CHAPTER IV

ORGANISATIONAL SET-UP
In this chapter it is proposed to study various issues relating to organisational set up for inter-state operations. These issues can be discussed at three levels i.e. national, state and undertaking. At the national level there exists an apex body known as 'Inter-State Transport Commission' for the purpose of development, Coordination and regulation of the movement of vehicles in inter-state regions or on inter-state routes in the country. The constitution of I.S.T.C., its functions, powers and its performance has already been discussed in chapter II. This chapter confines itself to the study of organisational set up for inter-state operations at the level of the state of Punjab and its two STUs.

A. ORGANISATIONAL SET-UP AT THE STATE LEVEL

(i) Department of Transport, Govt. of Punjab

This department has two wings namely, commercial and non-commercial. P.R. is run as the commercial wing and non-commercial wing is responsible for the enforcement of Motor Vehicles Act, Motor Vehicles Taxation Act and rules framed there under. The department is looked after by a Minister who is accountable to the legislature for the Department's operations. The Minister for transport is assisted by the Secretary in charge, Transport Department. Formerly, the Provincial Transport Controller
used to be the head of the Transport Department. Besides, supervising the commercial wing, he also used to administer the Motor Vehicles Act and rules thereunder. He used to decide policy matters in accordance with the Minister's directions. In the supervision of the commercial wing, he used to be assisted by Joint/Deputy Transport Controller. This organisational set up has now undergone a change. At present, the Secretary, Transport Department is assisted by two officers—the State Transport Commissioner (STC) and the Director State Transport (D.S.T.). While Secretary, Transport Department deals with P.R.T.C., P.R. is looked after by D.S.T.

(ii) State Transport Authority

The Motor Vehicles Act provides for the control of motor transport (both inter-state and intra-state) through a permit system administered by state Transport Authority (STA) and Regional Transport Authority (R.T.A.s). Each state has one S.T.A. and as many R.T.A.s as the number of regions into which it is divided under the Act. The area of a region is usually co-extensive with a revenue district, a revenue division as a presidency town. R.T.A. is the primary authority for granting or countersigning permits for its region. S.T.A.'s functions are to coordinate and regulate activities and policies of R.T.A.s, settle disputes
between them, and perform the duties of an R.T.A. where no such authority exists or when it is so requested by an R.T.A. for any route common to different regions. S.T.A. and R.T.As consist of a Chairman (having considerable judicial experience) and such other official and non-official members (not being less than two) as the State Govt. may think fit. For the purpose of exercising and discharging its powers and functions, a S.T.A. may, subject to such conditions as may be prescribed, issue directions to any R.T.A. These authorities - S.T.A., R.T.As if authorised in this behalf by rules made under Section 68 of the Motor Vehicles Act, have been empowered to delegate such of its powers and functions to such authority or person and subject to such restrictions, limitations and conditions as may be prescribed under the rules.

In Punjab there is a S.T.A. with its head office at Chandigarh and three R.T.As one each at Ferozepur, Jalandhar, and Patiala. S.T.A. has four official members including State Transport Commissioner, who acts as Chairman of S.T.A. Besides four official members there are 9 non-

1STA and RTAs, were constituted on 15.11.1978 and their term expired on 14.11.1980. Till the end of 1980-81, new bodies had not been constituted. The powers of STA were delegated to state Transport Commissioners on 17.11.1980.

The area specified as the region of a RTA in this State is co-extensive with a revenue Division. At present there are three Revenue Divisions in the State.
official members. Each R.T.A. has four official members including the Divisional Commissioner who acts as ex-officio Chairman of R.T.A. RTAs at Patiala and Ferozepur has 10 non-official members each whereas RTA at Jalandhar has eight non-official members. During the year 1980-81, STC continued to exercise and discharge in lieu of RTAs, the powers and functions of granting stage carriage, and public carrier permits in the state.

