

PUBLIC ACCOUNTS COMMITTEE
1955-56

TWENTIETH REPORT

[Delhi Road Transport Authority (Bus Section)]

Volume I.—Report



LOK SABHA SECRETARIAT
NEW DELHI
July, 1956

CORRIGENDA

Twentieth Report of the Public Accounts Committee on the Delhi Road Transport Authority (Bus Section).

Page 8, para 18, penultimate line: *for '10%' read '12%'.*

Page 15, para 38, line 6: *for 'was' read 'were'; and*

para 39, line 1: *for 'representative' read 'representatives'.*

Page 19, para 53, line 1: *insert 'a' between 'from' and 'note'.*

Page 20, para 56, Table, column 2, under '1950-51' against
'Miscellaneous': *for '0.6' read '0.46'.*

Page 22, para 60, line 5: *for '2:46' read '2.46'; and*

para 63, Table, column 3, Heading: *for 'tr ps' read
'trips'; and*

column 4, against 1955-56: *for '8,11,339'
read '81,339'.*

Page 23, para 65, line 2: *insert 'to the' between 'fleet' and 'target'.*

Page 26, para 75(i), line 4: *for 'Operationed' read 'Operational';*

para 76, line 1: *for 'Services' read 'Service'; and*

for 'vehicle' read 'vehicles'.

P.T.O.

Page 30, para 86, line 4: after 'details of' insert '7'.

Page 31, para 89, line 5: *for* 'amated' *read* 'amazed'; and
para 92, line 7: *for* 'Committee' *read* 'sub-Committee'.

Page 32, para 1, line 19: *for* 'Committee' *read* 'sub-Committee'.

Page 49, Headline: *Delete* 'to the note on item No. 2'.

Page 50, Table, last column: *for* 'No. perm' *read* 'No. of permits'.

Page 53, Item 2, column 2: *for* '0-' *read* 'of'.

Page 56, Item 6(iii), column 4, line 4: *for* 'vehicle' *read*
'vehicles'.

Page 59, Item 15, column 4, line 1: *for* 'recommndat ons'
read 'recommendations'.

R.P.257-3.9.561350.

CONTENTS

	PAGES
Composition of the Public Accounts Committee (1955—56)	i
I. Introduction	ii-iii
II. Report of the Sub-Committee of the Public Accounts Committee on the Delhi Road Transport Authority (Bus Section)	1—33

Appendices

I. Statistical Statement showing (a) the number of buses daily run on different routes ; the different routes ; the number of buses run on each route ; the earnings, mileage the average income per bus-mile and the percentage of traffic earnings of each route to the total earnings per month [information given for the three months ending 31st March 1956] and (b) the number of routes which are considered as 'unremunerative' and steps proposed to be taken to make them remunerative	37—52
II. Summary of main conclusions/recommendations contained in the Twentieth Report of the Public Accounts Committee	53—63

Composition of The Public Accounts Committee, 1955-56

Shri V. B. Gandhi—*Chairman.*

MEMBERS

2. Shri U. Srinivasa Malliah
3. Shri Kamal Kumar Basu
4. Shri Ramananda Das
5. Shri Awadheshwar Prasad Sinha
6. Shrimati Ammu Swaminadhan
7. Shri S. V. Ramaswamy
8. Shri K. G. Deshmukh
9. Shri Balwant Sinha Mehta
10. Shri C. D. Pande,
11. Shri Diwan Chand Sharma
12. Shri Y. Gadilingana Gowd
13. Shri Uma Charan Patnaik
14. Shri V. Boovaraghasamy
15. Dr. Indubhai B. Amin
16. Shrimati Violet Alva
17. Diwan Chaman Lall
18. Shri Ram Prasad Tamta
19. Shri P. S. Rajagopal Naidu
20. Shri Mohammad Valliulla
21. Shri V. K. Dhage
22. Shri B. C. Ghose.

SECRETARIAT

Shri S. L. Shakhder—*Joint Secretary.*

Shri V. Subramanian—*Deputy Secretary.*

I

INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee to submit the Report on their behalf, present this Twentieth Report on the 'DELHI ROAD TRANSPORT AUTHORITY (BUS SECTION),.

