CHAPTER VI

GSRTC - SCALAR CHAIN & SPAN OF MANAGEMENT - I

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Composition & Constitution.
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Powers and Functions of the Chairman.
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   (D) Line Checking Branch.
Observations.

(2) Mechanical Engineering Department:
   (i) Workshop Division. (a) Operation. (b) Workshop and General Administration. (c) Standards, Inspection and Technical Stores.
Observations.

(3) Accounts Department:
   (i) Assistant Accounts Officer (Establishment).
   (ii) Assistant Accounts Officer (Audit).
   (iii) Assistant Accounts Officer (Inspection).
   (iv) Assistant Accounts Officer (Cash & Bookings).
   (v) Assistant Accounts Officer (Budget and Finance).
   (vi) Assistant Accounts Officer (Provident Fund).
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(1) General Administration Section (including Registry and Record Room).
(2) Administration Section (Inspection Unit).
(3) Administration (Appeals).
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   (B) Stores Accounts Section:
   (C) Stores Audit Section: (i) Cash & Booking Section. (ii) Contingent Audit Section. (iii) Stores Audit Section. (iv) General Section.

   (D) Administration Section.
   (E) Stores Supervisory Unit.
   (F) Material Chasing Section.
   (G) Stores Inspection Unit.
   (H) Inventory Control Section.
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Observations.

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Observations.
CHAPTER VI

GSRTC — SCALAR CHAIN & SPAN OF MANAGEMENT - I

Central Hierarchy:

Governing Boards:

The top level management is always pivotal for the efficient conduct of business of any organisation in any sector — private or public. It has added importance in public enterprises as these are organisations which are under constant and careful watch of a variety of groups like the Government, the consumers, the public, the press, the legislators and the politicians, unlike the private enterprises governed by the amorphous and generally ineffective body of shareholders meeting annually. The governing boards\(^1\) occupy a position of crucial importance in the direction and management of public enterprises. They have to face and tackle a variety of problems and situations. Thus, for example, they will have to look after the 'appointment of chief executives and the principal officers; the current and future programmes of operation and/or output; plans for development and/or reorganisation; relations with Ministers on matters of policy; the consi-

\(^1\) This item is used to mean the top plural executives designated differently as Board, Court of Governors, Board of Management, Board of Directors, Governing Body/Council, etc. in various units according to the form. Where an enterprise is run departmentally, there is no separate Board.
deration of the criticism by Parliament, consumers or the public for necessary action, to be taken, the result of negotiations with, or demands by, trade unions on important matters; general policy concerning finance, capital expenditure, prices, surpluses and deficits; the policy of the undertaking in staff matters, including questions of wages, incentives, morale and consultation with employees; ... the method by which the corporation is to comply with ministerial directions and the attitude of the corporation to requests or proposals by Ministers; serious conflicts of interest or policy with other public corporations or with private interests; the allocation of sums to reserve and the management of reserve funds; the action to be taken by the corporation to reduce operating deficits; the adoption of important new inventions, processes or improve­ments; policy on research and development, training and education.² Because of such wide functions, responsibilities and powers of the boards, a good deal of attention is focussed on its composition and constitution. They are not uniform in regard to their size and the tenure and qualifications of their members.

Size:
What can be an ideal size of a board? One answer

can be that it should have some relation with the size of the enterprise: bigger the enterprise, bigger should be the board and smaller the enterprise, smaller should be the board. This view is objected to by others who feel that the size of an organisation cannot be the only criterion as there are other factors peculiar to each organisation that have to be taken into account. Any way, two considerations would always reign supreme: one, no board should be too big to prevent smooth functioning nor should they be too small to result in a virtual concentration of authority in one or two top-notches. Large boards tend to divide into factions and decisions are many a time delayed and are often not unanimous. This affects the efficiency and the morale of the organisation. Small boards may not be able to create any enthusiasm among the members and decision-making may become a closed process. In the United Kingdom they regarded "something between eight and twelve members as the ideal size... In France they originally had 18 member on the Boards of the Coal, Gas and Electricity industries -- composed as you know, on the tripartite principle: six representatives of the State, six of the consumers and six of the workers". In

any plural body operation, the number of its members will affect its efficiency. It has been said that "a directional board of ten is an executive body and a board of over thirty a debating society."\(^4\) The statement, even if an exaggeration, does emphasise the influence of size on operational efficiency. A board may be so small as not to permit proper representation of varied experiences and points of view and it may be so large as to be unwieldy.

A minor but interesting point about the size of the board with particular reference to the even number and odd number. There are some who feel that the board should have even number of members so that the Chairman can help coming to a rightful decision by means of his casting vote. There are others who feel that the board should have odd number, so that every time the Chairman should not resort to his casting vote and thus will be able to take an impartial view of the problem or the situation. The majority, however, seems to be leaning towards having odd number of members in the public enterprises as out of 12\(^5\) Central Government Corporations, the Acts of as many as 9 have prescribed odd numbers. This is also reflected in a study made by the National Industrial Conference Board in


1953, wherein out of some 632 companies, nearly 365 had odd number of members.\(^6\)

The RTC Act, 1960, does not prescribe any specific size of the Board; for Sec. 5 reads as: "Subject to rules made under this Act, a Corporation shall consist of a chairman and such number of other members as the State Government may think fit to appoint". The power to fix up the number of members of the Board is granted to the State Governments. In the case of the GSRTC, it is Rule 3 of Chapter II of the GSRTC Rules 1960 that lays down the constitution of the Board, viz., "The Corporation shall consist of eleven members including the Chairman..."

The State Government raised the number of non-official members from 6 to 7 in 1960\(^7\) thereby also increasing the total number from 11 to 12. Actually, however, the additional member was appointed only from 1-4-1964, when the Board was reconstituted. The size of the Board seems to have been quite ideal. It is neither too big as to be unwieldy nor too small to secure the advantage of wide experience and knowledge of the members. But there is nothing sacrosanct about the number and we do believe that


\(^7\) Notification No. LDE/22/7(R) dated 21-7-1960.
Robson's idea of flexibility merits acceptance here. According to him "It may well be that the board of the public corporation will need more members in order to include men or women possessing particular qualifications at one period than another... There is no magic in a particular number, despite the incantations of certain efficiency experts; and it may be often worthwhile seizing the opportunity to appoint a man of unusual ability at the moment when he happens to be available. It is an advantage then for Ministers to have a certain latitude in determining the size of the board". 8

Composition & Constitution:

The right composition of a board is vital to the welfare of the Corporation and the quality of its management. The members of the board must necessarily be eminent in their respective fields of activities; but, what is more important, they must have faith and sincerity of purpose in the doctrine of public enterprise. Again, a member must be interested in the activities of the enterprise. Further, due representation (a) to various interests like consumers, shareholders/capital subscribers, labour, industry, agriculture, etc., and (b) to regional interests has often to be provided.

The question if educational qualifications should form one of the criteria for appointment of a person on the board is a ticklish one. The official members are all by designation and no other qualification is prescribed. But no importance seems to have been attached to the prescription of an academic qualification for the appointment of non-official members on the boards of many of the public enterprises, including the GSRTC, either. Education broadens the vision and vistas of a man. It develops the faculty of thinking -- and, 'thinking independently and critically. It will also endow a man with a sense of appreciation of better things. These are qualities most essential for any top level managers. We would, therefore, recommend that specific educational qualifications must be prescribed for membership of the board. Again, the intention in the nomination of non-official members must not be the selection of yes-men who would always agree to the plans and proposals made by the official members nor should such appointments be treated as political prizes. Moreover, the 'traditional disqualifications' should not be lost sight of. Robson has referred to one which I could like to endorse for implementation: "There is... a strong case against appointing former members of Parliament to the boards of public corporations.... A reasonable safeguard is contained in the Tennessee Valley Act, which
requires that members of the corporation shall possess a belief in the feasibility and wisdom of the Act."  

Should the members be part-time or full-time? Exponents of part-time board put forward the economic aspect of the organisation, viz., that the part-timers will save a good amount of various allowances. In addition, a board having them will be able to take advantage of wide experience, knowledge, judgement and ability of members drawn from a wide range of fields. Because they are part-time and have their own profession or business, they will give frank and independent views on various issues related to the policies and plans of the enterprise concerned. There are, however, two limitations: (a) It may not be possible for them to have a follow-up of the policies and plans chalked out by them. (b) If this is to be done, a considerable time may have to be wasted. The organisation, therefore, may not be having that advantage as assumed. It is for these reasons that a mixed board -- having both full-time and part-time members -- is generally preferred. The Fleck Committee (1955) advised that a board should consist of a full-time chairman and deputy chairman, six other full-time members and four part-time members.  

The question of the board relates to whether it should be a functional board or a policy board. The general preference seems to be in favour of a policy board as it presupposes the presence of non-official part-time members.

As stated earlier, the State Governments are empowered under Section 5 of the RTC Act, 1950, and subject to the Rules framed thereunder to fix the size of Boards. The same Section directs: (1) Rules made under this Act shall provide for the representation both of the Central Government and of the State Government concerned in the Corporation in such proportion as may be agreed to by both the Governments and of nomination by each Government of its own representatives therein and, where the capital of a Corporation is raised by the issue of shares to other parties under sub-Section (3) of Section 23, provision shall also be made for the representation of such shareholders in the Corporation and the manner in which the representatives shall be elected by such shareholders."

Rule 5 framed under Section 44, lays down: "(1) The Corporation shall consist of eleven members including the Chairman, out of which five shall be officials and six non-officials... (2) Three of the official members shall be nominated by the State Government as its representatives, and the other two official members shall be nominated by
the Central Government as its representatives. The con­tributing Governments may appoint one or more of its re­presentatives to be whole-time members of the Corporation. (3) The six non-official members shall be appointed by the State Government so as to include representatives of industries, agriculture, labour and commerce. The non­official members shall be part-time members. (4) The State Government shall appoint one member of the Corporation as Chairman and shall also appoint one other member as Vice Chairman."

The GSRTC thus has a mixed type of board having both the official and the non-official members on it. They are all part-time members.

Neither the RTC Act, 1950, nor the Rules made there­under has laid down any special qualifications of a person for appointment on the board. Road transport has its own peculiar problems and can best be tackled by persons who have some knowledge of the transport operations. It may be argued that their inclusion in the board may affect the policy of the board to the detriment of the Corporation, when they have their private trade vested interests. While, the objection is tenable, we cannot afford to entertain a nausea against the magnates from the private enterprises particularly when (a) the affairs of the
Corporation are to be managed in a business-like manner, (b) men with integrity are not rare in India, and (c) managerial talents and business acumen is yet to grow adequately in the public sector. Again, most surprisingly, no representation has been given to general consumers!

A study of the composition of the Board since its inception (Vide: Table VI.1) brings out certain salient features.

<table>
<thead>
<tr>
<th>Year</th>
<th>B.A. / M.A.</th>
<th>B.Sc. (Hon)</th>
<th>B.A. (Hon) / M.A.</th>
<th>M.B.B.S.</th>
<th>Social Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1961-62</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1962-63</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>1963-64</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>1964-65</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>1965-66</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>1966-67</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>1967-68</td>
<td>2</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1968-69</td>
<td>2</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>1969-70</td>
<td>2</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>1970-71</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>1971-72</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>1972-73</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

It is a pleasing accident that, though no academic qualifications are statutorily prescribed, most of the members have them. An impression is created that it has been a Law Board as, right from 1960 onwards, a majority of members had a Law degree. One member, who remained in office for a period of seven years, had a B.Sc.(Agri.) degree. It is not known if he was included, in the Board to represent the interest of agriculture as laid down in Rule 3(2) of the RTC Act; for if so he could not have been dropped in 1968. It is surprising that no member with qualifications in Commerce, business management and/or accountancy from such a big advanced State was considered worth inclusion on the Board. The spirit of Rule 3(3) has not been observed. The Board did not have on it representatives of consumers, industries, agriculture and commerce. The experience of such members would have not only benefitted those sectors but also the Corporation.

It is generally contended that some of the displaced or defeated M.L.A.s or M.P.s from the ruling party are absorbed in such organisations. The Corporation did not seem to be an exception to this. Its first Chairman, who was the Chairman of the erstwhile BSRTC right from the birth of nationalised road transport in this country, resigned during the year 1966-67 on account of his difference of opinion with both the Government and the ruling party on
some issues not related to the Corporation. On two occasions, two members of the Board had also resigned on getting elected to the Parliament and the State Legislative Assembly. Though they thus established a good precedent, it supported the opposition's contention that such Board membership was meant primarily for the sympathizers and active workers of the ruling party. The other members of the Corporation, too, are known for their political ideologies and affinity to the party. Not that all such workers are unworthy of the positions nor can such a practice on the part of the State Government -- universal everywhere — be objectionable on academic grounds. As Robson has observed: "In my view the party politics of a candidate for office should be disregarded unless they are likely to interfere with his whole-hearted devotion to the job, to restrain the energy and enthusiasm which will put into or to undermine the confidence of the employees or the public." But it would still be in the best interest of all if persons of eminence, ability, judgement, knowledge and experience in management of business enterprise are preferred for such nominations. Caesar's wife must be above all suspicions particularly in Indian democracy.

These boards are supposed to render a continuous service

to the Corporation. Hence, if a member leaves the Corporation for any reason, another one should immediately be appointed in his place. This should be true for both the non-official and the official members. A close study of the Annual Administration Reports has revealed that the State Government took between two and five months in the appointment of non-official members on the vacancies so created. (Vide: Table VI.2) Such time-lags are bad. The representation of the Government is more continuous than that of the non-official members as membership of the officials is by designation. But here also is a snag.

Table VI.2

<table>
<thead>
<tr>
<th>Member resigning</th>
<th>Date of Resignation</th>
<th>Another Member appointed</th>
<th>Date of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Vijaykumar Trivedi</td>
<td>5-1-62</td>
<td>M.M. Gandhi</td>
<td>25-4-62</td>
</tr>
<tr>
<td>&quot; C.K. Shah</td>
<td>27-6-64</td>
<td>S.R. Shah</td>
<td>18-9-64</td>
</tr>
<tr>
<td>&quot; S.R. Shah</td>
<td>12-1-67</td>
<td>A.N. Buch</td>
<td>16-3-67</td>
</tr>
<tr>
<td>&quot; P.M. Mehta</td>
<td>24-3-67</td>
<td>G.K. Patel</td>
<td>31-8-67</td>
</tr>
</tbody>
</table>

There are frequent transfers of the officials in the Government departments so that the files are continuous but the individuals are different from time to time.

Table VI.3 presents the position pertaining to the periods of the membership of various officers who worked as Deputy Secretary to Government of Gujarat, Finance Department, from 1-5-1960 onwards.

Table VI.3

<table>
<thead>
<tr>
<th>Name</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shri S.K. Gangopadhyay</td>
<td>1-5-60 to 20-4-61</td>
</tr>
<tr>
<td>2. V.B. Ishwaran</td>
<td>21-4-61 to 19-11-62</td>
</tr>
<tr>
<td>3. R.H. Mehta</td>
<td>20-11-62 to 29-10-64</td>
</tr>
<tr>
<td>4. K.V. Harihardas</td>
<td>30-10-64 to 28-6-68</td>
</tr>
<tr>
<td>5. B.T. Trivedi</td>
<td>29-6-68 to 24-10-69</td>
</tr>
<tr>
<td>6. T.K. Jayaraman</td>
<td>25-10-69 to 20-6-72</td>
</tr>
<tr>
<td>7. C.N. Shah</td>
<td>6-10-72 to till date contd.</td>
</tr>
</tbody>
</table>

The frequency of the transfers of the Central Government nominated officer-members was still higher (vide: Table VI.4).

The transfers affect adversely the efficiency of plural functioning of the board as, by the time/before a new member gets initiated in the Corporation philosophy, politics and practices, he has to quit. Many a time this becomes a deterrent to the interestedness of even well-meaning officials. Could a system not be instituted by which the official members, too, can work on the Board

14. Ibid.
continuously for a period of 3 to 6 years to be able to contribute their mite to the efficient growth of the Corporation?

Table VI.15

<table>
<thead>
<tr>
<th>Name of the Officer</th>
<th>Designation</th>
<th>Period of nomination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>From</td>
</tr>
<tr>
<td>Shri L.K. Joshi</td>
<td>Dy. Chief Accounts Officer Western Rly., Ajmer</td>
<td>1-5-60</td>
</tr>
<tr>
<td>R.R. Sud</td>
<td>-do-</td>
<td>22-3-62</td>
</tr>
<tr>
<td>A.L. Sancheti</td>
<td>-do-</td>
<td>21-7-62</td>
</tr>
<tr>
<td>D.C. Joshi</td>
<td>-do-</td>
<td>Oct. 62</td>
</tr>
<tr>
<td>G.F. Penn Anthony</td>
<td>-do-</td>
<td>18-10-65</td>
</tr>
<tr>
<td>G.M. Gidwani</td>
<td>-do-</td>
<td>May '71</td>
</tr>
</tbody>
</table>

Still of dubious utility is the policy of alternates/substitutes attending the meetings of the Board in the absence of the particular official member. Such members cannot in all probability evince that much interest as the original ones would do. Again, their normal tendency will be to be non-committal or negative so as to shirk responsibility.

15. Ibid.
One major purpose of appointing official members is to ensure the financial interests of the Government through their regular attendance of the meetings of the Corporation. This is not being adequately served. Table VI. shows clearly that barring Vice Chairman & General Manager, the official members, as compared to non-official ones, attended hardly over 50% of the meetings held within their respective tenures of office.

The Corporation Board is constituted by the Minister of Transport and Cultural Affairs at the State level. As, as already observed, only supporters and sympathisers of the ruling party are nominated as members irrespective of their abilities, competence and knowledge of the organisation, the relations between the Minister and the members of the Board are quite cordial. As, normally a policy of 'yours-in-line' is followed by the members and consequently the Corporation, there no problem or controversy arises between these two bodies. The Minister on his part does not interfere in the day to day affairs of the Corporation. These do create an impression of the corporation functioning as an autonomous body.

