

## CHAPTER 2

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### WORKING OF SELECTED TRANSPORT AGENCIES IN SATARA CITY

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## C H A P T E R 2

### WORKING OF SELECTED TRANSPORT AGENCIES IN SATARA CITY

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#### 2.0 INTRODUCTION

Though this study enlightens private transportation agencies in Satara city, the city alone cannot be presumed the global limit. Therefore, Stara District, Tahasil, and Satara city transportation and allied factors have also been covered in this study. This study is relevent to industrial, agricultural production, not only to demographical limits of Satara city, but also of its surrounding area. The purpose of giving profile of the city is to give possitive and negative effects on the growth of these factors in future on the transportation activities.

In this chapter, an attempt is made to sketch an outline of Satara city. The chapter gives a detailed account of the selected private transport agency owners. The chapter is divided into two sections. The first part deals with the working of the selected private transport agencies in Satara city and the second part consists of various management practices adopted by the private transport agencies and their managerial approaches in dealing the transport business. On the whole, the chapter gives a bird's eye view of the demography of Satara city, the nature of private transport agencies, their various operations and trade practices.

## 2.1 PROFILE OF SATARA CITY

Introduction, Location and Area of City : With a height of 2320 feet above sea level, Satara city is 120 kms away from the coast, 110 kms towards South-West of Poona and 120 kms towards North of Kolhapur.

The city is situated on Pune-Bangalore National Highway number 4. It means Satara city is bound on North by Pune-Satara road on the West by Yevateshwar hills, on the South by Ajinkyatara Fort, on the East by one offshoot of the fort hill. Its length is from East to West which is about 4 kms. and from North to South is about 3 kms.

The city is situated at the base of the fort and semi-circular recess on the South-Western border of the valley formed by the fort and Yevateshwar hill. It ends in a rock, the highest peak of which is about 1500 feet above the town, closer under the peak is the small but sacred temple of Yevateshwar. From the peak range slope rapidly down to the South-West corner of the town where it has been 'tunnelled' to form roadways. The town can beautifully be viewed from the fort Ajinkyatara. Besides, the geographical location, the town is gifted with rivers and forts which have been responsible for its demographic and industrial development.

### 2.1.1 RIVERS / FORTS

Krishna, Venna and Urmodi rivers are the main rivers and Kodoli, Torli and Vasana are the rivers around Satara city. There are famous historical forts around the Satara city namely, Ajinkyatara, Sajjangad, Vasantgad, Chandan and Vandan.

### 2.1.2 CLIMATE AND RAINFALL

The climate in Satara city is one of the best in South Western Maharashtra. Monsoon season extends from June to October. After the monsoon, winter season starts. The temperature in winter is usually in between 20°C to 24°C. The normal temperature in Satara ranges between 30°C maximum to 19°C minimum. Average rainfall in the Satara city is estimated to be 1025 mm.

### 2.1.3 DEMOGRAPHY

According to the report of Maharashtra Government (1990 - 91) the population of Satara city is 95,133. However, the population of Satara District is 24,45,000. In comparison with Satara District the population of Satara city is 25.7 percent, which is divided among male and female as 27.40 percent and 24.70 percent respectively. The density of population per kilometer in Satara city is 10,213. The relation with the density of Maharashtra is 50.6 percent and with Satara District it is 52.64 percent.

The relative population figures for Satara city, Satara Tahasil, Maharashtra, men and women classification, and density of population have been shown in the Table 2.1.1 and 2.1.2.

#### 2.1.4 INDUSTRIAL ACTIVITIES

Satara District is one of the industrially under-developed districts in Western Maharashtra. As per the record of D. T. C. Satara (March, 1992), there were 1470 small and medium industries registered under Factory Act in Satara M. I. D. C. area. Out of which 60 industries were locked-out and remaining 1410 industrial units were regular working. In which approximately 11, 442 skilled, semiskilled and unskilled labours were working.

Among these, there are six industrial units which export their production and their investment upto March 1991 is Rs. 7570 lakhs. Primarily in these units, plastics, edible oil, and other products are produced. Likewise, Maharashtra Scooter, Alpha-Laval, Doburg, Bharat Forge, Universal Luggage and Ajinkyatara Co-op. Sugar Factory are supposed to be big and promising industrial units.

Therefore, private transportation in Satara city has substantial promising business existing today and further, it is expected to grow many-fold in future.

TABLE 2.1.1 DENSITY OF POPULATION

SR. NO.	PARTICULARS	DENSITY PER SQ.K.M.
1.	Maharashtra State	204
2.	Satara District	194
3.	Satara Tahshil	320
4.	Satara City	10,213

TABLE 2.1.2 SEX PROFILE OF THE POPULATION

SR.NO	PARTICULARS	TOTAL POPULATION	MALE	FEMALE	SEX RATIO
1	Maharashtra State	78,748,215	40,686,254	38,061,961	936
2	Satara District	24,45,000	12,01,336	12,43,664	1061
3	Satara Tahshil	2,92,635	1,41,813	1,50,822	1064
4	Satara City	95,133	49,757	45,376	916

SOURCE : Census of India, 1991 (provisional), Series no. 14,  
Director of Census Operations, Maharashtra State.

#### 2.1.5 BANKING FACILITIES AND GOVT. OFFICES

There are 16 nationalised and scheduled commercial banks and 7 co-operative banks banking in the Satara City. In addition, there is one agricultural society. These nationalised, scheduled and co-operative banks, provide finance to agriculturists, businessmen, workers, and servicemen. There are 124 State Govt., 36 Central Govt. offices in Satara city.

#### 2.1.6 TRANSPORT AND VEHICLES

Since National Highway Number 4 (Bombay-Bangalore) touches Satara city, the two factories, other industrial units and commercial activities, the network of District and State roads have given boost to transportation activities. There were 13,336 transport vehicles and 62,490 non-transport vehicles in the Satara District as on 31-3-1991. Table 2.1.3 shows the details about the registered vehicles in the Satara District.

The growth in transportation and other vehicles is increased 12 percent in 1990-91. It shows that the transportation business is becoming more popular.

#### 2.1.7 COMMUNICATION

The data pertaining to the development of communication at the end of 1990, shows that there were 615 post offices and 94

TABLE 2.1.3 VEHICLES REGISTERED IN SATARA DISTRICT

(31/3/1991)

Sr. No.	TRANSPORT VEHICLES	Sr.No.	NON TRANSPORT VEHICLES
1	Transport	1	Motorcycles
	Lorries		Scooters 40,026
	Public 169	2	Cars & Jeeps 4,269
	Private 3477	3	Mopeds 14,430
2	Delivery vans	4	School Buses 16
	Public 911	5	Private School
	Private 87		Vehicles 11
3	Private Taxies 348	6	Ambulances 27
4	Autorickshaws 2690	7	Tractors 3,663
5	Trailors 4096	8	Others 48
6	Stage carriers 675		
7	Contract carriers 3		
	TOTAL 13,336		TOTAL 62,490

Source : Census of India - 1991 (provisional), Series No. 14  
 Director of Census Operation, Maharashtra State.



telegraph offices, 2373 post boxes, 202 postmen and 5129 telephone connections.

Accordingly, the growth in telegraph office is by 24 percent. The ratio of post offices in Satara District is 25.3 to one lakh population. It is estimated that 98 percent of villages in the district are having post offices. The District is having 144 kms long broad guage railway route.

#### 2.1.8 AGRICULTURE

As per the records of the Collector Office Satara, this District is largely producing important crops like, Jowar, Bajara, Rice, and Wheat. In addition, there are cash crops like sugarcane, cotton, onion, potato, groundnuts, etc., are cultivated in this District. These crops cover about 85.37 percent area in the District.

Groundnuts and sugarcane are major crops in this belt. The former covers about 23.6 percent of the cultivated land of Satara Tahasil. Whereas, sugarcane, jowar, vegetables cover about 4.8 percent, 36.4 percent, and 3.4 percent land respectively.

As per the data pertaining to the year 1990-91, 2879 thousand MT of sugarcane was produced in the cultivated area of Satara tahasil.

This clearly indicates that the agricultural production has played a vital role not only to increase the standard of living but also to the development of transportation and industrial activities for the supply of raw material in and around the Satara city and District.

#### 2.1.9 GODOWNS AND WAREHOUSING

The records from the Satara Collector Office reveal that there are only two warehouses in Satara city for the storage of agricultural produce. Out of these two, one is managed by Maharashtra State Warehousing Corporation and the other is being run by the State Government.

Besides these, in the vicinity of Satara city, there are godowns of N. C. D. C., and National Warehousing Corporation and 10 godowns run on co-operative basis under the World Bank Programme. In addition, there are local Vividh Vikas Karyakari Societies, which have the minimum capacity of 100 MT to 200 MT. These societies are at Arphal, Varye, Nune, Gojegaon, and Atit.

TABLE 2.2.1 PROFILE OF SELECTED PRIVATE TRANSPORT AGENCY OWNERS DURING THE YEAR 1990.

AGENCY CODE	PLACE OF HEAD OFFICE	DATE OF ESTABLISHMENT	DATE OF REGISTRATION	EDUCATION OF AGENCY OWNER	AGE OF OWNER	NO. OF BRANCHES
1	Kolhapur	1955	NA	Graduate	45	500
2	Satara	1955	1972	S. S. C.	38	-
3	Bangalore	1957	1974	Graduate	45	600
4	Satara	1960	1960	Graduate	35	-
5	Kolhapur	1961	1961	Graduate	45	15
6	Satara	1964	NA	Graduate	44	-
7	Satara	1979	1980	H. S. C.	48	-
8	Satara	1987	1987	M. Sc., Ph. D.	53	-

SOURCE : Records of selected agencies, NA - Not Available

TABLE 2.2.2 DETAILS OF PRIVATE TRANSPORT AGENCY VEHICLES OWNERS

AGENCY CODE	FAMILY SIZE	TOTAL VEHICLES OWNED (No.)	FAMILY ANNUAL INCOME (Rs.)	YEARS IN BUSINESS
1	10	550	50,000	26
2 <sup>†</sup>	20	-	50,000	10
3	4	470	10,00,000	34 <sup>*</sup>
4	20	2	50,000	13
5	Co-operative *	6	1,00,000	29
6	20	2	2,00,000	27
7	15	15	2,00,000	26
8	6	2	20,000	20
TOTAL	95	1047	16,70,000	185
AVERAGE	13.57	149.57	2,08,750	23.13

\* - Co-operative Agency, + - Hire vehicles

## 2.2 PROFILE OF SELECTED PRIVATE TRANSPORT AGENCY OWNERS

This section highlights the profile of selected private transport agencies in Satara city. It mainly focuses on their age, education, size of family, income, total years engaged in the business, date of establishment, date of registration, number of branches and number of vehicles owned.

### 2.2.1 AGE OF AGENCY OWNERS

In the private transport agency business majority of the agency owners, seven were middle aged i.e. in the age group of 31 - 50 years old and the remaining one agency owner was of 53 years old.