2. The Public Accounts Committee at their sitting held on the 18th December, 1955, decided to appoint a sub-Committee to examine further:

- (i) the various irregularities disclosed in the Audit Reports on the Accounts of the Delhi Road Transport Authority for the years 1950-51 to 1953-54; and
- (ii) the Agreement dated the 23rd April, 1948 between the Government of India and the G.N.I.T. Co., Ltd., relating to the taking over by the Government of the Road Transport business operated by the Company in Delhi.

The Report of the sub-Committee which is appended was considered and approved by the Public Accounts Committee at their sitting held on the 28th June, 1956 and should be treated as the Report of the Public Accounts Committee.

3. The Committee, in drawing attention to Chapter I of the Report of the sub-Committee, observe that certain clauses in the Agreement entered into by the Government of India with the Gwalior and Northern India Transport Company Ltd., on the 23rd April, 1948 to acquire its business, were weighted against Government. According to the White Paper laid before both the Houses of Central Legislature on the 20th January, 1946, in the matter of evaluation of vehicles and other assets of a Company taken over by Government, the decision whether the vehicles were worth taking over rested with the purchaser viz., Government. Under the U.K. Transport Act (1947), if it is established that the physical condition of a vehicle on the date of transfer is materially better or worse than the normal physical condition at that date of a vehicle of the same type and age, a sum fairly representing the difference will be added to or subtracted from the depreciated value of the vehicle. The agreement concluded with the G.N.I.T. did not contain any provision vesting the right in the purchaser to decide whether a vehicle was worth taking over or not, as laid down in the White Paper. Further, a limit of Rs. 500 was imposed on the amount to be deducted from the depreciated value of a vehicle, taking into account the physical condition of the vehicle (No such limit has been set in the U.K. Act). These two vital deviations circumscribing the right of Government culminated in the Government having had to take over vehicles some of which were not road-worthy and some others at higher prices than their physical condition warranted. Further, the Board of Valuers set about their

(iii)

task in a rather perfunctory manner deviating from the provisions of the Agreement to the prejudice of Government as commented upon in Chapter I of the Report.

The Committee, therefore, desire that Government should investigate the matter further and take appropriate action.

4. The evidence tendered before the Sub-Committee during the course of examination of the Audit Reports etc. referred to in Para. 2 above is being published in the form of Volume II of this Report.

5. A statement showing the summary of the main recommendations/conclusions made in this Report is given at the end (Appendix II).

V. B. GANDHI,

Chairman, Public Accounts Committee.

SIMLA;

The 28th June, 1956.

II

PUBLIC ACCOUNTS COMMITTEE
Report of The Sub-Committee on The Delhi Road Transport
Authority
(Bus Section)

CONTENTS

	PAGES
INTRODUCTION	1-2
CHAPTER I. Agreement between Government and the G.N.I.T. Co., Ltd., for acquisition of Road Transport Business in Delhi	3-10
CHAPTER II. Constitution of the Delhi Road Transport Authority	11-13
CHAPTER III. Finance	14-15
CHAPTER IV. Repairs and Maintenance	16-19
CHAPTER V. Working of the Delhi Road Transport Authority (Bus Section)	20-28
CHAPTER VI. Stores	29-32
CHAPTER VII. Conclusion	33

INTRODUCTION

I, the Chairman of the sub-Committee of the Public Accounts Committee, having been authorised by the sub-Committee to present this Report on their behalf, present this Report on the 'Delhi Road Transport Authority (Bus Section)'.

2. At their sitting held on the 18th December, 1955, the Public Accounts Committee decided to appoint a sub-Committee to examine further:

- (i) the various irregularities disclosed in the Audit Reports on the Accounts of the Delhi Road Transport Authority for the years 1950-51 to 1953-54; and
- (ii) execution of the agreement dated the 23rd April, 1948 between the Government of India and the G.N.I.T. Co., Ltd., relating to the taking over by the Government of the road transport business operated by that Company in Delhi.

The sub-Committee consisted of the following Members:

Shri S. V. Ramaswamy—*Chairman*.
Shri K. K. Basu
Shri P. S. Rajagopal Naidu } *Members*.
Diwan Chaman Lall

The sub-Committee were to function in pursuance of the provisions of sub-rule (8) of Rule 242 of the Rules of Procedure and Conduct of Business in the House of the People.

