CHAPTER V

PAY AND OTHER CONDITIONS OF SERVICE
The pay of public servants is the most sensitive area of personnel management. In no phase of personnel administration is the possibility for misunderstanding, conflict and hearburning between the employer and the employees greater than that of compensation. Generally, pay is defined as a due for the service done. According to Corporation Service regulations 'it is the amount drawn monthly by the Corporation employees'.

The Pay or the Wage has a direct impact on the movement of the wheel in a Transport industry.
If the wheel is to be kept running un-interrupted, the hands behind the wheel must be paid acceptable and need-based wages. Hence, wage fixation has become most delicate and complex area of personnel management in transport sector like the Andhra Pradesh State Road Transport Corporation. It has been observed in the working of the present Corporation that over a long period, wage-disputes constituted the single largest issue of industrial disputes. "Unfavourable wages create strong resentment and dissatisfaction although good wages need not necessarily lead to high level of productivity."

According to the 'Payment of Bonus Act, 1965, 'Pay or Wage' means all remuneration capable of being expressed in terms of money, be payable to an employee in respect of his employment or work done. Remuneration in respect of overtime is excluded from Pay or Wage.

As the Road Transport Corporation Act, 1950 lays down, 'the Corporation shall have power to provide for its employees suitable conditions of service, including fair wages, establishment of Provident Fund, living accommodation, places for rest and recreation and other amenities.

Criteria of Wage Determination

The Pay Committee, constituted from time to
time from among the members of the Corporation Board is responsible for the determination of wage level, the management mainly depends upon Wage Comparisons with other Bus Transport Undertakings, estimation of its own capacity to pay, and the standard of living of the workers. In addition to these wage criteria, there are some other environmental and conceptual determinants which govern the management in the wage fixation. They are, Government's Wage Policy (including labour laws on wage fixation), labour-market conditions, labour relations and trade union strength in the Corporation.

**Method of Wage Payment**

Out of several methods of wage systems like Time-Wage System, Payment by Results, Incentive Wages, Straight Piece, Rate Scheme and Task-Bonus-System adopted by various industrial undertakings, the Andhra Pradesh State Road Transport Corporation has adopted Time-Wage System. Under the latter system of wages, the workers are remunerated according to some measure of time, like a day, week or a month as in the case of the Andhra Pradesh State Road Transport Corporation. In this variant time-wage scheme, the worker receives usually monthly salary according to a scale of pay which indicates a progressive in the scale at some
fixed rate popularly known as increments, for each completed year of satisfactory service.

Pay Scales in Andhra Pradesh State Road Transport Corporation - A Review

Prior to September 1, 1961 there were two sets of pay scales for the employees of the Corporation known as pre-July 1, 1957 and post July 1, 1957 scales of Pay. The former scales of pay were those existing in the organisation when it was an ancillary department of the Ex-Nizam's State Railway and which were recommended by the Central Pay Commission in the year 1947. After the formation of the State of Andhra Pradesh 1956, the then Government revised the pay scales of the employees of the Corporation w.e.f. July 1, 1957. The post-July 1, 1957 scales of pay were must lower than the scales of pay sanctioned to the pre-July 1, 1957 employees. The two different sets of pay scales for the employees performing the same duties created lot of anamolies. The Corporation therefore constituted a committee under the Chairmanship of J.P.L. Gwynn, the Vice-Chairman of the Corporation to go into the question of revision of pay and make recommendations to the Corporation. This Committee evolved uniform pay scales applicable to all the employees of the Corporation by restoring to the pre-July 1, 1957 scales of pay and by
merging 50 per cent Dearness Allowance to them. These recommendations were accepted by the Employees' Unions to the Corporation. 5

Meanwhile, the Corporation which entered into an agreement with the Andhra Pradesh State Road Transport Corporation Employees' Union in September, 1959 for an industrial truce to last for two years expired on August 31, 1961. Immediately after accepting the revised pay scales, the Employees' Union entered into an agreement with the Corporation to maintain industrial relations true for a period of five years.

The pay scales of the officers of the Corporation was also revised simultaneously as per the recommendations of the pay Committee and the Dearness Allowance was merged completely in the new pay scales. The total increase in pay and allowance as per revision worked out to be nearly 10 per cent. These new scales of pay came into effect from September 1, 1961.