Chairman:

The position of the Chairman in a corporation is akin to that of a captain in an army. On him will depend the efficiency of the administration of the affairs of the
corporation. He will be the man who will direct the policy-making, setting the targets and help planning for their attainment. His own imagination, initiative, ability, judgement and expert knowledge will decide the degree and the rate of the progress of the corporation. He should, be a man with vision and foresight and must be able to take long term decisions and frame the policies accordingly. Particular care must, therefore, be taken in the selection of the Chairman.

Who should be appointed as a chairman -- an official member or a non-official one? There are various schools of thought. One holds the view that the minister in charge of the transport portfolio himself should be the chairman. This will, it is argued, enable the organisation to take quick decisions and implement them. The minister will be able to explain clearly his stand and approach on various occasions and issues in the legislature. Here the presumption is that the minister will be an expert and competent person. This base seems to be quite shaky. Not all individuals who get appointed politically can meet the criterion. Nor will the minister have time to have detailed knowledge of the organisation which would be one of their many functions. Hence he will have to rely mostly on the advice of his Secretaries. If this is going to be the actuality, why should the activity be not managed by a
Another school of thought feels that it should be one of the official members who should be appointed as chairman. He may be either a Secretary, Joint Secretary or Deputy Secretary of the Ministry which is supposed to look after the enterprise. The objection to such a practice is that the Chairman will look more to the interests of the ministry — and ultimately of the Government — than to those of the enterprise. Consequently for all practical purposes, it will function as one more organ of the governmental machinery rather than enjoy the autonomy of a business unit. Another suggestion that the Secretary of a ministry other than controlling the enterprise should be appointed as the Chairman may, instead of solving problems lead to inter-ministerial complications and may possibly do more harm than good to the organisation.

There is still another school of thought the followers of which believe that the public enterprises though wedded to the ideal of service to the community, must not be a drag on the society. They must be able to earn sufficient revenue to provide their services at reasonable cost. Hence they must be run on commercial lines. To ensure this, they must have at the apex level of management, persons who not only have considerable experience of successful management of business enterprises, but also have faith in
the ideals and objectives of the public enterprises. They can be no other than non-officials. This logic sounds convincing and rational particularly in view of the fact that, if the chairman does not happen to be a man with experience, knowledge and ability in business management, he may be empowered by the official members in all important decisions making and, as a result, the enterprise, the consumers and the society at large may be the losers.

This sounds very pleasing and practically ideal. In practice, it is not so. In the State Government enterprises the non-officials who are appointed as Chairman are not necessarily always from amongst those who are able and talented men but those who are displaced, defeated or disgruntled party members. Many a time, the interests of the organisations are made subsidiary.  

If the Government cannot, for any reasons — policy doctrinnaire or other — think of appointing able and experienced persons from private business enterprise it may

17. Cf. Shri K.D. Malaviya was relinquished from his position of Minister for Mines & Fuel, GOI on account of charges proved against him in 1963*. He was subsequently appointed as Chairman, Heavy Engineering Corpn. Ltd., -- a hundred percent Government owned undertaking.** What ideals can such persons be able to put before the executives and workers of the organisation?


** Times of India Directory (1968 ); p. 997.
still be possible to appoint a non-official member, who has been a member of the Board for at least three/five years' period, as the chairman; for, this long tenure of office as a member would have given him enough knowledge, experience and understanding about the affairs of the whole corporation to season him for the Chairman's position.

Neither the RTC Act, 1950, nor the rules framed there-under lay down any provisions except to the extent that Rule 3(4) reads as: "The State Government shall also appoint one member of the Corporation as Chairman and shall also appoint one another member as Vice-Chairman." 18

Consequently, there has been no uniform policy followed by the different states for their RTCs. Bihar and Mahara-shtra, for example, appointed non-official members as the Chairmen; Andhra Pradesh, Madhya Pradesh and Mysore had official members as the Chairmen. The convention established in the erstwhile Bombay State was inherited by Gujarat for the GSRTC and the Chairman is being appointed from among the non-official members.

During its first nine years the Corporation saw two chairmen at its helm. Shri Vadilal L. Mehta was first Chairman. He had long experience in the field of nationalised

road transport as he had worked as Chairman of the BSRTC right from its inception in 1951. A veteran industrialist and an active member of the Congress Party, he was responsible for the careful nurturing of the Corporation during its infancy with his ability and business acumen. It was in May 1966 that he resigned from the position for reasons unconnected with the Corporation.

His successor was Shri Kantilal P. Shah, an eminent and veteran cooperator, industrialist and a social and political worker. He, too, contributed a lot to the progress of the Corporation. With his personal approach and keen insight in its affairs, in particular, he brought about significant economies in its operations.

Both the Chairmen were certainly active members and sympathisers of the party in power; but, nonetheless, they were men of eminence and top managerial abilities, with the result that the Corporation could make rapid strides in a short span of its age. Shri Shah resigned as Chairman on his being made the Chairman of GSFC.

The appointment of the third Chairman meant a definite departure from the past accepted policy. Shri Bhailalbhai Contractor held various positions in the Congress Party Organisation. He was also a Member of the Gujarat Legislative Assembly from 1957 to 1967. He has had been a veteran social worker with great many credits. However, he never
had any experience of managing either a transport undertaking or any other business undertaking. Nor he held any other qualifications. He relinquished his post on the reconstitution of the Corporation on 21st June 1972.

The present Chairman Shri Natwarlal C. Shah, appointed from 21st June 1972, is an active trade union leader of long standing. He is the Vice President of Hind Mazdoor Sabha. He, too, however, has no experience of managing any business enterprise.

**Powers and Functions of the Chairman:**

The RTC Act lays down: "A Corporation may, from time to time, by resolution passed at a meeting delegate... to the Chairman or Vice Chairman, subject to such conditions and limitations, if any, as may be specified in the resolution, such of its powers and duties as it may think fit." (Section 12(b)). Thus the Chairman has to derive all his powers and duties from the Corporation. This procedure may make his position awkward and/or mar his initiative. At times business decisions may have to be so quickly taken that the Chairman may not be able to afford to wait for the meeting of the Corporation. It is possible -- though there is no clear statutory provision to that effect -- that he may take decisions in anticipation of ratification by

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the Corporation. But it would be desirable to make a distinction between general powers and specific powers. General powers need to be permanently vested by statute in the Chairman while specific powers may be delegated from time to time by resolutions of the Corporation. This would grant a greater discretion to the Chairman and increase the business efficiency of the organisation.

The present provision creates some anomalies. The Corporation Board is reconstituted every three years. What would be the fate of the powers delegated to the Chairman by the earlier Board? Suppose the reconstituted Board is a little more conservative or otherwise than the retiring Board. Again, there does not seem to exist a Manual of Powers and Duties of the Chairman which can be studied and referred to by a new Chairman. As the matters stand today he will have to depend entirely for this to every time on the Secretary/the Corporation. It would, therefore, seem to be worthwhile to provide for a procedure for reviewing the powers and functions of the Chairman, Vice-Chairman and, the members of the Corporation at the time of its triennial reconstitution.

Vice Chairman:

In the absence of a binding statutory provision, the policy followed for the appointment of the Vice Chairman
is also not uniform in all the Corporations of the country. The majority, seems to be favouring the appointment of an official member as the Vice Chairman; e.g., Andhra Pradesh, Maharashtra, Mysore and Madhya Pradesh. In Bihar, a non-official member is the Vice Chairman.

The policy of appointing an official member as Vice Chairman does not seem to be in the interest of the organisation, though it may look quite sound from the Government's point of view. While discussing the position of the Chairman, it has been suggested that a senior non-official member should be made Chairman as this could solve so many issues. As an advantageous link-step, a non-official member could be appointed as Vice Chairman. He could get trained for possible tipping as a prospective Chairman.

The GSRTC has a unique position in that it has merged the post of Vice Chairman with that of the General Manager who is the Chief Executive. The latter is appointed by the State Government and, by virtue of his being the Vice Chairman, he is also a full-fledged member of the Corporation Board. Is this inclusion of the General Manager on the Corporation Board a wise policy? It can be argued that it provides for a two-way dialogue between the administration proper and the policy-making body via the General Manager-cum-Vice Chairman who will, on one side be able to acquaint the Board with the practical/realistic problems
related to every policy decision and its execution, and, on the other, be able to interpret correctly the board decisions for their efficient implementation in the light of the discussions to which he was a party. Also, cordial and positive relations between the top plural executive and the lower tiers may get reinforced on a continuing basis and a high-level organisational efficiency may prevail throughout.

But the combination of the two positions of Vice Chairman and General Manager snacks of governmentalisation of the position of the Vice Chairman who should, I believe, be appointed from amongst the non-official members. The General Manager should also be granted a membership of the Corporation Board to continue obtaining the advantages mentioned earlier.

Committees:

Decentralisation is essential for successful and efficient working of an organisation. It may be effected through the formation of small committees entrusted with a few related functions in a particular field. Thus, there may be a committee entrusted with functions relating to finance, or a committee to look after labour problems. The greatest advantage of the committee form is that it provides a forum for democratic plural/group decision-making, it enables an organisation to benefit from the
expertise and experience of a variety of members from various specialised fields. "The most important single reason for the use of committees in organization is the advantage of gaining group deliberation and judgement. A group of people can bring to bear on a problem a wider range of experience than a single person can have, a greater variety of opinion, a more thorough probing of the facets of a complicated problem and a more diverse training in the specialised aspects of the problem." The members are drawn from inside and/or outside the organisation to ensure a satisfying composite structure.

Section 12 of the RTC Act, provides for the appointment of Committees and delegation of functions to them. It reads: "A Corporation may, from time to time, by resolution passed at a meeting (a) appoint committees of its members for performing such functions as may be specified in the resolution; (b) delegate to any such committee... subject to such conditions and limitations, if any, as may be specified in the resolution, such of its powers and duties as it may think fit." The Committees are, thus, formed only from among the members of the Corporation Board.

The following ones have been functioning right from the inception of the Corporation:

(1) Standing Committee

(2) General Committee
(3) State Transport Services Board
(4) Tenders and Stores Committee
(6) Investment Committee
(6) Divisional Selection Committee
(7) Central Office and Central Stores Selection Committee
(8) Central Workshop Selection Committee
(9) Appellate Authority.

One more Committee, viz., Rules Committee has come into being since 1966-67.

The functions and composition of these Committees are presented in the Appendix VI.I. Their analyses bring out a number of important points. For instance, the Standing Committee seems to be a body superior to the Board as it has to examine all business to be submitted to the Corporation for transaction. It is also not clearly laid down why such an examination is necessary and what the next step in the process is. If, say, a particular business is decided not to be submitted to the Board, is it obliged to give an explanatory note with reasons for doing so? It is necessary that there is a clear mention of all the powers and duties of such bodies as to avoid any ambiguity. Further, when it is authorised to make the recommendations on such business before submission to the Board, after the
proposals involving expenditure are examined by the Chief Accounts Officer, it probably suffers from a serious limitation of the creation of a vested interest in getting them approved/passed as the Committee members are also Board members. Surprisingly, again, even when there always exists a Tenders & Stores Committee, the function of considering the reports on the stores reconciliation work and passing suitable orders to them has been delegated to the General Committee. As regards the Investment Committee also, it is not clear if the Committee has any power to dispose of the investments. Again, with the institution of the Rules Committee, the function of reorganisation of the administration which still continues to be delegated to the General Committee should, in all rationality, be transferred to the Rules Committee.

Size:

Neither the RTC Act nor the Rules framed thereunder, make a clear provision in this regard. Table VI.6 presents a picture of the sizes of various Committees. It is not known why there are the variations.

Composition:

Excepting the Tenders and Stores, Investment and State Transport Services Board -- which are headed by the Chairman, all the Committees are headed by the Vice Chairman of the Corporation. The Vice Chairman is a member of the other
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<th>Year</th>
<th>No. of Members (excluding the Chairman)</th>
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<td>Standing Committee</td>
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Committees too. The other members are drawn from among the official as well as non-official members. The Dy. Secretary to the Government of Gujarat, Finance Department, happens to be a member of five out of the six main Committees, while the Chief, Commercial Superintendent, W.Rly., Bombay, enjoys membership of three Committees.

The provision of constituting the Committees of all inside members of the Corporation does not allow the association of outsiders. And, the membership is shared between the official and non-official members without any set precedent. This also imposes another limitation on the efficient and successful working of the Committees; for though the membership of the Corporation is part time, it may require a member to spare on an average at least three days in a month attending the meetings of the six main Committees and of the Board. This may slacken the interest of the non-official members in the proceedings of the meetings.

An analysis of the composition of the Committees reveals that though equal -- and, in some cases, a little bigger -- representation is given to the non-official members, there is still much of governmentalisation in it. The Vice Chairman -- who is also the General Manager -- is a member of all Committees. Again, every Committee has a number of advisers consisting of Dy. General Manager,
Chief Accounts' Officer, Chief Personnel Officer, etc. Their presence may affect the objectivity of decision-making. It may be difficult for these office-bearers to act as advisers to so many committees as they have their own jobs to perform in their respective executive capacities.

Ad hoc Committees:

In addition to the regular committees the Corporation, by Resolutions, appoints, from time to time, Ad hoc Committees to deal with specific issues and problems. The particulars of the various types of such Committees, their functions and composition are given in Appendix VI.1.

The nature of composition here, too, does not differ from that of the other Committees. The other important features that catch one's attention on an analysis of their composition are: One: The same or two particular members were always found appointed on almost all the Committees. There was a uniformity in the size of the Committees. The proportion of the official to non-official members in a majority of cases was 1:3. The field-work brought to light one exceptional incidence when in 1965-66, an Ad hoc Committee was composed of non-official members only! This was the Committee appointed to consider the introduction of the scheme of workers' participation in management in
This error(?) was, however, rectified in the subsequent year when the Committee was composed of the Chairman, the Vice Chairman & General Manager, and three other non-official members. It was queer that no representation was still given to labour on this Committee!

The Committee form is used to reap the advantage of group deliberation and judgement. The composition of these Committees as above does not help fulfil this purpose. While the Vice Chairman & General Manager does find place on all the Committees, the other specialist executives of the Corporation are left out. It bears repetition that, even the Works Manager who was ultimately to be responsible for the implementation of the Scheme, did not find a place on the Committee appointed to consider the introduction of workers' participation in management in C.W.A. His inclusion would have certainly enabled the Committee to arrive at conclusions based on the realities of the situation. Again, he could have imbibed the spirit of the whole scheme for its implementation. Such a policy would also reduce the burden on the Vice Chairman & General Manager. Also, it is too much to expect one or two members to possess expert knowledge on a variety of problems.

In fine, the analysis brings to the fore one crucial fact that there is too much of centralisation though there

is an illusion of considerable decentralisation in decision making at the top. If it is Section 12 of the RTC Act that comes in the way of nominating non-members of the Board, it must be suitably amended.

Administrative set-up:

For the day to day administration, the whole organisation has been broadly divided into five groupings: (1) Central Office. (2) Central Stores. (3) Central Workshop. (4) Divisional Offices and Workshops. (5) Depots. I would categorise the whole staff structure into (i) Office Staff or Administrative Staff looking mainly after the administrative activities of the offices at all the levels, and (ii) Field Staff comprising those who actually perform the operations, directly or indirectly. The latter is further sub-divided into (a) Traffic Staff, and (b) Workshop and Maintenance Staff.

The Central Office functions through the following main departments/branches:

23. Our nomenclature: Headed by Class I Officer is called Department.

(1) Traffic Department
(2) Mechanical Engineering Department
(3) Accounts Department
(4) Administration Department
(5) Secretarial Branch

23
Very few Departments have any manuals or maintain any diaries of their day to day working with the result that every time there is a change in the top-level management or it is necessary, a note prepared to acquaint the person concerned with the working of the Department. This procedure is wasteful and undependable. It is desirable that a manual containing guidelines, precedents, procedures, etc. for the working of each Department is prepared and arrangements are made to get it printed at the Corporation level. The same policy should also be followed at both the Divisional and the Depot levels. This would standardize the affairs and serve as guide-posts to newcomers from the Board down the line and save many awkward situations and complications for the Corporation and its limbs. For instance, the Board is reconstituted, the newly nominated members, in their over-enthusiasm, go round the S.T. -- operated areas and give promises to the travelling public, sometimes without having any idea as to their implications
and the complications they would create. When, on discus-
sion at the Departmental level it is found that their
promises cannot be carried out, their image as also that
of the Corporation gets blurred and public dissatisfaction
gets intensified. The Manuals recommended by me may serve
as very good initiators to acquaint the new entrants with
the functions, the limitations to authority, procedures
etc. of the different organs of the organisation, may
eliminate/reduce awkward situations and episodes and save
the time and energies of the staff at present spent in the
preparation of fresh 'notes' time and again.

I shall now present in brief, in the pages that follow,
the particulars of the working of various Departments at
the Central Office.

(1) Traffic Department:

The Traffic Department at the Central Office controls
the entire Passenger and Parcel Transport operations in
the State. Its main function is to plan and guide the
Divisions in the provision and operation of passenger
transport services with maximum satisfaction to the travel-
ling public and minimum expenditure to the Corporation.
It is primarily concerned with earning of revenue from
transport of passengers, transport of luggage and parcels
and other auxiliary sources such as advertisements, refreshment
rooms and stalls, carriage of postal mails etc.

For achieving this object the Department has to ensure that: (a) services are planned and provided bearing in mind the transport needs of the community and economies of operation, (b) constant touch is maintained with the public and consumer reaction is obtained through the process, (c) necessary adjustments are made and data for future planning are obtained, (d) operational results are studied for corrective action and future planning, (e) amenities are provided to the passengers, and (f) other sources of revenue are tapped to maximum extent possible.

For action, the Department is divided into four branches: (A) Operation (I) Branch. (B) Traffic Establishment. (C) Operation (II) Branch. (D) Line Checking Branch.

(A) Operation (I) Branch: This Branch is headed by the Divisional Traffic Officer. It is further divided into (a) Transportation Section, (b) General Section, and (c) Accidents Section.