3. The sub-Committee held 3 continuous sittings on the 29th, 30th and 31st March, 1956. These were preceded by two informal sittings held on the 24th February and 28th March, 1956 when they discussed the line of examination to be made by them in this case.

4. At their sittings held during March, 1956, the sub-Committee examined the representatives of the Ministry of Transport, Ministry of Finance, Delhi Road Transport Authority and Shri S. V. Ayyar, Chief Cost Accounts Officer, Ministry of Finance, Government of India, New Delhi, who was also a Member of the Board of Valuers appointed by the Government of India to assess the amount of compensation payable on the basis of the provisions contained in paragraph (d) of Clause 11 of the Agreement dated the 23rd April, 1948 between the G.N.I.T. Co., Ltd. and the Government of India.

As a result of the discussions which the sub-Committee had at their above sittings, they prepared a comprehensive questionnaire consisting of about 30 points on which they desired to be furnished with further information. This questionnaire was forwarded to the Ministry of Transport on the 11th April, 1956, and they were asked to furnish information in respect thereof by the 28th April, 1956. But in view of the magnitude of the task, the Ministry asked for

an extension of time upto the 14th May, 1956 which was agreed to. But the notes etc. could not be received till the middle of June, 1956.

5. The sub-Committee regret to observe that they were confronted with a large mass of material running into about 150 pages just a week before they were scheduled to meet to draw up their Report, although the date for the receipt of the material was the 14th of May, 1956. The sub-Committee could not, therefore, consider the material in so great a detail as they would have liked. They have, therefore, confined themselves to the more important topics arising from the Audit Reports under examination. They trust that the remarks in the Audit Reports on other points not covered by the sub-Committee will receive due attention.

6. The conclusions arrived at by the sub-Committee as a result of their examination of the above matters have been set forth in the succeeding Chapters in this Report.

7. The sub-Committee place on record their appreciation of the assistance given to them in the course of their examination by the Officers of the Indian Audit Department.

I

AGREEMENT BETWEEN GOVERNMENT AND THE G.N.I.T. Co. FOR ACQUISITION OF ROAD TRANSPORT BUSINESS IN DELHI.

1. Bus Transport in the City of Delhi, New Delhi and the suburban areas was provided by the Gwalior and Northern India Transport Company Ltd. Since the passenger transport facilities provided by this Company had become a subject matter of severe criticism by the Press, Legislature and the general public and there were insistent demands for an improvement in the services and for the adoption of a policy to reduce the scope of private monopolies in this field as far as possible, Government decided to take over the business of the G.N.I.T. Co. To implement this decision, the Government of India entered into an agreement with the G.N.I.T. Co. on the 23rd April, 1948 to acquire its business.

2. The Company signified its willingness to transfer the business to Government provided the assets were taken over either at original cost or present replacement value and compensation was paid for loss of future profits.

3. While formulating the proposal to take over the business, the Ministry of Transport in the Memorandum to the Standing Finance Committee (now defunct) set out the considerations on which the value of the assets of the Company was proposed to be made as follows:—

“In regard to the valuation of assets on the basis of their original cost or present replacement value from manufacturers, the claim of the Company is unreasonable. The U.K. Transport Act (which the G.N.I.T. Co. have cited in support of its claims for compensation) bases the valuation of vehicles on replacement cost reduced for depreciation by 20 per cent. per year on the declining values from the date the vehicles were registered. Since road conditions and maintenance facilities in India are not as good as in England, it would seem reasonable to adopt a depreciation rate of 25 per cent. on declining values.”

4. Clause 11(a) of the Agreement dated the 23rd April, 1948 between the G.N.I.T. Co. Ltd. and the Government of India, relating to the valuation of the vehicles stipulated that—

- (i) In respect of any vehicle vesting in and to be transferred to the Vendee by virtue of this agreement, the value will be the cost, as at the date of transfer, of replacing the vehicle by a new vehicle of a similar type, adjusted, however, by deducting, where one or more complete years have elapsed between the date when the vehicle was first registered under the Motor Vehicles Act, 1939,

and the date of transfer, one fourth of the said cost in the first year and in respect of each subsequent year one fourth of the said cost as reduced by the total deduction falling to be made in respect of the previous years i.e., the reduction will be $\frac{1}{4}$ th of the declining cost each year.