The second phase of pay scales took place with the constitution of Pay Committee by the Board on April 1, 1967 for the revision of pay scales. It completed its taks on December 31, 1968. These pay scales were accepted by the Corporation and approved by the Government. The Dearness Allowance also was
revised simultaneously. These pay scales came into force from January 1, 1967.

The third phase in the fixation of pay scales took place with the constitution of a pay Committee again on March 31, 1971 to revise the pay scales. The revised pay scales of the Pay Committee were accepted by the Board. These pay scales came into force on December 1, 1972 with retrospective effect from May 1, 1970.

The fourth phase of revision of pay scales took place in May 1977 with retrospective effect from January 1, 1976.

The fifth phase of revision of pay scales took place on February 12, 1982 payable with retrospective effect from January 1, 1980.

Though the sixth wage agreement was due since January 1, 1984 due to various unwarranted reasons the wage settlement reached between the management and the recognised Andhra Pradesh State Road Transport Corporation Employees' Union only on October 9, 1985 which expired on March 31, 1989.

After 1985 pay revision, the next pay revision took place in 1989. After a period of five years the present scales of pay were revised in April 1994.
### Table

**PAY SCALES OF EMPLOYEES AND THEIR GRADES**

<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>1800-85-2480-100-3480</td>
<td>2955-130-4125-140-5245-150-5995</td>
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<tr>
<td>2.</td>
<td>1550-60-1850-65-2305-80-2865</td>
<td>2525-95-3190-100-3890-110-4440-120-5040</td>
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<tr>
<td>3.</td>
<td>1450-55-1890-65-2345-75-2720</td>
<td>2350-85-3115-100-3915-110-4685</td>
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<tr>
<td>4.</td>
<td>1350-45-1890-55-2110-65-2370</td>
<td>2180-70-2880-80-3360-90-3720-100-4120</td>
</tr>
<tr>
<td>5.</td>
<td>1275-45-1905-55-2290</td>
<td>2070-70-2700-75-3300-80-3940</td>
</tr>
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</table>

*APSRTC Cir.No.PD.28/1994 - Dt.29.4.1994.*
which were due in 1993. These pay scales were the resultant of the wage agreement entered by the management with the present recognised minor namely Andhra Pradesh State Road Transport Corporation Employees Union. The pay scales of 1989 and 1993 are given in the Table. However, these pay scales are not applicable to the following categories in the Corporation.

The Revised Scales of Pay shall not apply to:

1. Person appointed on Contract basis;
2. Persons engaged on Contingent basis;
3. Persons engaged on Casual basis;
4. Persons working in the Corporation on Deputation and who have not opted for Corporation scale during the period of their deputation.
5. Persons appointed on consolidated pay/honorarium;
6. Former employees of TTD who were transferred to Corporation and who have not opted for the Rules, Regulations and service conditions of Andhra Pradesh State Road Transport Corporation.

**Dearness Allowance (D.A.)**

In addition to the pay, the employees are paid Dearness Allowance. Usually the Dearness Allowance is revised and paid to the Corporation employees whenever the State Government revises the Dearness Allowance to its own employees. At present, the rates of Dearness Allowance admissible on the revised scales of pay 1993 are 29.3 per cent up to basic pay of Rs. 5,990 and
is up to the level of Senior Supervisor. The Dearness Allowance rates of officers are fixed by the Government from time to time.

**Special Pay**

Certain categories of posts in the Corporation like Pay and Allowances to Chairman, Vice-Chairman and Managing Director, and Finance Advisor and Chief Accounts Officer, Head Clerk Working in Managing Director's Peshi's Office, Steno/Pay and Allowances to Executive Directors Regional Managers and all H.O.Ds, Peons working in the above offices, supervisors in charge of satellite Depots, Typist, Comptists are paid special pay as per the norms accepted by the wage agreement.

**House Rent Allowance (H.R.A.)**

The employees including officers of the Corporation are paid House Rent Allowance in addition to the Pay and Dearness Allowance. The present system of house rent allowance is based on the strength of population in an area. Employees who are not provided with Corporation quarters and who are not residing in the quarters are paid House Rent Allowance as given in Table.