STC, who acts as the Chairman of STA, is the head of Transport Department's non-commercial wing and is assisted by three secretaries of RTAs. In addition to these three secretaries, there are twelve District Transport Officers one in each district of the state. At the head office, STC is assisted by one Joint Provincial Transport Controller. Two Extra Assistant Transport Controllers (EATC) assist the 'Joint Provincial Transport Controller'. One of these EATCs looks after statistical and commercial matters while the second EATC looks after technical matters. There are also three Superintendents — Superintendent Goods booking, Superintendent Establishment and Superintendent Transport. Besides these officials there are nine Motor Vehicle Inspectors. The organisational set up of non-commercial wing of State Transport Department has been graphically shown in a chart.
Organisational set-up of the Non-Commercial Wing, Department of Transport, Punjab

State Transport Commissioner

Secretaries Regional Transport Authorities (3)
- Jalandhar
- Ferozepur
- Patiala

Joint Provincial Transport Controller

Supervisors (3)
- Establishment
- Transport
- Goods Booking

Statistical Officer Investigating Officer

Extra Assistant Transport
Controllers (2)
- Statistics & Commerce
- Technical

Motor Vehicle Inspectors (9)
The responsibility for proper planning and coordination of inter-state operations rests with the STA. State Transport Authority enters into reciprocal agreements with neighbouring states. Decisions about daily kilometrage to be operated in each other's territories, number of routes, trips and timings of these trips are taken at meetings of state Transport Authorities of various states. Agreements so finalized are approved by the respective state Governments and Gazette notification is done.

The need for augmenting services on existing inter-state routes or for providing services on new routes is communicated to the state Transport Commissioner (who acts as Chairman of STA) through various channels. Commuting public may request STC directly by giving a representation. RTAs or District Transport Officers may also express the need for increasing operations on inter-state routes. These authorities may either conduct independent traffic surveys in order to assess the traffic potential on a particular route or in a particular region. Once the total volume of services required to satisfy the needs of the general public on a particular route or in a particular region is assessed, arrangements can be made to approach transport authorities of other states to enter-into reciprocal agreements.
Concerned STAs also need to arrange for the issue of inter-state stage carriage permits to various transport undertakings interested in the provision of services on these routes. At this point comes the problem of allocating route permits to various undertakings. As has already been noted earlier, private operators are not granted any new permits for additional service on inter-state routes. Therefore the claimants for such permits are the two STUs - P.R. and P.R.T.C. As to which route and how many trips to be given either of these STUs is decided by STC in consultation with the representatives of these Undertakings. Invariably, allocation is done on the basis of the point of emanation of a particular inter-state route i.e. whether it falls in the operational territory of P.R. or P.R.T.C.

The Motor Vehicle Act 1939 has not laid down any separate procedure for the grant of stage-carriage permits for inter-state movement of vehicles. The general provisions given in the Act are applicable for both inter-state as well as intra-state operations. Section 63 of the Act provides for validation of permits for use outside the region in which it is granted. Sub Section(3) (3A) of Sec.63 provides that every proposal to enter into an agreement between the states referred to in the proviso to sub-section (3) and every proposal in such agreement to fix the number of permits which are proposed to be granted or counter-
signed in respect of each route or area, shall be published by each of the state Governments concerned in the official Gazette together with a notice of the date before which representations in connection therewith may be submitted, and the date, not being less than thirty days from the date of such publication, on which, and the authority by which, and the time and place at which, the proposal and any representation received in connection therewith will be considered.

Under this provision, undue delay takes place in getting the agreement finalised. At present the STUs concerned have not only to operate their vehicles on temporary permits but also have to go through cumbersome procedure in obtaining these permits and getting them counter-signed.

B State Transport Undertakings in Punjab

The road passenger transport network in the state of Punjab comprises five nationalized transport undertakings and more than 300 private operators. Nationalized transport undertakings have three types of organisational set up1—Pepsu Road Transport Corporation is a autonomous body under Road Transport Corporation Act,1950, Punjab

1Unlike the state of Tamilnadu, where the responsibility of transport operations including city operations has been distributed to seven independent transport undertakings— all organised under only one form of organisation i.e. a separate joint stock company for each.
Roadways functions as a Govt. department, Amritsar Nigam Transport, Municipal Corporation Transport, Ludhiana and Municipal Transport Jalandhar are the three municipal undertakings.

