P&L is Rs.46.49. Diesel price per litre is increased by Rs.23.45 in the past 5 months.

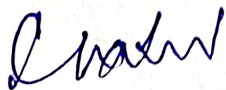
Three stake holders in cargo transport market scenario viz., cargo generators (Production units, suppliers etc.), cargo transport agents (link between customer & transporter) and cargo transporters are the deciding factors of pricing & revenue generation in the cargo transport market cycle. Study of this market scenario of competitors has revealed that transport charges are based on route length with minimum slab of 150-250 KMs. and free pickup for part loads of three tons & above is arranged by transporters.

Cargo operation data from Apr'20 to Aug'20, total CPK up to Mar'20 P&L, diesel price hike in the past five months and marketing strategies adopted by competitors are taken into consideration for fixing the rates for carrying bulk cargo (full and part loads) through DGTs. In cost estimation, customer discount (@ 1.00 per KM), agent commission (@ 5%, Rs.1.79 to Rs.2.26 per KM), pickup cost (@ Rs.3.00 per KM), tollgate charges & misc. (@ Rs.3.02 per KM) and GST (@ 5%, Rs.1.88 to Rs.2.37 per KM) are included in tune with competitors in the local market.

Accordingly the rates are fixed as furnished below:

A. Rates per KM for full load DGTs (10 tons):

| Route length KMs slab | Rate/ KM for full loads incl. GST & Toll fee (Rs.) |
|--------------------------|---|
| 1 - 100 | 100 |
| 101 - 150 | 98 |
| 151 - 200 | 96 |
| 201 - 250 | 94 |
| 251 - 300 | 92 |
| 301 - 350 | 90 |
| 351 - 400 | 89 |
| 401 - 450 | 87 |
| 451 - 500 | 85 |
| 501 - 550 | 83 |
| 551 - 600 | 82 |
| >600 | 80 |



- Note: i. Minimum chargeable KMs for full load trucks is 50 KMs.
 ii. Freight will be calculated for actual KMs, rounded off to next Rs.10/-.
 iii. If the load exceeds 10 tons, additional charges are to be collected on prorata basis for extra loaded quantity.

Illustration:

If full load of coconuts is available from Amalapuram to Hyderabad, the tariff is to be worked out as follows:

| | | |
|--------------------------|---|---|
| Route length | : | 504 KMs |
| Transport charges | : | 504 KMs x Rs.83/- = Rs.41,832/- Rounded off to Rs 41,840/- |
| <u>Less:</u> | | |
| Tollgate charges | : | Rs.1,980/- + Rs.1,680/- = Rs.3,660/- |
| GST | : | Rs.1,992/- |
| Agent commission | : | Rs.1,897/- |
| Net earnings of the trip | : | Rs.34,291/-. |
| Net EPK | : | Rs.34.02. |

B. Rates per ton per KM for part loads:

| KMs slab | Rate per KM for 10 ton DGT incl. GST & Toll fee (Rs.) | Rate per Ton per KM incl. GST & Toll fee (Rs.) |
|-----------|---|--|
| 1 - 200 | 96 | 9.60 |
| 201 - 250 | 94 | 9.40 |
| 251 - 300 | 92 | 9.20 |
| 301 - 350 | 90 | 9.00 |
| 351 - 400 | 89 | 8.90 |
| 401 - 450 | 87 | 8.70 |
| 451 - 500 | 85 | 8.50 |
| 501 - 550 | 83 | 8.30 |
| 551 - 600 | 82 | 8.20 |
| >600 | 80 | 8.00 |

- Note : i. Minimum chargeable part load quantity is one ton.
 ii. Minimum chargeable KMs for part loads is 200 KMs
 iii. Freight will be calculated for actual KMs and actual weight, rounded off to next Rs.10/-.
 iv. Free pick up facility is provided for part loads of 3 tons and above tonnage as provided by other transporters.

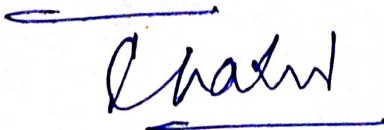


Illustration:

For booking of part loads in up journey and full loads in down journey:

If part loads are there from Visakhapatnam to Eluru in up journey, the tariff is to be worked out as follows:

- | | | |
|--------------------------------------|---|----------|
| 1) From Visakhapatnam to Eluru | : | 3 tons |
| 2) From Visakhapatnam to Rajahmundry | : | 2 tons |
| 3) From Anakapalli to Eluru | : | 615 Kgs |
| 4) Rajahmundry to Eluru | : | 5045 Kgs |

Fare to be collected for part loads:

