CHAPTER III

PROGRESS OF PUBLIC SECTOR PASSENGER ROAD TRANSPORT CORPORATIONS IN INDIA
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INTRODUCTION

Transport industries, which undertake nothing more than the mere movement of persons and things from one place to another, have become constituted one of the important activities of man in every stage of advanced civilization. In other words, the function of transport is to move men and materials from one place to another. Exchange of ideas also is quicker and effective with an efficient system of transport. The degree of development of transportation directly influences the economic, social, cultural, political and religious activities of man. The stage of development of transportation is the defacto barometer of economic, social, commercial, agricultural, industrial and political progress of a country. The term transport includes railways, roadways, inland waterways, oceanic waterways and airways.

HISTORY OF ROAD TRANSPORT IN INDIA

The road transport is the most primitive mode of transport. Its history dates back to the dawn of civilization. It existed in the heary past when man was used to carry goods on his own head, back or arms in the absence of any other means of transport. Moreover road is a fundamental institution of mankind. Road transport is the kingpin of transport system of any country. It
starts and completes the movement of man and goods from one place to another. It acts as the first as well as final link between the consumers and the producers. It has been playing an important role in the economy of the country by bringing backward areas into the national main stream of development. Several kinds of carriages are used in road transport such as bullock carts, buses, trucks, auto rickshaws, cycle rickshaws, bicycles, tricycles etc. Over the years there has been increase in the share of road transport in the total traffic for both passengers and goods. 12

Bullock cart remains most suitable and cheap means of transport especially on the countryside because the animal power used in agricultural operations remains idle for several months and this power could be profitably utilised in transport. Further modern means of transport are not suitable for most of the village roads.

FORMS OF ORGANISATION IN STATE TRANSPORT UNDERTAKINGS

Nationalisation of passenger transport has registered since Independence, a slow and steady progress. In spite of an equivocal policy and lack of sufficient financial support and political will, if the nationalised sector today holds more than half of the market share, it must indeed be creditable. The only note worthy nationalised organisation in the pre-Independence days was the

Road Transport Department of the Hyderabad State. It was formed as a wing of the Nizam State Railway in 1932 with a fleet of twenty-seven buses and grew in size by 1949-50 to a total fleet strength of 567 buses. There were other small state enterprises in the princely state of India, but their size and coverage were negligible.

**The Rise of the Big Corporation**

The rise of the big corporation in road passenger transport brought in its wake the need for designing an organisational set-up to suit the business the industry has had to undertake. In the case of rural transport operations, govt. intervention and the consequent nationalisation resulted in organizing transport services as govt. departments. Over a period of time, the various forms of organisation acquired a rationale for each, depending upon the years of experience. There has also been frequent changes in the organisational pattern. State Transport undertakings means any undertaking providing road transport service, where such undertaking is carried on by,

- The Central government or a State government.
- Any Road Transport Corporation, established under section 3 of the Road Transport Corporation Act, 1950.
- Any municipality or any corporation or company owned or controlled by the Central government or one or more State governments, or by the Central government and one or more State governments.
Departmental Undertakings

Government ownership traditionally meant formation of a department such as any other department of the government. The corporate and company forms are later innovations. In the former Hyderabad (Nizam) state, both Railways and Road Transport were run departmentally. Before the formation of the Bombay State Road Transport Corporation in 1949, bus services in the Bombay State were nationalised and run under a separate department. Even today, departmental undertakings are operating in the states of Punjab, Haryana, Sikkim, Nagaland, etc.

Municipal Undertakings

Municipalities providing transportation within the city limits along with other municipal services is no new innovation. In almost all the European cities this practice exists. The Greater London Council operates London Transport services, both the buses and underground railway conceptually, provision of intra-city transportation by municipalities has a sound logic behind it.

Municipal transport undertakings, by their vary nature, are city urban transport undertakings, catering mainly to those living in the municipal area. These undertakings are managed by a sub-committee, called Transport sub-Committee, of the main municipality or municipal council, headed by one of the councilors or members as chairman. It is expected that the municipality will
be able — with the assistance and guidance of the elected members — to respond to the needs of the travelling public and provide for the financing of the services as part of its over all responsibility.

Road Transport Corporations

Corporations formed under the Road Transport Corporation Act of 1950 are the most popular forms of organisation in the country. The attraction of capital contribution by the central government was perhaps too tempting for the state govs., which have always lacked sufficient resources. Though only 21 out of 46 State Transport Corporations, they account for 80.73 per cent of the total nationalised holding. They own 52,825 buses out of a total of 65,428 buses in the nationalised sector. The operation of most of the Road Transport Corporations cover the entire state, having grown giant-sized over a period of time.

