

**ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION**

**OFFICE OF THE VC&MD,  
MSRD.HYDERABAD-20,  
Dated : 01.04.2000.**

**No.OP2/791(l)/2000-MED**

**CIRCULAR NO.12/2000-MED, Dated 01.04.2000**

**SUB: TARGETS - Management control system to control Material cost and improvement of productivity - Fixing of Targets for MED parameters Region/Zone-wise for the year 2000 - 2001 - Reg.**

**Our organization is passing through critical financial position as on today. Hence it is essential for all Managers and Supervisors to strengthen our cost control exercise.**

**Our ability to cut down expenditure on personnel, Vehicle taxes, depreciation, debt servicing etc is restricted due to external factors. The expenditure on HSD oil, Tyres, Lub & Stores, ZWS expenditure has to be reduced further by inculcating cost consciousness amongst our employees.**

**The budgeted annual kms of APSRTC for 2000-2001 is 222 crore kms. The Corporation is anticipating to spend an amount of Rs.932 crores during 2000-2001 on HSD OIL, Tyres, Lub & Stores and ZWS with the present average CPK of 420 paise. The expenditure on HSD oil it self amounts to Rs.662 crores with the present CPK of 298 paise. With likely increase of HSD oil price on account of spiraling international prices of petroleum products, there is a danger of further increase of expenditure on HSD oil itself. With successful implementation of oil conservation measures, the Corporation has achieved 5.06 HSD KMPL from April '99 to Feb '2000. However there is need to involve all employees and Managers to increase the HSD KMPL further. The scope for such increase is visible when we compare the performance of different Regions. HSD KMPL of KRMR Region from April'99 to Feb'2000 is 5.26 against 5.00 KMPL of RR Region with AL fleet. The HSD KMPL of EG region from April '99 to Feb '2000 is 5.18 against 4.86 KMPL of TPT Region with Tata fleet. Metpally Depot has achieved 5.46 HSD KMPL from April '99 to Feb '2000 against 4.67 SD KMPL of CTR-II Depot. These variances in the performance of Depots and Regions in respect of HSD KMPL clearly indicate the wide scope for conserving HSD oil further in our Corporation to reduce CPK on HSD oil. The improved maintenance practices enable us to achieve better performance in respect of Tyre life, Engine Oil consumption, Spring consumption, expenditure on ZWS etc. and reduction of BD Rate, cancellations.**

**The Executive Director's and Regional Manager's have to take the message of cost control to all our Managers, Supervisors and employees working at Depots. Active involvement and participation of employees in cost control activities is a prerequisite for successful implementation.**

**Targets for vital MED parameters are fixed for all the Zones / Regions for the year 2000-2001. Fixation of Targets is done on the basis of the past performance trends and the potential for improvement of the Region. The Region wise and Zone wise Targets in respect of HSD KMPL, TOTAL LUB KMPL, TOTAL**

**TYRE LIFE, SPRING CONSUMPTION, BREAKDOWN RATE and CANCELLATION FOR MECHANICAL REASONS are at ANNEXURE-I to VII.**

**The anticipated expenditure on reconditioning works at Zonal Workshops for the year 2000-2001 is Rs.88 crores at the present average CPK of 41 paise. There is lot of scope to reduce our expenditure at ZWS's with improvement in the quality of reconditioning of major units and higher standards of maintenance at Depot level. The vehicle manufacturers say that the life of reconditioned units can be enhanced to 75% to 80% of life obtained from new units with correct reconditioning practices at ZWS's and maintenance standards at Depots. Prompt analysis of premature failure units carried out jointly by the WM's and Dy.CME's also helps us to improve the life of units.**

**The Targets for the life of new and CO units Zone -wise is fixed on the basis of past performance trends. The targets are indicated at ANNEXURE-VIII.**

**The ED(Z)s and RMs shall immediately work out the Targets in respect of each parameter for each Depot duly taking into consideration the past performance of the Depot and scope for the improvement. The targets shall be worked out month wise for all the key parameters duly considering the performance of the Depot in the corresponding month of previous year. These targets should be communicated to the DM's immediately on priority basis.**

**The DM's shall workout action plan to achieve the targets given to them in respect of all the vital parameters. The involvement of all Supervisors and employees in implementing the action plan is to be ensured with periodical meetings with them.**

**The performance of each Depot is to be reviewed by the RM's in the monthly meetings vis -a- vis the targets fixed to the Depots. Every effort is to be made to achieve the targets given to the Regions and Zones.**

**Sd/-**

**(V.APPARAO)**

**VICE CHAIRMAN & MANAGING DIRECTOR**

**// Attested by //**

**Sd/-**

**(P.ARJUNA)**

**Executive Director (Engg)**