- 1) Visakhapatnam to Eluru : 3 tons x 306 KMs x Rs.9.00 = Rs.8,262
= Rounded off to Rs 8,270/-
- 2) Visakhapatnam to Rajahmundry : 2 tons x 211KMs x Rs.9.40 =
= Rs.3,966.8 Rounded off to Rs 3,970/-
- 3) Anakapalli to Eluru (615 Kgs) : Min. 1 Ton x 266 KMs x Rs.9.20
= Rs.2,447.2 Rounded off to Rs 2,450/-
- 4) Rajahmundry to Eluru (95 Kms R/L): (5,045/1000) tons x Min.
200 KMs x Rs.9.60 = Rs.9,686.4 Rounded off to Rs 9,690/-

Total up journey earnings: Rs.24,380/-

Less:

- | | | |
|------------------|---|------------|
| Tollgate charges | : | Rs.835/- |
| GST | : | Rs.1,161/- |
| Agent commission | : | Rs.1,106/- |

- | | | |
|--------------------------|---|--------------|
| Net earnings of the trip | : | Rs.21,278/-. |
| Net EPK | : | Rs.69.54 |

Down journey with full load:

Route length : 306 KMs

Transport charges: 306 KMs x Rs.90/- per KM = Rs.27,540

Down journey earnings: Rs. 27,540/-

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Less:

| | | |
|--------------------------|---|--------------|
| Tollgate charges | : | Rs.835/- |
| GST | : | Rs.1,312/- |
| Agent commission | : | Rs.1,249/- |
| Net earnings of the trip | : | Rs.24,144/-. |
| Net EPK | : | Rs.78.90 |

Summary:

| | |
|----------------------|---------------|
| Up journey earnings: | Rs.21,278/- |
| Dn journey earnings: | Rs.24,144/- |
| Total earnings | : Rs.45,422/- |
| EPK | : Rs.74.22 |

General Terms:

Transport Charges & LR: Charges estimated as per approved rates are to be collected in advance and LR is to be generated in Logistics software before commencement of transportation. Any transaction without computerised LR is to be treated as punishable offence.

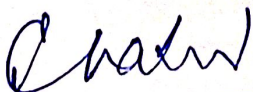
For the loads booked at enroute points, the LR is to be generated at the nearest Depot/Counter invariably. The earnings realized for the loads booked in the DGT belong to *parent Depot* only and not to the Depot where LR is generated at enroute point.

Caution Deposit: A refundable caution deposit amount of Rs.1,000/- is to be collected along with estimated charges for full load DGTs and shall be refunded within 48 hours of completion of the journey on the certification of Traffic Incharge. No caution deposit needs to be collected for part load bookings.

Postponement: Postponement of advance booking can be allowed at no extra cost, if intimated before departure of DGT from the Depot (subject to availability of DGT). Postponement of booking can be allowed only once per occasion.

Cancellation Charges: In case of cancellation of booking before departure of the DGT, an amount of Rs.500/- shall be deducted as cancellation charges from the advance amount collected and the balance amount is to be refunded to the customer.

In case of cancellation of booking after departure of the DGT, the caution deposit amount shall be forfeited as cancellation charges from the advance amount collected.



Toll Gate charges: Fare is fixed including expenditure towards toll gate charges. Hence, no extra charges need to be collected towards toll gates from the customers. However, at the end of the trip the amount paid towards toll gate charges shall be entered in the system to arrive at actual expenditure for further analysis.

GST: Fare is fixed including expenditure towards GST @ 5% on issue of LR. Hence, no extra charges need to be collected towards GST from the customers. Individual LR is to be generated for each consignment. On issue of LR, GST @ 5% is automatically calculated in the system.

Insurance: Insurance facility is not provided for the goods transported in DGTs. However, the consignor may get his goods insured, if necessary, on his own. APSRTC does not take responsibility for any loss, damage, theft etc., of goods caused during transportation in its vehicles for reasons beyond the control of APSRTC. However, a Certificate of Fact (CoF) is to be issued along with Police FIR for claiming insurance by the customer on his own.

Weighment charges: For full load DGTs, weighment of consignment is to be carried out at weigh bridges and weighment charges are to be borne by the customer only. In case of part loads weighment shall be ensured at counters while generating LR.

Permit and Other Charges: Permit and other charges viz., parking charges, entry fee, octroi, etc., shall be borne by the customer only.

Agent Commission: In order to promote cargo bookings through DGTs, 5% commission on net transport charges be paid to contractors / agents / employee agents / outside transport agencies who book the consignments with their marketing efforts, on the spot from the amount being collected from the customers.

Transport charge = Bill amount paid by customer – GST

Net transport charge = Transport charge – Agent commission

Driver Incentive: An amount of Rs.100/- per duty per driver be paid as incentive.

If the consignment could not be booked on the same day, but got the consignment on the next day, the crew shall be detained there for that day and pick up consignment on the next day. However, the crew shall be paid with daily incentive for their stay including attendance.