PERFORMANCE STANDARDS FOR ROAD TRANSPORT CORPORATION.

Performance of business enterprises is usually judged on the basis of profit earned or surpluses generated. In the case, however, of public sector service-oriented enterprises, profit or surplus can only be one of several other criteria for measuring performance. The guiding purpose and the objectives for which organisation have been created will have to be the points of reference while evaluating performance.
**Profit Vs Service**

The public sector industry in India has been particularly bedeviled by the dichotomy of the competing claims of profit maximization and service maximization. While on the one hand social responsibilities were being heaped on these undertakings, both in the legislature and elsewhere, they were being subjected to trenchant criticism for the accumulation of losses. The very purpose of state intervention in business and industry is to strengthen the economy and promote social justice by looking beyond the narrow confines of profit and loss, and to gear up the economy towards the national goals of prosperity. In a developing economy it is not desirable to consider only the immediate micro aspect of simplifying industrial contribution into profits and losses.

To tighten managerial efficiency by streamlining the organisational performance and to avoid wastage, are the reasonable aims that should be pursued by public undertakings. "Profit optimization is relevant as a unified overall measure of corporate performance in the long run, but in the short-term, profit can only reflect costs and revenues; it does not indicate the actual resources from which these are derived. Measures of waste, on the other hand, can help to identify quickly what is really going on". In outlining performance standards for the purpose of judging internal organisational efficiency, the guiding principle should be as to what extent the resources kept at the disposal
of the undertakings have been utilised judiciously in serving the objective laid down.

Efficiency, in general, is basically an input / output relationship. It is the ability to produce the desired effect with the minimum of effort, expense or waste. It is also, at the same time, relative. "The achievable standard is with reference to a particular situation with certain specific factors of production. A firm may set its own standards of output for each input and norms of behaviour for various other achievements, but whether the level of a standard or norm is right is not easy to ascertain. It becomes necessary to compare one situation with a similar situation in other places or in the same place over a period of time. The former course is more difficult to apply and therefore the latter is followed more commonly".

OBJECTIVES OF ROAD TRANSPORT CORPORATIONS

It is necessary to examine the objectives set for the Road Transport Corporations by the ruling legislation in order to identify the performance standards that could assess the internal managerial efficiency of the corporation. Sec. 18 of the RTCs Act, states that "it shall be the general duty of a corporation to exercise its power as progressively to provide or secure or promote the provision of an efficient, adequate, economical and properly coordinated system of road transport services in the state or part of the state for which it is established and in any extended area: provided that nothing in this
section shall be construed as imposing on a corporation either directly or indirectly any form of duty or liability enforceable by proceedings before any court or tribunal to which is would not other wise be subject”.

In simple terms, the objectives as laid down by the Road Transport Corporations Act for the corporations formed under this legislation are that they should provide an efficient, adequate, economical and properly coordinated transport service and in doing so, carry on, its activities on business principles. These five-fold, essentially qualitative, objectives need to be quantified for separating those that are within the internal managerial efficiency to perform and those that have mainly to depend on the government and external agencies.

**Efficient Transport Service**

There is a general confusion prevailing even in advanced countries about the role of public undertakings and the method of judging their efficiency. There can be no dispute that these undertakings should be run in the national interest. But national interest, as professor Robson has said, is so vague a concept that it can be extended to cover almost every conceivable reason for granting, or rejecting or modifying a proposal.

Mr. Faster argues that “the words that parliamentary draftsmen use and civil servants prefer are scarcely ever precise as an economist knows precision”. Simply because civil servants wish for enough ambiguity so that polices can be altered significantly without being necessary to face all the problems and costs
of having to pass new legislations given the queue of impending Bills. While
this alleged vagueness may suit the policy makers for practical management,
appropriate standards of performance have to be set for measuring internal
managerial efficiency. The following are, therefore, being mentioned even at
the risk of elaboration so that while formulating performance standards to be
achieved by the Road Transport Corporations, however saddled they may be
with the burdens of social obligations, and to give effect to political
imperatives. Such standards will centre mainly around, what is reasonably
achievable in spite of constraint external to their working. 13

Efficiency, in general terms, is the ability to perform well or the capacity
to produce results. "In any sphere of activity efficiency is the ratio of the
results achieved to the means used. It is the ability to produce the desired effect
with the minimum of effort, expense or waste". Thus the word efficiency could
be stretched to cover the entire performance of an enterprise.