### 2.2.2 EDUCATION

It is observed that educational qualification of the agency owners are varying from S. S. C. to Doctorate level. Five agency owners (62.5 percent) were educated upto the graduate level. Whereas, two agency owners (25 percent) were educated upto S.S.C. level. The remaining one, has completed his Ph. D.

After having an indepth interview with the transport agency owners, it was revealed that their qualifications were

unrelated to the transport business. To support this, the two transport owners were uneducated but have been successfully managing their transport business over a sizable period. Thus, the education does not seem to have played a significant role in the type and the success of the business.

### 2.2.3 SIZE OF FAMILY

Out of the total selected private agencies, 62.5 percent agencies were having 10 to 20 family members. Whereas, 25 percent of the agencies under the study were having 4 to 6 family members. Remaining 12.5 percent (one agency owner) runs his business on co-operative basis. This shows that the majority of the transport agencies have very big size of family members.

### 2.2.4 INCOME

It was observed that out of the total sample of private transport agency owners, 50 percent owners have annual income in the range of Rs. 1 to 2 lakhs. Whereas, the remaining have an annual income in the range of Rs. 20,000 to Rs. 50,000.

### 2.2.5 STANDING LENGTH OF BUSINESS

The present survey revealed that the transport agency owners on an average have 24 years of experience. Out of the

total sample, five (62.5 percent) agency owners have spent more than 10 to 20 years in transport business. Whereas, three (37.5 percent) owners have experience in the range of 21 to 34 years. From the survey, it is noted that 50 percent agency owners are engaged in this line from last 20 years.

#### **2.2.6 DATE OF ESTABLISHMENT**

It is noticed that the private transport agencies running in Satara city were established during the period from 1955-1987. Out of these, 37.5 percent agencies were established during the period from 1955 to 1960. The remaining however, were established during the period from 1961 to 1987.

#### **2.2.7 DATE OF REGISTRATION**

In the present field survey, it was noted that the selected transport agencies are registered during the period of 1960 to 1987. Out of these, six (75 percent) agencies date of registration is shown in the Table 2.2.1. In case of the remaining agencies, the date of registration was not available in the records.

#### **2.2.8 NUMBER OF BRANCHES**

Out of total selected private transport agencies, three (37.5 percent) have their branches at the State and District level and the remaining five have only one branch in Satara city.

**2.2.9 NUMBER OF VEHICLES OWNED**

All the selected agencies, except one, have their vehicles. The agency which does not have its own vehicle runs its business on contract basis.

The maximum number of vehicles owned by a single agency happens to be 550 comprising of 500 trucks and 50 tempos. This is followed by the other having 470 vehicle consisting of 400 trucks and 70 tempos.

On the other hand, there were four transport agencies having 2 to 10 vehicles and one agency with 15 vehicles consisting trucks and tempos.

The total number of transport vehicles owned by the selected sample of transport agencies amount to 926 trucks and 121 tempos in the Satara District during the period 1990-91.



TABLE 2.3.1 ANNUAL RUNNING PER VEHICLE OWNED BY THE AGENCIES

(Figures in kilometers)

AGENCY CODE	TRUCKS		TEMPOS		TOTAL ANNUAL RUNNING OF TRUCKS & TEMPOS
	RUNNING PER MONTH	ANNUAL RUNNING	RUNNING PER MONTH	ANNUAL RUNNING	
1	6,800	81,600	2,040	24,480	1,06,080
2	-	-	-	-	-
3	4,250	51,000	2,550	30,600	81,600
4	5,100	61,200	-	-	61,200
5	3,400	40,800	-	-	40,800
6	4,250	51,000	-	-	51,000
7	5,100	61,200	2,550	30,600	91,800
8	5,100	61,200	-	-	61,200
TOTAL	34,000	4,08,000	7,140	85,680	4,93,680
AVERAGE	-	58,285	-	28,560	-
PERCENTAGE	-	82.65	-	17.35	100

**2.3(A) WORKING OF SELECTED PRIVATE TRANSPORT AGENCIES**

**2.3.1 Annual Average Running per Vehicle & Total Owned Vehicles**

**2.3.1(A) DAYS OF OPERATION** :- The transportation business is divided into 'two' seasons, one busy season and the other slack season. The busy season for the truck operators is of five months from January to May. During this period, about 60 to 70 percent annual running is covered. Normally, during the busy season 40,000 to 50,000 kms running is done. During this season, the commercial activities are in full swing. Essential goods have to be stored for rainy season. So, demand for vehicles is at peak, especially during the period - March to May.

Slack season on the other hand, is of longer duration of seven months than the busy season. Transport business in this period are found to be nominal.

The vehicles in the Satara city are operated for an average of 204 to 210 days in a year. This means that the vehicles operate for an average of 17 days per month. Remaining 13 days are spent on repairing, loading, unloading, holidays, strikes, octroi and due to non-availability of full loading. Thus, the working days are far less than the national average estimated to be around 300 days.

TABLE 2.3.2 ANNUAL RUNNING OF VEHICLES OWNED BY TRANSPORT AGENCIES

(Figures in kms)

AGENCY CODE	NUMBER	TRUCKS		ANNUAL RUNNING	NUMBER	TEMPOS		ANNUAL RUNNING	TOTAL RUNNING OF TRUCKS & TEMPOS	AVERAGE
		RUNNING PER MONTH	PER MONTH			RUNNING PER MONTH	ANNUAL RUNNING			
1	500	34,00,000		4,08,00,000	50	1,02,000		12,24,000	4,20,24,000	76,407
2	-	-		-	-	-		-	-	-
3	400	17,00,000		2,04,00,000	70	1,78,500		21,42,000	2,25,42,000	47,961
4	2	10,200		1,22,400	-	-		-	1,22,400	61,200
5	6	20,400		2,44,800	-	-		-	2,44,800	40,800
6	2	8,500		1,02,000	-	-		-	1,02,000	51,000
7	14	71,400		8,56,800	1	2,550		30,600	8,87,400	59,160
8	2	10,200		1,22,400	-	-		-	1,22,400	61,200
TOTAL	926	52,20,700		6,24,48,400	121	2,83,050		33,96,600	6,60,45,000	3,97,728
AVG.	132	7,45,814		89,21,200	40	94,350		11,32,200	94,35,000	-
PERCENT	88.44	-		94.55	11.56	-		5.44	100	-

NOTE : Per month running of vehicle is 17 days and remaining 13 days are spent on repairing, octroi, unloading, holidays, strikes, unavailability of goods, etc.

Agency 2 does not own any vehicles but take vehicles on contract and operate

### **2.3.1(B) Annual Average Running per Vehicle**

Table 2.3.1 shows the details pertaining to the annual average running per vehicle. It is 58,285 kms for truck and 28,560 kms. for tempo.

The total annual running of all vehicles is 4,93,680 kms., with a share of 82.65 percent of trucks and 17.35 percent of tempos. The maximum annual running per vehicle during this period was for Agency No. 1, i.e. 81,600 kms. On the other hand, the minimum annual running per vehicle during the same period was for Agency No. 5 i.e. 40,800 kms. It is further noted that for all these agencies, the vehicle on an average covers 200 kms per day. This is due to the fact that these vehicles normally operate on long routes on Highways.

### **2.3.2 Annual Average Running of All Owned Vehicles**

Table 2.3.2 reveals the annual running of all vehicles owned by the agencies in Satara city. The annual running of all vehicles is divided into two classes, i.e. trucks and tempos. The data is classified into number of agency, number of vehicles owned, per month running of all vehicles, and annual running of all the vehicles. Out of the eight selected agencies, only one agency (No. 2) has no vehicles of its own but run on contract basis.

**2.3.2(A) NUMBER OF VEHICLES OWNED** :- The selected private transport agency owners in Satara city own 1047 total vehicles, including 11.56 percent tempos and 88.44 percent trucks. Out of the total agencies (8), 28.57 percent agencies have maximum of total fleet comprising of 97.42 percent. Whereas, the majority of the selected agencies, 71.43 percent have only 2.58 percent fleet.

**2.3.2(B) PER MONTH & ANNUAL RUNNING OF ALL OWNED VEHICLES** :

Above Table 2.3.2 shows the monthly running of all vehicles owned by the selected agencies. The total running of all the trucks per month is observed to be 52,20,700 kms and for tempos 2,83,050 kms. Out of the total annual running of all vehicles 6,60,45,000 kms, majority (95.55 percent) is contributed by the trucks and only marginal (5.44 percent) by tempos.

Maximum annual average running of 40,800 kms. is observed to be for the Agency Number 5. As against this, the annual average running of all trucks and tempos was 89,21,200 kms. and 11,32,200 kms. respectively.

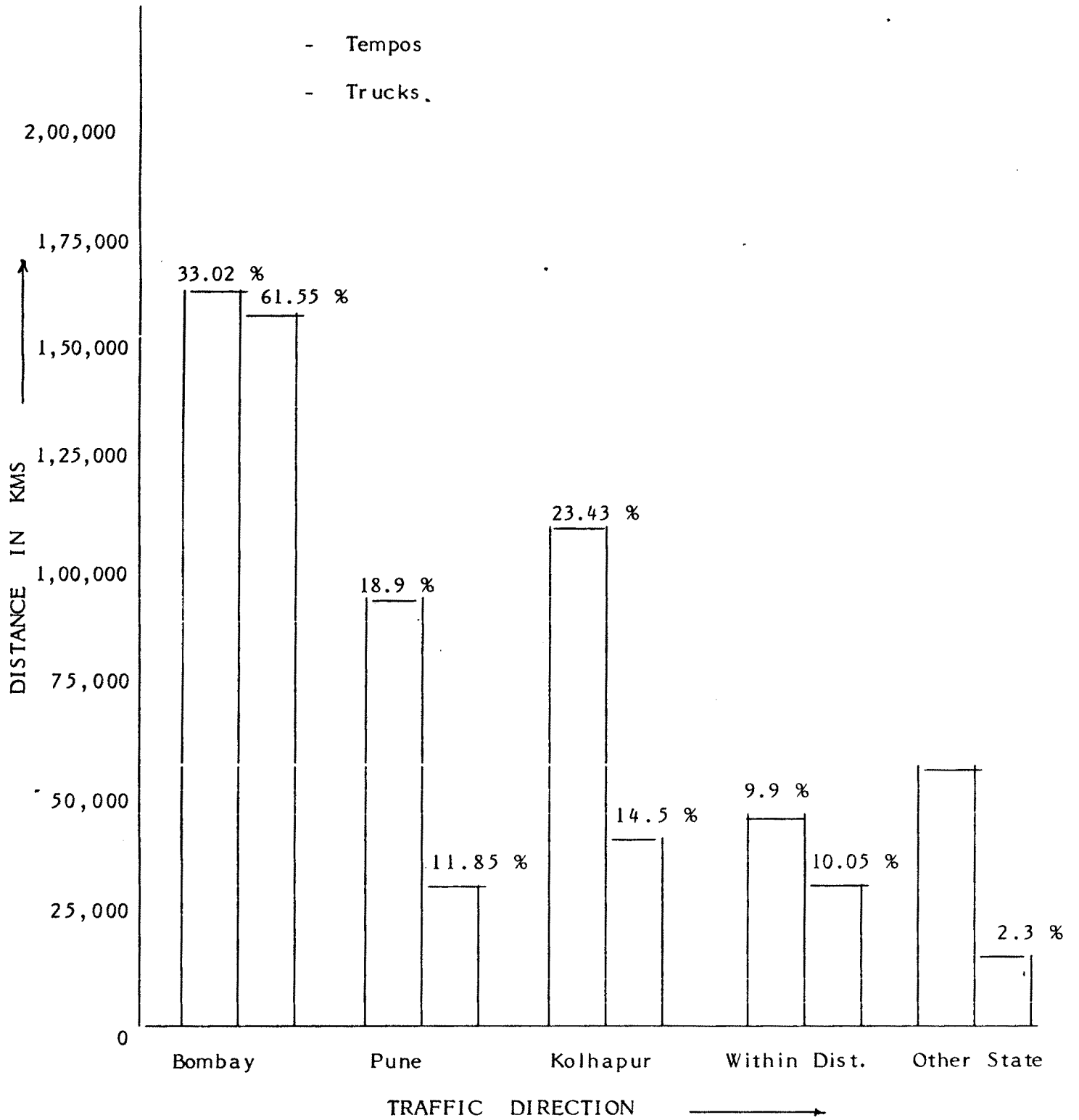
**2.3.3 Classification of Traffic Direction**

Table 2.3.3 shows the classification of traffic direction of private transport agencies in Satara city. The classification of the traffic agencies is divided into five routes namely, Bombay, Pune,

TABLE 2.3.3 TRAFFIC DIRECTION OF PRIVATE TRANSPORT AGENCIES IN SATARA CITY

(Figures in kilometers.)