**City Compensatory Allowance (C.C.A.)**

The employees including officers of the
Corporation are paid City Compensatory Allowance mainly intended to compensate for that element of expensiveness of cities which is not covered by any other from of allowance. At present, the city compensatory allowance is paid to the employees working at the twin cities of Hyderabad and Secunderabad and those of Visakhapatnam. The rate of the City Compensatory Allowance are as follows:

<table>
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<tr>
<th>S.No.</th>
<th>PLACES</th>
<th>PAY RANGE</th>
<th>RATE OF CCA</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Twin cities of Hyderabad and Secunderabad.</td>
<td>Upto Rs.1779/-</td>
<td>Rs. 50.00 p.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>From Rs.1780/- &amp;</td>
<td>Rs. 75.00 p.m.</td>
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<td></td>
<td></td>
<td>upto Rs.2490/-</td>
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<td></td>
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<td>From Rs.2491/- &amp;</td>
<td>Rs. 120.00 p.m.</td>
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<td>upto Rs.4044/-</td>
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<tr>
<td></td>
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<td>Rs.4045 &amp; above</td>
<td>Rs. 150.00 p.m.</td>
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<tr>
<td>2.</td>
<td>Visakhapatnam and Vijayawada</td>
<td>---</td>
<td>Rs. 30.00 p.m. for all employees.</td>
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</table>

**Hill Allowance**

The Corporation has provided a special hill allowance to those employees and officers working in Hill areas like Tirumala Depot at 10% at 10% of basic pay subject to a maximum of Rs.150/- p.m.10

**Increments**

In addition to the Pay and Dearness Allowance every year Increments are also paid to the employees of
the Corporation whenever they are due to them. Usually, the superior officer of the employees certifies that the work and conduct of the employee are satisfactory. Then the sanctioning authority grants the increment.

**Family Planning Increments**

The Corporation on par with the Andhra Pradesh State Government employees extends Family Planning incentives in the form of one special increment to those officers or employees who or whose spouse undergoes sterilisation operation after having two or three surviving children. This increment is added to the basic pay for other calculations.

**Other Allowance**

**Officers.** The Class I Officers of the Corporation are entitled to claim other allowances like Travelling Allowance and Entertainment Allowance as per the norms fixed by the Corporation.

**Employees.** The employees, other than the officers of the Corporation are paid various other allowances as per the norms of the wage agreement settled from time to time. They are as follows:

1. Daily Travelling Allowance to Drivers and Conductors and Supervisors.
2. Jathara Allowance to Class II supervisory Staff.
3. Day out Allowance to Drivers and Conductors based on distance and category of services run.
4. Night Driving Allowance to Drivers.
5. Steering Allowance to City Bus Drivers (only in twin cities).
6. One man operation service allowance.
7. Ghat Road allowance to drivers at Tirumala.
10. Foot wear allowance.
11. Washing allowance.
12. Soap allowance.
13. Diet Allowance to Nurses.
14. Uniform allowance to Hospital staff.
15. Dhobi allowance to hospital staff.

Superannuation and Other Conditions of Service

Superannuation has become an essential and inevitable part of personnel management of Public Enterprises in India. Irrespective of the nature of the undertaking, Superannuation is adopted by all the Entrepreneurs, both in the interests of the efficiency of services and health of the employees. Retirement of old employees is necessary to make room for the promotion of younger men in the service to higher posts and recruitment of persons from outside.
As a public sector undertaking, the Andhra Pradesh State Road Transport Corporation implements the principle of retiring its personnel after attaining a particular age. The Corporation has rightly designed the superannuation to facilitate the termination of employment of employees, whose powers have failed on account of age or disability, to granting allowance for past services, to provide benefits to dependents in case of death and to improve the morale of the services by creating a sense of economic security.11

The Road Transport Corporation Act, 1950 lays down that the State Government may, after consultation with the Corporation, give to the Corporation, general instructions which include directions relating to the conditions of Service.

Section I (a) of the Andhra Pradesh State Road Transport Corporation Employees Service Regulation 1964 deals with the retirement provisions of the employees.

The retirement age of the employees of the Corporation is subjected to the policies made by the State Government from time to time with regard to its own employees. The influence of the State Government even in the matters of retirement could be easily
perceived when the Corporation made frequent alterations to the retirement age of its own employees on par with the policy of the Government.

When the R.T.D. was under the Nizam's State Railway, the employees of the transport department were guided by the Nizam's State Railway Service conditions, and they served until 60 years of retirement age. Later, when the Hyderabad Government took away the Road Transport Department, it reduced the retirement age to 58 years to bring the employees of the Road Transport Department on par with the Government employees. Even after the formation of the Corporation, the same retirement age was continued till June, 1974.