Efficiency, as defined by M.P.V. Anantha, is:

- ensuring the operation of services according to the published timings in
  order to obtain punctuality, regularity and reliability,
- ensuring that statutory requirements are observed in the operation of
  services in the area,

13 Sudarsanam padam, Bus Transport in India, Ajanta Publications, (India), Delhi, Ed.1990,
pp.35-86.
• ensuring that services are run at a speed consistent with the safety of the occupants of the buses and of the other road users,

• ensuring that possible assistance is rendered to the personnel involved in an accident, and all information relevant for legal as well as record purposes is collected,

• ensuring the operation of buses by crews in proper turnout and their rendering service with civility to the passengers and

• economical services.

For the purpose of evaluating a transport service on the parameter of efficiency, it could be summed up that it should have regularity, reliability, punctuality, safety, comfort, courtesy and cleanliness. Regularity denotes operating the service as per the frequency of timings advertised and made known to the public on the basis of the assessment of their needs and on which basis vehicle resources have been committed for the purpose. Punctuality means neither "early nor late", or in the present case, that bus service should leave the starting point at the appointed time. Punctuality of a transport service, in sum, means that the service should not leave and arrive on time but also adhere to the same stipulation on scheduled halts en route.

**Objective of Reliability means quality of being dependable.**

In the case of a transport service, reliability denotes a breakdown-free service. A passenger buys a service to reach his destination and if the bus
breaks down and he is left stranded, the service is not dependable. Safety is freedom from danger. Safety is not only in respect of the passengers travelling, it is equally in respect of the crew operating the service and pedestrians and others who have a right to share the road.

Comfort in transport service would mean a reasonably adequate accommodation for passenger to sit with ease. The buses should not be loaded beyond the capacity authorized in order not to cause inconvenience to passengers. While this is basic, comfort could also be enhanced, by providing faster service and improved facilities at an extra cost wherever justified. Courtesy is being polite and kind, showing good manners. The passengers should be treated well and it should be realised by those responsible for the transport operation that the passengers are paying for courtesy too. Cleanliness is another attribute of efficiency in transport service. The buses, bus stations and other premises should be kept clean and proper importance should be given to their maintenance and upkeep.

**Adequacy in Transport Service**

Adequacy of transport service denotes provisions of service level in right proportions. According to M.P.V. Anantha, adequacy of service could be ensured by:

- introducing additional services,
• increasing or decreasing or otherwise adjusting the number of trips,
• altering the timings of trips to suit the traffic demand,
• initiating proposals for expansion of services involving fresh capital investments,
• operating unscheduled services on special occasions or in response to manifest of demand,
• an operation of unscheduled services involving fresh capital investments and
• operating emergency services in public interest.

In a given area of operation, adequacy of transport service could be achieved by an objective assessment of travel needs of the people and matching them with the procurement of enough resources for meeting the transport demands of the area. "Transport is a derived demand"; especially in a developing country, the general economic and other social development in the area should be carefully studied for determining the existing and for forecasting the future demands for transportation while it is necessary to match transport service as per demands of the people. Transport is also a business where supply creates demand. In most of the backward and developing areas in rural parts, transportation needs are stifled and are yet to be articulated and pronounced. The supply of service is likely to trigger off more demand, awakening the latent or dormant needs of travel.
Economical Transport Service

Economical transport service means a service that is not wasteful. It denotes that all the inputs are put to appropriate and maximum use in order to provide a service which reflects only the genuine costs of operation. Economical service is not cheap service because cheapness is relative under this objective. There is a responsibility to provide transport services at fares that give consistently better value for their money to the passengers. To provide maximum of service at a minimum of cost to the public and to eliminate wastage internal to the working of the organisation is the crux of providing economical transport service. The responsibility of the supplier of the service is not to pass on the costs of his own inefficiency to his customer.

Properly Coordinated Transport Service

To coordinate is to equalize in importance proper coordination means, in the context of transport operations, provision of service in conformity with the weightage to be given to one mode of transport in relation to other modes of transport.

Coordination, in this context, is of two types viz. internal and external. Internal coordination means coordination within a given mode of transport. Wastages due to improper coordination will tell on the profitability of the service and in the long run will have the effect of being passed on as costs to the travelling public in the shape of increased fares.
EVOLUTION OF BUS SERVICE IN INDIA

The first motor vehicle appeared in India in the year 1898. Since then the number had been increasing very slowly and reached in the significant figure of about 1400 till 1905, of these, quite a good number were cars purchased by the wealthy persons and landlords. Next in importance were taxis. Thus motor transport in true sense did not start before the first world were in India.

