1. **Average Age of Vehicles in Years / Kms.**

The life of a vehicle in years is the period from the date of its commissioning up to date in years.

Sum total of progressive kms. of all vehicles in fleet held on a particular day divided by number of vehicles is average age of vehicle in kms.

2. **Average Distance Travelled by passenger.**

The average distance travelled per passenger indicates the average length of the journeys performed by passengers.

3. **Average Route Distance**

The average route distance is computed by dividing the sum total of the route kilometres of all the routes operated by the unit by the total number of routes in operation at a given time.

4. **Average Vehicle Utilisation (UT)**

Kms. done per vehicle on road per day is vehicle utilisation. It indicates the extent of use (in Kms.) of the vehicles on road.

5. **Break Even Point**

Break even is that point at which the total operating revenue just meets the total operating cost. It is a point at which neither a profit nor a loss is made.
6. **Capital Expenditure (on Fixed Assets)**

   Capital expenditure represents all expenditure incurred in the acquisition of permanent assets which are intended to be continuously used in the business of the undertaking for purposes of earning revenue.

7. **Cost Per Km. (CPKM)**

   The cost per Kilometre (CPKM) is computed by dividing the total cost of operations by the total effective kilometres. The CPKM is expressed in terms of 'paisa'.

8. **Crew Utilisation**

   (i) The average duty in hours and minutes done per Crew on duty per day is the average crew utilisation in hours.

   (ii) The gross kilometres done per crew on duty per day is the average crew utilisation in terms of kilometres, it is obtained by dividing the total gross kilometres done in a day by the number of crew on duty during that day.

9. **Direct Operational Cost (Variable Cost)**

   All items of costs which have to be incurred for the actual running of the vehicle are known as direct operational costs or variable costs.

10. **Earning per Bus Kms. (EPKM)**

    The earning per bus Kms (EPKM) is computed by dividing the total
earnings of a route/depot/division/organisation, by the total effective kilometres of a route/depot/division/organisation. The EPKM is expressed in terms of 'paisa'. The EPKM maybe in relation to either traffic or gross revenue.

11. Fuel Consumption (KMPL)

Total quantity of fuel (HSD oil) consumed by the vehicles for performance of the kilometres performed before next fueling.

12. Gross Profit

The excess of the total gross revenue over the revenue expenditure (i.e. the cost of operations excluding the cost on depreciation and interest charges) is the Gross Profit Margin.

13. Indirect Cost (overhead cost)

The indirect cost, fixed cost or overhead cost includes such items of expenditure which have to be incurred whether or not a vehicle is actually run; and irrespective of the volume of operation.

14. Inventory Held Per Vehicle

The value of the inventory of fuel, oils, auto spares, tyres, tubes, batteries etc. on a particular day is inventory held.

15. Net Profit

The excess of the total gross revenue over the total cost of operation
(including depreciation and interest) is the net profit margin. The net profit margin is usually arrived at before charging income tax.

16. **Occupancy Ratio**

Occupancy Ratio is the percentage ratio of passenger kilometres to seat kilometres offered.

17. **Operating Ratio**

The operating ratio is the percentage ratio of the total cost of operations or operating costs to the total traffic or operating revenue.

18. **Percentage fleet Utilisation (VT)**

Fleet utilisation, also termed as 'vehicular utilisation', is the ratio of the number of vehicles on road to the fleet held by the unit. Fleet utilisation is always expressed as percentage.

19. **Percentage Load Factor**

Load Factor is the percentage ratio of actual passenger earnings to expected passenger earnings.

20. **Progressive Kilometres of Vehicles**

The sum total of the kilometres that a vehicle has covered from the day of its commissioning upto date is termed as the progressive kilometres of the vehicle.
21. **Return on Capital**

The return on the capital is measured by the ratio of net profit to the mean capital. It is used as a basis for various managerial decisions.

22. **Route**

"Route" means a line of travel which specifies the highway which may be traversed by a motor vehicle between one terminus and another.

23. **Route Kilometres**

The actual distance in kilometres between two terminal points of a route as defined above is the route kilometres.

24. **Staff Ratio**

It is the ratio of the total staff employed on the last day of the specified period to the number of schedules in operation on the same day.

25. **Service Kilometres (Effective Kilometres)**

Kilometres actually operated by public service vehicles for the purposes of earning revenue are known as Service Kilometres, or Effective Kms.

26. **State Transport Undertaking (STU)**

State Transport Undertaking means any undertaking providing road transport service, where such undertaking is carried on by -
(i) the Central Government or a State Government, or a municipality,

(ii) any Road Transport Corporation established under Sec.3 of the Road Transport Corporations Act, 1950 (64 of 1950).

27. **Tyre Kilometres**

The total kilometres covered by the tyre from the date of its fitment on the vehicle upto the time of its removal either for scrapping or for retreading. In short, it represents the life of the tyre.