AGENCY	TRUCKS				TEMPOS			OTHER	WITHIN DISTRICT	OTHER
	BOMBAY	PUNE	KOLHAPUR	WITHIN DISTRICT	BOMBAY	PUNE	KOLHAPUR			
1	-	38,400	42,000	-	-	-	-	-	-	-
2	36,000	-	-	-	-	-	-	-	-	-
3	-	12,000	6,600	-	12,000	14,400	2,640	-	-	6,000
4	43,200	14,400	15,840	-	36,000	36,000	-	-	-	-
5	28,800	-	21,120	-	12,000	4,800	21,120	12,600	-	-
6	28,800	15,600	15,840	24,000	-	-	-	-	-	-
7	-	-	-	9,600	-	-	-	2,400	-	-
8	28,800	14,400	15,840	12,000	36,000	12,000	13,200	12,000	-	-
TOTAL	1,65,600	94,800	1,17,480	45,600	78,000	1,62,000	36,960	27,000	6,000	-
PERCENT	33.2	18.9	23.43	9.9	15.56	61.55	14.5	10.25	2.35	-



**FIGURE 2.1** DISTRIBUTION OF TRAFFIC DIRECTION

Kolhapur, within Satara District, and other states according to trucks and tempos.

Table reveals that Bombay route shared 33.2 percent by trucks and 61.55 percent by tempos out of the total traffic on that route. Whereas, Pune shared 18.9 percent truck and 11.85 percent tempo traffic, for Kolhapur 23.43 percent (truck traffic) and 14.5 percent (tempo traffic), for within District 9.9 percent truck traffic and 10.25 percent tempo traffic, and in case of other states truck traffic constituted 15.55 percent and the tempo 2.3 percent.

The traffic direction is pictorially represented in terms of bar chart in Figure 2.1. It is evident that Bombay shares the maximum traffic, both the truck as well as tempo. Whereas, the the truck traffic is noted to be the least within Satara District (9.9 percent) and the tempo traffic is least for other states to the extent of 2.3 percent. By and large the traffic intensity is between Bombay, Pune and Kolhapur.

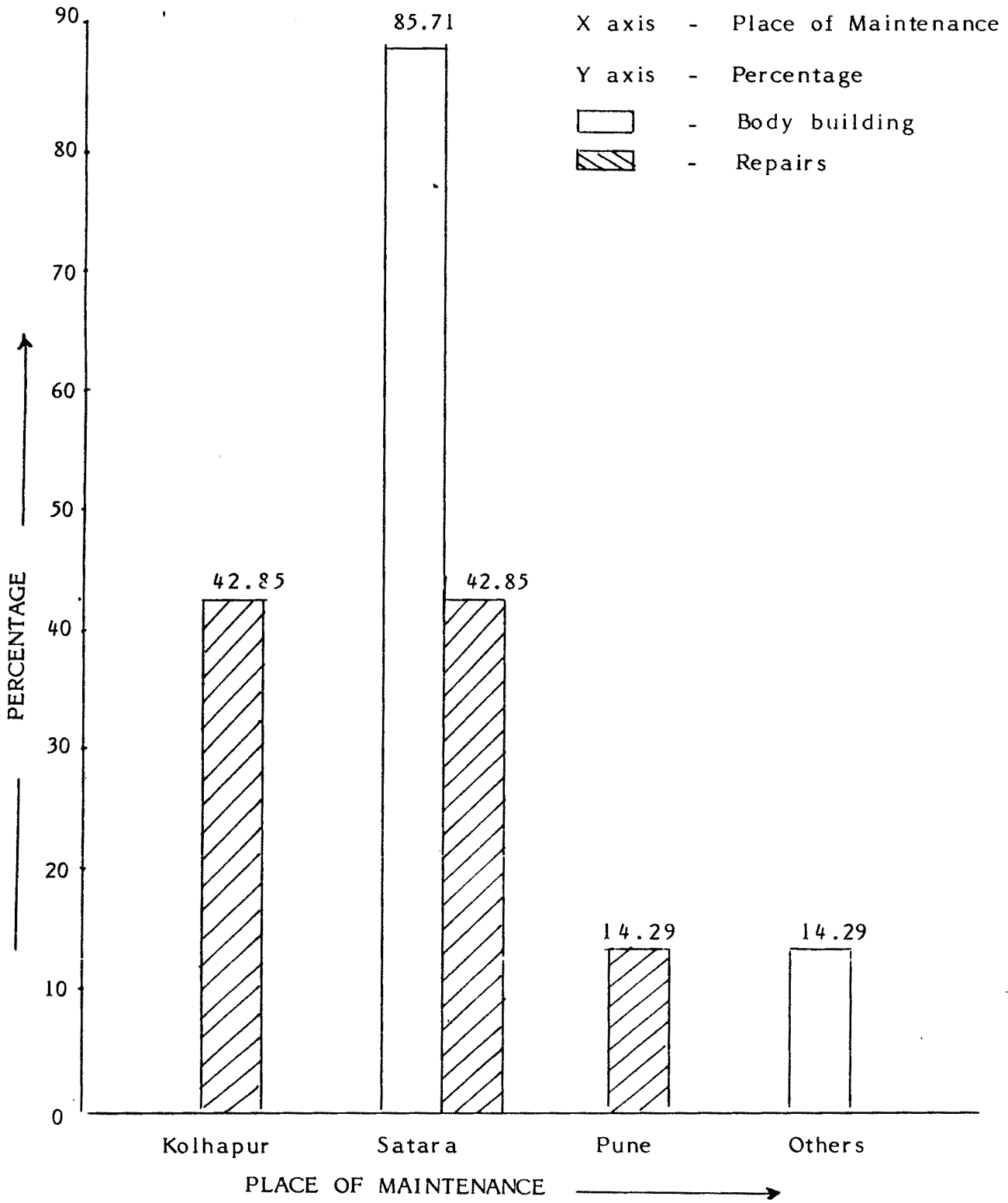
#### **2.3.4 Repairs & Place of Body Building**

The major transport repairs are made at the Divisional, Regional and Central workshops. since these come under their respective perview. Table 2.3.4 displays the place of body building and major repairs carried out by the selected transport



TABLE 2.3.4 MAINTENANCE LOCATION OF VEHICLES OWNED BY TRANSPORT AGENCIES

AGENCY CODE	MAJOR REPAIRS CARRIED OUT AT PLACES			PLACES OF BODY BUILDING			TOTAL	TOTAL	OTHERS	TOTAL
	KOLHAPUR	SATARA	PUNE	SATARA	BELGAUM	OTHERS				
1	-	-	-	1	-	-	1	-	-	1
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	1	-	-	1	-	-	1
4	-	-	-	1	-	-	1	-	-	1
5	-	-	-	1	-	-	1	-	-	1
6	-	-	-	1	-	-	1	-	-	1
7	-	-	-	1	-	-	1	-	-	1
8	-	-	-	1	-	-	1	-	-	1
TOTAL	3	3	1	7	6	1	7	-	1	7
PERCENT	42.85	42.85	14.29	100	85.71	-	100	-	14.28	100



**FIGURE 2.2** GRAPH SHOWING CONTRIBUTION OF REPAIRS & BODY BUILDING

vehicles owners. About 46 percent of the owners take their vehicles for major repairs to Kolhapur and Satara. The rest take them to Pune. Majority of the operators prefer Kolhapur and local place (Satara) for the major kind of repairs due to the nearness of place and to get desired quality of the spare parts. It is also noted from the Figure 2.2 that the preference for the body building depends largely upon the nearness to the place. About 86 percent vehicle owners prefer Satara city while, the remaining prefer other places like Pune, Belgaum, etc., due to reasonable rate of body building and desirable quality of spare parts.

### **2.3.5 Annual Average Consumption of HSD and Oil per Vehicle**

The consumption of HSD and oil depends on proper maintenance of vehicle, road conditions, traffic direction, driving habit, and type of vehicle.