ROAD TRANSPORT – A STUDY IN RETROSPECT

Growth of Road Transport in the Country

The number of motor vehicles on road during the early years of the present century was few and their use/operation was governed by the then provincial enactments which were concerned with registrations only. The (Indian) Motor Vehicles Act, 1914, was the first all-India enactment dealing with control over operation of motor vehicles.

The phenomenal growth of road transport began in the early 1920’s as a result of the diversion of surplus army vehicles to civilian market, after World War I. This also led to unhealthy competition and even rate-cutting amongst the operators. The Motor Vehicles Act of 1914, had, therefore, to be supplemented in the post-war years by Provincial Acts in order to introduce some measure of regulation and control. In the late 1920’s the problems of unhealthy competition became more acute and the shrinkage of traffic
accentuated by the worldwide depression (which involved this country also) has brought to the fore the need for regulation of this industry, both internally and in relation to the railways. A study of rail-road coordination was thus initiated by the Mitchell-Kirkness Committee in 1932.

Mitchell-Kirkness Committee Report, 1932

The Mitchell-Kirkness Committee, commenting upon the state of affairs existing in the road transport industry at that time observed as under:

"The evils from which the public service motor transport is suffering are largely due to the excessive competition, unemployment amongst buses and their concentration on the more popular routes. ... We think that the alternative, namely, monopoly would be preferable. ... In any event, we believe a controlled monopoly will be necessary to encourage enterprise on less popular routes".

The Committee recommended that the number of licenses for buses on any route should be restricted and that conditions such as issue of time-tables, publication of schedules of fares and compulsory insurance of motor vehicles should also be prescribed. It felt that these measures would raise the business to better and more economic levels and that fuller regulation and control would eliminate unhealthy competition and make it possible for bus operators to offer better services to the public.
Motor Vehicles Act 1939

On the basis of the recommendations of the Committee, and those made by the Wedge Wood Committee in 1937, the Motor Vehicles Act, 1939, was enacted to ensure the growth of road transport on the basis of healthy competition in the industry itself and with the railways. This Act, which is in force even today, provided for the creation of Regional and Provincial (now state) Transport Authorities with full powers to grant permits for stage carriages, public carriers and private carriers and also to lay down conditions pertaining to routes, timings, specifications of vehicles, standards of maintenance etc., which were to be attached to the permits and had to be observed by the permit holders.

Post-war Reconstruction Committee Report, 1943

A decade after the Mitchell-Kirkness Committee had voiced its concern over unhealthy competitive practices amongst bus operators, the Post-war Reconstruction report of the Technical Sub-Committee to the Sub-Committee on Transport on the future of road transport and road-rail relations, 1943, also drew attention to the need for "regular, speedy and comfortable motor service, prevention of flooding of roads by motor transport concerns resulting in cut-throat competition" and urged that, in order to have "civilized facilities for travel commensurate with the density of the traffic and the service which that traffic can support ... the conditions requisite must inevitably result in the
replacement of the small owner by large Companies”. This recommendation was reiterated in 1945 by the Transport Advisory Council and also by the Post-War Policy Committee on Transport. In pursuance of these recommendations, several State governments used compulsion as well as persuasion to organise individual operators into bigger units.

Post Independence period

The Post-Independence era also witnessed some efforts on the part of government to bring about formation of viable units in the road transport industry. The Planning Commission in the early fifties, urged the State governments to encourage the formation of viable units of passenger vehicles, in areas, where nationalization was not proposed to be resorted to. For the first time, the need for formation of viable units amongst goods operations was also stressed by this Commission when they recommended that incentives should be given to viable units of goods vehicles by granting them permits for a period of five years.

The planning Commission in the first five year plan, reiterated the policy of forming larger units of operators and observed that only large organisation, with adequate financial assistance could provide the workshop and other facilities essential for providing efficient and economic service. The majority of the private operators were small individual owners without resources who could not extend their operations on sound and business-like lines. In pursuance
of the recommendations contained in the Five-Year Plans, some state
governments introduced rules in their Motor Vehicles Rules for preferential
treatment to viable units in the matter of grant of permits. A notable example is
that of Madhya Pradesh (then Central Provinces and Bihar) which introduced a
new rule in their Motor Vehicles Rules as under:

"49-A- Where there are more than one applicant for a stage
carriage permit over any routes or areas, then, other things
being equal, a Regional Transport Authority or the State
Transport Authority, as the case may be, shall, in deciding
whether to grant or refuse a stage carriage permit, give
preference to a Viable Unit".

"Explanation – For the Purpose of this rule, a Viable Unit
means an operator who is in possession of more than 20 public
vehicles”.