(a) Transportation Section: It looks after the planning for future expansion including nationalisation. It also once looked after the framing of time-tables, relinking of schedules, examination of stage- and fare-tables, etc., which work has now been decentralised and entrusted to the Divisions. It has to guide the surveys to be carried out by the Divisional Controllers, scrutinise the proposals and
finally apply to the Regional Transport Authorities concerned well in time. This may involve litigation which is also to be attended to by this Section.

It is the duty of this Section to ensure the achievements of the targets of vehicles utilisation, crew utilisation, etc. In case of any short-fall, it has to pursue the matter with the Division concerned. Similarly, it has to watch carefully the operations during the monsoon and has to endeavour to reduce to the minimum the number of suspensions of the routes. Catering to the needs of the travelling public at the time of fairs and festivals also comes within the purview of this section.

It has to attend to the complaints and suggestions made by the public, the Ministers/Dy. Ministers, the M.L.A.s., the Government, the Chairman, the press, etc. and supply information for questions relating to its operations, asked in the State Legislative Assembly.

(b) General Section: It deals, as its very name suggests, with all the general matters pertaining to operation. A constant watch is maintained on procedures regarding tickets and ticket-issue methods to improve the system adopted by the Corporation. All government references which are pertaining to operations but are of a general nature are attended to by this section. In addition, the Section
engages itself with the problems relating to Reciprocal Transport Agreements with the neighbouring States, operational meetings, rail-road coordination, related enquiry committees, utilisation of surplus staff in monsoon, etc.

(c) Accidents Section: It receives reports of all accidents in the units. Instructions are issued from time to time for the prevention of accidents. For this, the Section undertakes careful studies of the accidents, finds out their causes, classifies and tabulates them and draws conclusions to serve as future guides. Such studies help reduce the accidents.

It is suggested that the Section should be entrusted with the training of drivers and conductors. It will be able to draw out an effective training programme on the basis of the studies made and information collected by it. Drivers and conductors themselves also would be able to learn and understand the types of accidents that have taken place, the reasons for the same and the possible precautions that can be taken to avoid them.

(B) Traffic Establishment:

This Section is headed by an Office Superintendent who has to deal with various issues related to traffic.

(C) Operation (II) Branch:

This Branch is further divided into two Sections: (a) Commercial (b) Registration and Taxation.
(a) Commercial Section: It is mainly concerned with subjects like amenities to passengers and auxiliary sources of revenue. These include time tables, reservations and priority, carriage of postal mails, casual contracts, refreshment rooms, stalls, hawkers, advertisements, etc.

Offers for running the refreshment rooms and stalls are received by tenders which are considered by the Tenders and Stores Committee. The highest bidder is usually given the licence to run the refreshment rooms and/or stalls. A constant watch is kept for timely appointment of new licensees and grant of renewals to old ones at various places in the divisions.

The Corporation carries postal mails on approximately 493 routes. It is the responsibility of this Section to renew the agreements with the Postal Department for revision of rates of postal mail subsidy in consultation with the State Government from time to time. It has also to pursue the payment of bills by the Postal Department.

For securing advertisements to be displayed in/on the buses and on the buildings of the Corporation, the Corporation appoints advertising agents on a lumpsum basis. This agency is also given through the system of tenders. The Section arranges to issue instructions to the Divisions regarding display of advertisements so received through the Agents and for communication of the display particulars to
the Agents. It has also to supervise the payments received from Agents.

The Section has also to look into the problems connected with transport of passenger luggage and rates thereof, the rules in respect of lost property, cloak-rooms, police and jail motor warrants, concessions in bus-fares to students, blind persons, etc., and facilities to M.P.s and M.L.A.s.

(b) Registration and Taxation Section: The Section deals with all problems connected with registration and taxation of motor vehicles. The Corporation has to pay motor vehicle tax in a lumpsum in accordance with the relevant provisions for a fleet owner in the Bombay Motor Vehicles Act, 1951, and Rules made thereunder. The responsibility of timely submission of returns thereof is of this Section. It has to call for necessary information from the Divisions and Central Workshop. It has also to attend the work pertaining to the payment of passenger tax and goods tax. It has to go through the provisions of the Municipal Rules, Government Notifications, amendment to various Acts and Rules, etc. and to pass on necessary instructions to the units. Payment of octroi duty on vehicles, defaults, uniforms for executive staff, excess payment of taxes, etc. also falls within the purview of this Section.

(D) Line Checking Branch:

The Corporation under its Resolution 1834 of 18 March,
1967, brought the function of line checking under the control of the Traffic Department which earlier used to be looked after by the Registration and Taxation Section. The purpose of line checking is to check the observance and the correct follow up of procedures laid down in the Traffic Department and to prevent pilferage of revenue of the Corporation. A line checking squad is established in each Division consisting of one Traffic Inspector and 7/8 Assistant Traffic Inspectors. Such squads are also created at the regional level directly under the control of C.T. & C.M., each with a D.T.S. as its head. The D.T.O. line checking receives copies of (i) the programmes given to the Divisional Squads and (ii) their monthly diaries. These are carefully scrutinised and it is ensured that adequate number of routes are subjected to line checking. Suitable instructions where necessary are also issued by him to the Divisions. He also prepares surprise programmes for inter-Divisional checking.

For the purpose of control of the actual operations of services, the Corporation works on a three-tier system—the Central Office controls the Divisions and the Divisions, in turn, control the Depots, the primary operating centres. Observations:

The Traffic Department is the backbone of the whole organisation because it is the Department which is in direct
contact with the travelling and the general public, and on its efficiency and successful working depend (a) the revenue and (b) the creation of the public image of the Corporation as a public enterprise. All efforts have, therefore, to be made by the Corporation to take continuous, greater and active interest in its working. It will be equally necessary to man the Department with persons who have faith in the principles of public enterprises; for, every man working in it or under its control is virtually a public relations officer.

Looking to the number and the expanse of its activities and functions, Department needs to be bifurcated into two so as to function more efficiently. The Commercial Section should be separated from it and placed under the charge of a man who has a degree in Business Management, preferably with marketing. This would at least enable the organisation to increase the revenue from other sources like advertisements, carriage of postal mails, casual contracts, holiday tours etc. Take advertisements, for instance. At present an Advertising Agency is being appointed on a lumpsum-payment basis. Yes, the arrangement does relieve the Corporation and the Commercial Section of the Traffic Department of the botheration of making efforts for the procurement of advertisements but it does not maximise the revenue from the source. For procuring more advertisement the official impersonal attitude
and approach will have to be given up. This could be possible if the head of the Commercial Department had the freedom necessary to function as a business executive. Hence, the suggestion for the creation of a separate full-fledged Department with greater authority and responsibility fixed on its shoulders.

The other alternative which can be thought of is to offer specific financial incentives to the persons working in the Corporation and all of its units spread over the whole region of Gujarat for the collection of the advertisements. The illustration of Bank Agents and Officers always endeavouring to collect more and more of deposits can serve as a model in this connection. This experiment, I was told during my field-work, was tried but did not find an encouraging response. My examination showed that there were two factors responsible for the failure of the scheme: One. The scheme did not offer a satisfying incentive. Two. The employees were really not able to collect substantial advertisements. To the extent the second one operated, it meant the lack of public relationship and too much of an official approach to the problem.

Moreover, the Corporation has a number of advisory Committees at the Divisional levels, and their members can be motivated to help the persons working at the Divisional and Depot levels in this regard.
Again, about a million passengers on an average travel by the Corporation's Buses and if short retentive type advertisements could be procured for their printing at the back of the tickets on an inter-- and intra--regional basis, it will be a great new low-cost medium beneficial to both the advertisers and the Corporation. The press campaign of the WIMCO match manufacturers in 1970-71 is worth emulating by the Corporation.

There are certain functions which can be taken away from this department. For instance, it is surprising that the Commercial Section has to pursue the payment of bills by the Advertising Agency and the postal authorities. Either this function should be entrusted to the Accounts Department or an arrangement may be made so that a lumpsum is made receivable in advance for adjustments against the actual bills later. The policy of pursuing the parties concerned for payment should not be encouraged as it involves costly correspondence on both the sides and large overdue sums remaining uncollected by the Corporation.

One of the complicated problems the Traffic Department is confronted with is that of concessional fares and exclusive trips for students. The Corporation loses 55 per cent of its revenue from students-traffic in the city services and 60 per cent of its revenue from the same type of traffic in the mofussil services on account of concessions.
to students. This loss has been rising continuously. It rose from Rs. 1,38,000 in 1960-61 to Rs. 64,60,000 in 1972-73. While there is no provision for running exclusive trips for concession-holding students, the services operated during the college/school timings both in the morning and in the evenings are de facto these and the buses usually return empty, thus causing further loss to the Corporation on account of this one-directional traffic. Even then the Corporation has used to receive notices from the students—and face actually their 'satyagrahas' for additional exclusive trips for them. The situation is delicate. The students have to reach their institutions in time for their classes. The Corporation makes revenue losses and has at times to face losses of the vehicles and other property.

It is impossible to withdraw from the present position which is bound to be worsen as the general traffic outstrips the supply of the service in terms of space-quanta and frequency. It is often suggested that the Corporation can, gradually, attempt to reduce the percentage of concession allowed to the students both in the mofussil and the city areas. This is easier said than done in our democracy. Hence the solution lies in increased subsidisation by the Government. This may be done directly through compensatory allocations from the general State budget or indirectly through the grant of exemptions from the payment of any kind
of taxes on the student passengers. This proposal should be extended up to the Village Panchayats which are empowered to levy a Wheel Tax under the Gram Panchayats Act, 1961. Spread of education is one of the primary functions of the Government. Grants and other financial aids are being given by it to educational institutions to bear their burden. The Corporation, too, plays an important role -- though indirectly -- in the spread of education. Then only can the Corporation keep the fares steady for the public at large. Otherwise it becomes obligatory for the Corporation to charge higher prices to the passengers for inter-passenger subsidisation and, for no fault of it, it becomes unpopular in the eyes of the public.

(2) Mechanical Engineering Department:

This is another important Department which plans and implements a sound repairs and maintenance policy for the fleet of the passenger vehicles owned by the Corporation. While planning the policy, these major aims are kept in view:

(1) That the vehicles perform their duties for a reasonable number of years.

(2) That the vehicles are sent out in service in sound condition and are safe for travelling.

(3) That maximum number of vehicles are available for traffic services.
(4) That maximum life in each case of various assemblies of the vehicles is obtained.

(5) That maximum number of kilometres per litre on fuel and lubricating oil are obtained and that minimum breakdown is ensured.

The work of this Department thus begins with the purchase of chassis and ends when the vehicle is completely scrapped and written off.

The Department is broadly divided into two divisions:

(i) Workshop Division. (ii) Operation Division.

(i) Workshop Division:

It consists of: (a) Central Workshop, (b) Divisional Workshops, and (c) Depot Workshops.

The Central Workshop\textsuperscript{24} is located at Naroda, Ahmedabad. It looks after major repairs, body building, retreading of tyres, etc. The Divisional Workshops carry out the job of maintenance of vehicles during the course of actual operation. They undertake all light and heavy repairs and preventive maintenance upto the stage of semi-overhaul. At the Depot level, the workshops manage the daily servicing, weekly and 12,000 kms. docking wherein the work is of a minor nature and involves replacement of assemblies only.

\textsuperscript{24} For a discussion about the detailed working, refer Appendix VI.\textsuperscript{3}.\textsuperscript{3}
The Department in the Central Office has to perform functions relating (a) Operation, (b) Workshop and General Administration, and (c) Standards, Inspection and Technical Stores.

(a) Operation: Smooth and quick operation is necessary to keep up public confidence in the services provided by the Corporation. If there are frequent breakdowns on account of mechanical deficiencies and other controllable reasons, discontent of and conflict with the travelling public will increase, traffic will divert to the railways, and only those routes will find passengers where the railways have not penetrated. This will considerably affect the volume of revenue earnings. It is for these reasons that the Mechanical Engineering Department in the Central Office has (i) to lay down and review from time to time the policy of repairs and maintenance and to enforce all orders relating to procedure and policy of maintenance, (ii) to operate best operational statistics, such as best tyre mileage, best KMPL, lowest number of breakdowns and least number of vehicles off road, (iii) to recommend the staff requirement, and (iv) to recommend the standard of machinery and equipment.

(b) Workshop and General Administration: The Section has to concern itself with the day to day administration of the Department, viz., (i) to arrange for the purchase and
disbursement of new chassis and make correspondence with the chassis suppliers in respect of defects reported from time to time for chassis already purchased, (ii) to maintain records of the vehicles held, their actual location and other technical records in respect of all the vehicles, (iii) to put up notes and proposals to the competent authority in respect of matters pertaining to (1) purchase of chassis, (2) building of bodies, (3) write-off of vehicles, (4) purchase of machinery, tools and equipments, (5) write-off of equipments, (6) requirement of staff, (7) submission of budgets, etc.

(c) Standards, Inspection and Technical Stores: The Section lays down standards in respect of vehicles, machines, tools and equipments. It renders technical advice, specifications and suitability reports of materials to be purchased by the Controller of Purchases. It scrutinises and recommends to the Tenders and Stores Committee quotations forwarded by the Controller of Purchases for the purchase of machinery, equipment and technical materials.

In addition to these routine functions, the Department has set up an Import Substitution Section to study and find out indigenous substitutes which can be used for those parts which are imported and for such other parts as are not easily available in the market. The section has so far helped considerably in finding out substitute parts for
Observations:

The Traffic Department alone will not be able to put up the best performance unless it is aided by the Mechanical Engineering Department. Hence a close coordination between the two is necessary. Again, the latter has laid down a very exhaustive procedure for checking with the result that, in case of certain breakdowns, the vehicles are put off the road. It has been found that this is mainly due to the drivers not faithfully following the procedure laid down by the Department. There is a lack of faithful and efficient implementation of the whole programme of maintenance by the persons both at the operation and the division levels.

This is the Department which can minimise the losses on account of (a) the blocking up of large slices of the capital of the Corporation (b) faulty disposal of stores, through a prudent policy in respect of the inventories. Unfortunately, this is not so and the Corporation comes out frequently in the market for the sale of the stores which not only include the scrap but also lots of brand new stores -- stocked but not used. Such over-stocking may be a possibly reflection of the prevalence of a serious and intricate racket.

The Public Accounts Committee had observed as early as
in 1959-60 for the erstwhile Bombay State Road Transport Corporation that 'the Corporation may consider the advisability of fixing the maximum limit of stocks for various items of stores needed for the Corporation so as to avoid unnecessary blocking of funds and also to minimise future obsolescence of stores to the greatest extent possible.'

It would be relevant to refer to the case presented in the related Audit Report. The GSRTC inherited stores worth Rs. 120 lakhs. The previous Committee had recommended that the surplus stocks of stores should be examined as early as possible to decide about the obsolete parts. The Committee was informed that, out of the stocks worth Rs. 50 lakhs — 25% of the total inherited stores already examined, stocks worth about Rs. 23 lakhs were found to be obsolete!

This was indeed not the fault of the GSRTC as it proved to be the cost of inheritance. But the policy followed by it in the subsequent years has not showed any improvement, which is all the more serious and objectionable. (Or, was this, too, a legacy?)

The fact that the Corporation had to decide from 1969-70, as a policy, to make an ad-hoc provision against obsolescence of stores every year to avoid the need to provide for a heavy expenditure in any particular year for write off of obsolete stores bears ample testimony to

Another such instance referred to by the Audit Report on the Account for the year 1965-66 is also worth mentioning to point out the red-tapism prevailing in the field. The Corporation purchased about 13,000 'moulded brake linings' costing Rs. 6.84 lakhs during period January 1963 to June 1965 in preference to 'wireback brake linings' already in use, on the ground that the former were approved as original equipment by manufacturers of Mercedes Benz and Leyland vehicles. Tests conducted by the Corporation between September 1964 and October 1965 -- i.e. after a gap of 21 to 5 months -- with the two makes revealed that the 'wire back brake linings' were more suitable than the moulded brake linings which were costlier! The purchase of 'moulded brake linings' was discontinued from July 1965. Had the decision regarding the purchases of the costlier substitutes been taken after prior necessary tests, they would not have been made and the Corporation would have saved a big amount of Rs. 1.68 lakhs on this item alone.

The Department has to deal with a variety of problems: paucity of technically skilled staff, bad road conditions leading to frequent repairs, costly maintenance and high consumption of diesel, tyres and other spares, non-availability of adequate maintenance facilities including space and service ramps, non-availability of materials in time, etc..
It has chalked out an exhaustive maintenance schedule for both the district service vehicles and the city service vehicles. In spite of this, there are breakdowns resulting into loss of revenue to the Corporation and inconvenience to the travelling public. The reason detected during my fieldwork is that the concerned staff does not faithfully observe the prescribed process which aims at timely detection of faults and maintenance. To remedy this, arrangements should be made for a constant and vigorous inspection of the work done at the various operating depots and workshops.

The Department also carries out repairs of the vehicles of State Transport Officers, Government Offices, Government Department and members of the public. Under the Road Transport Corporations Act, 1950, Section 19(3)(i), the Corporation is not permitted to undertake any job on any vehicle belonging to outside organisation and members of public unless permission from the Government is obtained to that effect. The Corporation has obtained the permission in respect to (a) Vehicles of State Transport and Government Officers, (b) Vehicles of Government Departments viz., (i) Public Works Department, (ii) Community Project, (iii) Mechanical Cultivation Department, and (iv) Medical and Public Health Department, and (c) Public motorists, when stranded. Discretionary powers are vested in the Works
Managers and Division Controller in regard to (e).

While this may be a good source of revenue for the Corporation, it involves many complications and lots of botheration to it. The Government Departments are not usually prompt in the payment of the bills. Hence, the Corporation has to engage one person specially for the follow up of such bills and their collection. Again, even private vehicles may be got repaired at the expense of the Government as the Corporation is not supplied with the lists of the vehicles belonging to various Government departments, particularly at the Divisional level. It is recommended, therefore, that the service should be restricted strictly to the vehicles of the Corporation, its members and its employees. The Divisional Controllers, Dy. Works and the Works Manager are also authorised to incur expenditure of Rs. 10/- per vehicle with a maximum of Rs. 25/- per month for getting their vehicles repaired from outside agencies. The General Manager is also competent to authorise repairs involving larger amounts. An 'Outside Repair Register' is maintained for the record of such expenses.