Since, three out of five nationalized undertakings are municipal undertaking (restricting their operations to cities and sub-urban areas only) and only about 8 per cent of the total inter-state operations are in the hands of private operators, a detailed analysis about the organisational set up of only two STUs has been made.

**Punjab Roadways**

The Punjab Govt. state transport undertaking known as P.R. came into being in 1948 as Jullundur City Omnibus Service with an initial fleet of 13 buses. In December, 1948, a depot at Amritsar was set up with 19 buses. Both these depots had to suffer the pangs of birth until 1950 because of unsettled conditions in the state and the slender traffic then available. In 1950, however, P.R. started on its career in right earnest with monopoly operations on three important routes, namely Amritsar - Jullundur, Ferozepur-Fazilka and Ambala - Karnal. In September 1950, a depot was created at Ambala and some mofussil routes were allotted to it. In 1951-52, there was considerable expansion in the operational area under the control of Amritsar depot as also
in its fleet. Thereafter the operations of P.R. grew rapidly. In September 1959, another unit was started at Gurgaon and in 1963, Chandigarh and Pathankot depots were established. By 1964-65, the number of depots rose to six and that of sub-depots to fifteen. At the time of reorganisation of Punjab in 1966, P.R. had 719 buses, four depots functions at Amritsar, Jalandhar, Pathankot and Chandigarh. By March, 1972 it had 1429 buses and eight depots. As against this there were as many as 2248 buses and 16 depots at the end of 1980-81. Table 4.1 shows the growth in operations of P.R. after the reorganisation of the State of Punjab (1966).

It would be clear from the table that fleet size of P.R. increased by 172.6 per cent with an average annual growth rate of 8.1 per cent. Total scheduled kms, increased by 133.9 per cent with an average annual growth rate of 9 per cent and effective kms. increased by 197 per cent with an average annual growth rate of 8.7 per cent.

The existing organisational set up of PR (shown in a chart) consists of three tiers - Head office, Divisional offices and depots. At the head office level PR is headed by DST (located at the head office in Chandigarh) who is assisted by :(a) Deputy Director State Transport (DDST) who is responsible for operations and stores, (b) Mechanical Automobile Engineer (MAE) who is responsible for policy direction on vehicle maintenance, design of buses, purchase
### Table 4.1: Growth in Operations of Punjab Roadways

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of Depots</th>
<th>No. of Sub-depots</th>
<th>No. of buses</th>
<th>Total scheduled Kms. (lakhs)</th>
<th>Total Effective Kms. (Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967-68</td>
<td>4</td>
<td>-</td>
<td>755</td>
<td>NA</td>
<td>521.36</td>
</tr>
<tr>
<td>1968-69</td>
<td>5</td>
<td>-</td>
<td>792</td>
<td>NA</td>
<td>581.19</td>
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<tr>
<td>1969-70</td>
<td>7</td>
<td>-</td>
<td>863</td>
<td>NA</td>
<td>631.55</td>
</tr>
<tr>
<td>1970-71</td>
<td>7</td>
<td>-</td>
<td>1004</td>
<td>720.71</td>
<td>745.45</td>
</tr>
<tr>
<td>1971-72</td>
<td>8</td>
<td>-</td>
<td>1170</td>
<td>874.12</td>
<td>855.64</td>
</tr>
<tr>
<td>1972-73</td>
<td>8</td>
<td>6</td>
<td>1332</td>
<td>974.84</td>
<td>910.14</td>
</tr>
<tr>
<td>1973-74</td>
<td>9</td>
<td>7</td>
<td>1449</td>
<td>1064.81</td>
<td>928.98</td>
</tr>
<tr>
<td>1974-75</td>
<td>9</td>
<td>8</td>
<td>1576</td>
<td>1135.67</td>
<td>1020.90</td>
</tr>
<tr>
<td>1975-76</td>
<td>11</td>
<td>7</td>
<td>1764</td>
<td>1288.77</td>
<td>1245.21</td>
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<tr>
<td>1976-77</td>
<td>12</td>
<td>6</td>
<td>1892</td>
<td>1378.24</td>
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<tr>
<td>1977-78</td>
<td>12</td>
<td>6</td>
<td>2068</td>
<td>1492.49</td>
<td>1461.41</td>
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<tr>
<td>1978-79</td>
<td>12</td>
<td>6</td>
<td>2197</td>
<td>1619.54</td>
<td>1571.05</td>
</tr>
<tr>
<td>1979-80</td>
<td>16</td>
<td>5</td>
<td>2182</td>
<td>1677.57</td>
<td>1570.78</td>
</tr>
<tr>
<td>1980-81</td>
<td>16</td>
<td>5</td>
<td>2058</td>
<td>1685.48</td>
<td>1549.00</td>
</tr>
</tbody>
</table>