Following the lead given by Madhya Pradesh, a few other states also
introduced provisions in their Motor Vehicles Rules for preference to viable
units in the grant of permits. The impact of these provisions for various reasons
in so far as formation of viable units was concerned, was not significant.

**Viable Unit-Definition**

On the lines of the above provision in the Central Provinces and Bihar
Motor Vehicles Rules, the term “viable unit” was defined by the sub-
Committee appointed by the Conference of Transport Commissioners Controllers in 1957 as one "owning not less that 20 vehicles". It was explained, however, that the expression "viable unit" referred to, a unit of vehicles and not to owners of vehicles and so, a Joint Stock Company, Co-operative Society or Union of Operators, having an effective control over the requisite number of motor vehicles, could come within the ambit of such a unit.

**Study Group on Transport Planning**

The Study Group on Transport Planning 1955, appointed by the Ministry of Transport & Communication observed that as long as the industry was based on large number of small units, each owning one or two, vehicles, the defects (to which they are subjected) would continue". The Group added that it was desirable to encourage the formation of viable units each having over 15 vehicles. Summing up the need for formation of such units, the group observed that every thing possible should be done to encourage the formation of bigger units.

The policy underlined in the First Year Plan in regard to organisation of viable units of road transport operators was kept in view in the subsequent Plan too. It may, however, be stated that this policy was linked to nationalisation of passenger transport and envisaged that "in areas to be left entirely to private operators of passenger services, special encouragement should be given in favour of viable units in the matter of grant of route permits".
Masani Committee, 1959

Of the recent studies made of the question of formation of viable units, reference to the recommendation contained in the report of the Road Transport Reorganization Committee, 1959 (Masani Committee) will be relevant. The Committee exhorted government to encourage the formation of efficient road transport enterprises in all reasonable and legitimate ways and suggested the creation of viable units consisting of a minimum of 5 goods vehicles for intra-state operations and 10 goods vehicles for inter-state operations. In regard to passenger transport, the Committee suggested that a unit should consist of a minimum of 5 buses.

Committee on Transport Policy and Coordination

The Committee on Transport Policy and Coordination, in its final report (1966), also made recommendations for encouragement of viable units in the country. According to the data contained in this report, 89% of road transport operators in this country owned only one vehicle each; this had resulted in a number of disadvantages. The Committee recommended that small operators should be helped to join together to form viable units and have a fleet of 10 or more vehicles in each unit. The Committee also recommended certain concessions in the issue of permits for long distance and other facilities to encourage more units being formed.
Road Transport Taxation Enquiry Committee

The final report of the Road Transport Taxation Enquiry Committee (1967), appointed under the Chairmanship of Dr. B.V. Keskar, also stressed the need for the formation of viable units and highlighted the defects in the present functioning of the good transport industry.

Implementation of the Various Recommendations

As a result of the recommendations made by various Committees, Study Teams and Conferences regarding organisation of road transport industry, the Transport Development Council recommended that the following inducements might be offered to encourage individual operators to form viable units in the country:

- Preference in the grant of long distance permits for inter-state operation,
- Special facilities in the collection of taxes on provision of reasonable security,
- Financial assistance through Government or State Bank or Cooperative Banks,
- Grant of Actual Users Import licence specially for obtaining spare parts not readily available.

The State Financial Corporation Act, 1951 was amended with effect from the 1st April, 1962, to make the road and inland water transport industries eligible for financial assistance and guarantee facilities from the State Financial
Corporations, like other industries. The limit of accommodation was kept at Rs.20 lakhs in the case of a co-operative society or a limited company and Rs.10 lakhs in any other case. Besides these and the steps taken by state governments to implement the above recommendation, necessary provision was made for grant of actual users import licence to a co-operative society, if its members, as distinct from the society itself, together owned 25 or more vehicles.\(^{14}\)

Since then there has been a gradual development of this mechanical mode of transport in the country because of the diversion of passenger traffic from other means of transport, specially from railways to bus transport. In case of the short distance like city bus services, bus transport established its monopoly. This trend of passenger traffic has been explained with the help of the Table 3.1.