Table 2.3.5 shows per month consumption of High Speed Diesel (HSD) and oil and annual consumption per vehicle during the period 1990-91 in Satara city. It can be noted that 28.57 percent transport agencies have reported HSD and oil consumption as 1530 litres per month in case of trucks. Whereas, another 28.57 percent agencies have consumed 1190 litres and 14.25 percent have consumed 850 litres of oil and HSD per month. As against this, the per month consumption of oil and HSD in case of tempos have been reported to be 765 litres, 1020 litres and 680 litres by agency code number

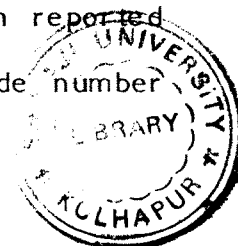


TABLE 2.3.5 ANNUAL HSD & OIL CONSUMPTION PER VEHICLE

(Figures in litres)

AGENCY CODE	TRUCKS PER MONTH	CONSUMPTION PER YEAR	TEMPOS PER MONTH	CONSUMPTION PER YEAR	TOTAL	AVERAGE
1	1,530	18,360	765	9,180	27,540	13,770
2	-	-	-	-	-	-
3	1,190	14,280	1,020	12,240	26,520	13,260
4	1,445	17,340	-	-	17,340	8,670
5	850	10,200	-	-	10,200	5,100
6	1,190	14,280	-	-	14,280	7,140
7	1,445	17,340	680	8,160	25,500	12,750
8	1,530	18,360	-	-	18,360	9,180
TOTAL	9,180	1,10,160	2,465	29,580	1,39,740	
AVERAGE	1,311	15,737	821	9,860	19,962	
PERCENT	-	78.83	-	21.16	100	

TABLE 2.3.6 ANNUAL HSD & OIL CONSUMPTION OF ALL VEHICLES OWNED BY AGENCIES

(Figures in litres)

AGENCY CODE	TRUCKS		CONSUMPTION		NUMBER	TEMPOS		CONSUMPTION		TOTAL CONSUMPTION
	NUMBER	PER MONTH	PER MONTH	PER YEAR		PER MONTH	PER YEAR	PER MONTH	PER YEAR	
1	500	7,65,000	91,80,000	50	13,000	1,56,060	93,36,060			
2	-	-	-	-	-	-	-	-	-	-
3	400	4,76,000	57,12,000	70	71,400	8,56,800	65,68,800			
4	2	2,890	34,680	-	-	-	34,680			40
5	6	5,100	61,200	-	-	-	61,200			40
6	2	2,380	28,560	-	-	-	28,560			40
7	14	20,230	2,42,760	1	680	8,160	2,50,920			
8	2	3,060	36,720	-	-	-	36,720			
TOTAL	926	12,74,660	1,52,95,920	121	85,085	10,21,020	1,63,16,940			
AVERAGE		1,82,094	21,85,131		28,361	3,40,340	25,25,471			
PERCENT			93.74			6.25	100			

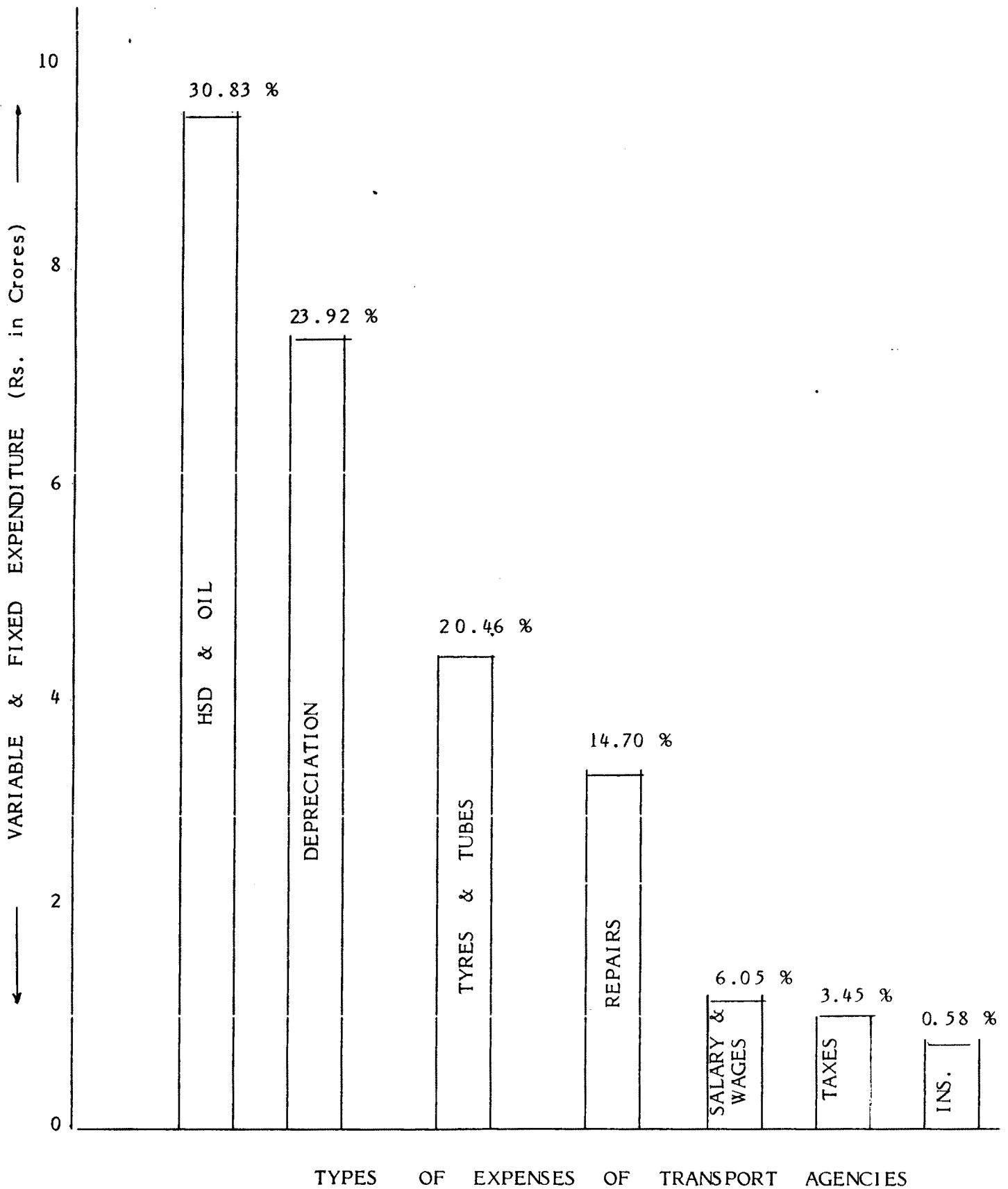


FIGURE 2.3 GRAPH SHOWING CONTRIBUTION OF EXPENDITURE

1, 3 and 7 respectively. The annual average consumption of HSD and oil during the period 1990-91 was reported to be 15,737 litres (78.83 percent) for trucks and 9860 litres (21.16 percent) for tempos.

### **2.3.6 Annual Average HSD & Oil Consumption of All Vehicles**

Table 2.3.6 denotes the annual HSD and oil consumption of all vehicles owned by the private transport agencies in Satara city during the period.

Annual consumption of HSD and oil was estimated to be 1,63,16,940 litres for 1047 vehicles comprising of 926 trucks and 121 tempos. The composition of trucks happens to be 93.74 percent and that of tempos to be 6.25 percent.

The total annual average consumption of HSD and oil per vehicle was 25,25, 471 litres, comprising of annual average consumption of 21,85,131 litres per truck and 3,40,340 litres per tempo.

The share of expenditure on HSD and oil constituted 30.83 percent of the total operational cost during the period 1990-91 (refer Figure 2.5). This gives us an idea of the significant share of expenses on the HSD and oil. The another reason for the substantial amount may be attributed to the fact of ever increasing price of HSD and oil, and more so in last 2 years.

TABLE 2.3.7 VEHICLES OWNED/HIRED BY PRIVATE AGENCIES & PRICE PER VEHICLE

AGENCY CODE	OWNED VEHICLES		HIRED VEHICLES		TOTAL VEHICLES	PRICE/VEHICLE OF OWNED VEHICLE TRUCKS	PRICE/VEHICLE OF OWNED VEHICLE TEMPOS
	TRUCKS	TEMPOS	TRUCKS	TEMPOS			
1	500	50	-	-	500	5,00,000	2,00,000
2	-	-	7	-	7	-	-
3	400	70	-	-	470	6,00,000	2,10,000
4	2	-	10	10	22	4,50,000	2,00,000
5	6	-	18	6	30	4,50,000	2,10,000
6	2	-	25	-	27	4,75,000	2,00,000
7	14	1	15	-	30	4,50,000	3,25,000
8	2	-	20	2	24	4,50,000	2,25,000
TOTAL	926	121	95	18	1,160	33,75,000	15,70,000
AVERAGE	115.5	15.13	11.88	2.25	145	4,21,875	1,96,250
PERCENT	79.82	10.43	8.19	1.55	100		



### **2.3.7 Total Vehicles Owned & Hired**

Table 2.3.7 shows the distribution of total vehicles owned and hired by the selected private transport agencies in Satara city under study. It is noted that 1160 vehicles are engaged by the selected private transport agencies in Satara city. Out of these, 90.25 percent are owned and 9.75 percent are hired. Among the total vehicles, 79.82 percent are owned trucks and 10.43 percent are owned tempos. Whereas, 8.19 percent are hired trucks and 1.56 percent are hired tempos. It is also noted that except two agencies all the other agencies hire vehicles in addition to their own vehicles.

The table further gives the price of owned vehicles. It is observed that the price of 926 owned trucks is estimated to be Rs. 33,75,000 and that of 121 tempos Rs. 15,70,000. Thus, the average price of a owned truck works out to be Rs. 4,21,875 and that of tempo to be Rs. 1,96,250.

### **2.3.8 CAPITAL Investment in Owned Vehicles**

The capital investment of owned vehicles is shown in Table 2.3.8. The valuation of the vehicle is made by the General Insurance Company for fixation of insurance premium. Out of the total capital investment in owned vehicles, the share of trucks is

TABLE 2.3.8 CAPITAL INVESTMENT OF PRIVATE TRANSPORT AGENCY

(Figures in lakh Rs.)

AGENCY CODE	PRICE OF TRUCK	PRICE OF TEMPO	TOTAL
1	2500.00	10.00	2,510.00
2	-	-	-
3	2,400.00	147.00	2,547.00
4	9.00	-	9.00
5	24.00	-	24.00
6	9.50	-	9.50
7	63.00	4.00	67.00
8	76.50	-	76.00
<b>TOTAL</b>	<b>5,082.00</b>	<b>161.00</b>	<b>5,243.00</b>
<b>PERCENT</b>	<b>96.92</b>	<b>3.07</b>	<b>100</b>

TABLE 2.3.9 EMPLOYMENT IN SELECTED AGENCIES

AGENCY	DRIVERS	CLEANERS	BR. MANAGER	ACCOUNTANT	CLERKS	OTHERS	TOTAL	PERCENT
1	600	600	-	-	1	-	1201	41.00
2	-	-	-	-	-	-	-	-
3	400	1000	1	1	-	-	1402	47.87
4	2	2	1	1	-	6	12	0.40
5	6	6	1	1	1	2	17	0.58
6	2	2	-	-	-	-	4	0.14
7	18	15	2	2	2	250	289	9.86
8	2	2	-	-	-	-	4	0.14
TOTAL	1030	1627	5	5	4	258	2929	100
PERCENT	35.16	55.54	0.17	0.17	0.15	8.80	100	

96.92 percent and that of tempo is 3.07 percent. The estimated capital investment depends not only on the type of the vehicle but but on the model of the vehicle as well. Though, the Agency 1 has maximum fleet of 500 trucks and 50 tempos, the capital investment is maximum for Agency 2 is maximum to the extent of Rs. 25,47,000 in 400 trucks and 70 tempos. This is attributed to the types of vehicle and its model. The minimum capital investment in the owned vehicles on the other hand, is for Agency 3, estimated to be Rs. 9 lakhs.

### **2.3.9 Total Employment in Selected Private Transport Agencies**

Table 2.3.9 gives the details of employees engaged by the selected private transport agencies in Satara city. In all, 2929 employees work in various capacities of drivers, cleaners, branch managers, clerks, etc., in these eight transport agencies.

It is also noted that out of total work force, 35.16 percent is drivers, 55.54 percent cleaners, 0.17 percent each branch managers and accountants, 0.15 percent clerks and 8.8 percent other categories.

