



## ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(1)/2012-MED

Office of the VC&MD,  
MSRD, HYDERABAD-624.

### CIRCULAR NO. 11/2012 - MED, Dt.11.04.2012

SUB: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2012-13 - Reg.

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The Corporation is passing through a critical financial position as it has registered a loss of Rs.485 Crores upto Feb'12 during the year 2011-12. It is, therefore, essential that every employee, supervisor, Manager should strive hard to improve the performance. Financial health of an organization depends on enhancement of earnings as well as reduction of expenditure. It is unfortunate that expenditure is more than earnings in our Corporation in the recent past. While every effort has to be made to improve earnings, it is equally important to reduce the cost of operation on HSD oil, Lub Oil, Spares, Tyres and Tubes and Workshops. Reduction of expenditure on these cost parameters is well within our control.

The targets for the year 2012-13 are worked out Region wise/Zone-wise with the best performance in the preceding three years taken as the base duly adding/reducing the improvement factors.

The details of the targets are furnished here under, parameter wise.

#### **I. PHYSICAL PARAMETERS:**

##### **1.1 HSD KMPL:**

Description	Excl. Spl Types	Incl. Spl Types
The target of HSD KMPL for the year 2011-12	5.40	5.30
Actual KMPL up to Feb'12	5.26	5.13
Variance over target	-0.14	-0.17
<b>Target proposed for 2012-13 for Corporation</b>	<b>5.40</b>	<b>5.26</b>

While fixing the targets, the following criterion is adopted.

- The best performance (excl. Spl types) among the years 2009-10, 2010-11 and 2011-12 (upto Feb'12) of the Regions is adopted as base KMPL and incremented in different slabs for arriving the targets.

- A uniform target for all the Regions as mentioned below for special type vehicles is taken into consideration to arrive the Region-wise target of HSD KMPL including Special type operation.

S. No.	Type of Vehicles	Target KMPL	S. No.	Type of Vehicles	Target KMPL
1	Volvo City/ULE A.C.	2.50	10	Meghdoot NON-A.C.	4.30
2	Volvo District/Cerita	3.15	11	Vestibule	3.22
3	Isuzu (Garuda)	3.15	12	ULE A.C.	2.50
4	Merscedez Benz	2.90	13	ULE Non-A.C.	3.00
5	Cerita	3.15	14	Meghamala	3.50
6	Luxura	3.15	15	Mini Buses	6.10
7	Indra	3.60	16	SLF buses of AL in GHZ	4.20
8	Volvo Multiaxle	2.70	17	SLF buses of Tata in GHZ	4.20
9	Isuzu Sleeper	3.30	18	SLF buses for other Regions	5.00

HSD KMPL is the most important cost parameter and influences the financial health of the corporation to a great extent. By implementing the guidelines issued by MED on HSD KMPL improvement in true spirit and with constant monitoring, the KMPL can be further improved and the targets can be achieved easily.

The Region/Zone wise targets worked out as above for the year 2012-13 are enclosed at ANNEXURE-I.

## I.2. BREAKDOWN RATE:

Description	B.D.Rate
The target for the year 2011-12	0.07
Actual up to Feb'12	0.08
Variance over target	0.01
<b>Target proposed for 2012-13</b>	<b>0.07</b>

- The B.D.Rate target is fixed basing on the best performance of the individual Regions during the years 2009-10, 2010-11 and 2011-12 (upto Feb'12) of the Regions and reducing the same with different slabs.
- While fixing the target for B.D.Rate for the year 2012-13, the factors like recruitment of Shramiks and Mechanics in all the Regions and induction of 4000 new vehicles during 2011-12 is taken into consideration.
- The Region/Zone wise targets thus arrived for the year 2012-13 are furnished at ANNEXURE-I.

To provide reliable service, all efforts must be made to reduce breakdowns to the minimum possible extent. Honest & proper accountal of breakdowns, analysis & corrective action helps in reducing the breakdown rate. Any reduction in breakdowns will have a remarkable impact on quality of operation and image of the corporation. Micro level analysis for taking corrective action as envisaged in Circular no.09/2008-MED will certainly reduce the breakdowns.