### TABLE 3.1

<table>
<thead>
<tr>
<th>Years</th>
<th>Rail</th>
<th>Road</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948-49</td>
<td>77.1</td>
<td>22.9</td>
<td>100</td>
</tr>
<tr>
<td>1950-51</td>
<td>74.2</td>
<td>25.8</td>
<td>100</td>
</tr>
<tr>
<td>1955-56</td>
<td>66.2</td>
<td>33.8</td>
<td>100</td>
</tr>
<tr>
<td>1960-61</td>
<td>59.5</td>
<td>40.5</td>
<td>100</td>
</tr>
</tbody>
</table>

\(^{14}\) Government of India, Road Transport – A Study in Retrospect, Report of the study group of viable units, MIDS, pp.1–5.
TABLE 3.1 (Contd.)
Percentage Share of Rail and Road, Road Traffic to Total Passenger Traffic

<table>
<thead>
<tr>
<th>Years</th>
<th>Rail</th>
<th>Road</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-66</td>
<td>53.0</td>
<td>47.0</td>
<td>100</td>
</tr>
<tr>
<td>1970-71</td>
<td>48.5</td>
<td>51.5</td>
<td>100</td>
</tr>
<tr>
<td>1975-76</td>
<td>47.4</td>
<td>52.6</td>
<td>100</td>
</tr>
<tr>
<td>1980-81</td>
<td>45.4</td>
<td>54.6</td>
<td>100</td>
</tr>
<tr>
<td>1985-86</td>
<td>31.6</td>
<td>68.4</td>
<td>100</td>
</tr>
<tr>
<td>July 1987</td>
<td>20.0</td>
<td>80.0</td>
<td>100</td>
</tr>
</tbody>
</table>

Thus, supplemented with imported vehicles, the passenger bus started their operation before the Second World War on almost all the metalled roads in the country. During the period of First World War the British Government realised the importance of motor bus transport and imported a large number of motor vehicles, which were used for war purposes. At the end of the war these motor vehicles were used for civilian purposes. Thus by the end of the First World War motor bus transport has more or less rooted itself as one of the permanent modes of transport in the country.

After the First World War, popularity of motor bus transport increased enormously and the number of motor vehicles in India went on increasing continually which is depicted with the help of the Table.
TABLE 3.2
Number of Motor Vehicles in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of Motor vehicles (in 1000)</th>
<th>Percentage increase per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920-21</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>1935-36</td>
<td>115</td>
<td>14.0</td>
</tr>
<tr>
<td>1950-51</td>
<td>310</td>
<td>11.3</td>
</tr>
<tr>
<td>1955-56</td>
<td>426</td>
<td>7.5</td>
</tr>
<tr>
<td>1965-66</td>
<td>1038</td>
<td>14.4</td>
</tr>
<tr>
<td>1970-71</td>
<td>2050</td>
<td>19.5</td>
</tr>
<tr>
<td>1975-76</td>
<td>2410</td>
<td>3.5</td>
</tr>
<tr>
<td>1980-81</td>
<td>5150</td>
<td>14.4</td>
</tr>
<tr>
<td>1985-86</td>
<td>9126</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Analysis of the Table 3.2 reveals that the Indian public accepted motor transport as one of the important modes of transport, because the number of motor vehicles on Indian roads has been increasing at a very fast rate. This increased importance of it compelled the government to find out ways and means to develop this new mode of mechanical transport to meet the requirements of the country.

TABLE 3.3
Revenue (Rs. in lakhs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic Revenue</td>
<td>168456.62</td>
<td>159890.56</td>
<td>612866.85</td>
<td>188493.95</td>
<td>223539.94</td>
</tr>
<tr>
<td>Passenger Tax</td>
<td>2304.33</td>
<td>2446.90</td>
<td>2349.11</td>
<td>6088.14</td>
<td>6775.65</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>5426.93</td>
<td>5591.11</td>
<td>29717.99</td>
<td>7078.46</td>
<td>8523.84</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>176187.88</td>
<td>167928.57</td>
<td>644933.95</td>
<td>201660.55</td>
<td>238839.43</td>
</tr>
</tbody>
</table>
Table 3.3 reveals the revenue of the public sector Passenger Road Transport Corporations in India.

The Value of Traffic Revenue has increased from Rs.1,68,456.62 lakhs in the year 1993 to Rs.2,23,539.94 lakhs in the year 1997 showing an increase of 32.70%.

The value of Passenger Tax has increased from Rs.2,304.33 lakhs in the year 1993 to Rs.6,775.65 lakhs in the year 1997 showing an increase of nearly three times.

The value of other revenue has increased from Rs.5,426.93 lakhs in the year 1993 to Rs.8,523.84 lakhs in the year 1997 showing an increase of 57.07%.

The value of Total Revenue has increased from Rs.1,76,187.88 lakhs in the year 1993 to Rs.2,38,839.43 lakhs in the year 1997 showing an increase of 35.56%.

Therefore the total amount of revenue has increased during the period of study.