This retirement age was subjected to alteration when the Corporation amended the provision of Rule 61 (a) of the Andhra Pradesh State Road Transport Corporation Employees Service Rules, 1964 and reduced the retirement age to 55 years which came into effect from July 1, 1974. Again, the above regulation was amended by the Corporation and the retirement age was enhanced to 58 years which came into force since October, 1979.

The above retirement age was again subjected to change when the Telugu Desam Government headed by N.T.Rama Rao came into power in January 1983. It
reduced the age of retirement to the Government employees from 55 to 58 years. The Board also acted accordingly and adopted the same policy and reduced the retirement age of its own employees from 58 to 55 years. This amended regulations came into effect from February 28, 1983.

The reduction of retirement age from 58 to 55 years was subjected to severe criticism by the employees, and most of the retired employees went to the court of law and filed a writ petition. But due to unexpected political developments that took place in Andhra Pradesh, the Telugu Desam Government headed by N.T. Rama Rao was dethroned and Nadendla Bhaskar Rao assumed office as Chief Minister, the age of retirement for the Government Employees was once again increased from 55 to 58 years. The Andhra Pradesh State Road Transport Corporation applied the same policy of 58 years of retirement age to the Corporation employees.

Later, in September 1984, the Telugu Desam Government headed by N.T. Rama Rao was reinstated and this Government decided to ratify the enhanced retirement age of 58 years as was enforced by Nadendla Bhashkhara Rao. Accordingly, the Corporation amended its service regulation as follows.

"An employee shall retire from service with
effect from the afternoon of the last day of the month 
in which he attains the age of 58 years.

Voluntary Retirement

An employee after giving 3 months notice to 
the competent authority or payment of three months' 
salary (Pay + Dearness Allowance) in service, can also 
retire voluntarily from his service. The employees who 
are in service and attained the age of 48 years or put 
up a minimum of 20 years of service whichever is earlier 
are eligible for voluntary retirement.

After the retirement, all the dues from the 
Corporation including provident fund, gratuity and other 
retirement benefits are settled. In addition, he also 
gets the remaining five years extra service benefits 
basing on his last basic pay to his voluntary retire­
ment.

Compulsory Retirement on Medical Grounds

According to Reg. 6(a) of the Andhra Pradesh 
State Road Transport Corporation Employees Service 
Regulations, 1964, every employee in the Corporation 
is expected to undergo medical examination by a Medical 
officer appointed or nominated by the Corporation once 
in three years until te attains the age of 45 years and 
later once in every year. If in the opinion of the
Medical Officer, the employees is found unfit to discharge the duties of the post held by him, he will be retired from service with all his retirement benefits due to him.

**Retirement Benefits**

The retirement benefits provided to any employee and his family are as follows:

1. Provident Fund.
2. Gratuity.
3. Encashment of Earned Leave.
4. Staff Benevolent-cum-Thrift fund.
5. Pass Facilities after retirement.

**Provident Fund**

The employees of the Corporation are provided with Contributory Provident Fund after their retirement. For this purpose the Corporation constituted a Provident Fund Trust (P.F.T.) functioning with effect from October 1, 1971 in terms of Regulation 3(2) of Andhra Pradesh State Road Transport Corporation Provident Fund Regulations and also nominated the Corporation officials as members of the Trust. Each employee contributes eight per cent of his basic pay as subscription and the Corporation contributes an equal amount to the fund. At the time of retirement
or death, the employee gets full amount standing to
his credit along with Corporation's equal contribution
plus interest calculated fixed by the Corporation from
time to time. In the case of death when a valid nomi-
nation is existing, the Provident Fund holdings of the
deceased member are paid to the nominee/nominees. If
no such nominee subsists, the whole amount will be
equally distributed to his legal family members. If
the nominee is a minor, the amount will be paid to the
guardian on production of guardianship certificate.

**Gratuity**

The provisions of the Payment of Gratuity
Act, 1972 have been extended to the employees of the
Corporation w.e.f. September 16, 1972. Every employee
of the Corporation, who completes five years of
qualifying service, is entitled to get gratuity when
the retires from service, in the following manner.

\[
\text{Last salary (Pay + D.A.) drawn} \times \frac{\text{No. of years of Service}}{15} \times 26
\]

If the employee dies in service, the gra-
tuity is paid to his family. No gratuity is awarded
to an employee who is dismissed or removed on grounds
of misconduct.
Encashment of Earned Leave

At the time of retirement, the employees of the Corporation are entitled to encash their earned leave up to the maximum of 180 days. The encashment covers both pay, dearness allowance, and other allowances.