It is felt that, there has been considerable appreciation in the prices of the automobile accessories and, since the limits were first fixed and that the latter need revision.

(3) Accounts Department:

Chapter V of the BSRTC Rules, deals with the Accounts
and Audit of the Corporation. Section 14(1) of the RTC Act provides for the appointment of the Chief Accounts Officer by the State Government. Further, he enjoys special powers vis-a-vis the General Manager in his field of activity.

Section 15(2) clearly lays down: "The Chief Accounts Officer shall have the right to record his views on every proposal involving expenditure from the fund of the Corporation prior to the consideration of such proposal by the Corporation". As the head of the Department he is responsible for the maintenance of accounts and conduct of internal audit of the organisation. He also carries out a periodical inspection of the accounts of various units and depots. He attends the meetings of the Corporation Board as an adviser. The initial interpretation of the Corporation Resolutions having financial implications rests with him, that it is the Standing Committee which is competent authority in this regard.

Deputy Chief Accounts Officer helps him in the discharge of the latter's important functions like the preparation and presentation of the Budget Estimates and the preparation of the Annual Final Accounts. He holds supervisory charge of the Inspection, Audit and Provident Fund Sections of the Department. Contingent Bills over a lakh of rupees are required to be finally passed for payment by him.

These two officers are assisted by two Accounts Officers
and an Audit Officer. One of the two Accounts Officers supervises the working of the Sections dealing with Accounts, viz., Cash, ledgers, Investments and Establishment Accounts. He also attends to all the work relating to the Income Tax of the Corporation and issues procedural instructions pertaining to his sections. The other Accounts Officer looks after the Inspection Section. He is responsible for the scrutiny and disposal of the Audit Reports by the Government Audit Parties and the internal Peripatetic Audit Parties, the tour notes of the CAO and the Dy. CAO. He attends the concurrent stock verification of stores and reconciliation of stores including cases of write off and losses. He visits the units at the time when the Assistant Audit Officer from the Office of the Dy. Director of Commercial Audit visits them, with a view to settle as many objections as possible on the spot. All matters relating to the procedural instructions which are referred to the CAO by units are scrutinised by him.

The Audit Officer in the Department is responsible for the Contingent and Works Audit. He also supervises the Provident Fund Section.

The Department functions through the following Sections: (i) Establishment Accounts, (ii) Audit (Works Audit and Contingent Expenditure Audit), (iii) Inspection, (iv) Cash and Bookings, (v) Budget and Finance, (vi) Provident Fund,
(vii) General.

Each of these Sections are being individually looked after by an Assistant Accounts Officer.

(i) **Assistant Accounts Officer (Establishment):** He is responsible for the drawal and disbursement of salaries and allowances of the Officers and staff in the Central Office of the Corporation. All their pay and travelling allowance bills are pre-audited by him. All pay bills and travelling allowance bills of Class I and II Officers in the units are post-audited by him. He issues salary slips in respect of Class I and II Officers. Instructions regarding drawal of pay and allowances, fixation of pay and accounts and matters connected with the service regulations of the employees are issued by him after approval by the competent authorities. He is responsible for seeing to it that the sanctioned strength of the staff in the Central Office is not exceeded. He handles matters related to establishment accounts and to Officers on deputation to or from the Corporation.

(ii) **Assistant Accounts Officer (Audit):** He is responsible for the audit of all the suppliers' bills payable in Ahmedabad and for the post-audit of the bills audited and paid by the Divisions in excess of their drawing powers. He maintains the Subsidiary Registers of Assets of the Corporation such as vehicles, plant, machinery and equipment, Land
and Buildings. All procedural instructions related to audit of contingent and civil engineering works bills are issued by him after approval of the competent authority.

(iii) Assistant Accounts Officer (Inspection): He is in charge of the Inspection Section. He is responsible for conducting peripatetic audit at the Central Office as well as the different units of the Corporation. Two groups are formed for the purpose: (a) Headquarter Group, and (b) Touring Group. The HQ Group functions at the Central Office level. The Touring Group is further divided as (i) Peripatetic Audit Party (PAP), and (ii) Stock Verifiers. The PAP goes round the different units and carries out the test check of the accounts. The Stock Verifiers visit the units to carry out a physical verification of stores. The final reconciliation of stores including the cases of write off and losses is the job of the Accounts Officer (Inspection). He is also supposed to visit the different units of the Corporation at the time of the visit of the Assistant Audit Officer from the Office of the Dy. Director of Commercial Audit, to settle as many objections as possible by personal discussion with the visiting Officer. All matters relating to the procedural instructions which are to be referred to the CAO by the units are first scrutinised by the Accounts Officer (Inspection).
(iv) **Assistant Accounts Officer (Cash & Booking):** He is responsible for the composition of the monthly and annual accounts of the Corporation. The principal Books of Accounts are maintained under his immediate supervision. He is required to reconcile the various ledgers accounts and Treasury balances with the subsidiary registers maintained in various sections of the Department and watches the transfer of funds from Treasuries to the State Bank of India, Ahmedabad. He is also responsible for collection of the capital contribution and making payments on account of interest on capital and loans.

(v) **Assistant Accounts Officer (Budget and Finance):** He is responsible for the compilation of the Capital and Revenue Budget of the Corporation and its submission to the Corporation and Government for their approval. All proposals involving expenditure from the fund of the Corporation, submitted to the Corporation and its various committees, are referred to the CAO for his remarks. These proposals are scrutinised by this officer before submission to CAO. He is also required to scrutinise the other financial proposals referred to the CAO for his remarks. He has to keep a watch over the expenditure to see that the sanctioned
budget limits are not exceeded without the approval of the competent authority and is required to submit periodical statements of actual expenditure to the Corporation. He is responsible for the investment of the funds of the Corporation as directed by the Investment Committee, for the safe custody of the securities, bonds, etc. and for the collection of the interest on them as and when due.

(vi) Assistant Accounts Officer (Provident Fund): He is responsible for the maintenance and audit of the P.F. Accounts of the employees of the Corporation and for the reconciliation of the Ledger accounts with the total of the individual accounts. All P.F. bills for temporary advances and final withdrawals are subjected to audit by him prior to their payment to the employees. The P.F. Account Slips of the employees are got prepared and distributed by him. He also issues instructions about the submission of P.F. Schedules, refunds, calculation of interest, etc. to Divisions after approval by the competent authority. All cases regarding the interpretation of the GSRTC Contributory Provident Fund Regulations which are referred to the CAO are scrutinised by him.

Observations:

Chapter V of the BSRTC 1952 Rules framed under the powers conferred by Section 44 of the RTC Act lays down a detailed procedure for all the matters related to the
accounting of the Corporation's transactions. And, the officers have to exercise their powers and perform their duties strictly within its framework. It is necessary to examine the mode of payment and the procedure for payment. Rule 24 of Chapter V lays down the "Mode of Payment" thus: "All payments from the State Transport Working Fund shall be made through cheques issued by such officer as may be authorised by the Corporation; provided the payment amounting to less than Rupees Twenty may be made in cash".

The idea behind the prescription of such a mode may be to minimise the use of hard cash in order to avoid possible frauds or defalcations and to facilitate evidence in case of disputes. But it inflicts great inconvenience upon the small suppliers particularly at the Divisional and Depot levels whose invoice amounts may not be too big but may still be over Rs. 20 each. There are delays in the issue of cheques as frequently the Officers authorised to sign the cheques are out of Headquarters. Again, it is obligatory for the Corporation, as a public sector undertaking, to maintain accounts with the State Bank of India and encashments/collections of its cheques are unusually delayed. And, the small traders find it costly and time-consuming to handle cheques. This may create a situation where local dealers may not always be interested in effecting small sales to the State Transport authorities, whose
work efficiency may consequently be jeopardised.

Rule 25 lays down the 'Procedure for Payment': (1) Subject to such limitations as the Corporation may lay down, payments, other than those made from the permanent advance, shall be made after pre-audit by the Internal Auditor: provided that the Chief Accounts Officer, when circumstances justify it and no loss is anticipated to the Corporation, may make payments before audit, but vouchers in respect of all such payments shall be sent to the Internal Auditor for post-audit and a monthly statement of such payments together with the reasons therefor shall be submitted to the Corporation for approval. (2) It shall be the responsibility of the General Manager to see that no payment from the State Transport Working Fund are made which is not covered by an existing budget grant or by an approval given under Rule 17, or which cannot be met from the contingency fund. Where any demand for payment is received and the payment cannot be approved of in view of this limitation, the General Manager shall place the case before the Corporation Board for sanction to secure the approval of the State Government under Rule 17 for the payment. The payment shall be made only after the approval of the State Government is received.

This procedure seems to be quite satisfactory from point of view of the Corporation. But, for the vendors, it
involves lots of delays in getting their bills passed and payments made to them. It creates ill will for the auditors and the organisation and sometimes delaying tactics are deliberately adopted with a view to get some 'percentage' (bribe) from the bills. The idea of pre-audit of bills though ideal is very difficult to practice. It leads the vendors to charge higher prices virtually to cover the interest amounts for the waiting period and/or the cost of corruption. It may be argued that the purchases are made through tenders and, therefore, such inflation of prices is not possible. But the tender system is torpedoed many a time through secret syndicates formed not to quote prices lower than the agreed minima. This may also defeat the possibility of the Corporation securing economies of bulk purchases.

Similarly, for the Corporation, it is a sound practice to hold up the payment if the budget grant has already been spent out. For greater efficacy and efficiency, it may be recommended that each Department should maintain its own Register of Budget Expenditure and should also keep a constant watch over its own budget grant, though, as already stated, it is the Assistant Accounts Officer (Budget & Finance) who has to keep a watch over the budget figures.

To the vendors, however, this procedure may prove to be cumbersome, irksome and risky. If, through accident,
oversight, neglect or wilful play of an employee, over/ unbudgeted purchases are made, the vendors would, for no fault of theirs have to wait for a considerably longer periods than anticipated for recovery of dues from the Corporation. Such events must be viewed very seriously by the Corporation which must ensure strict and constant vigilance on this count.

As regards the daily cash receipts and their day to day accounting, surprisingly, neither the RTC Act nor the Rules thereunder have made any clear provision! These amounts are quite substantial and it seems essential that specific detailed procedures are provided for through an amendment in the Act/Rules.

(4) Administration Department:

It is the Chief Personnel Officer who heads it. He is in charge of all establishment matters and matters of general administration like routine financial sanctions and installations and distribution of telephones. The Chief Personnel Officer is assisted by an administration Officer who, in particular, looks after the matters pertaining to Establishment and General Administration.

The main functions of this Department are: (1) Recruitment of Class III & IV Employees in the Central Office and Class III Employees in all the units of the GSRTC having basic pay of Rs. 150/- and above. (2) Appointments of the
staff as in (1) above. (3) Postings and transfers of the staff as in (1) above. (4) Leave, increments, provident fund of the staff of the Central Office. (5) Revision and recategorisation of the staff from GSRTC to MSRTC and vice versa. (6) Integration of services in SSRTC, KSRTC and GSRTC. (7) Retrenchment, (8) Resignations. (9) Appeals. (10) Sanction of staff in all the units and Central Offices of the GSRTC, (11) Sanction of furniture and office equipment in all the units and Central Offices of the GSRTC. (12) Maintaining personal records of the staff as mentioned in (1) above. (13) Write off proposals to be finalised. (14) Framing, modifying, revising, service regulations on the matters of Administration and General Service conditions. (15) Periodical inspection of the units(Divisions) of the GSRTC. (16) Framing of instructions on various schemes such as individual incentive scheme, suggestion scheme, Trade Learner's Scheme. (17) Training of various types such as (a) First Aid Training of the Corporation employees, (b) Training in driving to Home Guards and the Corporation employees, (c) Training to Goldsmiths hit by Gold Control Rules, etc., (d) Apprentices Training Scheme under Apprentice Training Act, 1961. (18) Grant of allowance such as Dearness Allowance, Compensatory Local Allowance and House Rent Allowance, Line allowance, Special Cash allowance, Machine Allowance, Night Allowance, Washing Allowance, Travelling Allowance, Cycle Allowance, Technical
Allowance to Electrician, Mail Allowance to Conductors, Bad Climate Allowance, etc. (19) Annual Budget Estimate for the Administration Department. (20) Finalisation of Audit Memos by Accounts Department of the GSRTC and Government Audit Officers. (21) LAQs on the subject of the Administration Department Discipline and Appeal Procedures.

The Department is divided into six Sections to ensure efficient performance of its functions: (1) General Administration (including Registry and Record Room). (2) Administration (Inspection Unit). (3) Administration (Appeals Section). (4) Establishment (Recruitment/Promotion etc.). (5) Establishment (Appointments, Transfers, Seniority, etc. of Class III & IV categories). (6) Establishment (Staff sanctions and all matters not covered in Sections 3 and 4 above).

(1) General Administration Section (including Registry and Record Room): It is looked after by an Office Superintendent assisted by 3 Jr. Assistants and 7 Clerks.

The references received in this Section are not those of the routine type only but are also of policy nature and much original work is necessary before they can be disposed off finally. A proper study of each subject, precedents, procedures of rules, etc. are required to be studied by the staff. Also, the proposals have to pass through various
stages. For instance, before finalising and issuing sanctions for furniture and office equipments for any unit in the Corporation, the requirement of the unit is scrutinised with reference to the staff working there, the present holdings and the standards prescribed. The proposal is then forwarded to the Accounts Department for its scrutiny from the financial angle. The queries and points raised by it have to be complied with or clarification given to its satisfaction. Then the proposal is submitted to the competent authority for sanction. The section covers a wide range of subjects which require careful study and involve considerable time in their disposal.

The total number of letters despatched from the Central Office Departments is about 4,000 per day. They have all to be registered, enveloped, duly stamped and addressed and a Register of Stamps Consumption has to be daily maintained by this Section. Also, on an average there are 100 receipts per day in the Administration Department alone and their distribution among the different sections of the Department is also done by this Section. The Office Superintendent also assists the Administrative Officer and the Chief Personnel Officer in other matters of general interest to the administration.

(2) Administration Section (Inspection Unit): It was created by the Corporation in 1964 for the purpose of Annual
Inspection of the Divisions and of the Offices of the Works Manager, Central Workshop, Naroda, Controller of Stores and Senior Executive Engineer, Ahmedabad, and has one Office Superintendent, one Jr. Assistant and one Typist Clerk.

A Questionnaire has been prescribed according to which inspection of every Division and Office is carried out by the Inspection Party. (The Inspection is being carried out on behalf of the Vice Chairman & General Manager.) After the Inspection Report is ready, the Chief Personnel Officer visits the Divisions to review it. A final report is then prepared in two parts for perusal and orders of the competent Authority: Part I is prepared on the basis of the Questionnaire and Part II contains particulars of serious irregularities and important points. The task of reviewing the Inspection Reports is now distributed among the Vice Chairman & General Manager, the Deputy General Manager and the Chief Personnel Officer.

The Section has also to look after the Annual Inspection of the Depots. For this purpose, one Depot each is allotted to the Vice Chairman & General Manager, Dy. General Manager, Works Manager, CWA, and all Departmental Heads except the Senior Executive Engineer, Legal Adviser, the Chief Labour Officer. The inspection is carried out according to a prescribed Questionnaire. Based on the inspection, reports
in two parts are prepared and forwarded to the Section for submission to the General Manager or the Dy. General Manager for action thereon. Generally, all the Inspection Reports -- both of the Divisions and Depots -- are put up to the Dy. General Manager. Only in exceptional cases when serious irregularities are observed and when it is considered necessary that they should be brought to the notice of the General Manager are they submitted to him.

(3) Administration (Appeals): The Section deals with (i) second appeals of all employees of the entire Corporation, and (ii) first appeals of Class III and IV employees to be decided by the General Manager. It has to convene the meetings of the Appellate Boards, convey the decision of the First Appellate Authority in each case to the appellant carry out correspondence with the appellant units, Government, etc. and maintain the records thereof.

(4) Establishment (Recruitment/Promotion etc. of Class III and IV employees): This Section deals with the matters pertaining to recruitment and conduct of Departmental Examination of Class III and IV employees in the Central Offices and Class III employees carrying a minimum basic pay of Rs. 150/- in all units of the Corporation.

The Corporation has a prescribed recruitment and promotion procedure. It is the duty of this Section to see that it is carefully followed. Advertisements for various posts, after
calculating the number of vacancies in each category, are issued by this Section. The applications received are scrutinized and put up to the Competent Authority for orders. Selected applicants are then called for written test/trade test. Those selected after the test are placed before the Competent Authority (Selection Committee) for final selection. Then Waiting lists according to the merits and priority as decided by the Selecting Authority are prepared. Departmental Examinations for promotions in various categories are similarly conducted and select lists of qualified candidates are prepared and kept ready. The cases deserving relaxation in age, educational qualification, etc. are submitted to the Competent Authorities. The Section also finalises the cases where advance increments or higher pay are recommended by the Selection Authority. Every item of recruitment/promotion involves great deal of preliminary arrangements which have to be attended to by this Section.

(5) Establishment (Appointments, Transfers, Seniority, etc.): The Waiting Lists for direct recruitment and departmental promotion, prepared as mentioned in the preceding paragraph are sent to this Section for further action in the matter of appointment, promotions, transfers, etc. The appointments and transfers of the Class III and IV staff in the Central Offices except for the office of the
Controller of Stores, Civil Engineering and Security Branch and Class III staff drawing a minimum of Rs. 150/- as basic pay in the whole Corporation are controlled by this Section.

Other related matters like leave, increment, certificates, recategorisation or reversions of employees, provident fund matters, seniority, maintenance of ratio of appointments in direct sector, departmental sector in each category etc. are dealt with and the personal records, service-books, leave records are maintained by this Section.