### I.3. PERCENTAGE OF MECHANICAL CANCELLATIONS:

Description	% of Mech. Cancellations
The target for the year 2011-12	0.11
Actual up to Feb'12	0.19
Variance over target	0.08
<b>Target proposed for 2012-13</b>	<b>0.11</b>

- The % of Mech. Cancellations target is fixed basing on the best performance of the individual Regions during the years 2009-10, 2010-11 and 2011-12 (upto Feb'12) of the Regions and reducing the same with different slabs.
- While fixing the target for B.D.Rate for the year 2012-13, the factors like recruitment of Shramiks and Mechanics in all the Regions and induction of 4000 new vehicles during the year 2011-12.
- The Region/Zone wise targets thus arrived for the year 2012-13 are furnished at ANNEXURE-I.

This is a controllable parameter since cancellations are mainly on account of want of bus and late supply of bus, which affect punctuality of the Services and passenger satisfaction. With improved quality of maintenance followed by regular inspection of Buses & avoiding off road position of vehicles at Depots, it is very easy to achieve the targets.

### I.4. SPRING CONSUMPTION:

Description	Spring Consumption
The target for the year 2011-12	50
Actual up to Feb'12	52
Variance over target	2
<b>Target proposed for 2012-13</b>	<b>40</b>

- The spring consumption per lakh Kms target is fixed basing on the best performance of the individual Regions during three years i.e., 2009-10 and 2011-12 (upto Jan'12) of the Regions and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2012-13 are furnished at ANNEXURE-I.

Springs constitute a major cost element in the Corporation. With the introduction of stiffer springs and Air suspension vehicles and improved maintenance practices like effective greasing, regular tightening of U bolts, replacement of spring assemblies in Sch.IV, it is possible to reduce the spring consumption. As 4000 new vehicles were inducted during the year 2011-12 of which 1176 vehicles are with air suspension (i.e., 944 Super luxury, 100 Indra, 30 Garuda, 48 Isuzu, 51 LF-A.C. 100 LF-Non-A.C.) and as it is planned to induct 2000 new buses during the year 2012-13, challenging targets in respect of spring consumption per lakh KMs are fixed Region wise to reduce CPK on spares.

### I.5. TOTAL LUB KMPL:

Description	Total Lub KMPL
The target for the year 2011-12	1189
Actual up to Feb'12	1184
Variance over target	-5
<b>Target proposed for 2012-13</b>	<b>1211</b>

- The total Lub oil KMPL Targets are fixed Region-wise for the year 2012-13 duly incrementing the best of three years performance with different slabs for Ashok Leyland Regions and for Tata Regions, the best of the three years performance is given as target, because all the newly inducted BS-III Leyland vehicles have EOC period of 36,000/24,000 Kms(dist/ city) & Tata vehicles have EOC period of 18,000/9,000 Kms(dist/ city).
- The Region/Zone wise targets thus arrived for the year 2012-13 are furnished at ANNEXURE-I.

Exercising strict controls in usage of lubricant oils without compromising on maintenance standards is the pre-requisites for conservation of lubricants. Better top up practices, avoiding leakages, timely top-overhauls and engine changes are some of the measures which influence this cost parameter. The starvation of engines and manipulation of accountal to project higher total lub KMPL shall not be resorted to.

### I.6. FLEET UTILISATION:

Description	Fleet Utilisation
The target for the year 2011-12	99.60
Actual up to Feb'12	95.40
Variance over target	-4.20
<b>Target proposed for 2012-13</b>	<b>99.60</b>

- The Corporation has achieved a Fleet Utilisation of 95.40 up to Feb'12 as against a target of 99.60. This is mainly due to Sakalajanulasamme in some Regions and the other Regions have achieved targets. Therefore, a uniform target of 99.60 was fixed for all Regions for the year 2012-2013.
- The Region wise targets are furnished at ANNEXURE-I.