Total Growth over 13 years 172.6% 133.9% 197.1%

Average Annual Growth 8.1% 9% 8.7%
DEPOT SET-UP

General Manager

Works Manager

Traffic Manager

Assistant Accounts Officer

Resident Audit Officer

Supdt. Establishment

Service station in charge

Purchase Asstt.
Chief Storekeeper

Station Supdt.
Chief Inspector
Drivers
Conductors
of bus chassis, body building, design and lay-out of depots, (c) chief Account Officer (CAO) who looks after budget preparation, accounting, overseeing divisional and depot accounts, audit and allied functions, (d) Administrative officer (AO) who is responsible for personnel policy, recruitment, negotiation with unions etc. The above four officers are supported by other officers and junior level staff.

The second tier of organisational set up in PR is the Divisional offices, of which there are three located at Chandigarh, Jalandhar and Ferozepur. Each divisional office is headed by a Divisional Manager who is assisted by: (a) Mechanical Engineer who looks after vehicle maintenance in depots, (b) Divisional traffic officer who supervises the operations of all depots under the charge of the division, (c) Assistant Administrative Officer who looks after personnel work, (d) Assistant Accounts Officer who supervises accounts and audit work in the depots and (e) Assistant Stores Officers who looks after all purchasing, inspection of stores etc.

The third tier in organisational structure of P.R. is the depot. There are 16 depots managed by 16 General Managers. Each depot has a workshop. The selection of a
depot is based on the potential of traffic existing at a place i.e. the number of routes emanating from or terminating there. Each General Manager is assisted by:

(a) Works Manager, (b) Traffic Manager, (c) Assistant Accounts Officer. In addition, there is a Resident Senior Audit Assistant, who is Junior to Assistant Accounts Officer but is not subordinate to him. All these officers are assisted by Junior level staff. Each depot has some sub-depots/buses stops under the charge of a station supervisor, who reports to the traffic manager.

The Director State Transport enjoys full powers within the budget provision for various items of expenditure under his control. All recruitment of class III employees except of drivers and conductors are made by him. The General Manager of a depot is authorized to appoint class IV employees and technical staff. For making appointments to these posts, there is a selection board, consisting of General Manager, works manager and one member representing the head office. Promotions in the depots are made on the recommendation of the General Manager. He is also authorised to write confidential reports of senior officials in the depot. He has also been given punishing powers with regards to all categories of employees except clerical, supervisory and inspectorate. He can stop increments, suspend, charge sheet or censure the non-pensionable
staff. With regards to pensionable staff, the General Manager recommends to the Director State Transport the penalty or punishment to be awarded to the employees. As far as supervisory and controlling powers are concerned, the General Manager acts in accordance with the instructions received from the Divisional or the Head office. His authority for taking policy decisions is limited, because policy formulation for all the depots has been left with the Divisional offices in consultation with the head office. The works manager and the traffic manager are not entrusted with specific powers under the rules and regulations of the Transport Department. However, the powers which they exercise are those which are delegated to them by the General Manager.