### **2.3.10 Salary and Wages**

The salary and wages paid to the transport employees are paid at reasonable rates. Table 2.3.10 gives the agencywise salary

TABLE 2.3.10 ANNUAL SALARY & WAGES OF EMPLOYEES IN SELECTED TRANSPORT AGENCIES

AGENCY CODE	DRIVERS	CLEANERS	BR. MANAGER	ACCOUNTANT	CLERKS	OTHERS	TOTAL
1	43,20,000	21,60,000	-	-	7,200	-	64,87,200
2	-	-	-	-	-	-	-
3	33,60,000	36,00,000	11,400	10,200	-	-	69,81,600
4	24,000	7,200	24,000	-	12,000	73,440	1,40,640
5	50,400	21,600	10,800	7,800	6,900	-	97,500
6	21,600	7,200	-	-	-	-	28,800
7	1,67,400	1,03,500	21,600	14,400	-	-	3,06,900
8	24,000	7,200	-	-	-	-	31,200
TOTAL	79,67,400	59,06,700	67,800	32,400	26,100	73,440	1,40,73,840
PERCENTAGE	56.61	41.96	0.48	0.23	0.18	0.52	100

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and wages distribution for their employees. The total expenses incurred by the selected 8 transport agencies on their 2929 employees were Rs. 1,40,73,840. Out of these, the expenses incurred on drivers and cleaners work out to be 56.61 percent and 41.96 percent respectively, excluding their daily allowance. The expenses incurred on the other categories work out to be 0.48, 0.23, 0.18, 0.52 percent for branch managers, accountants, clerks, and others respectively.

Out of the eight selected agencies, the maximum expenses incurred on the employees work out to be Rs. 69,81,600 by Agency 3 on its 1402 employees. Whereas, the minimum expenses are incurred by Agency 8 to the extent of Rs. 31,200.

The expenses on salary and wages constitute 6.05 percent of the total operation cost. In addition to the salary and wages, the transport agencies offer daily allowance and bonus to their employees.

### **2.3.11 Booking of Consignment**

Consignments are booked by the agency according to the information given by the consignor (the person who books the consignment). This information is taken on "Goods Forwarding Notes" and the way bill is prepared accordingly. The way bill is of the following types.

- (a) Paid Booking : In this type, freight is paid at the time of booking itself.
- (b) To Pay Booking : In this type, freight is paid at the time of delivery of the goods to the consignee at his station.
- (c) Billing Booking : In this type, freight is paid through billing procedure. It means the consignor or the consignee is enjoying bill facility or has entered into contract with the transporter (Agency Head Office) in respect of credit facility, freight concession, free storage facility, etc.

### 2.3.12 Freight Rate of Consignments

In the field survey, it was observed that transportation charges varied according to season, distance, road condition, types of goods carried and the risk involved. Table 2.3.16 the freight rates for full truck loading in 1990 according to distance covered. The consignments are classified into two types namely, parcel and bulk. The parcel consignments means goods weighing less than two tonnes in the nature of gunny bags, bundles, boxes, cartoons, etc. Whereas, the bulk consignments means a single consignment weighing more than two tonnes. It should be noted that the weight is not the only criteria in fact, the volume and size also should be considered. For instance, a consignment weighing two tonnes and occupying half the space of truck is considered to be a 5 tonnes

TABLE 2.3.11 TRADE TRAFFIC OF SELECTED TRANSPORT AGENCIES

(Figures in Rs.)

DISTANCE & PLACE	BULKY CONSIGNMENT	COSTLY CONSIGNMENT	HEAVY CONSIGNMENT	TOTAL
Upto 100 Kms.				
PUNE	1000	1000	1000	3000
200 - 300 Kms.				
BOMBAY	1600	3000	2500	7100
400 - 500 Kms.				
NAGPUR <u>OR</u> OTHER STATES	3000	3000	3000	9000
TOTAL (Rs.)	5600	7000	6500	19,100
PERCENT	29.32	36.65	34.03	100

NOTE : The above freight rates are as on 10/6/1991

for full truck load



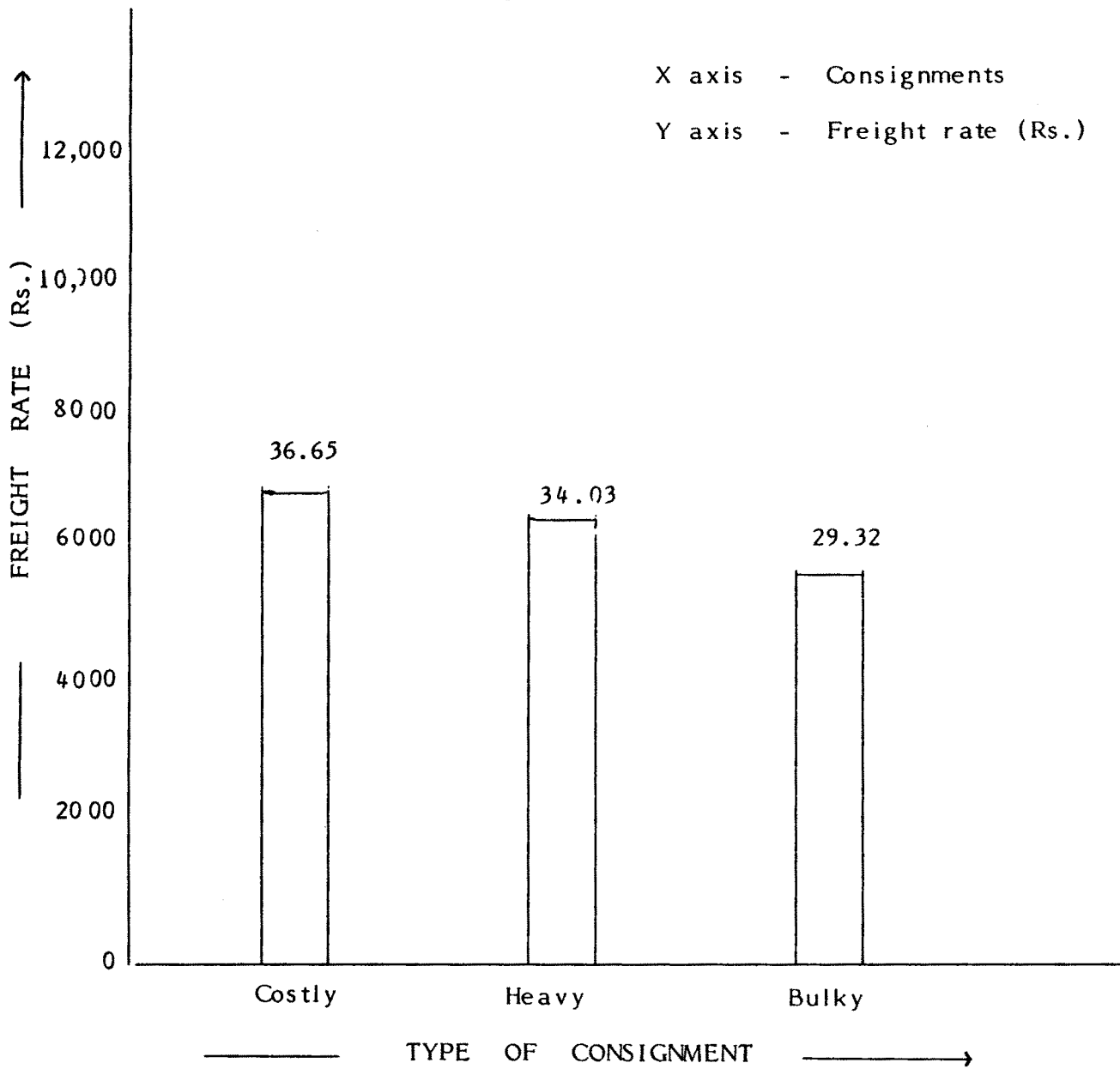


FIGURE 2.4 GRAPH SHOWING CONTRIBUTION OF CONSIGNMENT

consignment (one truck carries 10 tonnes load). This weight is then called 'charged weight'. Hence, the weight of the consignment is most important factor at the time of booking a consignment.

The full truck loading is divided into 'three' categories. Firstly, if the transportation distance is 100 kms. say, from Satara to Pune, the freight rate is Rs. 1000 for a full truck load for bulky, costly and heavy consignment. Secondly, if the transportation distance is more than 200 to 300 kms (Satara to Bombay), the freight rate is Rs. 1600, Rs. 3000, and Rs. 2500 for bulky, costly and heavy consignment respectively. Lastly, if the transportation distance is more than 400 to 500 kms. the freight is Rs. 3000 for all types of consignment.

Figure 2.4 reveals that costly assignments are more profitable for transportation. As against this, costly and bulky consignments are more suitable for transportation. It is observed that costly consignments contribute 36.25 percent, heavy consignment 34.03 percent and bulky consignment 29.32 percent of the total consignments handled by the selected 8 private transport agencies in the year 1990-91.

### **2.3.13 Prices of Spare Parts, Tyres & Tubes**

The tyres and tubes are sold in Satara city largely by four companies namely, CEAT, MRF, PREMIUM and DUNLOP. The rate

of tyres for the respective companies are Rs. 7580 to Rs. 8020, Rs. 6165 to Rs. 7336, Rs. 5910 to Rs. 7033 and Rs. 5471 to Rs. 6510 respectively.

Due to increase in the prices of diesel and petrol, which affected the production of tyres and tubes, prices have been increased by 15 percent than those in 1990. It has also been noticed that there is 15 to 18 percent difference in the recommended prices of the company and the market prices of spares, tyres and tubes. This however, includes 1.5 percent octroi, 12 percent sales-tax, 2 percent transportation and 3 percent profit margin. This inturn, has affected significantly the transportation business. As a result, the repairs of vehicles, maintenance expenses have increased, while the transport freight did not increase in proportion.

#### **2.3.14 Total Fixed & Variable Expenses**

Table 2.3.12 reveals the total fixed expenses, variable expenses, number of vehicles owned, agencywise cost per vehicle, percentage of fixed and variable expenses during the period 1990-1991.