### I.7. TYRES PERFORMANCE

#### 1.7.1. New Tyre Scrap rate.

Description	NTS
The target for the year 2011-12	1.30
Actual up to Feb'12	3.17
Variance over target	1.87
<b>Target proposed for 2012-13</b>	<b>1.23</b>

- New Tyre Scrap Rate target for the year 2012-13 is fixed by reducing the best i.e., lowest NTS during the last 3 years including 2011-12 (up to Feb'12) by 10%.
- Whenever the target such fixed is more than the last year's target, then the target fixed for the last year is continued for the year 2012-13.
- The Region wise targets are furnished at ANNEXURE-I.

### 1.7.2. Total Tyre life

Description	TTL
The target for the year 2011-12	1.84
Actual up to Feb'12	1.70
Variance over target	0.14
<b>Target proposed for 2012-13</b>	<b>1.87</b>

- Total Tyre Life target for the year 2012-13 is fixed by taking the best performance during the last three years including 2011-12 up to Feb'12 and then by increasing the same as per the slabs given below.
  - a) 1.61 to 1.70 lakh kms - 12,000 kms
  - b) 1.71 to 1.80 lakh kms - 10,000 kms
  - c) 1.81 to 1.90 lakh kms - 8,000 kms
  - c) 1.91 to 1.95 lakh kms - 6,000 kms
  - d) 1.96 to 2.00 lakh kms - 4,000 kms
  - e) Above 2.00 lakh kms - 2,000 kms
  - f) Minimum Target --- 1,60,000 Kms with minimum increase of 12,000 kms.
- The Region wise Targets are furnished at ANNEXURE-I.

With the improved tyre management and tyre maintenance practices following the guidelines stipulated in the circulars 11/2005, 5/2008, 12/2008, 16/2008, 20/2008, 3/2009 and 16/2009, 3/2010, 6/2010, 13/2010, 18/2010, 19/2010, 20/2010, 24/2010, 30/2010, 4/2011, 35/2011 and More from the Same at Tyre retreading shops which improves the quality of tyre shops it is quite possible to improve the performance of tyres which is major cost component and to achieve the given targets.

## 2.0 LIFE OF MAJOR AGGREGATES

Targets of Major aggregates are fixed for the year 2012-13 to achieve optimum lives. The New Life targets are calculated considering the Best of Last 3 Years and adding 5000 Kms. CO life targets are calculated among the Maximum Life of Best of Last 3 Years or 60% of New Life Achieved whichever is higher.

Implementation of preventive maintenance schedules, carrying out oil changes at stipulated mileages, timely rectification of minor defects on sub - assemblies will help to obtain optimum life from New/CO aggregates and to reach the targets. Clear cut guidelines were given through Cir. No 13/2009 - MED, dated 27.06.2009 to achieve optimum life of Major Aggregates. Drawl of CO Units will increase on account of the premature failures due to poor workmanship at Workshop or improper maintenance at Depots. Hence care shall be taken to avoid premature failures of units. The Region wise targets are furnished at ANNEXURE-II.

### 3.0. COST PER KILOMETER ON MED PARAMETERS:

#### 3.1. HSD OIL:

Description	CPK on HSD
The target for the year 2011-12	775
Actual up to Jan'12	849
Variance over target	-74
<b>Target proposed for 2012-13</b>	<b>851</b>

- The target for CPK on HSD oil for the year 2012-2013 is fixed by arriving at the average cost per litre of diesel as on 31.12.2011 for each Region and the target KMPL fixed for the year 2012-13. This takes care of the variation in cost of HSD oil on account of the transportation charges of diesel supplied by oil companies from their supply point.
- The Region wise targets thus arrived are furnished at ANNEXURE-III.

#### 3.2 TYRES & TUBES

Description	Tyres & Tubes
The target for the year 2011-12	52
Actual up to Feb'12	60
Variance over target	8
<b>Target proposed for 2012-13</b>	<b>52</b>

- The CPK Target on Tyres & Tubes for the year 2012-13 is fixed by taking the best i.e., lowest CPK during the last 3 years including the year 2011-12 up to Feb'09
- The Region-wise targets thus arrived are furnished at ANNEXURE-III.