**TABLE 3.4**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>76618.05</td>
<td>75460.57</td>
<td>299290.19</td>
<td>95832.26</td>
<td>108792.02</td>
</tr>
<tr>
<td>Fuel and Lubricants</td>
<td>40395.18</td>
<td>41261.98</td>
<td>147940.90</td>
<td>49490.64</td>
<td>63089.20</td>
</tr>
<tr>
<td>Tyres and Tubes</td>
<td>10891.30</td>
<td>10689.62</td>
<td>41013.62</td>
<td>13179.87</td>
<td>11622.06</td>
</tr>
<tr>
<td>Spare Parts &amp; others</td>
<td>10399.81</td>
<td>10375.29</td>
<td>38699.00</td>
<td>14542.37</td>
<td>14075.17</td>
</tr>
<tr>
<td>Others</td>
<td>82602.83</td>
<td>80321.08</td>
<td>303640.6</td>
<td>92657.71</td>
<td>104202.26</td>
</tr>
</tbody>
</table>
Table 3.4 reveals cost of the public sector passenger Road Transport Corporations in India.

The Cost of personnel in terms of salaries, wages, bonus, allowances etc. has increased from Rs.76,618.05 lakhs in the year 1993 to Rs.1,08,792.02 lakhs in the year 1997 showing an increase of 41.99%.

The Cost of Fuel and lubricants has increased from Rs.40,395.18 lakhs in the year 1993 to Rs.63,089.20 lakhs in the year 1997 showing an increase of 56.18%.

The Cost of Tyres and Tubes has increased from Rs.10,891.30 lakhs in the year 1993 to Rs.11,622.06 lakhs in the year 1997 showing an increase of 6.71%.

The cost of spare parts of others has increased from Rs.10,399.81 lakhs in the year 1993 to Rs.14,075.17 lakhs in the year 1997 showing an increase of 35.34%.

The cost of others has increased from Rs.82,602.83 lakhs in the year 1993 to Rs.1,04,202.26 lakhs in the year 1997 showing an increase of 26.15%.

Thus the Cost has increased during the period of study.

**TABLE 3.5**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>197603.40</td>
<td>196016.34</td>
<td>748457.60</td>
<td>238229.01</td>
<td>271893.02</td>
</tr>
<tr>
<td>Operating Cost</td>
<td>NA</td>
<td>NA</td>
<td>526913.71</td>
<td>173045.14</td>
<td>197578.45</td>
</tr>
<tr>
<td>Operating ratio (%)</td>
<td>NA</td>
<td>NA</td>
<td>81.70</td>
<td>85.81</td>
<td>82.72</td>
</tr>
</tbody>
</table>
Table 3.5 reveals the total cost of the public sector passenger Road Transport Corporations in India.

The amount of Total Cost has increased form Rs.1,97,603.40 lakhs in the year 1993 to Rs.2,71,893.02 lakhs in the year 1997 showing an increase of 37.60%

The amount of operating cost has increased from Rs.5,26,913.71 lakhs in the year 1995 to Rs.1,97,578.45 lakhs in the year 1997 showing an increase of 62.50%

The percentage of operating ratio has increased from 81.70% in the year 1995 to 82.72% in the year 1997 showing an increase of 1.25%

**TABLE 3.6**

<table>
<thead>
<tr>
<th>Fleet Utilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>1993</strong></td>
</tr>
<tr>
<td>Average No of buses held</td>
</tr>
<tr>
<td>Average No of buses on road</td>
</tr>
<tr>
<td>% Fleet utilisation</td>
</tr>
<tr>
<td>Average Age of bus (year)</td>
</tr>
<tr>
<td>Percentage of over aged buses</td>
</tr>
</tbody>
</table>

Table 3.6 reveals the fleet strength and other utilisation of the public sector passenger Road Transport Corporations in India.

The Average number of buses held has increased from 97182 in the year 1993 to 10864 in the year 1997 showing an increase of 11.30%
The Average number of buses on road has increased from 86214 in the year 1993 to 97,880 in the year 1997 showing an increase of 13.53%.

Percentage of fleet utilisation has increased from 88.7% in the year 1993 to 90.5% in the year 1997 showing an increase of 1.8%.

The average number of buses has increased from 5.29 years in 1995 to 5.73 years in 1997 showing an increase 8.32%.

Percentage of overaged buses has decreased from 25.29% in 1995 to 24.90% in 1997 showing a decrease of 1.54%.

Thus the fleet utilisation has increased during the period of study.