(6) Establishment (Staff Sanctions etc.): This Section mainly deals with the proposals of staff sanctions for various units of the Corporation and Central Office Departments. The staff sanctions have to be reviewed every year after peak season time tables are finalised and the sizes of divisional sanctions -- drivers, conductors, Ticket Checkers, Watchman, Sweepers, etc. -- are determined by the number of schedules sanctioned in each of them. The cases of super annuation, extension in service, repatriation, temporary sanctions, revision of pay-scales and allowances, retrenchment, etc. are received and disposed of by this Section. The matters arising out of integration of services, finalisation of Provident Fund and Gratuity cases of Ex-Government servants in the Corporation and matters arising out of settlement with the Workers' Union also fall within the purview of this Section.
Observations:

The Department though named as Administration Department performs basically the personnel management function for the entire Corporation. The Departmental Head has been designated as Chief Personnel Officer. My field-work shows that the Department is over-burdened. Further numerical expansion of its staff does not seem to be an appropriate solution. It may make it unwieldy and adversely affect the efficiency of the organisation. It might have been alright—though not necessarily so—for the Corporation not to distinguish between the personnel management and the administration functions and entrust both of them to the Administration Department in the initial period when the number of employees— in the administrative and the field—was around 11,000. This figure had gone up to 33,500 in 1972-73 and looking to the future expansion plans of the Corporation, it may easily reach the figure of 36,000 by 1974-75. Consequently, the problems of personnel management and administration are going to be progressively more varied, complex and complicated. I recommend, therefore, that the Department should be bifurcated into two separate ones, viz., Personnel Department and Administration Department. This is a must if the efficiency of the organisation is to be ensured and undue delays are to be avoided. It is a little surprising that when there is a Decentralisation Committee, with the
CPO as one of the members, no such step has yet been thought of.

Similarly, in case of the Inspection Unit which is supposed to carry out annual inspection of the Divisions, Depots and of the offices of the Works Manager and prepare reports according to set procedures, it is wasteful to involve the many high officials of the Corporation in it. A better thing to do is to separate the Section from its present department and give it the status of a full-fledged Department put under an independent officer. It will again, ensure a standard uniform pattern and continuity of the inspections. At present, even with a set Questionnaire, the approach in reporting may vary from official to official. Again, the Depots allotted to different officials go on changing with the result that the official inspecting every new Depot has to acquaint himself with the last inspection report. Further, different officials may lay stress on different points; e.g. the CPO may view a personnel irregularity seriously while the Works Manager may consider a lapse on the mechanical side more serious. This may confuse the Depot Manager. If, instead, the inspection is carried out by a specialist independent officer, he will have a composite view of the job which will be carried out with skill, objectivity and continuity. His reports for all the divisions and the Depots will be comparable as they would
be the results of the same standards and approaches adopted in the inspections. In addition, the recommendation, if implemented, will result in a reduction in the high travelling bills of the Corporation officials and they will be able to concentrate more than ever on the important matters in their offices to raise organisational efficiency and help rapid progress of the Corporation in their respective areas of operation.

It needs to be added that even in the unsatisfactory present system of allotting one depot each to the top executives, queerly the Chief Labour Officer and the Sr. Executive Engineer have been excluded from the Inspection Party. The reasons are not known. Actually, their inclusion would enable the depots and divisions to have expert personal advice from them and effect significant improvement.

(5) Secretarial Branch:

This branch brings to the attention of the Government the matters relating the appointment and the terms of office of the Chairman, the Vice Chairman and the Members of the Board. The other functions allotted to it are:

1. Convening of meetings of the Corporation Board and its various Committees. For this the Branch has to

(a) scrutinise the proposals received from the various departments and branches of the Central Office;
(b) prepare the agenda, draft the minutes of the meeting of the Corporation and its Committees; (c) inform the Department/Branch about the decision/s of the Corporation; (d) watch and follow up the action of the decisions of the Corporation and the Committees; (e) take further action on the recommendations of the Rules Committee to secure the approval of the Corporation and the Government; and (f) issue the General Standing Orders from time to time.

2. Disposal of references from Government and Government Auditor in connection with the Corporation Resolutions and Committee Resolutions.


4. Carrying on of miscellaneous correspondence with the members of the Corporation.

5. Supply of information on the working of the Corporation in connection with the Legislative Assembly Questions asked by M.L.As.

6. Submission of monthly statements to Government references (a) from Government to S.T., and (b) from S.T. to Government.

7. Performance of initial actions on secret and confidential Resolutions and Circulars received from Government.

8. Bringing of certain provisions of the RTC Act 1950 and BSRTC Rules to the notice of the Chairman and the members of the Corporation.
9. Taking of action on matters relating to the terms and conditions of the appointment of the General Manager and the Chief Accounts Officer.

The Branch has been divided into two sections, each in charge of a supervisor — (i) Corporation Section, (ii) Rules Section — for efficient division of work performance. As already mentioned earlier, the Corporation Section deals with all matters connected with the affairs of the Corporation, while the Rules Section simply looks after the day-to-day application of the rules, the framing of rules, their alteration, modifications, etc. A Rules Committee was established in 1964 and since then the Rules Section has only to implement the decisions and recommendations of that Committee.

Observations:

The Branch as such is a sort of an intermediate agency between the Corporation and the Government. And, within the Corporation, it acts as a follow-up body for the various decisions and policy matters of the Corporation. It can prove very useful to the members of the new Board, particularly when the whole Board is newly constituted. It is this Branch which can acquaint the interested members with the affairs of the Corporation and various procedural matters. It can also arouse interest in the members and enlighten them about their duties and privileges. For this,
it would be necessary for the Branch itself to possess up-to-date information and knowledge about the progress and problems of the Corporation. If so, it may serve two vital purposes: One. Enable the members of the Corporation Board to propagate/satisfy queries from general public about the Corporation. Two. Prevent from giving false promises to the public and, thus, damaging the image of the Corporation in the public eye. Unfortunately, it is not so.

The Branch is also supposed to scrutinise the proposals received from various departments and branches of the Central Office. There is an unnecessary duplication of scrutinisation regarding the proposals involving expenditure as they are being scrutinised by the Chief Accounts Officer. Again, the Branch does not seem to be competent enough to scrutinise all the proposals received from the departments and branches of the Corporation.

Looking to the nature of the functions to be performed by this Branch, I believe that it should be converted in a full-fledged department with a little reorganisation of the staff-structure and the functions to be performed by it. It will be headed by a Class I officer and should be assisted by a Supervisor, 2/3 Sr. Clerks and some assistants and clerks.

Again, there is a common pool of the typists for this
Branch and the Legal Department. Such a pooling arrangement may be ideal for optimal utilisation of their skills, but the fieldwork showed that it did not function satisfactorily in this case, perhaps, as it involved two units having lot of stenciling and typing work. There are a number of General Standing Orders, minutes of numerous meetings of the Corporation Board and the different Committees and miscellaneous correspondence to follow up certain decisions of the Corporation, to inform the concerned departments and branches about the decisions, etc. that means a heavy and continuous stenciling and typing workload emanating from the Secretarial Branch. Similarly, the Legal Department also has a good amount of typing work including the taking out of copies of correspondence, notes, etc. of matters pertaining to legal cases involving purchase of land, titles, cases of accidents and correspondence with government and other bodies on a number of issues. The existing system of typing pool causes unnecessary heartburns and delays and provides a loophole for the work-shirkers. To reduce inefficiency and delays, it is suggested that both the units should have independent typists attached to them.

(6) Statistical Department:

The importance of a Statistical Department in a large, multi-plant organisation like the State Transport with its
activities spread over a whole state cannot be overemphasised. It has to make policy decisions and evaluate and improve its working on the basis of figures which must be (a) comprehensive and dependable and (b) available promptly. Various data are needed continuously periodically and on an ad hoc basis occasionally. Planning for growth, too, depends upon them.

The main function of the Statistical Department is to co-ordinate the activities of the divisional statistical sections and the statistical section in the Central Workshop, and to analyse the data so as to effect coordinated control over the working of the organisation in its varied activities. The Department is responsible for the analysis of the statistics to enable the management to formulate solutions to policy problems of the organisation.

In addition to the study of ad-hoc problems and preparation of notes thereon, the Department regularly prepares seven periodical reports which are submitted to the Chairman, General Manager, Corporation Board Members and the Government, and circulated to the Divisions, Central Workshop and Branch and Departmental Heads in the Central Office for a more efficient performance and control of operations: (i) Weekly Operational Review. (ii) Monthly statistical summary of Operational results. (iii) Monthly Pre-review of passenger transport, (iv) Monthly Operational Review and

In addition to the preparation of the reviews and the reports, the Department also (a) prepares the Five Year Plan for the Corporation, submits monthly, quarterly and annual progress reports on the plan to the Government and replies to all ad-hoc references from the Government on the Five Year Plans. (b) looks after the work relating to supply of quarterly operational and cost-statistics to the Government of India and either ad-hoc statistics to various Government Departments and transport undertakings, (c) supplies replies to the Legislative Assembly quarters referred to the Department, and (d) Checks in detail the returns of the Government of India, National Sample Survey of manufacturing industries in respect of State Transport Workshops.

For the purpose of quick and easy analyses of the important problems concerning the operational aspect of the Corporation, various statements and returns are prepared by the Department and submitted to the appropriate authorities. They are:

(i) Monthly Statement of make-wise and division-wise fleet position. (ii) Monthly Statement of make-wise and
division-wise performance of tyres. (iii) Six-monthly statements of operational results. (iv) The Vehicle-wise annual gross mileage data to the Accounts Department to work out the cost on depreciation of vehicles. (v) Annual Statement of operational and financial data. (vi) Quarterly and Annual Operational Statistics. (vii) The maintenance of weekly and monthly operational and monthly cost registers. (viii) Compilation of figures of vehicles likely to come for scrapping for preparation of budget estimates, compilation of figures of backlog of reconditioning for annual accounts etc. (ix) Annual statements of route mileage, service mileage and road length operated by the Corporation on different types of roads. (x) Data regarding villages served by the Corporation at the end of the year. Collection of this data has been started from the year ending 31 March 1966 onwards.

Observations:

The Department has, for carrying out its functions, to depend upon the other departments for the collection of data. This does not seem to be a sound policy. Again, the Divisional Statistical Officers work under the Divisional Controllers and the Divisional Traffic Officers. They may not always submit correct statistics, particularly when they are going to create an adverse impression about the efficiency of the respective departments/depots. Many a
time, the statistical statements turn out to be the results of manipulations intended to present a picture other than the actual correct one. This is particularly undesirable when major policy decisions are to be based upon these figures. And, even otherwise, ST is a public enterprise and the people cannot be cheated -- even if unwillingly -- through the publication/supply of wrong figures. To quote only one instance, according to the Annual Administration Reports of the last nine years, the percentage of regularity of the departures and arrivals of the buses is found to be around 93. However, my personal survey of Anand Depot alone on a random sample basis for a period of seven normal days gave the figure 89. My field-work has led me to conclude that many of the persons in the field are interested in shielding the deficiencies of their colleagues and that, at times, they themselves are at fault. They make the entries in the way bill of the conductors on the basis of the time tables and not on the basis of the actual timings. Such manoeuvres can be reduced by posting some special surprise checking squads at random intervals of two/three months at different spots. Such squads must not be taken up from the traffic department alone.

Insofar as the organisation of the Department is concerned, it should be changed to a functional structure so that the lower level employees performing the functions of
statistics-enumeration, - collection and - submission do not have to work under undue influence or duress because of their subordinate position in the line hierarchies either in the other Departments or in the Depots.

(7) **Civil Engineering Department:**

It is not enough for any organisation to get constructed huge buildings for manufacture, offices and residence, it is equally necessary that they are properly looked after and maintained. It is for this reason that, though a transport organisation, the Corporation has an independent Civil Engineering Department. It is headed by a Sr. Executive Engineer and looks after the construction and maintenance works of the organisation.

The Department at the Central Office consists of four important branches: 1. Administration and Establishment Branch, 2. Works Branch, 3. Accounts Branch, 4. Land Branch or Estate Branch.

1. **Administration and Establishment Branch:** This Branch looks after general matters and establishment matters of (a) the employees, and (b) of all the Engineering Sub-Divisions, situated at the Divisions. The Branch maintains the personal files and performs the other establishment matters including grant of leave, promotions and transfers of employees of the Department and of its sub-divisions.
2. **Works Branch**: This Branch consists of two sub-branches: (a) Drawing Branch, (b) Electrical Branch. The Drawing Branch is under the control of Executive Engineer (Planning) and Dy. Engineer (Technical). The Electrical Branch is headed by Dy. Engineer (Electrical).

For the smooth and efficient working of the Drawing Branch, the Executive Engineer (Planning) and the Dy. Engineer (Technical) are looking after five traffic divisions each. The Branch mainly deals with budgeting of the proposals, construction programmes, preparation of plans and estimates for the budgeted works of capital and revenue nature, scrutiny of the estimates for execution and repairs of temporary and minor permanent works received from the Sub-Divisions and the obtaining of approval of the competent authority by submitting notes, giving full justification of the works, preparation of RCC and Structural designs for the construction works to be undertaken in the entire State, technical scrutiny of bills, preparation of notes and submitting them to the General Committee, Standing Committee, etc. for obtaining sanction to works demolition proposals, etc.

The Electrical Branch deals with the preparation and execution of the entire electrical installations of the Corporation's buildings, Depots, Bus Stands, etc. under the orders of the competent authority.

3. **Accounts Branch**: The Branch mainly deals with the
preparation of pay bills, maintenance of Provident Fund Accounts in the prescribed ledgers for all the employees of the Department, audit and payment in respect of the construction programmes and finalisation of the tenders as per the direction of Tenders and Stores Committee or the Competent Authority, scrutiny of the monthly and yearly accounts and submission of the prescribed statements of this Branch along with those of the Sub-Divisions to the G.A.O. The Divisional Accountant in charge of the Accounts Branch looks after and audits the prescribed ledgers and the returns for the maintenance of the Civil Engineering stores with the assistance of the Store-Keeper and his Jr. Assistant. The physical stock verification of the stores is carried out once in a year by the Stock Verification Party from the Central Office and supervising checks are being carried out by the Sr. Executive Engineer and the Dy. Engineers.

4. Estate Branch: All problems regarding securing of land for all the construction programmes with the prior approval of the competent authority are attended to by this Branch. It also deals with all the Municipal and Government Tax cases and other cases such as non-agriculture, land acquisition under the Land Acquisition Act, the land reference cases, etc. It also looks after the allotment of the industrial tenements and residential quarters to the employees.
Reorganisation of the Department: For the purpose of reducing the burden of expenditure, the Corporation reorganised the Department in 1966-67. This has brought about a reallocation of powers to the General Manager, the Sr. Executive Engineer, the Divisional Controllers and the Depot Managers and the category of works to be executed at different levels. Thus at Depot level: (a) All petty works costing up to Rs. 25 at a time are got to be executed without inviting quotations, by the Depot Managers. (No additional staff to be sanctioned.) Vouchers of payments are to be maintained and details of work done are to be mentioned therein. For the purpose of this, the Depot Managers are to be allotted about 50% of the C.R. Grants and the remaining amount are to be utilised by the Divisional Controllers for white-washing, oil painting and other petty works costing more than Rs. 25. (b) The Depot Managers can get executed works like (i) minor repairs to doors and windows, (ii) patch repairs to parking areas, (iii) stop leakage of roofs, (iv) cleaning of cess pool/gutters, (v) repairs to barbed wire fencing, (vi) replacement of water-pipe cocks. (c) The Depot Managers should not incur any expenditure on works like (i) additions and alterations to their Quarters, (ii) replacement of articles in the Rest House such as bed-sheets, curtains, towels, napkins and (iii) purchase of utensils etc. for the Rest House.
At the Divisional level, the entire C.R. Grant for building and electrical installations is to be at the disposal of the Divisional Controllers. He, with the help of 2 Overseers, 2 Clerks, 1 Electrician and 1 Inspector is to arrange for (i) all current repairs and maintenance as also special repair works, and (ii) all revenue grant works (temporary works) costing not more than Rs. 5,000/-. 

All the temporary works costing more than Rs. 5,000/- and all permanent works are to be executed by Central Office through the Dy. Engineers at the divisional level.

The delegation of powers for incurring expenditure is also revised. The Depot Managers are to submit the vouchers to the Divisional Controllers and the Account Officers/Divisional Account Officers are to send the audited accounts to the CAO in the Central Office along with other accounts to be submitted by him. Separate Registers are to be kept at the Divisional level to know the expenditure under different account heads in order to exercise proper check over the expenditure vis-a-vis the budgeted grants.

For C.R. and S.R. works upto Rs. 5,000/-, it is the Overseer attached to Divisional Controllers who is to submit vouchers to the Accounts Officer/Divisional Account Officer, who, in turn, is to submit the audited accounts to the CAO.
The Dy. Engineer is to submit the accounts for works costing more than Rs. 5,000/- to the Sr. Executive Engineer as usual and he is to send the audited accounts to the CAO as per procedure. The CAO is to compile both the accounts received from the Sr. Executive Engineer and the Divisional Controllers in respect of temporary grants.

It needs to be observed that, on the whole, the Depot Manager has been put in an awkward position where specific 'dos' and 'dons' have been laid down for him.

Observations:

This is a Department which can function only with finance. A substantial figure of the budget has, therefore, to be allotted to this Department. Land acquisition is a problem and involves complicated issues. Purchase of land becomes particularly difficult when the owners know that it is the Corporation which is going to purchase their land. They demand very high prices in private deals. If the land is acquired under the Land Acquisition Act, the owners go to the Court for decision of the compensation amounts to be recovered. This process results in long delays and, consequently, construction work gets held up.