Pepsu Road Transport Corporation

P.R.T.C. - a corporate body under Road Transport Corporation Act, 1950, was established in 1956 for operations in the whole of PEPSU. The Corporation was reconstituted twice - first in October 1956 and again in December 1956 after the integration of PEPSU with the state of Punjab. After the reorganisation of Punjab in 1966, the Corporation remained a joint venture of successor
states till May 1972, when it was bifurcated and Haryana, Himachal Pradesh and Union territory of Chandigarh ceased to have any interest in it. P.R.T.C. started its operations with a fleet of 60 buses operating on 16 routes and had only 345 employees. As against this it had a fleet of 950 buses operating on 637 routes, 11 depots as on 31st March 1981. Table 4.2 shows the growth in operations of P.R.T.C. after the reorganisation of the state of Punjab (1966). It would be clear that the fleet size of P.R.T.C. expanded by 250 per cent with an average annual growth rate of 10.66 per cent. Total scheduled kms and total effective kms increased by 378 per cent and 309 per cent respectively with an average annual growth rate of 13.59 per cent in scheduled kms, and 11.98 per cent in effective kms.

The functioning of the corporation is controlled by the Board of directors, which is headed by a chairman. Generally, the Secretary to the Govt. of Punjab, Department of Transport is appointed as a Chairman. Other members of the board include: Commissioner for Finance and Secretary to the Govt. of Punjab, Department of Finance, D.S.T.; Chief Marketing Superintendent, Financial Advisor and Chief Accounts Officer of Northern Railways and General Manager of PRTC.
### Table 4.2: Growth in operations of PEPSU Road Transport Corporation

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of depots</th>
<th>No. of Buses</th>
<th>Total Scheduled Kms. (Lakhs)</th>
<th>Total Effective Kms. (Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967-68</td>
<td>1</td>
<td>265</td>
<td>191.96</td>
<td>191.31</td>
</tr>
<tr>
<td>1968-69</td>
<td>1</td>
<td>279</td>
<td>197.98</td>
<td>201.54</td>
</tr>
<tr>
<td>1969-70</td>
<td>1</td>
<td>322</td>
<td>253.47</td>
<td>221.28</td>
</tr>
<tr>
<td>1970-71</td>
<td>2</td>
<td>464</td>
<td>365.15</td>
<td>297.65</td>
</tr>
<tr>
<td>1971-72</td>
<td>2</td>
<td>578</td>
<td>507.40</td>
<td>399.07</td>
</tr>
<tr>
<td>1972-73</td>
<td>4</td>
<td>631</td>
<td>513.89</td>
<td>427.20</td>
</tr>
<tr>
<td>1973-74</td>
<td>5</td>
<td>712</td>
<td>596.92</td>
<td>480.58</td>
</tr>
<tr>
<td>1974-75</td>
<td>5</td>
<td>744</td>
<td>629.03</td>
<td>534.38</td>
</tr>
<tr>
<td>1975-76</td>
<td>5</td>
<td>774</td>
<td>661.76</td>
<td>539.97</td>
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<td>1976-77</td>
<td>5</td>
<td>808</td>
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<td>1978-79</td>
<td>7</td>
<td>830</td>
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<td>648.49</td>
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<td>1979-80</td>
<td>11</td>
<td>898</td>
<td>906.31</td>
<td>750.52</td>
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<tr>
<td>1980-81</td>
<td>11</td>
<td>930</td>
<td>917.89</td>
<td>783.08</td>
</tr>
</tbody>
</table>

Total Growth over 13 years: 250% 378% 309%

Average Annual Growth: 10.66% 13.59% 11.98%
The Board of Directors with a view to run the Corporation smoothly has delegated its powers to the Chairman and the General Manager who also works as a Member Secretary of the Board. Authority for appointing the Chairman and the Managing Director rests with the Govt. of Punjab. As noted earlier, generally the Secretary to the Govt. of Punjab, Department of Transport is also the ex-officio chairman of the Corporation. This enables the State Govt. to achieve coordination between the commercial wing (P.R.) of the Department of Transport and P.R.T.C.

The existing organisational structure of P.R.T.C. consists of two tiers namely — Head office and depots. At the head office, the General Manager is the chief executive. He is generally from the Provincial Civil Services or Indian Administrative Services. The term of the General Manager, according to Punjab Govt. Rules is for a period of three years which can be extended to a maximum of five years. In his capacity as the chief executive officer of the corporation, the General Manager has the responsibilities for laying down policies for the entire Corporation in the spheres of administration, appointments, laying of workshops, construction of bus-stands, purchase of buses etc.