**TABLE 3.7**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Passengers Carried</td>
<td>49399.30</td>
<td>45339.67</td>
<td>201933.32</td>
<td>56470.58</td>
<td>55533.25</td>
</tr>
<tr>
<td>(lakhs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass carried / buses</td>
<td>631</td>
<td>625</td>
<td>NA</td>
<td>671</td>
<td>640</td>
</tr>
<tr>
<td>on road / day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Kms (lakhs)</td>
<td>919572</td>
<td>841881</td>
<td>3828419</td>
<td>11071.71</td>
<td>1087989</td>
</tr>
<tr>
<td>Seat Kms (lakhs)</td>
<td>1380236</td>
<td>1272391</td>
<td>5345359</td>
<td>1544930</td>
<td>1616201</td>
</tr>
<tr>
<td>Per bus on road</td>
<td>293.4</td>
<td>291.2</td>
<td>313.2</td>
<td>303.6</td>
<td>306.6</td>
</tr>
<tr>
<td>Per bus held</td>
<td>260.3</td>
<td>256.4</td>
<td>274.5</td>
<td>271.4</td>
<td>277.5</td>
</tr>
<tr>
<td>% Occupation Ratio</td>
<td>66.6</td>
<td>66.2</td>
<td>71.6</td>
<td>71.7</td>
<td>67.3</td>
</tr>
</tbody>
</table>

Table 3.7 reveals the Daily Bus Utilisation of the public sector passenger road Transport Corporations in India.
The total number of kms. run per bus held has increased from 260.3 in the year 1993 to 277.5 in the year 1997 showing an increase of 6.61%.

The total number of kms. run per bus on road has decrease from 293.4 in the year 1993 to 306.6 in the year 1997 showing a decrease of 4.50%.

The total seat kms. have increased from 13,80,236 lakhs in 1993 to Rs.16,16,201 lakhs in 1997 showing an increase of 17.10%.

The total passenger kms. have increased from 9,19,572 lakhs in the year 1993 to 10,87,989 lakhs in the year 1997 showing an increase of 18.31%.

Percentage of occupation ratio has increased from 66.6% in 93 to 67.3% in 1997 showing a marginal increase of 1.05%.

The total number of passengers carried has increased from 49,399.30 lakhs in the year 1993 to 55,533.25 lakhs in the year 1997 showing an increase of 12.42%.

The total number of passengers carried per bus on road per day has increased from 631 in 1993 to 640 in 1997 showing a marginally increase of 1.43%.

Thus the Daily Bus Utilisation has marginally increased during the period of study.
Table 3.8 reveals the staff position of the public sector passenger Road Transport Corporations in India.

The total number staff serving in traffic has increased from 4,76,463 in 1993 to 5,12,66 in 1997 showing an increase of 7.60%.

The total number of staff serving in work shop & maintenance has increased from 1,55,966 in 1993 to 1,57,118 in 1997 showing an increase of 0.74%.

The total number of staff serving in administration and accounts has increased from 85,336 in 1993 to 89,057 in 1997 showing an increase of 4.36%.

The total number of staff has increased from 7,17,765 in 1993 to 7,58,837 in 1997 showing an increase of 5.72%.

The total number of staff / bus on road has decreased from 8.33 in 1993 to 7.75 in 1997 showing a decrease of 6.57%.
The total number of effective Kms. per staff per day has increased from 35.24 in 1993 to 39.55 in 1997 showing an increase of 12.23%.

Thus the staff position has increased during the period of study.

**TABLE 3.9**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Accidents</td>
<td>8353</td>
<td>6903</td>
<td>28943</td>
<td>7890</td>
<td>7861</td>
</tr>
<tr>
<td>Accidents / Lakh eff. Kms.</td>
<td>0.36</td>
<td>0.32</td>
<td>0.32</td>
<td>0.30</td>
<td>0.28</td>
</tr>
<tr>
<td>No. of Fatal Accidents</td>
<td>1082</td>
<td>937</td>
<td>4377</td>
<td>1216</td>
<td>1308</td>
</tr>
</tbody>
</table>

Table 3.9 reveals the accidents of the public sector passenger Road Transport Corporations in India.

The total number of Accidents has increased from 8353 in 1993 to 7861 in the year 1997 showing an increase of 5.89%.

The year 1995 showed a very high number of accidents.

The total number of accidents per lakh eff. Kms. has decreased from 0.36 in 1993 to 0.28 in 1997 showing a decrease of 22.22%.

The total number of fatal accidents has increased from 1082 in 1993 to 1308 in 1997 showing an increase of 20.89%.

Thus though the number of accidents has decreased, number of fatal accidents have increased. This is a very unhealthy indicator of safety management.
CONCLUSION

In this chapter a review of genesis, growth and progress of public sector passenger road transport corporations has been made. The corporations are of great service to the nation. The yardstick of efficiency differed. These corporations showed overall progress during the period of study.