Staff Benevolent-cum-Thrift Fund

In respect to a widespread desire among the employees of the Corporation for a comprehensive social security scheme, the Corporation started Andhra Pradesh State Road Transport Corporation Staff Benevolent-cum-Thrift Fund since February 1, 1980. This scheme covers all the employees including officers of the Corporation who are appointed on or after February 1, 1980. The main objectives of this scheme are to provide social security benefits to family members of the deceased employee. Thrift Fund provides support to the physically and permanently disabled employee-members.

Payment of Ex-Gratia

In the event of death of a member, an ex-gratia of Rs.40,000/- in case of Class I Officer and Rs.20,000/- in case of Class II, III & IV employees will be paid to the nominee or nominees of the deceased and in the case of absence of nominee, to the legal heir declared by a competent civil court.
An additional ex-gratia of Rs.15,000/- will be paid to the employees of Class I, II, III and IV in case of death or total permanent disablement caused on account of accident. Electrocution, dog-bite, snake-bite, murder, buring and firing.

An ex-gratia of Rs.7,500/- will be paid to Class I, II, III and IV employees in case of partial disablement i.e., loss of one eye, or one foot, or one hand arising out of the above causes mentioned.

**Passes to Staff After Retirement**

Bus passes are provided to the retired employees will their death.

**LEAVE RULES**

All the employees of the Corporation are entitled to enjoy various types of leave stipulated by the leave regulations.

**Casual Leave**

All the employees of the Corporation are eligible to get 15 days casual leave for every calendar year.

**Half Pay Leave**

The half pay leave admissible to an employee in Class I, II and III services is 12 days on medical certificate and six days on private affairs for each
completed year of service. For Class IV employees six
days on medical certificate up to 15 years of service
and thereafter on par with Class III employees.24

**Commutted Leave**

A permanent employee may commute half pay
leave not exceeding half the amount of such half pay
leave due and admissible to him on medical certificate
to full pay leave in case of sickness, duly supported
by a medical certificate subjected to the maximum
of 180 days to all employees except Class IV employees
who are eligible to only 90 days.

**Earned Leave**

The Class I, II and III employees of the
Corporation are entitled to earned leave at the rate
of one day per month for the first year of service,
thereafter at the rate of one twelfth of the period
spent on duty. The Class IV employees are entitled
to earned leave at the rate of one day per month,
thereafter 1/23 period spent on duty up to fifteen
years of service and thereafter on par with Class III
employees. The maximum accumulation of earned leave
for all classes of employees is 180 days.

**Leave Admissibility for the Treatment of Leprosy/
T.B./Cancer/Mental Illness/Heart Diseases**

An employee on half pay leave, who is
suffering from the above diseases and undergoing treatment from a recognised Institution or hospital is entitled to leave salary equal to full pay leave for a period not exceeding 6 months in lieu of half pay leave due to the employee on medical certificate provided the earned leave/privilage leave at his or her credit is exhausted. There after the normal rule of half pay salary is applied to the extent half pay leave is due on medical certificate. After exhaustion of the above leave he is entitled to an exgratia payment equal to half of the pay or Rs.120/- which ever is more.

Maternity Leave

The female employees of the Corporation who have worked for not less than 160 days in one year of service, are entitled to enjoy Maternity leave for 12 weeks with full pay. In case of sickness arising out of pregnancy confident, premature birth of a child, or miss-carriage, the employee is entitled for a period of one month in addition to the above leave.

An Overview

Pay and other allowances given to the various categories of employees in any organisation in general and labour-oriented enterprise like Andhra Pradesh State Road Transport Corporation plays a vital role in boosting
up the morale of the employees. This is the they and sensitive area which gives a scope for industrial disputes, dishormoney and industrial unrest. To keep the corporation on smooth and peaceful lines the wage agreements between the Management and employees should be entered in time without delay. The fixation of pay and other allowances should give no scope for any anomalies and contradictions. The basis of scientific of the nature of work, working hours and the quantum of work should all be taken into consideration in fixing the allowances of the employees. All the employees of the corporation should be taken into confidence and consultations in filling up the wages. Not only the recognised Union but also the other Unions of the con
2. Slahl O Glenn, Public Personnel Administration, p. 79.
5. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.