In the table, the operation cost of vehicles is divided into two parts. In the first part, fixed expenses including salary and wages, taxes, insurance and depreciation are included. Whereas,

TABLE 2.3.12 FIXED AND VARIABLE EXPENSES OF SELECTED TRANSPORT AGENCIES  
(Rs. in lakhs)

AGENCY CODE NO.	1	2	3	4	5	6	7	8	TOTAL	PERCENT
<b>OWNED VEHICLES</b>	550	-	470	2	6	2	14	2		
<b>FIXED EXPENSES</b>										
Salary & Wages	64.87	-	69.81	1.40	0.98	0.29	3.07	0.31	140.74	6.05
Taxes	41.80	-	35.72	0.15	0.45	0.15	1.14	0.15	79.57	3.45
Insurance	8.47	-	7.23	0.04	0.09	0.03	0.23	0.03	16.13	0.58
Depreciation	390.00	-	382.05	1.35	4.05	1.42	9.45	1.35	789.67	23.92
<b>TOTAL FIXED EXPENSES</b>	<b>505.14</b>	<b>-</b>	<b>494.81</b>	<b>2.94</b>	<b>5.57</b>	<b>1.89</b>	<b>13.89</b>	<b>1.84</b>	<b>1026.11</b>	<b>34.00</b>
<b>VARIABLE EXPENSES</b>										
HSD & Oil	611.08	-	326.76	1.80	3.60	1.50	12.61	1.80	959.16	30.83
Tyres & Tubes	247.50	-	211.50	0.90	2.70	0.90	6.75	0.90	471.15	20.46
Repairs & Maintenance	165.00	-	164.50	0.70	1.80	0.70	4.50	0.60	337.80	14.70
<b>TOTAL VARIABLE EXPENSES</b>	<b>1023.98</b>	<b>-</b>	<b>702.76</b>	<b>3.40</b>	<b>8.10</b>	<b>3.10</b>	<b>23.86</b>	<b>3.30</b>	<b>1768.11</b>	<b>66.00</b>
<b>COST PER VEHICLE</b>	<b>2.78</b>	<b>-</b>	<b>2.53</b>	<b>3.17</b>	<b>2.27</b>	<b>2.49</b>	<b>2.69</b>	<b>2.57</b>	<b>18.50</b>	<b>2.64</b>
<b>PERCENTAGE</b>	<b>54.71</b>	<b>-</b>	<b>42.85</b>	<b>0.23</b>	<b>0.49</b>	<b>0.18</b>	<b>1.35</b>	<b>0.18</b>	<b>100</b>	<b>100</b>

the second part consists of the variable expenses such as HSD and oil, tyres and tubes, repairs and maintenance.

Out of the total expenses, it is noted that the variable expenses contribute significantly to the extent of 66 percent that is Rs. 1768.11 lakhs and the remaining as fixed expenses to the tune of Rs. 1026.11 lakhs.

In variable expenses, HSD and oil alone constitute to the extent of 30.83 percent of the total expenses. Whereas, the expenses incurred on the insurance premium is the least to the extent of 0.58 percent.

It is found that the operation cost mostly depends on total annual running, number of vehicles owned, types of vehicles and number of employees engaged in the transport agencies during the period 1990-1991.

### **2.3.15 Operation Cost & Net Earnings Per Vehicle Per Km.**

Table 2.3.13 illustrates the operation cost per vehicle per kilometer during the year 1990-91. It is observed from the table that the average operation cost per vehicle per annum was Rs. 2.64 lakhs. Further, the operation cost per vehicle remains to be more or less in the same range in case of five transport agencies out of seven agencies. However, there is difference in

TABLE 2.3.13 OPERATION COST & NET EARNING PER VEHICLE PER KM.

AGENCY NO.	OPERATION COST PER VEHICLE (Rs. in lakhs)	COST/KM	NET EARNING/ VEHICLE/KM
1	2.78	4.41	5.12
2	-	-	-
3	2.53	4.01	5.52
4	3.17	5.03	4.50
5	2.27	3.60	5.93
6	2.49	3.95	5.58
7	2.69	4.26	5.27
8	2.57	4.07	5.46
TOTAL	18.50	29.33	37.38
AVERAGE	2.64	4.19	5.34

NET EARNING = (AVERAGE EARNING - COST PER KM)

OPERATION COST / KM = COST PER VEHICLE / ANNUAL AVG. RUNNING

operation cost for agency number 4 and agency number 5. This difference could be attributable to the annual average running, types of vehicle, ability of the owner for getting the contract order, etc.

Similarly, the average cost per kilometer per vehicle is found to be Rs. 4.19, which has correlation with the operation cost per vehicle. There is marginal variation in terms of cost per kilometer in three agencies. This may be due to the reasons like conditions of vehicles and roads, model and type of the vehicle, hike in prices of diesel and spare parts.

The net earning per vehicle per kilometer on the other hand, is observed to vary in the narrow range of Rs. 4.50 (for agency number 4) to Rs. 5.93 (for agency number 5). The average net earning per vehicle per kilometer for all the seven private transport agencies in Satara city is calculated as Rs. 5.34.

#### **2.3.16 Earning Per Vehicle & Per Km.**

The route of traffic, distance in kilometers, vehicle loading charges and the earning per kilometer is shown in Table 2.3.14.

The route traffic undertaken by the private transport agencies in Satara city varies significantly from a short distance

TABLE 2.3.14 EARNING PER VEHICLE & PER KM.

ROUTE TRAFFIC	DISTANCE (Km.)	VEHICLE LOADING CHARGES (Rs.)	EARNING PER KM
SATARA - BOMBAY	300	1700	5.67
SATARA - PUNE	100	1000	10.00
SATARA - KOLHAPUR	110	1100	10.00
OTHER STATE	500	3000	6.00
WITHIN DISTRICT	50	800	16.00
TOTAL	1060	7600	47.67
AVERAGE	212	1520	9.53

$$\begin{aligned}
 \text{NET PROFIT/VEHICLE} &= (\text{EARNING/VEHICLE/KM} - \text{COST/VEHICLE/KM}) \times \\
 &\qquad\qquad\qquad \text{AVERAGE RUNNING} \\
 &= (9.53 - 4.19) \times 63,080 \\
 &= 5.34 \times 63,080 \\
 &= 3,36,847
 \end{aligned}$$



of 50 kms. within the district to as high as 500 kms. in other states. The average route traffic however, is 212 kms. Based on the route traffic and the kilometerage, the vehicle loading and carrying charges also vary from Rs. 800 (within the district) to Rs. 3000 (outside states). The average vehicle loading charges for the vehicles in selected transport agencies in Satara city is noticed to be Rs. 1520 per vehicle.

Interestingly, it is also observed that the earning per kilometer varies significantly from Rs. 5.67 to as high as Rs. 16 based on the route traffic and the loading. The average earning per vehicle is noted to be Rs. 9.53 per vehicle.

#### **2.3.17 B. E. P. of Selected Agencies**

It was intended to understand the break-even point of the selected transport agencies to understand the minimum running of the vehicle during the year to break-even. Table 2.3.15 displays the break-even analysis in terms of fixed expenses, variable expenses, total expenses, total earnings and B. E. P. in kilometers.

The table shows the fixed expenses and the variable expenses vary significantly within the agencies depending on various factors discussed elsewhere in this chapter. This has necessarily resulted in different break-even points for these agencies.

TABLE 2.3.15 B. E. P. OF SELECTED AGENCIES DURING 1990-91

AGENCY	FIXED COST	VARIABLE COST	TOTAL COST	TOTAL EARNING	B. E. P. (Km.)
1	505.14	1023.58	1528.72	4004.88	124.37
2	-	-	-	-	-
3	494.81	702.76	1197.57	214.82	131.93
4	2.94	3.40	6.34	11.66	203.53
5	5.57	8.10	13.67	23.32	138.73
6	1.89	3.10	4.99	9.72	135.76
7	13.89	23.86	37.75	84.56	135.69
8	1.84	3.30	5.14	11.66	125.95
TOTAL	1026.11	1768.11	2794.22	4350.62	995.95
AVERAGE	146.58	252.59	399.17	621.51	142.28