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If the consignment could not be pre-booked in return trip and if the driver books part/ full load with his own effort, the agent commission @ 5% can be paid to driver (as employee agent) in addition to driver incentive.

Empty trips will not eligible for driver incentive.

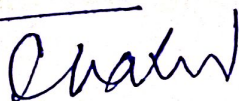
Free pick up: Free pick up facility is to be provided invariably for part loads of 3 tons and above consignments at all Depot Head Quarters to promote bulk cargo business. It is the responsibility of ATMs(C)/Depot Manager to provide spare DGT, if required, along with hamali to pick up part loads within 3 hours of information from the customer.

Loading charges at pick-up point: Loading charges are to be borne by customer only at pick up point.

Discounts: 5% discount is allowed from 4th booking onwards to the regular customers, who book either part or full loads for more than 3 times in a calendar month. The cycle starts again in next calendar month.

Other Conditions:

1. The kilometres operated by the DGT are to be worked out from departure of DGT from Depot to the arrival of DGT back to Depot. Date and time of departure and arrival of DGT are also to be noted for analysis purpose.
2. If actual operated KMs are more than the booked slab KMs in full DGT booking, then the applicable operated KMs slab are to be adopted for calculation of transport charges.
3. No reservation fee need to be collected.
4. The customer shall claim the refundable amount within a maximum period of one month from the date of booking.
5. The customer shall be responsible in guiding the DGT driver on the route.
6. APSRTC does not take responsibility for any delay / damages/ loss caused to the freight due to breakage, evaporation, weather conditions, theft, strikes, riots, civil or political disturbances, explosion, fire or accident to the DGT etc., during transportation.
7. Transportation of goods in the DGTs excludes all dangerous items viz., explosives, hazardous material, inflammables, contraband/ prohibited items, guns, currency notes, bullion, jewellery or any other item not worth carriage.
8. Corporation reserves right to refuse any goods for loading in DGT without assigning any reason.



9. Customer is responsible to provide the e-waybills Part-A (Part-B will be generated at counter), forms, documents, declarations etc., as required by Government Authorities for transportation of the freight in the DGT.
10. Customer is liable for all the consequences arising out of non-declaration or incorrect declaration of details of the freight.
11. If any proceedings against the Corporation or its employees are taken up by the Government Authorities for defect or deficiency in the documents/ forms / declarations etc., the Corporation will be at liberty to detain the goods at the risk of the customer unless and until the loss suffered by Corporation in that respect is made good by the customer.
12. The driver shall keep all the records (Valid F.C, Licence, Permit, E-waybill Part A&B, Consignment bills and LR) in a file along with him, while performing duty to produce the same to inspecting officials en route on demand.
13. Dy.CME of the Region shall ensure the DGTs condition, availability of lock and key, tarpaulin, Spare tyre with tools etc. for safety of vehicle and goods transported.
14. GPS tracking facility is to be provided for the DGTs.
15. If any damage is caused to the DGT of the Corporation / its employees during the course of loading or unloading of freight, the Corporation will be at liberty to detain the goods at the risk of the customer unless and until the loss suffered by Corporation in that respect is made good by the customer.
16. The Courts in Vijayawada only shall have jurisdiction in respect of all claims and matters arising out of booking of DGTs and the suite shall not be entertained against the Corporation after expiry of three months from the date of booking.

Central monitoring cell: For monitoring bulk cargo booking for full loads and part loads through DGTs in up and down trips, central monitoring cell at head office (**Phone No. 0866-2570006**) shall work 24X7 in coordination with Dy.CMs(C), DMs, ATMs(C) and Regional Marketing Executives. Data bank of transport agents' network is to be build up for the benefit of all stakeholders.

Return journey trip monitoring team: All Dy.CMs(C), ATMs(C) & RMEs / DMEs should coordinate with transport agents' network in local market to book the loads in return journey as departure and arrival data is updated in real time in Google spread sheet designed for this purpose.

The Dy.CMs(C) and ATMs(C) shall put forth efforts to enumerate outside private transport agents as APSRTC Logistics Agents to improve the cargo business by dedicated marketing team at every Depot.

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The Regional Managers and Dy.CTMs shall motivate the team and review the performance, loading pattern in up & down trips and provision of free pick up facility to customers during their Depot inspections.

The transport charges as fixed above for transportation of full loads and part loads through DGTs shall come into force with immediate effect.

This has the approval of VC&MD with the concurrence of FA&CAO.


Executive Director (O)
04/09/2020

Copy to: ED(A), ED(E), FA & CAO for information.

All Executive Director (Zones) for information.

All RMs, Dy.CTMs, Dy.CAOs and DyCMs(C) for information & n/a.

All DMs, AOs and ATM(C)s for information & n/a.

OSD to VC & MD for information.

All other concerned Officers of Corporation.