The Department faces another handicap on account of undue intervention, at times, by the State Government in the matter of budget allocation to land and buildings. Thus,
for example, when the budgeted works for the year 1966-67 were in full swing, the Government had issued a directive to prune down the budgets for land and buildings. Building Construction is such a type of job as would mean blocking up of capital in half-finished works, loss of interest, unusable premises and continued undue inconvenience to the travelling public. As regards the pieces of land during the process of acquisition, it is uncertain when a particular piece will be acquired and the payment will have to be made. If a number of them are passed on to the Corporation on account of completion of the acquisition processes, it is possible that a substantial amount of the budgeted figure will have to be spent at a time on them, creating fund-flow and cash-flow problems, even if temporarily, and construction works may be paralysed. Such a position did arise in 1965-66 when the actual amount to be disbursed for lands was estimated at Rs. 19 lakhs against the budget provision of Rs. 10.88 lakhs.

One of the characteristic feature of the transport service is that, as in the army, all the ancillary branches must grow simultaneously in a balanced, composite manner. If even one branch lags behind the service as a whole will be adversely affected. Thus, if the number of routes is increased without at the same time adding to the number of bus-stands, the step may prove to be uneconomic.
Another problem is regarding the elimination/reorganisation of the Department. The PAC has remarked more than once that the percentage of establishment expenditure in the Corporation is on the high side and should be reduced. It felt that in view of the very large area that each Dy. Engineer has to look after and in view of the large number of small works spread out in the large area, its percentage of expenditure on establishment would be more than that in the State P.W.D. and that, therefore, it recommended that the execution of all the works should be entrusted to the State P.W.D. Staff. The matter was considered by a Committee wherein the Chief Engineer (Roads and Building), Government of Gujarat, opined that it would not be desirable to do so, as it would be difficult for the P.W.D. staff to execute a large number of minor works speedily and economically. It was also noted by the Committee that it was chiefly for these reasons that an independent Civil Engineering Department was established by the then BSRTC.

I would like to make two observations:

(i) The State P.W.D. is carrying out works which are more of a concentrated nature which can be supervised by a small number of persons. This will, therefore, mean a lower ratio of establishment expenditure to the capital expenditure than here. (ii) In the case of the other departments, a workload comparison is possible and it can be found out whether
the department is overstaffed or not. This is not possible in this Department.

(8) Labour Branch:

Transport is a labour-intensive service. The Corporation has more than 33,494 employees on its role. This Branch is headed by the Chief Labour Officer and he is responsible to the General Manager and the Dy. General Manager directly. He acts as adviser to the General Manager and, when requested, also to the Departmental heads in the Central Office, on all labour matters for ensuring smooth employer-employee relations. For the purpose of carrying out his functions smoothly and efficiently, he is assisted by a Labour Officer in each of the Divisions and by a Labour Welfare Officer at the Central Workshop, Ahmedabad. The Labour Officers act as advisers to the Unit Heads on labour matters and are under the administrative control of the Unit Head.

The main functions of the Branch are:

(1) To maintain cordial and harmonious relations between the management and the employees and their trade unions.
(2) To enforce the provisions of Labour Acts and Rules made thereunder. (3) To scrutinise the amendments of Labour Laws from time to time and to convey them to the Unit/Departmental Heads for information and implementation. (4) To scrutinise the decisions of Industrial Tribunals and High Courts, 26. As on 31-3-1973.
Supreme Court regarding interpretation of provisions of Labour Laws. (5) To settle industrial disputes between the Management and the Workers or Management and the Union.
(6) To carry out negotiations on demands of the Unions and the implementation of settlement between the Workers and the Management. (7) To approach the State Government from time to time for the declaration of the Road Transport Service operated by the Corporation, and the Workshops, Depots, and Garages of the Corporation as 'public utility service' for the purpose of the Industrial Disputes Act, 1947. (8) To look after the formation and supervision of the Works Committees at all units. (9) To investigate into the Workers' complaints and grievances. (10) To scrutinise the claims for compensation under Workmen's Compensation Act, 1923. (11) To correspondence with Government Departments on matters pertaining to labour. (12) To recognise trade unions. (13) to grant facilities to recognised Trade Unions. (14) To deal with strike notices. (15) To organise welfare, recreational and sports activities. (16) To assist the Administration to prevent the occurrence of strikes and industrial disputes as far as possible. (17) To negotiate with Unions on individual and/or collective grievances and settlement thereof. (18) To conduct suggestion scheme of the Corporation employees.

The Chief Labour Officer is required to undertake
extensive touring for the purpose of (a) collecting first-hand information on the labour situation and (b) keeping a constant touch with the labour trends so that serious/undesirable developments can be nipped in the bud through timely action by the Administration. He meets the workers at all levels -- in the Divisional Workshops in the Central Workshop, in the Depots -- for ascertaining their grievances and for interpreting to them the policy of the Corporation or important provisions of Labour Acts, Service Regulations etc. He also meets Trade Union Officials and authorities under various Labour Acts for maintaining the spirit of cooperation.

He represents the Management either before the Conciliation Officer or the Labour Commissioner in case of industrial disputes or other matters referred to the Labour Commissioner by the workers individually or by their Unions.

Over and above these administrative functions, the Branch carries on certain activities for the benefit of the workers and their families. Staff Welfare Centres are runned at Ahmedabad, Baroda, Himatnagar, Mehsana, Nadiad and Surat. They are provided with facilities for indoor games, reading room, library, water-coolers, radio sets, sewing machines, kinder-garten equipments, etc. Sports Meets both at the Divisional level and the State level are conducted. Rest-rooms ( ) and Medical Dispensaries (61)
are provided at different places. A Cooperative Canteen and 10 Cooperative Credit and Thrift Societies are also being run at the Divisional Head Quarters.

Observations:

The position of the Branch is uniquely delicate. Labour usually does not look with favour to such departments because they think that those employed therein primarily represent the management. Despite this usual limitation, the history of the Branch for the last thirteen years shows that the relations between the Corporation and the labour have been quite cordial and not a single strike has taken place; disputes were there, but they were amicably settled.

The Chief Labour Officer is required to undertake extensive tours. He is also supposed to advise the General Manager, Dy. General Manager and other Departmental Heads on problems relating to labour. These take away a good deal of his time at the cost of his administrative work at the Central Office. Looking to the burden of work and the staff structure of the Branch, in all fairness to him, it needs to be suggested that an additional post of Labour Officer at the Central Office should be sanctioned.

Viewing administrative - hierarchically, the CLO is a Class II(Sr.) Officer; but he is supposed to advise all

27. As on 31-3-1973.
the top executives of the Corporation on matters relating to labour. Again, the post of Divisional Controller is held by a Class I Officer. It is necessary that the status of the CLO is raised if his word is to carry weight in the organisation vis-a-vis senior-ranking line executives and the work of the Branch is to be more effective than now. The post must be upgraded to Class I.

A word about the welfare activities. Some of the Staff Welfare Institutes are maintained simply to adorn the Annual Administration Report. Many of the facilities mentioned in the Reports are either absent or are out of order and therefore useless. The Rest Rooms are also not well-equipped. Particularly during the winter the condition is all the more worse as no other facilities are provided at these Rest Rooms. Further, only limited number of employees are able to take the advantage of certain facilities as they are located only at few centres. Thus for example cool-drinking-water facilities are not available at the majority of the depots. The Reading Rooms and Libraries are found to be simply on paper. Similarly for the canteen facilities the workers do not seem to be satisfied with the conditions. The canteens are simply in name and do not provide good and nutritious food which should be the ultimate goal of making an arrangement for the canteen. Medical Dispensaries are also not fully equipped and many a times
the workers are put to lot of inconvenience for want of proper and adequate medicines. The number of such dispensaries, again, are also too low in relation to both the total number of employees and the total number of divisions and depots. The Corporation has, however, since 1967 a plan to have a Medical Dispensary at places where the number of employees exceeds hundred which yet remains to be put in execution.

(9) Security Department:

Human beings as such are not dishonest; nor do they like to do wrong deeds. It is the circumstances that involve him in ill-doings and very few can withstand the pressure of circumstances. It is also an accepted maxim that prevention is better than cure. The Security Department, located at the Central Office of the Corporation with a wide net-work extending up to the divisions and the depots levels, is established primarily to prevent human beings from indulging in any fraudulent activities or malpractices regarding either cash or kind. It also performs other related functions for the protection of property. They are classified in nine categories as follows:—

(1) Organisation of Watch and Ward and Fire fighting sections in all the Units including the Central Office.
For the purpose of this, training is also imparted.

(2) Adopting measures to protect property of the Corporation
from theft and fire.

(3) Providing security intelligence regarding integrity, discharge of the duties of various employees and about malpractices, political cross-currents etc.

(4) Getting information and intelligence of leakage of revenue -- embezzlement, cheating etc.

(5) Watching the activities of disgruntled operators.

(6) Undertaking anti-corruption work.

(7) Verification of character and antecedence of State Transport employees.

(8) Collecting advance information of pilferage from conductors, drivers and other staff.

(9) Checking clandestine operations by private operators with the help of Police and Motor Vehicle Department.

For the carrying out these functions, the Department is divided in three broad sections, each in charge of specific functions: (1) General Section. (2) Ministerial Section. (3) Vigilance Squad Section. In addition, there is an Intelligence Section. At the CWA there is also a Senior Security Inspector who is directly under the control of the Security Officer at the Central Office. The Department is headed by the Director of Security, who is a Class I Officer.

Observations:

My fieldwork regarding the execution of the functions
to be performed by the Department shows that in many cases they suffer from an unnecessary overemphasis or the lack of proper emphasis. Take for example the function relating to the verification of character and antecedence of the Corporation employees. The approach of the Corporation does not seem to be a correct one, particularly, in view of an absence of any clear procedure for verification. This can possibly be done by making references to the referees named in the applications, in case this is to be done prior to the selection of a person for appointment. Similarly, in respect of getting information and intelligence of leakage of revenue -- embezzlement, cheating etc., it is difficult to tender evidence about the malpractices that go on at various levels; but incidents like this one are not infrequent. It was regarding the purchase of spare parts from a trader from Mehsana wherein there was an embezzlement of spare parts worth Rs. 1.25 lakhs. It is surprising as to how, with the existence of this Department, such a fraud could take place. The trouble is that the Department does not remain alert on a continuing basis. Again, there are no numerous surprise checkings of the stores, etc.

It seems that the functions to be performed by this Department and those by the Traffic Inspectors of the Traffic Department overlap and clash with one another. The ultimate object of both the departments is to protect the property
of the Corporation from theft and the loss of revenue. Chances are that both of them may neglect them assuming their performance by the other. Take for instance the fact that the total loss of revenue of Baroda City Service alone, either because the passengers do not buy tickets or because the conductors pocket some of the receipts without the issue of the tickets, is estimated at Rs. 2,000/- per day. It is utterly surprising that no Security Department fellow ever checks or finds out any loss of revenue on such accounts! Similarly, it was noticed that when old tyres, tubes, scrap, batteries etc. were disposed off, the buyer managed to get in the lot some new/unused materials at the scrap price through a practice of keeping the latter at the bottom of the heap of the old goods. And, the same materials are supplied as new ones when purchased again! Such a fraudulent activity is carried on on a greater or smaller scale at all the levels -- the CWA., the divisions and the depots. Such losses would run into lakhs of rupees annually. What has been the Security Department doing all the time? The same is the story in regard to clandestine operations. Trucks and other vehicles do take away a good slice of the revenue of the Corporation by transporting passengers on the roads. While it is the primary duty of the Regional Transport Authorities to control the illegal operations by the private goods hauliers, the Security Department must also be on a constant vigil to curb the evil corroding the revenues
of the Corporation. Again, the Security Department should not join the traffic department in saying that, "last year so many passengers were carried and this year there has been a rise in the number of passengers carried." It should always keep its eye on various issues relating to not only the loss of revenue on account of loss of passengers but also on a number of conceivable loopholes, checking them quite often and plugging them to all possible extents.

And, if corruption is rampant within the organisation, the top authorities must take suitable action to curb it irrespective of the levels and the officials involved.

In order that the Department performs its functions successfully and efficiently, it is necessary to change its whole structure and network. It should be a centralised Department with no extension up to the Depot level. The Watch and Ward staff might be continued to be kept at all the levels as is at present, but the rest of the staff should be located at the Central Office under the Director of Security. Numerous and frequent surprise checks should be carried out at various strategic points and the persons found guilty should be severely punished. For the purpose of checking, the parties should be formed at the last minutes and they should be asked to proceed without giving any advance notice. There should be additions and alterations
in the checking parties and no party should know its future programme. The Department should find out without any inquiry with the Officers or the parties concerned about the delivery places, dates and times of the old scrap and should reach there for surprise checks then. Such steps would serve as a moral check on the staff and much of the malpractices would be eradicated.

In regard to the loss of revenue, mere collection of information cannot be of much avail. Preventive and punitive action must be planned and executed. The Security Inspectors clothed in ordinary dress as in the case of Railway T.C.s., should find out the cases and should be empowered to clear the cases on the spot. To guard against corruption among them, a few points may be taken into account. No Inspector should be stationed at a particular place. Inspection must be on a rotational basis. Rounds should be programmed in a surprise manner. If a particular Inspector has gone to a particular division once, he should not normally be sent there except after an interval. As a part of the checking programme, it should be laid down that the cycle of changing the Security Inspectors from one depot to another and from one division to another should be irregular.

In the case of clandestine operations, the Department does not possess police powers and it may frequently be
difficult to get cooperation from the police department as many a time the policemen themselves may be drawing illegal gratifications from the truck/automobile vehicles operators. However, ways must be found out and efforts made concertedly for surprise checks with the help of Regional Transport Authorities and the Police after carefully finding out the centres and routes on which such activities are rampant. The Department should act as a watch dog if not as a blood hound — in regard to the clandestine operations.

(10) **Legal Department:**

Such large organisations require, time and again, competent assistance on a variety of legal matters. The Corporation has, therefore, established a Legal Department headed by a Legal Adviser. The main functions of the Department are as under:

1. To assist and advise the Corporation on legal matters.
2. To attend to the legal matters in regard to land acquisition procedures.
3. To render help in the settlement of accident claims.
4. To advise the Corporation in the matter of employment of pleaders to fight out specific cases of the Corporation in the courts of law and other legal bodies.
5. To deal with matters of labour disputes in regard to their legal implications.

The Department is staffed with an Assistant Legal
Adviser, a Stenographer, a Jr. Assistant, a Clerk, a Typist and two Peons in addition to the Legal Adviser.

Observations:

Looking to the policy adopted by the Corporation, it is felt that there is hardly any necessity of such a big Department. The Corporation is reported to have always preferred to settle the accident claims by compromise rather than through law suits. Similarly, land acquisition also does not pose a big problem. In the rare cases of employing pleaders, there are always recommendations from the respective D.C.s who are, in all probability, influenced by the concerned Board Members. Under the circumstances the work of the Legal Adviser gets considerably reduced.

In a good number of cases involving legal complications, the Legal Adviser advises the Corporation to seek advice from an outside expert which is sought by the Corporation by incurring extra expenses. Similarly, it has been a practice of employing outside pleaders even when the Legal Adviser himself can handle the case. In view of all these, it is suggested (i) that the size of the present Department be curtailed and (ii) that arrangements be made with some solicitor/s, as has been done by other Corporations in the State, for legal advice on an annual payment basis. Yes, this would rob off a few persons of their power and ability to oblige others. But then the top management must perform
this 'Unpleasant' task in the interest of the Corporation. Performance of Unpleasant tasks is an essential function of the top management -- so said Professor Sir Arnold Plant, the Veteran British business management educator and consultant at the L.S.E. This is equally true in the case of the Corporation.

(11) Chairman's Branch:

The Branch is headed by the Secretary to the Chairman. He is supposed to act as a liaison officer between (1) the various Departments situated in the Central Office and (ii) the Chairman. He has also to keep a trace of all the papers which are to be put before the Chairman for his consideration and orders.

The Secretary to the Corporation is assisted by nine other persons like Supervisors, Jr. Assistants, Clerks and a Stenographer.

Observations:

Viewed from the angle that the Chairman is a part-timer, the staff complement seems to be excessive in relation to the quantum of work to be carried out. This has resulted in extra-assignment of 'in-chargeship' to some posts which carry extra allowances. This situation crops up for the simple reason that the Secretary to the Chairman comes in

close contact with him and therefore, he enjoys favours of the Chairman. This practice creates certain amount of genuine heart-burning among the other ranks of the staff. It is, therefore, suggested that a time and work study of this Branch be made to find out the actual work-load and that necessary change in the staff structure be made.

(12) Central Stores Department:

"The importance of storekeeping in modern industry is not always appreciated as it should be. Whilst the production departments are well equipped, the storekeepers are hidden away in cramped quarters, ill-equipped and with poor lighting conditions and are generally underpaid in comparison with operators on production." 29 Again, "not too many years ago the typical inventory control manager was nothing more than a glorified stockroom clerk with little or no training and even less recognition by top management." 30 With the advent of the modern techniques of stores management and stores control, however, the position, the power and importance of the storekeeper have witnessed a rapid metamorphosis. He is no longer hidden away in a cramped quarter, nor is he now treated as a glorified stockroom clerk. His opinions and views count

and carry weight. He now plays an important role in deciding the purchasing and inventory control policies; for, it is on them that the smooth and efficient running of the whole organisation depends.

In the GSRTC, the Stores Department is headed by the Controller of Stores. The Divisions are also equipped with the Stores Sections. These Stores Sections, though administratively under the control of the Divisional Controllers, are responsible to the Controller of Stores for proper receipt/storage/issue of stores, presentation of stores to the authorities concerned for physical stock taking and implementation of procedures regarding stores organisation from time to time.