There is one Deputy General Manager who assists the General Manager practically in every sphere of the Cor-
He also works as an Appellate Authority in respect of recruitments made and punishments imposed by the depot managers. Besides the Deputy General Manager, other officers at the head office are:

(a) Chief Accounts Officer who looks after finance and accounting matters; (b) Chief Automobile Engineer who looks after maintenance of the fleet in the depots, receives reports of all accidents and breakdowns and also acts as a President of the Driver's Selection Committee; (c) Purchasing Manager is responsible for purchasing machinery, spare parts, tyres, tubes etc., for all the depots of the Corporation; (d) Administrative officer who looks after personnel matters; (e) Manager Planning and Traffic operations who has the responsibility for planning and controlling traffic operations. Allocation of inter-state operations to various depots of the Corporation is also done by him; (f) Manager Enforcement looks after regulation of traffic checking operations including control of flying squad; (g) Enquiry officer assists the Deputy General Manager in disposing of pending enquiry cases against the crew; (h) Executive Engineer has the responsibility for the construction of bus-depot buildings, bus-stands, bus-queues shelters etc; (i) Medical officer, who is a whole time employee of the Corporation looks after medical facilities to be provided to the employees and (j) Legal Advisors. All these officers in the Corporation are assisted by respective junior level staff.
The second tier in the organisational structure of P.R.T.C. is the Depot. There are 11 depots located in the area of erstwhile PEPSU excepting two depots located at Ludhiana and Chandigarh. Depot administration is under the control of a depot manager who is required to look after operations of buses, repair and maintenance of the fleet. Officers assisting Depot Manager include: (a) Works Manager who is responsible for maintenance of buses in the depots, (b) Traffic Manager whose main function is to frame Time Tables for the operations of services. For ensuring coordination between the services run by other transport undertakings (P.R. and private operators), traffic managers participate in the meetings called by Regional Transport Authorities for this purpose, (c) Accounts Officer looks after the maintenance of accounts of receipts and expenditures, (d) Senior Auditor, does pre-auditing of all the expenditure items in the capacity of an internal auditor, (e) Superintendent is responsible for the maintenance of service records of the depot employees. The existing organisational structure of P.R.T.C. has been presented graphically in a chart.

From the foregoing analysis it would be seen that:

(i) In both the undertakings, the top management functions as a policy-making body responsible for procurement of funds, making investment decisions, procurement and allocation of buses.
(ii) In P.R., Divisions are recognised as responsibility Centres, therefore the depot becomes an operating organ of a division. Delegation is thus concentrated at the Divisional level so far as operational plans for revenue maximisation and cost minimisation are concerned.

(iii) In P.R.T.C., Depot Manager is responsible for independent working and the Depot is recognised as a responsibility centre. Each depot is thus required to have its own operational plans for revenue maximisation and cost minimisation.

(iv) In P.R. (being a Govt. Department), DST has to reckon with the restrictive influence of other ministries of the State Govt. such as Finance Ministry (as regards budget formation, plan programmes). Public Works Ministry (for construction of depots, bus-stops etc.) P.R.T.C. on the other hand has no such restrictive influences.

(v) Growth in the operations of P.R. and P.R.T.C. (shown in Tables 4.1 and 4.2) indicate that the size of operations of P.R. has always been higher, but the rate of growth in operations over a period of thirteen years has been higher in P.R.T.C. as compared to P.R.
(vi) In both the undertakings it seems there is a tendency towards more and more concentration of power. P.R. has made a good beginning by creating a middle level management in the form of Divisional Offices, however, at the depot level in both the undertakings, the manager does not enjoy full administrative powers over the staff working under him.

(vii) A close look at the organisational set up of both the STUs would also reveal that inter-state operations have not received their due importance. None of the two STUs have specifically earmarked or assigned any officer to exclusively look after inter-state operations. P.R.T.C., however, had done a lip-service by asking its Manager (Planning and Traffic) to attend to these matters also. This deficiency in the organisational set-up of the two STUs has adversely affected the growth of inter-state operations.

1 Till the year 1979-80, there were no Divisional offices.