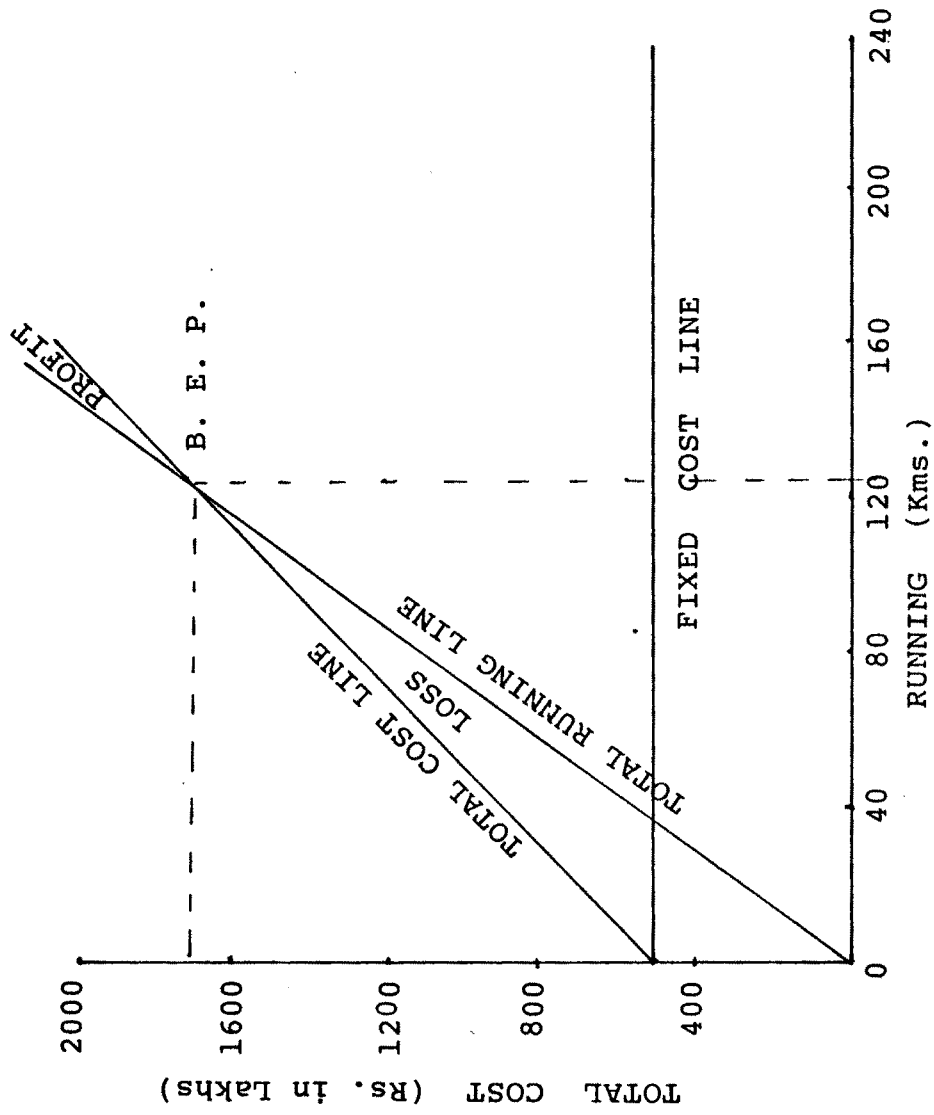


FIGURE 2.6 B. E. P. ANALYSIS FOR AGENCY No. 1



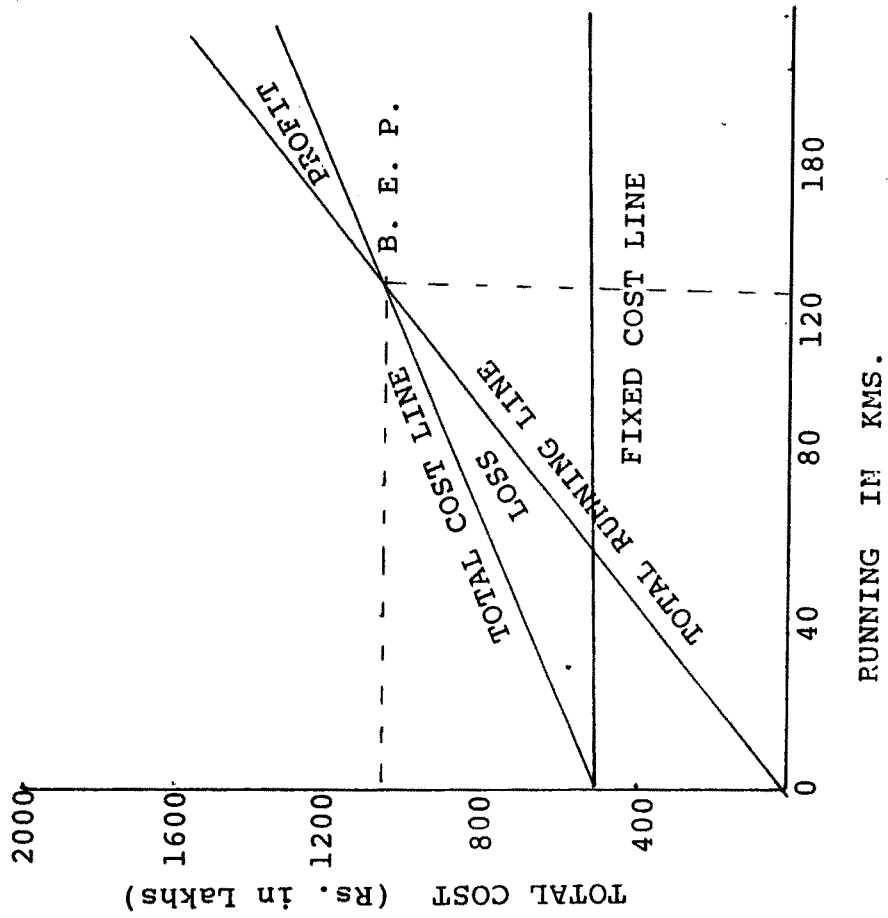


FIGURE 2.7 B. E. P. ANALYSIS FOR AGENCY No. 3

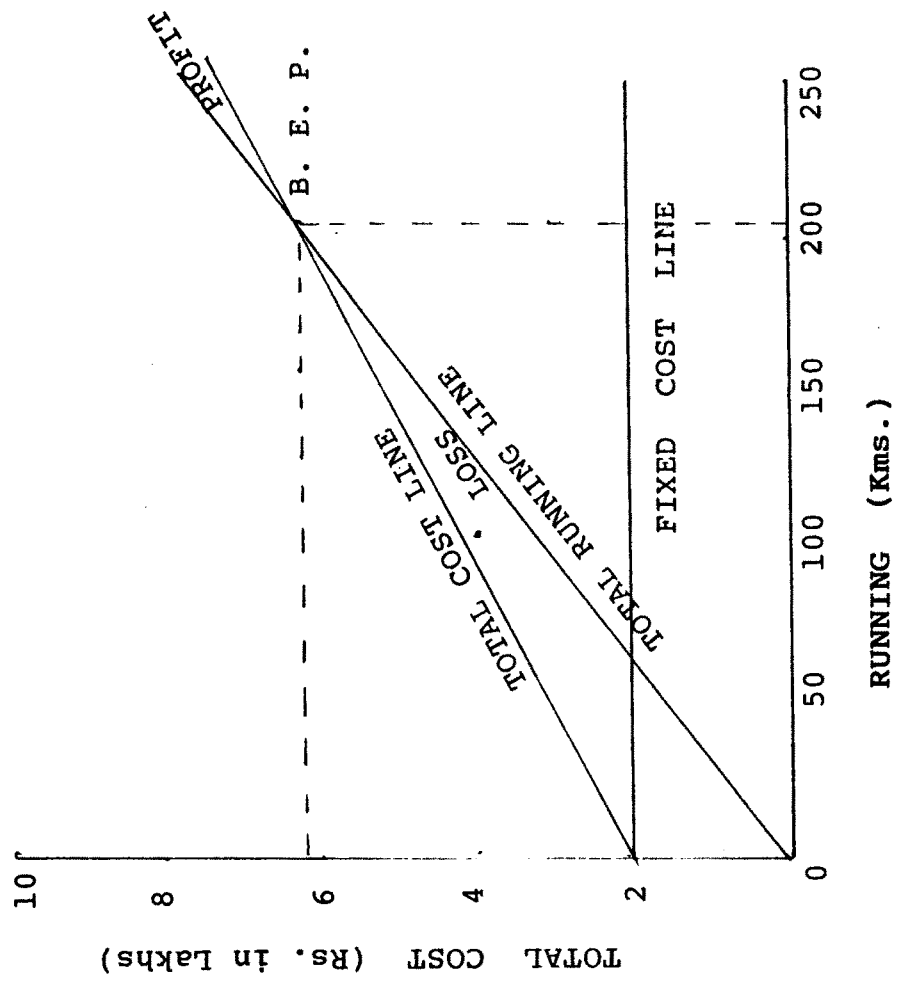


FIGURE 2.9 B. E. P. ANALYSIS FOR AGENCY No. 4

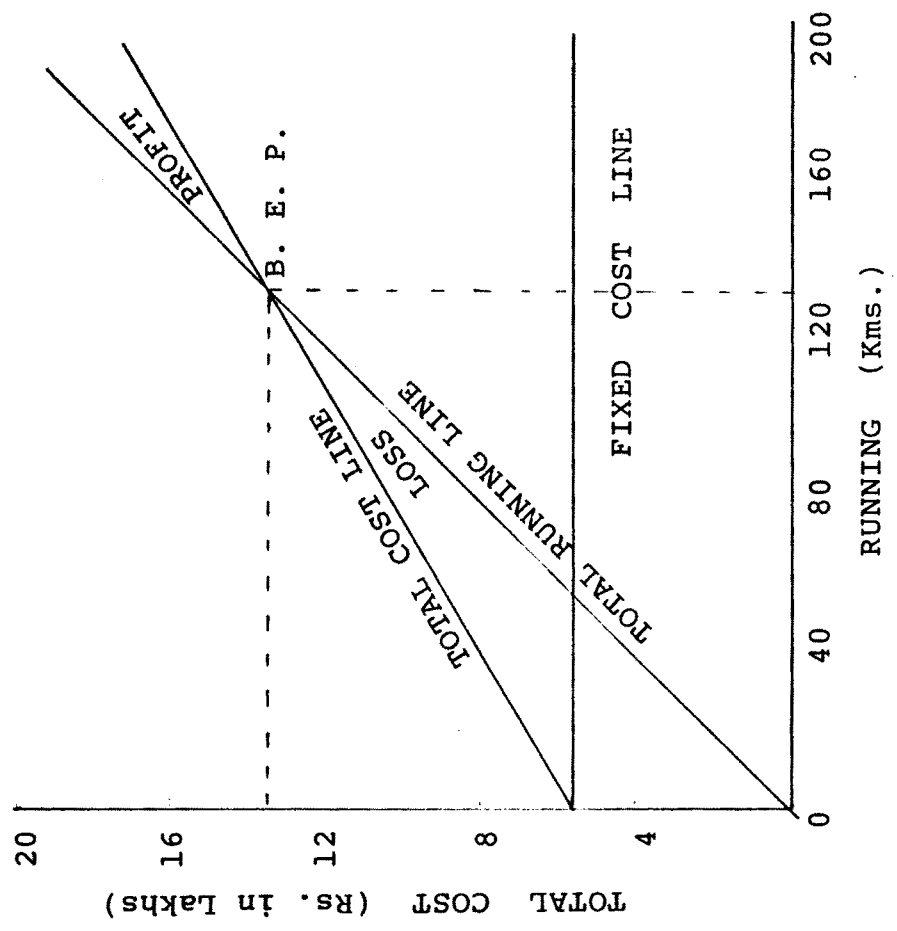


FIGURE 2.9 B. E. P. ANALYSIS FOR AGENCY No. 5

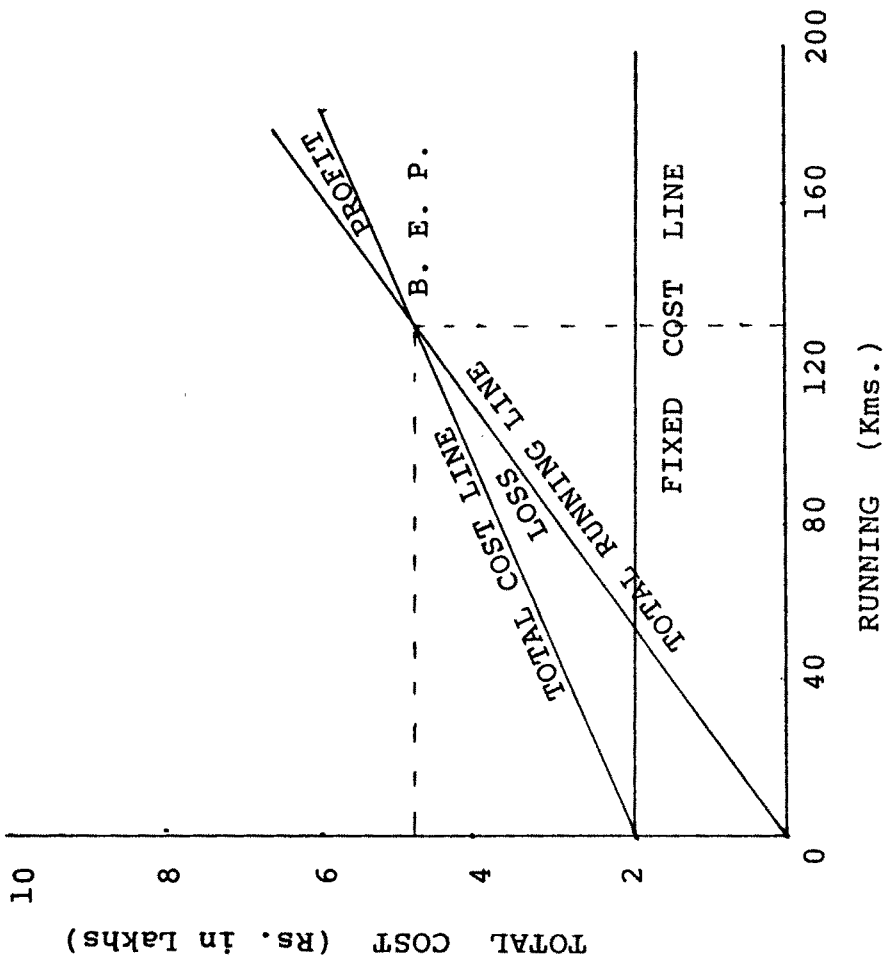


FIGURE 2.10 B. E. P. ANALYSIS FOR AGENCY No. 6

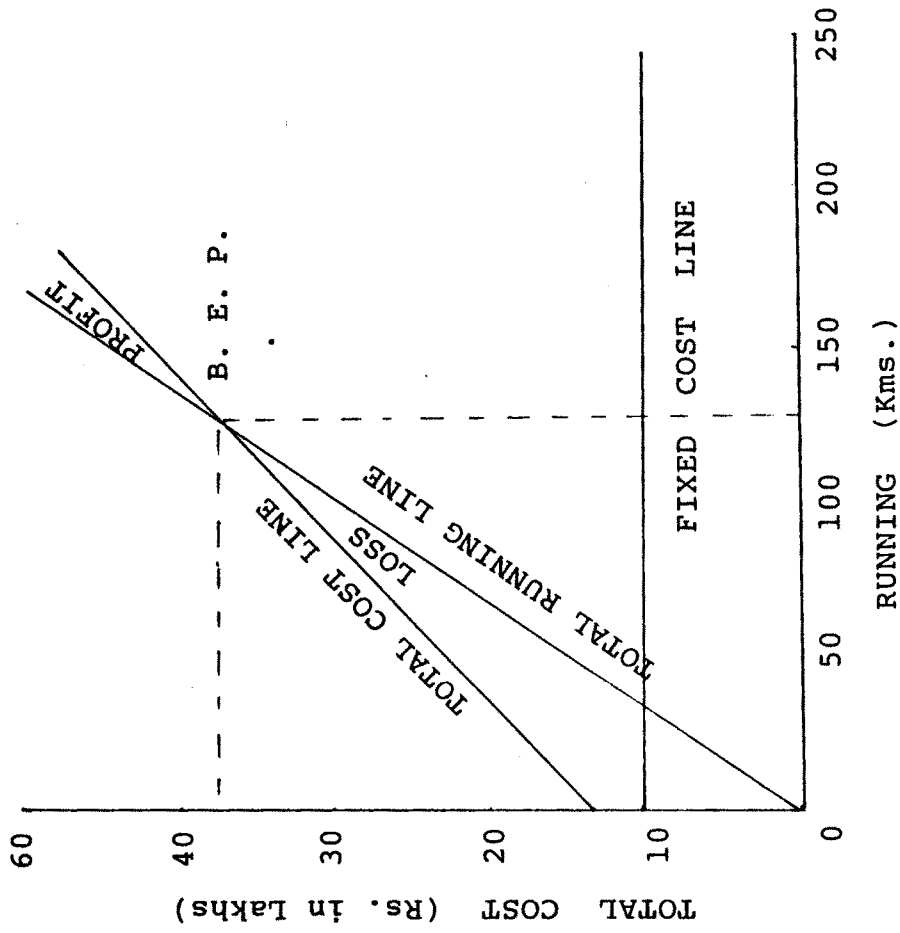


FIGURE 2.11 B. E. P. ANALYSIS FOR AGENCY No. 7



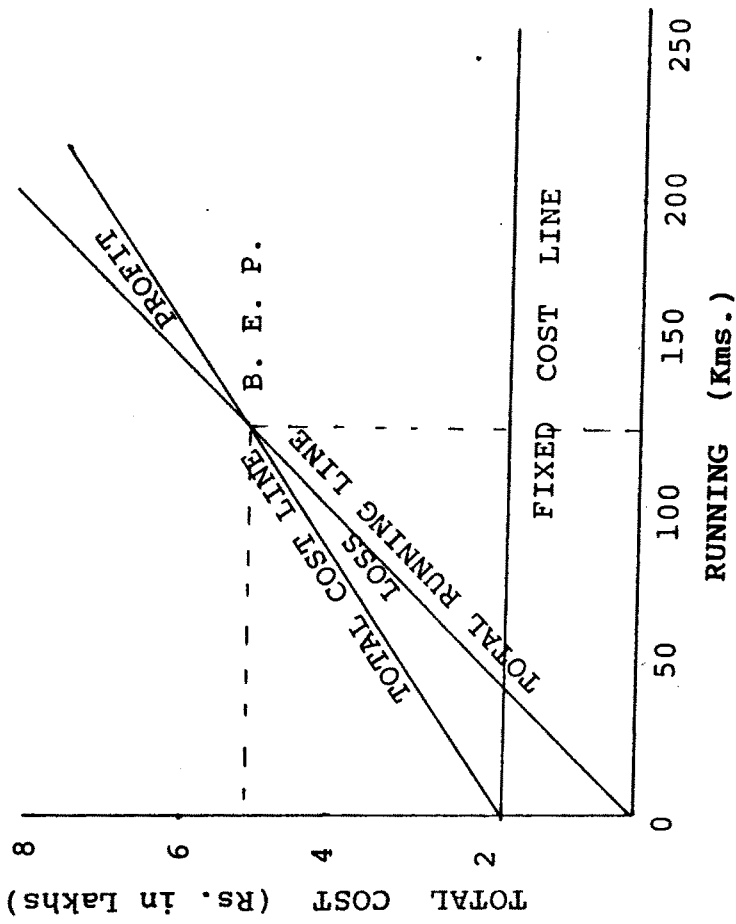


FIGURE 2.12 B. E. P. ANALYSIS FOR AGENCY NO. 8

From the above table it is observed that the lowest B. E. P. is for agency number 1 of 124.37 kms. This is because this agency has the maximum number of vehicles (500) among the selected agencies. On the other hand, the maximum B. E. P. is observed to be 203.53 kms. for agency number 4. The average B. E. P. taking into consideration all the agencies and their vehicles is noted to be 142.28 kms.

The variations in the B. E. P. for all these agencies could be attributed to various reasons like the number of vehicles owned, total running during the busy season, maintenance, quality of services offered, etc. Out of the seven agencies, four agencies namely, number 3, 5, 6, and 7 have more or less the same B. E. P. in the narrow range of (131.93 kms to 138.73 kms.). The B. E. A. for all the selected agencies is pictorially shown in Figures 2.5 to Figure 2. .

### **2.3 (B) MANAGEMENT PRACTICES OF PRIVATE TRANSPORT AGENCIES**

(1) Planning for the Slack Season : The total working days in a year and the total operation of the vehicles of the selected private transport agencies in Satara city is given separately in this chapter earlier. It is noted that during the slack season, five agencies (62.5 percent) undertake contract on the

local basis, with the other industries and professions. At the time of contract, they put different types of terms and conditions.

One agency on the other hand, does not undertake any such contract mentioned above. Instead, it gives major attention to the repairs, maintenance and body building of its vehicles. The other two agencies (25 percent) directly collaborate with other large transport agencies at the local level.

The ever increasing number of vehicles in the business, uncertainties in freight rates, internal competition, the influence of agents, etc necessitates the transport agencies to be always on their toes and restructure their plans during especially, during the slack season. Many a times, during the slack season, these agencies have to bear the expenditure in the form of payment to drivers and cleaners.

(2) Improvement in the Efficient & Prompt Delivery : It is opined by 50 percent of the agency owners that there is cut throat competition in transport business with a constant hanging sword of uncertainty. Every transport agency has to give attention to repairs for the sake of prompt and efficient delivery. In view of this, it is necessary for them to employ experienced drivers. This will ensure quick departure from the place of loading and reaching in time at the destination. However, inspite of this, due

to traffic jam, breakdown of vehicles and other eventual reasons consignments cannot reach in time. Ultimately, the parties are reluctant to enter into contract with such transport agencies. Hence, the private transport agencies should give more stress on the place of transportation, distance, ability of drivers and conditions of vehicles while planning their operations.

(3) Managerial Planning :- Planning is the soul of every business. Planning helps in identifying the problems, setting goals, and seeing unforeseen conditions in the future for deciding alternative courses of actions to be taken in the process of management.

During the slack season, 62.5 percent of the selected transport agencies have to lease or contract their vehicles with some manufacturing industrial units or other agencies. In addition, the planning department in the agency has to consider different aspects like payment of unskilled labours, collaboration with other agencies at local level or major repairs of the vehicles.

(4) Financial Management :- In private transport attention has to be given on the daily expenditure, which covers daily allowances of drivers and cleaners, octroi, entry-tax, delivery charges, fuel and sundry expenses of vehicle and transportation.