The main functions of the Department are:
(1) To consolidate requirements of stores viz. auto spares, machinery spare parts, consumable stores, tools, uniforms, stationery and printing, tickets and ticket accessories, lubricants, batteries, tyres and tubes, etc. or other items that may be added from time to time. (2) To chase the suppliers after the receipt of the Purchase Order from the Purchase Department with a view to get the materials as per the delivery schedules. (3) To change the delivery schedule indicated in the Purchase Order, if deemed necessary to do so. (4) To get the orders of Vice Chairman and General Manager/Dy. General Manager for operating a second source of
supply after indicating the efforts made to get the supplies from the first selected source against whom orders are outstanding. All such orders obtained will be for a specific quantity to tide over the situation which has arisen due to failure of the first selected source to supply the material according to the delivery schedule. (5) To fix the various stock levels for each item as per the rules framed from time to time. (6) To arrange for the inspection of the supplies received and to convey to the Purchase Department any rejection made due to bad quality of materials or for any other reasons. (7) To deal with and settle all warranty claims arising out of the defective supplies as per the terms and conditions of the rate contract. (8) To communicate to the Purchase Department the performance reports of the various suppliers considering both the quality of the supply and the promptness of supply within a period of one month prior to the expiry of the rate contract. (9) To decide the acceptance or otherwise of the materials received late and/or in exact conformity with the specifications laid down in the purchase order or in the rate contract or with the approved samples with the approval of the Dy. General Manager. (10) To look after the work pertaining to and arising out of the payments of suppliers' bills. (11) To present stocks held by the Store Department for physical verification to the officers appointed by the Corporation. (12) To arrange periodical inspection of Store Houses of Divisions/Central
Workshop/Central Stores with a view to check whether the instructions issued by the Controller of Stores from time to time are being carried out fully. (13) To advise the operating units, if necessary, for the finalisation of the rate contracts for stitching of uniforms etc., and all other work connected with the same. (14) To look after the maintenance/repairs/transfer of diesel/petrol pumps installed in the various units. (15) To look after the receipt and despatch of the samples received against various tenders invited by the Purchase Department. (16) To issue instructions from time to time in respect of disposal of stores held surplus to the requirements of the Divisions/Central Workshop by reallocating the surpluses or issue instructions for ultimate disposal of the material which is found surplus to the overall requirements of the Corporation. (17) To look after the work pertaining to the disposal of scrap/obsolete surplus items. (18) To arrange to obtain write off sanctions from competent authorities for losses sustained due to annual/periodical stock verifications, transit losses, losses due to theft, fire, etc. (19) To issue periodical instructions from time to time to serve as a guide to all consuming units in respect of receipt of stores/storage and maintenance of stores/issue of stores and all procedures concerned with the proper layout organisation of Store Houses. (20) To look after the disposal of the Audit paras pertaining to the Stores Department.
For the purpose of carrying out these functions the Department has been sub-divided in the following branches/
sections:

(A) Store House Section
(B) Stores Accounts Section
(C) Stores Audit Section
(D) Administration Branch
(E) Stores Supervisory Unit
(F) Material Chasing Section
(G) Material Inspection Unit
(H) Inventory Control Section
(I) Slow Moving Item Section.

The first two sections are located at Naroda in the premises of CWA, while the remaining sections/branches/
units are stationed at the Central Office, Ahmedabad.

(A) **Store House Section:** The Deputy Controller of Stores is the Sectional Head of the Store House. It is his personal responsibility to see that the standing instructions regarding proper lay-out and general principles regarding store keeping and safety of stores are fully observed. The Section is responsible for receiving indents from all Divisions for the requirements of stores and also for the Central Workshop. The demands of the Divisions are consolidated and are, after issue of available items from stock, forwarded to the Purchase Department for
procurement action. As regards the demands of Central Workshop, the basic data regarding part number, quantity held in stock, consumption during the last consumption period, minimum stock fixed, etc. are given to the Works Manager, who then submits his estimated demands for the next consumption period. The Section has also to look after the receipt of Stores and proper maintenance. It is endowed with the responsibility of issue of stores and proper accounting thereof. Records relating to maintenance of tyres, batteries and major and minor assemblies, too, are to be maintained by this Section.

The Deputy Controller of Stores has also to supervise the following sub-sections which are part of the Store House:

I. i) Administration and Establishment.
   ii) Write off proposals.
   iii) Warranty claims.
   iv) Octroi claims.
   v) Government & audit paras.

II. Provisioning.

I. i) Administration and Establishment: The sub-division is in charge of one Jr. Assistant who looks after the establishment and other work like maintaining of Office Muster Rolls, Files, Casual Leave Account, Default Papers. He also keeps all the policy Files and Confidential Files of
the Deputy Controller of Stores/Stores Officer (Auto & General).

He maintains Control Register of Certified Receipt Vouchers, Transfer Vouchers, Loss Statements. He receives vehicle off road indents and returns them to the Divisions. Vehicles record is also kept by him.

ii) Write off proposals: The work of write off of losses in transit, stock taking and demurrage charges is entrusted to one Stores Supervisor and one Jr. Assistant. The sub-section undertakes preliminary scrutiny of proposals received from the Divisions and the Store House of Central Workshop, prepares and sends them to the Competent Authority for sanction and advises the Divisions about the sanctions, when received. The average number of write off proposals disposed off during a year ranges from 20 to 22.

iii) Warranty Claims: The warranty claims raised by the Divisions, Central Workshop and the Central Stores are looked after by this sub-section. The Jr. Assistant who is in charge of this sub-section also does correspondence with suppliers and units, and maintains a register showing the progress of warranty claims. The average number of claims received is 20 per month.

iv) Octroi Claims: The work of preparation of Monthly Octroi Claims Statements and submission of the same to the Municipal Authorities for verification is handled by a Jr.
Clerk attached to this sub-section. He looks after the correspondence pertaining to this subject and writes to the municipalities and the suppliers. He maintains Octroi Policy files.

v) **Disposal of Audit Paras:** One Jr. Clerk working directly under the Deputy Controller of Stores/Store Officer(Auto & General) looks after this work. He maintains correspondence files pertaining to Audit Paras of the Store House.

II. **Provisioning Branch:**

The Branch deals with disposal of indents — including its scrutiny, consolidation and pricing — from the Divisions and Central Workshop and with surpluses against Divisional Indents. All matters relating to the progress, follow-up correspondence of indents, etc. are looked after by this Branch.

The Branch is looked after by the Assistant Stores Officer(Auto), who is assisted by three Storekeepers and other staff. He also looks after following sections:

1) **Packing Section:** This work is managed by Assistant Storekeeper with the help of 2 Jr. Clerks, 2 storesmen, 4 helpers, 2 Carpenters and 1 painter. He is in charge of stores coming in the Section. He supervises their packing. He also reviews the Issue and Despatch Control Register. The other work done by this Section is the preparation of
packing documents, preparation of gate-passes, despatching materials by rail or post or by trucks.

The Jr. Clerk maintains Issue Despatch Register. He despatches R.R.s to the firms and attends to marfatias' bills.

The storemen pack the materials and prepare the Packing Notes. Nearly 1,500 to 2,000 items are handled by this Section per month.

ii) Receipt Cell (Auto): One Storekeeper is in charge of the Receipt Cell and has got 3 Jr. Clerks, 1 Writer and 3 Helpers to assist him.

The Cell looks after physical custody of material received, maintains the Receipt Control Register, prepares Receipt Vouchers, progresses the Delivery Challans, the bills of suppliers and clearing agents and maintains the Bills Register, etc. It also raises and follows up claims of deficient receipts from the suppliers, maintains R.R. Register, Purchase Orders Progress Register, and Purchase Order Verification, and chases delayed supplies.

iii) Auto Stores: Two storekeepers are meant for other Auto Stores work and each of them is in charge of different makes. One storekeeper has got 2 Jr. Clerks, 1 Writer, 2 storemen and 4 Helpers under him and another Storekeeper has got one Jr. Clerk, two Writers, two
Storemen and four Helpers under him.

One Storekeeper is in overall charge of Mercedes, Albion Kew, Dodge, Fargo and Ford makes and another Storekeeper is in charge of Leyland and Perkins CAV and Bosch makes. Three Jr. Clerks work as Kardex Posters and prepare Issue Vouchers. Out of the three Writers, two of them maintain correspondence files of the Section, chase indents, maintain record of Issue Vouchers, Issue Control Registers, etc. The third Writer handles counter issues to the Shops.

IV. Slow moving parts (Obsolete Stores): One Stores Supervisor who works under the Assistant Stores Officer (Auto) looks after the entire work of the sub-section. The work involves maintenance of stocks and preparation of statements and issue of stores whenever required.

General Section:

The entire General Stores Section including consumable items, property, stores and tyres is in charge of the Assistant Stores Officer(General). He is assisted by 3 Storekeepers and other staff as shown below:

1) Receipt Section(General): This Section consists of one Storekeeper who is assisted by four Clerks, One Writer, one Storeman and four helpers. The duties of the three Clerks are the same as those of the three clerks of the Auto Section. The fourth Clerk attends to returns of surpluses — both Auto and General — from Divisions and looks after the claims in respect of deficiencies, if any,
and progresses the write off proposals in respect of losses arising out of shortages, etc. The Writers are doing the same work as shown in the Auto Section. The one Storeman attached to this Section checks in detail bulk receipts of various items like hardware, printed forms and stationery.

ii) **Consumable Stores Section**: The Section is in charge of a Storekeeper, aided by 2 Jr. Clerks, 2 Writers, 2 Storemen and 6 Helpers. He is in overall charge of consumables and body-building items excluding aluminium sheets, chequered plates, etc. The Jr. Clerks work as posters for various schedules. One Writer manages counter issues, while the other one maintains Issue Control Register, records of Issue Vouchers and Receipt Vouchers, receipted copies of Issue Vouchers and reconciliation documents. He also handles issue of lubricants, diesel and petrol and maintains Fuel and Lubricant Register.

Two storemen are meant for binning, picking, clearing and maintenance of stores.

iii) **Property Stores Section**: All items of property stores and stationery, tyres, tubes and retreading materials are handled by this Section. A Storekeeper, with the help of two Jr. Clerks, one Writer, one Storeman and 4 Helpers, looks after this Section. One Jr. Clerk works as a poster and prepares Issue Vouchers for printing, stationery and property items. The other maintains Tyre Register and works
as a poster and prepares Issue Vouchers for tyres, retreading items etc..

The Writer maintains personal equipment cards and does correspondence in respect of personal equipment. He maintains records of Receipt Vouchers and Issue Vouchers and watches receipted copies of Issue Vouchers and reconciliation. He also keeps Block Account Register.

The Storeman is in charge of binning and picking of materials. He also looks after clearing and maintenance of stores.

iv) Machinery/Aluminium/Tickets Section: In addition to the above three main sections, the Assistant Stores Officer (General) has also got control of the following three sub-sections which are supervised by the Assistant Storekeeper each:

a) Machinery & Tools Section.

b) Aluminium Section.

c) Ticket Section.

v) Inventory Control Section: The Section is headed by a Store Officer (Inventory Control) and is assisted by four Jr. Assistants. The Section fixes various stock levels of each item and raises indents on Purchase Department for procurement and supply of Stores.

B. Stores Accounts Section:

The Section consists of three sub-sections:
1) Stores Accounts Section.
2) Pay Section.
3) Average Issue Rates.

The following functions are performed by the Section:—

a) Posting of Receipt Vouchers, Issue Vouchers, Transfer Vouchers, Certified Receipt Vouchers, Loss Statements, Claims, etc. in the books of accounts. 
b) Credit verification of Suppliers' bills on the basis of Receipt Vouchers prepared by the Store House and their posting in the books of accounts. 

c) Preparation of monthly consumption figure of Stores consumed by the Central Stores and Central Offices.

d) Preparation of the copies of Issue Vouchers for materials issued to and by Units, i.e., credit verification. 

e) Reconciliation of the discrepancies, if any, found with the Stores records on posting the Receipt and Issue Vouchers.

f) Preparation of shortages and excesses statements, and their valuation, and journalising for the purpose of Annual Accounts. 

g) Preparation of Annual Stock Statements and their pricing under different schedules and compilation of their values under various account heads prescribed by the Corporation and furnishing of statement of Annual Accounts. 

h) Valuation of claims on outside parties due to loss of material, their journalising to Stock/Asset Adjustment Account and arrangement of their clearance on receipt of amount or write off sanctions from competent authorities.
(i) Concurrent stock verification by Stock Verification Party once in a year for all the items held by the Central Stores. Reconciliation of discrepancies appearing between Stock Card and Ledger balance are carried out and net excess/shortage are worked out. (j) Compilation of issue rates for all new auto, general parts, scrap parts and assemblies, after considering elements of freight discount, octroi duty, cartages and other cost constituents prevailing under different conditions, on an average basis, twice a year.

C. Stores Audit Section:

The Section consist of four branches, viz. (i) Cash & Booking Section, (ii) Contingent Audit Section, (iii) Stores Audit Section and (iv) General Section.

(i) Cash & Booking Section: The sub-section looks after the receipts and payments of cash calling for stamped receipts. It also looks after advances to suppliers, Letters of Credit and Clearance thereof. A Jr. Accountant, one Senior Cashier, Three Jr. Clerks and one Writer looks after this sub-section.

(ii) Contingent Audit Section: The sub-section audits the contingent bills and suppliers bills and passes them for payment. It also looks after the advances of contingent nature. Octroi work and linking of Money Receipts and Octroi Receipts are attached to this section. Preparation of Budget and revised Budget is also being handled by this section. One Jr. Accountant, three Jr. Assistants and two
Jr. Clerks are allotted to it.

(iii) Stores Audit Section: The Section has to look into the audit paras and objections relating to the Stores Department. It will be dealt with by the Assistant Accounts Officer(Stores).

(iv) General Section: The Section is in charge of inward and outward Dak, maintenance of muster roll, casual leave record and all other work of general nature. It also helps in auditing marfatia's bills. It has a staff of one Jr. Assistant and one Jr. Clerk.

D. Administration Section:

The Section deals with the general administration and organisational set up of the Central Stores and all establishment matters including recruitment of staff, holding departmental examinations of clerks, etc. for promotion and maintenance of personal files of all the persons of the Central Stores. It controls Registry Branch, Typists Pool, Peons Pool and is responsible for the maintenance of office records, compilation of Administration Reports, Establishment Budget and other important returns and statements. It is also responsible for maintenance of confidential records and reports.

The Office Superintendent looks after the office. The entire dak received by the Central Stores which include
telegrams, R.R.s, cheques and important documents is first seen by him and marked to the Sectional Heads concerned. He is also utilised for original work such as drafting, noting and presenting important reports, proposals, circulars, amendments of rules and regulations and for confidential works including the conduct of departmental examinations, default cases and security reports. He is assisted by 2 Jr. Assistants, 2 Jr. Clerks and 3 Writers.

Various important Registers such as those for Import Licences, Letters of Authority and Release Orders, Dead Stock and Office Equipment, Confidential letters, Security Reports, Library, Establishment sanctions, distribution of Establishments to various Sections, Waiting List, Service Books, Files -- both Administration and Establishment, Trunk Calls, Stamps, Default cases, Confidential Reports, Free Passes issued under settlement, Circulars issued by the Controller of Stores, Inward & Outward and D.O. letters, R.R.s and Cheques received in office, are maintained by this Section.

E. Stores Supervisory Unit:

This unit consists of one Stores Supervisor and one Storekeeper. Its main function is to see that the procedures laid down by the Stores Department are properly followed by the Units and the instructions contained in various Stores Departmental Orders and circulars are properly
implemented. For this purpose, this Unit has to carry out inspections of all Store Houses and Stores Offices and has to compile and issue Inspection Reports. Due to dearth of trained stores personnel, the Unit also imparts training to the new persons appointed in Divisions. The Unit, in particular, looks after the following functions:

(i) Inspection of Central/Divisional/Depot Store Houses of the Corporation.

(ii) Drawing out Inspection Reports and submitting the same to the Controller of Stores/General Manager.

(iii) Drawing out Periodical Inspection Reports of the Controller of Stores of various stores units of the organisation.

(iv) Bringing the irregularities to the notice of the Unit Heads and following up the same till compliance reports are received.

(v) Forwarding Inspection Reports to the Units and follow up the same till the compliance of observations are received from the Units.

(vi) Putting up note on procedural difficulties of the Unit in implementing Stores Procedures, referred to the Controller of Stores and obtaining orders thereon from the competent authorities and communication of the same to the units by way of circulars.

(vii) Expediting units for compliance of observations of
stock verification and the CAO's reports on irregularities in stores accounting procedures.

(viii) Granting of Staff sanctions of the Store Houses.

(ix) Allocation of duties to the staff of the Store House.

(x) Obtaining sanction of the competent authorities for the requirement of capital items required for Store-Houses.

(xi) Reorganisation of Store Houses and preparation of layout of the Divisional Stores.

(xii) Maintenance of stock files, reference files of GSO/Circulars and Inspection Report Files etc.

(xiii) Supply of GSO/Circulars pertaining to the Stores Procedure to all the Units.

(xiv) Guidance to the Store Houses in layout, rearrangement and reorganisation of the Stores by remaining present in the Store Houses.

F. Material Chasing Section:
The Section performs these functions:

(i) Maintains and progresses auto and general yearwise and unitwise Bulk Indent Register.

(ii) Prepares Divisionwise statements for urgent requirements of items and chasing the Store-House for indent work.

(iii) Maintains and prepares yearwise Stock Value Register.

(iv) Does Code-guide work of General Stores consisting of about 10,000 items.
(v) Performs work connected with the revision of calendar of Indents.
(vi) Collects detailed information for Operational Meeting and other meetings.
(vii) Collects details for reply in respect of items appearing in the minutes.
(viii) Maintains Divisionwise files of Operational Meetings, Standing Committee Meetings and Tenders & Stores Committee.
(ix) Does chasing of all units regarding payment of outstanding bills of the firms and disposal of important papers.
(x) Maintains Audit Report Files and chasing for reply.
(xi) Collects details against letters received from various sources.
(xii) Collects information regarding outstanding audit paras.
(xiii) Chases all sections for the items for which reminders have been received in this section.
(xiv) Collects and submits data/letters/case papers for the Controller of Stores.
(xv) Does other miscellaneous work connected with the chasing of items.

The section has been provided with two Jr. Assistants and a Writer.
G. **Stores Inspection Unit:**

This section is concerned with the inspection of material at the time of receipt to ensure that the material received is in accordance with the specifications given in the Purchase Order or with the samples approved by the Purchase Department. Before despatch of material received from the suppliers to the Units, the material is inspected in order to ensure proper quality according to the Purchase Order. This team is sent out to inspect the material before despatch to the Central Stores or to the Units. It also renders help for the preparation of specifications for the requirements of Stores.