#### 3.3 WORK SHOPS:

Description	Workshops
The target for the year 2011-12	38
Actual up to Feb'12	50
Variance over target	12
<b>Target proposed for 2012-13</b>	<b>42</b>

- The CPK Target on Work Shops for the year 2012-13 is fixed by taking the best i.e., lower CPK during the last 3 years including the year 2011-12 up to Feb'12. The Target for the Year 2012-13 is fixed as 42 ps.
- Work shops expenditure can be controlled by improving the life of aggregates on vehicles through better maintenance practices at depots, improving the quality of overhaul practices at zonal workshops and avoiding premature failures. The new vehicle induction in the recent past will also facilitate for reduction in expenditure. The Region - wise targets thus arrived are furnished at ANNEXURE-III.

### 3.4 . STORES & LUB:

Description	CPK on Stores
The target for the year 2011-12	45
Actual up to Jan'12	60
Variance over target	15
<b>Target proposed for 2012-13</b>	<b>48</b>

- The target for 2012-13 is arrived by reducing 10% of the CPK achieved during 2011-12. This is possible because 4000 new buses have been inducted into operation during 2011-12 which yield results in 2012-13 by reducing the spare parts consumption.
- The Region wise targets are furnished at ANNEXURE-III.

Stores & lub expenditure can be controlled by reducing consumption of springs, other costly spares through better maintenance practices and through improved maintenance practices like timely attention of leakage, top overhauls of engines, etc.,

In order to achieve the targets fixed for the year, regular training programmes on better maintenance practices, improved technologies are to be arranged for the garage staff so as to bring about a total change in the quality of maintenance at the depots.

The Regional Managers in turn are advised to fix targets Depot wise for all parameters basing on the above guidelines and communicate to Depots and to send copy of the same to ED (E,IT & HRD) for review.

The Executive Directors of Zones and Regional Managers are advised to review the performance of the Depots with reference to the targets fixed and pull up the Managers who are not performing in this regard.

The Executive Directors of Zones, Regional Managers, Dy.Chief Mechanical Engineers and Depot Managers are advised to take steps required to improve the performance and are personally accountable achieving targets in respect of Zone, Region and Depot in regard to all parameters.

Please Acknowledge.



**Vice Chairman & Managing Director**

To  
All Executive Directors (Zone) by name.

Copy to: Dir (V&S), ED (E,IT& HRD), ED (O,MIS & AM), ED (A&P), FA, CAO, ED (Medi) for infn  
Copy to: All RMs for necessary action.

Copy to: CME (O), CCOS, CA, CFM, CME(C&B), CE (IT), CPM, CM (HRD), CM(EE) for infmn.

Copy to: DyCME (O), DyCME (P), DyCME(C&B), DyCME (IED), DyCAO (SP&A), CSTO,  
COS(C) I & II for information.

Copy to: All DyCMEs of Regions for necessary action.

Copy to: WMs, COSs & DyCAOs for necessary action.

Copy to: All AOs for information & n/action.

Copy to: All AMEs(T) for necessary action

Copy to: All Principals of ZSTCs, BTC, HPT & TA/HPT for information.

Copy to: All DMs & Maintenance In-charges for necessary action.

Copy to: RAO, AG Audit, Bus Bhavan, Hyderabad for information.

Copy to: Manuals section for record.