All these expenses should be planned properly. The planning should be done by taking into consideration the total earning and the present transport opportunity besides stiff competition in the business. All the selected respondents are aware of the importance of planning in the business, though many of them are formally uneducated. It is further observed that they do practice business planning to make their venture a great success.

(5) Prompt & Efficient Transport Management :- All the transport agencies under the present study in Satara city experience a cut-throat competition in transport business. In view of ever increasing number of vehicles in the business, traffic jam, bad roads, risk and responsibility, transport management should be prompt and efficient. If due to one or the other above-said reasons, the consignment is delayed it results in to customer dis-satisfaction. This at times, leads to loosing business. Hence, there is constant threat of loosing business due to imprompt service to the clients. This is associated with substantial opportunity cost, which is difficult to quantify.

Hence, the transport management of the private transport agency should not only be prompt and efficient but professional as well. The business is very sensitive from the point of goodwill. A slight decline in the goodwill will result in substantial loss in business and hamper its profitability and viability.

The transport management can be more efficient and effective by employing trained drivers and cleaners, ensure proper emoluments, motivation, timely repairs and replacement of defective parts. In addition to this, the agency should have healthy and cordial relationship with its clients.

(6) Personnel Management in Transportation :- The important characteristic of transport business is that it needs both skilled and unskilled labour. The skilled labour comprises of drivers and cleaners whereas, the unskilled consists of coolies for unloading the consignment. The agencies under the scope of present study motivate their skilled, semiskilled and unskilled staff by giving additional allowances in addition to their salary in the peak season. They have to continue the same in the slack season as well, despite less business and shoulder the burden. If any agency cannot afford this, then it tries to compensate the employees partially or helps its employees to get alternative sources of income in the slack season.

(7) Managerial Perspectives for Social Responsibility :

Profit earning is the major objective of every business. Transport is the backbone or infrastructure of agriculture, industrial, social and cultural development of the nation. Hence, it is the social responsibility of such kind of service industry to

render prompt and efficient transportation facility. In view of this, various transport agencies are in the process of developing and introducing innovative schemes. For instance, Transport Corporation of India has recently introduced "Speed Scheme" in Maharashtra State. This renders the service as per the need and the expectations of the customers or in other words give tailor-made services to its clients. The scheme was envisaged in 1989 and is applicable to the major cities like Bangalore, Hyderabad, which are out of Maharashtra State. The essence of the scheme is in social commitment of the transport business.

(8) Control of Freight Rates :- Generally, the freight rates are fixed by the District Private Motor Malak Association. This association contracts the freight rates in the private transportation accordingly, to distance and types of consignments.

The representative of this organisation at Satara city reported the researcher in an interview, that private transport agencies cannot fix specific freight rate for the specific distance or consignment. The freight rates are flexible as per daily sugar market condition.

About 70 percent of the selected transport agencies in the present study practice and have dual freight rates, one for market

which charged to gain more business opportunity and other to the business which is brought by their employees, mainly drivers. Some private agencies give 2 to 3 percent commission to the drivers or the employees who get them additional business. Thus, it can be said that the private transport business agencies indulge in some or the other kind of practices to mop business. In order to adjust these things, at times the plans and schedules get disturbed leading to ineffective planning and controlling in the transport operations.