The staff complement consists of one Stores Inspecting Officer, one Assistant Store Officer and one Jr. Foreman.

H. **Inventory Control Section:**

The Section deals with the fixing of various stock levels of each item so as to keep the 'bus' moving. It raises indents on Purchase Department for the procurement and the supply of stores.

I. **Slow moving Section:**

This Section stocks all the slow-moving items and furnishes details to the Slow Moving Committee, which scrutinises all the items and decides whether the item can be used rapidly by slight modification or otherwise. The
items found surplus/obsolete are disposed off through the D.G.S.& D.

Observations:

I. The Department enjoys a very important position and obviously its responsibility is very great. If things move in an 'official' manner, the operational efficiency will be impaired at the cost of the travelling public. A personal touch, therefore, becomes essential in the performance of its functions. My field-work showed that the vast organisation had become de-personalised and 'the caravan moved on' at the cost of the public.

II. Again, the nature of his work demands greater alertness on the part of the person in charge of the Store House. It is he who consolidates the total demands and forwards them to the Purchase Department for procurement. In so far as the indents from the Central Workshop are concerned, they are received duly checked by the Works Manager. But, in the case of the indents from the Units, there does not seem to exist any such control over the indenting. The Units are indeed equipped with a DME. But this does not eliminate the possibility of over-indenting. One pertinent reason may be overcautiousness arising out of the past experience of the technical chief sitting at the Division in not getting the required items as and when urgently needed.
The position was not different at the Centre, too, till the acceptance of the recommendations of Ibcon Ltd., Industrial Consultants, for the Central Stores and the Central Workshop. Prior to the implementation of the Inventory Control System at the Central Workshop, the provisioning branch of the Central Stores used to prepare the bulk indent statement for CWA. It was sent to the Works Manager, CWA, for obtaining their estimated requirement for the next consumption period. On the receipt of the statements back from the Works Manager, the Central Stores used to work out the net quantity to be purchased by the Purchase Department.

The system suffered from two shortcomings: (1) There was either short-indenting or over-indenting of the items. (2) There was no check on the procurement and consumption fluctuations. Consequently, there was a great likelihood of having excesses and shortages of many items, and the Central Stores was obliged to raise supplementary indents to balance the shortages. The system had continued for a period of seven long years since the birth of the Corporation! This resulted in heavy losses to it. For instance, at the close of 1967-68, the Corporation possessed an inventory of obsolete items valued at Rs. 30.69 lakhs, not including the inventories sold off/utilised after modifications by the Corporation. It was certainly a big slice of 'blocked

The data in Tables VI.5 and VI.6 do throw light on the bulk purchases of Spare Parts and Other Stores respectively, made possibly without taking into account the opening balances of available stocks.

<table>
<thead>
<tr>
<th>Year</th>
<th>Opening Balance (Rs.)</th>
<th>Purchases during the year (Rs.)</th>
<th>Consumption during the year (Including sales) (Rs.)</th>
<th>Closing Balance in terms of months of consumptions</th>
<th>Closing Balance in terms of month - days</th>
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### Table VI.833

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<th>Year</th>
<th>Opening Balance (Rs.)</th>
<th>Purchases during the year (Rs.)</th>
<th>Consumption during the year (Rs.)</th>
<th>Closing Balance in terms of months of consumption (Rs.)</th>
<th>Closing Balance (Rs.)</th>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>7 - 20</td>
<td></td>
<td></td>
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</tbody>
</table>

It is evident that scanty, if at all, attention was given to the consumption of the stocks during the year and regular purchases were made without giving much thought to obsolescence. Result? The Corporation that had started with a balance of obsolete stock worth Rs. 16.22 lakhs inherited from the BSRTC had raised it to the value of Rs. 30.93 lakhs at the end of the year 1972-73! Moreover, the Corporation suffered

33. Ibid.

* Value of body components for building new buses at CWA has been taken out for the purpose of Opening Balance. Hence Rs. 42.94 lakhs.
from losses on the disposal of some of the earlier stocks by inviting tenders and by auction in lots. It is surprising that for a period of twelve long years, the Corporation did not think about the problem. It was only during the year 1972-73 some thought seems to have been given to it, as the Administration Report reads: 'during the year under report Central Cardex System was introduced for important selected items at Central Stores. Under this system information regarding stock consumption and requirement of the selected items of stores was received from all the units of the Corporation from month to month. This facilitated reallocation of the excess stock of an item from one unit to the unit where the item is required.'

The following remark as it appears in the latest Administration Report (1972-73) of the Corporation was invariably found in its past Reports too, with suitable modifications:

'The Corporation has 92 depot workshops, 10 Divisional and one Central Workshop. The spare parts and consumables have to be stored in these units to meet the requirements of the fleet at these levels. Besides, different makes of auto-spares and consumables are required to be stocked for the different makes of vehicles. Further, a few of the auto-spares being imported items, they take time from six to eighteen months for procurement and for these reasons it becomes essential to keep stock of these materials to cover a reasonable period, to ensure that the fleet keeps running.'

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While it might be accepted that such an arrangement is necessary to keep the vehicle on road, looking to the cost factor of automobile spare parts, etc., could it not be possible to have some regional workshops with necessary Store Houses which could provide necessary service for the vehicles? Such an arrangement would have definitely reduced the burden on the Central Workshop, exercised sufficient control over the inventories and minimised the number of obsolete stock-items. The minimum economic reorder points would also have gone down as, in case of necessity, the item/s could then be supplied from the Regional Store House. The Regional Workshop and the Store House could also have made possible inter-depot and inter-division mutual exchange of essential parts/items through regular periodic checks. Further, they could have imposed some check on the DMEFs powers of indenting as the indents could have been put through the in-charge of Regional Workshop and Stores.

Similarly, in the case of the tickets and ticket accessories, printed forms, stationery and uniforms Table VI.9 has to tell its own story.

Thus, huge stocks of these items were always maintained. The printed forms and stationery might decay over a period of time and special care had to be taken to preserve them and protect them against white ant, shop-soiling, etc. The
Table VI.936

<table>
<thead>
<tr>
<th>Year</th>
<th>Opening Balance (Rs.)</th>
<th>Purchases during the year (Rs.)</th>
<th>Consumption during the year (Rs.)</th>
<th>Closing Balance (Rs.)</th>
<th>Months - days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1961-62</td>
<td>7.87</td>
<td>14.00</td>
<td>12.95</td>
<td>8.92</td>
<td>8 - 17</td>
</tr>
<tr>
<td>1962-63</td>
<td>8.93</td>
<td>15.79</td>
<td>15.03</td>
<td>9.69</td>
<td>7 - 22</td>
</tr>
<tr>
<td>1964-65</td>
<td>12.39</td>
<td>17.44</td>
<td>17.82</td>
<td>12.01</td>
<td>8 - 05</td>
</tr>
<tr>
<td>1965-66</td>
<td>12.01</td>
<td>24.35</td>
<td>21.75</td>
<td>14.61</td>
<td>8 - 05</td>
</tr>
<tr>
<td>1966-67</td>
<td>14.61</td>
<td>31.94</td>
<td>24.00</td>
<td>22.55</td>
<td>11 - 14</td>
</tr>
<tr>
<td>1967-68</td>
<td>22.55</td>
<td>22.42</td>
<td>27.57</td>
<td>17.40</td>
<td>7 - 20</td>
</tr>
<tr>
<td>1968-69</td>
<td>17.40</td>
<td>22.14</td>
<td>24.63</td>
<td>14.91</td>
<td>7 - 11</td>
</tr>
<tr>
<td>1969-70</td>
<td>14.91</td>
<td>38.17</td>
<td>30.79</td>
<td>22.29</td>
<td>8 - 24</td>
</tr>
<tr>
<td>1970-71</td>
<td>22.29</td>
<td>44.40</td>
<td>40.89</td>
<td>25.80</td>
<td>7 - 21</td>
</tr>
<tr>
<td>1971-72</td>
<td>25.80</td>
<td>47.61</td>
<td>44.01</td>
<td>29.40</td>
<td>8 - 03</td>
</tr>
<tr>
<td>1972-73</td>
<td></td>
<td></td>
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</table>

Average: 8 - 15 (Approx.)

Uniforms also suffered from the same risks. In case of the woolen uniforms, the risks of soilage through 'moth-eating' and the costs of preservation were still greater. Similarly, the safe custody of unissued tickets meant a great botheration to the Storekeeper — and extra costs — as they had to be specially kept under lock and key and accounted for.

like cash. And, worse was the fact that, even when such a huge stock was maintained, the tickets of required denominations were frequently not available with the divisions and depots with the result that high denomination tickets had to be turned into low-denomination tickets through rubber stamping. This involved additional work for the Storekeepers and their assistants at all levels as a stampings of big lots had to be made and a register of the 'change-over' had to be maintained for the purpose of proper accounting. Again, because of the scarcity of the tickets of required denominations, a number of tickets of various denominations are being issued to a passenger confusing him, particularly when one does not know the fare and when the number of full and half tickets is large or when one is illiterate. This also adds to the chances of pilferage.

Again, as the purchase system prevails today, the suppliers are supposed to supply the items to the units directly. The creation of Regional Workshops and Regional Store-Houses would enable the Corporation to exercise a proper check over the items received.

III. The Stores Audit Section should be charged with the additional function of checking and audit of the Store houses at the division and depot levels. The Stores Supervisory Unit has only 2 persons who look after the checking of the Stores Records of all divisions. Owing to the frequency
of visits and their authority, they might become 'friendly' with those working in the Store houses. Again, the important psychological impact of 'surprise checks' may lose its value. If the two units/sections are merged with each other, it might mean a larger number of persons among whom the audit functions may be distributed, resulting in a stricter check. This will also prevent a possible undesirable practice of favouring some suppliers in passing and making payment of their bills earlier than others either because of influence or because of graft in the form of some agreed percentage of the amounts of the bills or lump-sum payments. This can be done by introducing an irregular cycle of visits to the Store houses of the divisions for checking purposes. That will be beneficial to the employees in the reduction of their earlier monotony and boredom.

IV. There are two functions which should be transferred to the Accounts Section. They are (1) Making payment of the suppliers' bills as well as of the other bills, and (2) Keeping a watch over the budget figures for the respective departments/branches/units. The logic behind this suggestion is that such a separation of the function may also result in a greater exercise of indirect control and check over the Stores Audit Section. Again, the suppliers and others who have to receive the amount of their bills will not be able to influence them and get a preferential treatment. As
a sound audit policy, the suppliers and others who have to receive payments should have no access to the Audit Staff at all. (But this is easier said than done.) The second suggestion is a corollary to the first suggestion; for the actual amount paid against the budgeted figure of a particular department/branch/unit should be recorded after taking into account the amount of credit note, debit note, etc.

V. This may necessitate a further change in the composition of the Departmental Committee. But this change will be for the better as the Stores Auditor, who is an Assistant Accounts Officer, will be replaced by the Stores Accountant, who will now have both the figures — the budgeted one and the balance one after the expenses have been made.

VI. As in the case of Accounts and Audit, the Material Chasing Section and the Material Inspecting Section should be combined. The fundamental issue is that the functions — intra-departmentally as well as inter-departmentally — should be so chalked out, divided and arranged that there would exist an automatic internal check. An acceptance of such a principle will positively reduce the defalcations and malpractices which might otherwise easily creep in in such a huge organisation involving a number — and a variety — of human beings and vast funds. The Material Inspecting Unit should also be kept away from 'the eyes and the hands' of the suppliers. The task of inspection of premises of
the suppliers before despatch of stores, etc., should be delegated to the Material Chasing Section and not retained with the Material Inspecting Unit as at present. This will eliminate the possible joining of hands by the persons working in the Inspecting Unit with the suppliers for the grant of O.K. reports for the items received short in weight, in number, or in size, or inferior in quality and not according to samples.

It would be too much to expect the Stores Officer in charge of the Inventory Control Section to fix up various stock levels. Of course, as the matter stands at present, the stock levels of each item is fixed by the Inventory Control Section as per the recommendations of M/s. Ibcons Ltd. But as a rational and flexible permanent arrangement, the Section should be attached to the Stores Accounts Section/Stores Audit Section which has with it ready figures of the consumption of items during a particular period; for such data can provide a reliable basis for arriving at various levels to be fixed up by the Section. Otherwise, a one-time fixation of stock levels by the Section may prove to be arbitrary when conditions change and either increase idle stocks and overheads or keep the fleet off the roads for want of materials and spares.

13. Stores Purchase Department:

In any business organisation, the purchase and the
stores branches should, as a matter of sound policy, be kept independent of each other. If these important activities are placed in the hands of a single branch/department, of malpractices would possibly multiply and the organisation would suffer heavily. This simple truth was realised by the Corporation after ten years of its life when the stores functions and the purchase functions were bifurcated on the basis of the recommendations of M/s. Ibcons Ltd., Bombay, the Industrial Consultants. The Stores Purchase Department was, thus, created in April 1970, with the Controller of Purchases as its head.

The Department carries out the following functions:—

1. Arranges for the scrutiny of the consolidation statements of the requirement of the Units as received from the Central Stores Department with a view to finding out the items to be purchased from (a) Chassis Suppliers, (b) Original Equipment Manufacturers, (c) Proprietary Sources, and (d) through rate contractors by inviting the tenders.

2. Invites the Limited/Open Tenders on receipt of the requirements of the units from the Stores Department.

3. Finalises the Limited/Open Tenders invited for the procurement of the requirements of the units.

4. Arranges to release the Rate Contracts/Purchase Orders for the purchase of items after following the procedure
on finalisation of tenders.

5. Indicates on the Purchase Order the schedule according to which the materials should be supplied by the supplier.

6. Takes up the matter with the respective suppliers strongly, if repetitive failures of the party are brought to the notice of the Department by the operating units.

7. Initiates the proposals for the necessary action either departmental or legal against the defaulting suppliers on receipt of serious complaints from the Store Department.

8. Looks after the work pertaining to registration of firms with the Corporation.

9. Looks after the work pertaining to rate contracts finalised by the Standing Committee (S&C).

10. Finalises the rate contracts for the local carting as well as for the clearance of foreign consignments.

11. Looks after the work of new installations on the Diesel/Petrol Pumps in the Operating Units.

12. Looks after the disposal of the Audit Paras pertaining to the Department.

13. Proposes and revises the Purchase Budgets.

14. Looks after the work pertaining to Import Licences.

These functions are distributed among three different
Sections of the Department, viz., (1) Auto Tender Section, (2) Auto Purchase Section, and (3) General Sections I & II. The Sections are looked after by 2 Stores Officers and 2 Assistant Stores Officers. In addition, a Stores Officer enumerated looks after the functions at serial nos. 6, 7 and 13 above. He also looks after (a) the work of items which have been held up in the Operating Units, (b) issuing of policy circulars and circulating the important purchase policy decisions to the concerned departments, and (c) assisting the management in taking appropriate decisions in regard to purchase policy decisions.

The Department is also equipped with (1) Purchase Audit Section, (2) Cash & Booking Section, (3) Pay Section, and (4) Administration Section.

(1) Purchase Audit Section:

The Section is mainly concerned with the audit of proposals and other papers pertaining to the purchase activity of the Department.

(2) Cash and Booking Section:

The Section is supposed to look after (a) the pay, allowances and other incidental items pertaining to the officers and staff of the Department, (b) the accounts of Security Deposit, Earnest Money Deposit, Bank Guarantee, etc., in respect of tenders floated by the Department, and (c) the work relating to preparation of monthly accounts of the
(3) **Pay Section:**

The Section is to take care of pay and allowances, leave, T.A. and all other matters regarding the Officers and staff of the Department.

(4) **Administration Section:**

All matters regarding administration are to be looked after by this Section.

The first three Sections are put in charge of the Stores Auditor while the Administration Section is headed by an Office Superintendent.

**Observations:**

On comparing the functioning entrusted to the Central Stores Department and the Stores Purchase Department it can be concluded that the former has still been endowed with important functions indirectly related to the purchase activities, thus defeating the very objective of bifurcation. For instance, the Central Stores Department has been given powers to get the orders from the Vice Chairman & General Manager/Dy. General Manager for obtaining a second source of supply, after indicating the efforts made to get the supplies from the first source! This implies that the Central Stores Department still keeps in touch with some sources of supply which definitely cannot be its function any more. As a matter of fact it should be the Stores
Purchase Department which should find out the second source on the failure of the first one. The argument that the idea behind such orders will be for a specific quantity to tide over the situation which has arisen due to the failure of the first source is not convincing. There is a possibility of the concession being converted surreptitiously into a regular practice, in view of the fact that alternative authorities -- the Vice Chairman and General Manager or Dy. General Manager -- may be approached alternately for such orders, none knowing what is happening elsewhere.

Similarly, the Stores Purchase Department has to rely on the Central Stores Department for gauging the performance of the suppliers. (This is done at present on the basis of the Performance Report supplied by the Central Stores Department.) This needs to be done away with. A procedure should be evolved whereby the Stores Purchase Department is enabled to assess the performance of the suppliers independently of any report from the Central Store Department. The suppliers should be made to send the goods under advice to the Stores Purchase Department. Such a procedure would serve a double purpose: One, the Stores Purchase Department will be able to assess the suppliers' performance; two, it would also be able to chase the suppliers for an early supply -- a function which is at present handled by the Central Stores Department.
Again, the latitude given to the Central Stores Department -- though with the approval of the Dy. General Manager-- to accept the materials received late and/or not in exact conformity (i) with the specifications laid down in the Purchase Order or in the Rate Contract or (ii) with the approved samples, does not conform to the sound principles of bifurcation. Apart from bothering the Competent Authority every time, this may lead to a rift between the two Departments. It is, therefore, suggested that some principles and procedures be laid down as general guidelines for the disposal of the matter.

Finally, it should neither be the Central Stores Department nor the Stores Purchase Department which should look after the work pertaining to the Suppliers' Bills. As a matter of effective internal check, they should be handled by the Accounts Department.