**REGION/ZONE WISE TARGETS OF HSD KMPL FOR THE YEAR 2012-13**

**ANNEXURE -I**

S. No	REGION / ZONE	HSD KMPL		BD RATE 10000 KMs	% OF MECH CANCELLATIONS	SPRING CONS. PER LAKH. KMs	TOTAL LUB KMPL	FLEET UTILISATION IN %	AVG. TOTAL TYRE LIFE IN LAKH KMS	NEW TYRE SARAP RATE (%)
		INCL. ALL SPECIAL TYPES BUSES	EXCL. ALL SPECIAL TYPES BUSES							
1	HYD REGION	4.71	5.05	0.08	0.26	28	878	99.60	1.93	0.66
2	SCD REGION	4.55	4.96	0.09	0.27	23	916	99.60	1.98	0.53
<b>HYD CITY ZONE</b>		<b>4.63</b>	<b>5.00</b>	<b>0.08</b>	<b>0.26</b>	<b>26</b>	<b>895</b>	<b>99.60</b>	<b>1.95</b>	<b>0.60</b>
3	RR REGION	4.92	5.32	0.04	0.13	60	1579	99.60	1.60	1.73
4	MBNR REGION	5.45	5.49	0.02	0.07	80	1318	99.60	1.73	1.89
5	NLG REGION	5.54	5.56	0.02	0.04	64	1512	99.60	1.90	1.29
6	MDK REGION	5.48	5.48	0.04	0.07	54	1293	99.60	1.89	1.17
<b>HYD ZONE</b>		<b>5.34</b>	<b>5.47</b>	<b>0.03</b>	<b>0.08</b>	<b>66</b>	<b>1417</b>	<b>99.60</b>	<b>1.78</b>	<b>1.56</b>
8	KRMR REGION	5.52	5.63	0.04	0.06	34	1695	99.60	2.06	1.49
7	NZB REGION	5.48	5.58	0.02	0.02	49	1562	99.60	1.90	1.53
9	ADB REGION	5.42	5.48	0.02	0.07	48	1526	99.60	1.76	1.36
10	KMM REGION	5.55	5.59	0.03	0.05	26	1780	99.60	1.95	1.30
11	WL REGION	5.52	5.57	0.02	0.04	41	1701	99.60	1.92	0.80
<b>KRMR ZONE</b>		<b>5.50</b>	<b>5.58</b>	<b>0.03</b>	<b>0.04</b>	<b>39</b>	<b>1659</b>	<b>99.60</b>	<b>1.92</b>	<b>1.29</b>
12	NLR REGION	5.47	5.57	0.02	0.04	65	1721	99.60	1.83	1.41
13	OGL REGION	5.45	5.55	0.04	0.06	62	1617	99.60	1.82	1.37
14	CTR REGION	5.26	5.36	0.09	0.12	39	1084	99.60	2.00	0.77
<b>NELLORE ZONE</b>		<b>5.36</b>	<b>5.47</b>	<b>0.06</b>	<b>0.08</b>	<b>52</b>	<b>1326</b>	<b>99.60</b>	<b>1.89</b>	<b>1.13</b>
15	ATP REGION	5.33	5.33	0.08	0.17	45	1061	99.60	1.60	1.84
16	KDP REGION	5.31	5.35	0.08	0.09	29	1036	99.60	1.71	1.65
17	KRNL REGION	5.27	5.30	0.09	0.12	43	995	99.60	1.60	1.95
<b>KADAPA ZONE</b>		<b>5.30</b>	<b>5.32</b>	<b>0.08</b>	<b>0.13</b>	<b>40</b>	<b>1029</b>	<b>99.60</b>	<b>1.63</b>	<b>1.83</b>
18	GNT REGION	5.48	5.54	0.05	0.12	27	1099	99.60	1.91	1.15
19	KRI REGION	5.19	5.43	0.04	0.05	5	1270	99.60	1.98	1.25
20	WG REGION	5.47	5.52	0.06	0.05	35	1134	99.60	1.94	0.88
<b>VJA ZONE</b>		<b>5.36</b>	<b>5.49</b>	<b>0.05</b>	<b>0.08</b>	<b>20</b>	<b>1168</b>	<b>99.60</b>	<b>1.95</b>	<b>1.15</b>
21	EG REGION	5.43	5.53	0.04	0.09	24	1301	99.60	1.97	1.36
22	VSP REGION	5.12	5.46	0.05	0.10	30	1138	99.60	1.95	0.90
23	NEC REGION	5.39	5.46	0.07	0.14	60	1152	99.60	1.89	0.99
<b>VZM ZONE</b>		<b>5.30</b>	<b>5.48</b>	<b>0.05</b>	<b>0.11</b>	<b>37</b>	<b>1191</b>	<b>99.60</b>	<b>1.94</b>	<b>1.06</b>
<b>CORPORATION</b>		<b>5.26</b>	<b>5.40</b>	<b>0.07</b>	<b>0.11</b>	<b>40</b>	<b>1211</b>	<b>99.60</b>	<b>1.86</b>	<b>1.23</b>



## ANNEXURE-II

UNIT LIVES TARGETS FOR THE YEAR 2012 - 2013														
ZONES	ENGINE		FIP		GEAR BOX		FRONT AXLE		REAR AXLE		SELF STARTER		ALTERNATOR	
	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
HYD(U)	6.50	3.87	4.51	2.68	6.95	4.14	12.00	8.18	12.00	8.38	5.66	3.37	5.73	3.41
HYD(R)	6.97	4.15	5.21	3.10	8.05	4.80	12.00	8.47	12.00	8.53	6.37	3.79	6.10	3.63
KRMR	8.00	5.50	5.30	3.15	10.00	5.89	12.00	8.92	12.00	9.35	7.38	4.40	6.97	4.15
NLR	8.00	4.55	5.94	3.19	10.00	5.93	12.00	8.24	12.00	8.93	6.83	4.07	5.78	3.44
AL AREA	7.27	4.51	5.24	3.04	8.66	4.99	12.00	8.58	12.00	9.08	6.66	3.86	6.22	3.67
VJA(U)	7.00	5.21	4.79	2.66	6.67	3.94	9.68	5.78	11.92	7.12	6.00	3.20	5.60	2.22
VJA (R)	8.00	4.95	3.73	2.30	7.50	4.60	10.38	6.17	12.00	7.72	4.87	2.36	4.38	2.60
VZM (U)	7.00	4.45	5.00	3.23	5.78	3.88	11.32	6.20	10.57	6.92	6.00	2.40	3.32	2.52
VZM (R)	8.00	4.64	4.08	3.21	7.05	4.20	10.57	6.31	10.72	6.72	3.18	2.96	2.89	2.83
KDP	7.26	4.33	4.59	2.72	6.91	4.12	9.07	4.94	10.15	6.06	5.68	3.29	5.88	3.13
NLR (CTR)	6.43	3.83	3.79	1.78	6.31	3.76	8.33	4.69	10.34	6.17	5.03	2.99	4.44	2.16
TATA AREA	7.37	4.48	3.88	2.52	6.95	4.15	9.59	5.53	10.72	6.67	5.45	2.93	5.28	2.72

**REGION / ZONE WISE TARGETS OF COST PARAMETERS OF MED FOR THE YEAR  
2012-13 (IN PAISE)**

ANNEXURE-III

S. NO.	REGION /ZONE	CPK ON POWER	CPK ON TYRES & TUBES	CPK ON WORKSHOPS	CPK ON STORES & LUBRICANTS
1	HYD	950	42	55	75
2	SD	974	42	51	73
<b>HYD CITY ZONE</b>		<b>961</b>	<b>42</b>	<b>53</b>	<b>74</b>
3	RR	915	67	42	59
4	MBNR	833	67	44	45
5	NLG	805	57	38	50
6	MDK	823	56	37	48
<b>HYDZONE</b>		<b>843</b>	<b>62</b>	<b>41</b>	<b>50</b>
7	KRMR	813	44	38	43
8	NZB	827	53	40	41
9	ADB	836	53	46	46
10	KMM	808	53	33	41
11	WL	808	57	41	49
<b>KRMR ZONE</b>		<b>817</b>	<b>52</b>	<b>39</b>	<b>44</b>
12	NLR	813	49	26	46
13	OGL	815	55	28	41
14	CTR	847	52	34	58
<b>NLR ZONE</b>		<b>830</b>	<b>52</b>	<b>30</b>	<b>50</b>
15	ATP	852	61	59	49
16	KDP	840	56	46	51
17	KRNL	858	63	56	54
<b>KDP ZONE</b>		<b>851</b>	<b>60</b>	<b>54</b>	<b>51</b>
18	GNT	819	49	34	49
19	VJA	855	44	34	57
20	WG	816	49	44	46
<b>VJA ZONE</b>		<b>833</b>	<b>47</b>	<b>36</b>	<b>51</b>
21	EG	821	52	41	56
22	VSP	863	52	47	65
23	NEC	828	57	44	60
<b>VZM ZONE</b>		<b>839</b>	<b>54</b>	<b>44</b>	<b>61</b>
<b>COPORATION</b>		<b>851</b>	<b>52</b>	<b>42</b>	<b>54</b>