- (ii) If it is established that the physical condition of the vehicle is materially better or worse at the date of transfer than the normal physical condition at that date of a vehicle of the same type and age, its value will be arrived at by adding to or deduction from the sum ascertained under paragraph (i) of this clause, such amount, not exceeding Rs. 500 as fairly represents the difference.

Appointment of Board of Valuers

5. In pursuance of clause 9 of the Agreement, the Government of India nominated the following persons as Members of the Board of Valuers:

- (1) Shri S. V. Ayyar, Cost Accountant (now Chief Cost Accounts Officer), Ministry of Finance, Government of India, New Delhi.
- (2) Shri B. K. Lall, (then of General Motors Ltd.—now General Manager, D.T.S.).
- (3) Shri H. A. Arshacony (then of General Motors Ltd.).

The Valuers No. (2) and (3) were to act in their individual capacity and not as representatives of their respective Companies and they agreed not to charge any fees.

6. In their letter addressed to the Ministry of Transport forwarding their Report, the Board of Valuers assessed the value of the 210 vehicles taken over from the G.N.I.T. Co. as Rs. 20,42,943, although the amount actually paid to the G.N.I.T. Co. on this account was Rs. 20,53,179. The difference of Rs. 10,236 has been explained as below:—

- (i) Non-inclusion in the above figure of the value of 1 mobile truck un-registered, which was not assessed by the Valuers but for which they recommended a payment of Rs. 15,000 to the G.N.I.T. Co., Ltd.
- (ii) Deduction of a sum of Rs. 1,200 from the price of the vehicles as assessed by the Valuers to meet the cost of repairs to certain vehicles;
- (iii) Reduction of the value assessed by the Board of Valuers by Rs. 3,564 on account of the value of one vehicle which caught fire before Government took it over.

Out of a total number of 211 vehicles, 210 vehicles were taken over by Government consisting of 20 staff vehicles and trucks and 190 buses. Out of these 190 buses, one was converted into a truck and 82 were off the road within one year and another 31 within the next year; 176 have been sold during the period from July, 1950 to January, 1954. These 176 vehicles also included 22 six-wheelers which were disposed of in January, 1952.

In terms of clause 11(a) of the Agreement entered into between the Company and Government, the vehicles transferred to Government were valued on the basis of the cost of replacing a vehicle by a new one of a similar type on the date of transfer reduced by an amount equivalent to the depreciation for each *completed* year or years elapsing between the date of registration of the vehicles and the date of transfer. Thus, in terms of these provisions, no depreciation was taken into account for the period which happened to fall short of a complete year. Out of the 210 vehicles taken over from the G.N.I.T. Co., 62 vehicles were registered within a period of less than one year prior to the date of taking over. The amount thus not taken into account has been worked out to be more than Rs. 2 lakhs by Audit.

8. The sub-Committee were given to understand that this formula was adopted on the lines of a similar provision in the United Kingdom Transport Act, 1947. In reply to a question why the provisions in the U.K. Act in this regard had been adopted in preference to the formula followed by the Madras Government in nationalising motor transport in that State, *viz.*, payment of compensation on the basis of original cost less depreciation, the sub-Committee could not get a convincing answer. They find it difficult to see any apparent justification for such a weightage inasmuch as motor vehicles do get depreciated in value when once they were put on the road even for days, not to speak of months, the more so in the case of public utility vehicles. Even the provisions of the U.K. Act, the sub-Committee observe, had not been followed in their entirety in this case, as would be seen from the succeeding paragraph.

9. As for Clause 11(a) (ii) of the Agreement referred to in Para 4 above, the sub-Committee were informed that this clause also followed the provision in the United Kingdom Transport Act, 1947, and the limit of Rs. 500 per vehicle on either side was introduced in the Agreement as it was deemed to be more favourable to Government. The sub-Committee observe that the United Kingdom Transport Act, 1947 did not impose any limit in this regard. As the amount was to be determined with reference to the condition of the vehicle, obviously each case had to be decided on its merits. In the opinion of the sub-Committee, by including these two Clauses in the Agreement, Government unduly fettered both their right and discretion in this deal. The result was that deductions upto only Rs. 500 could be made even in respect of some of the vehicles which according to the Valuers were not roadworthy. This was a vital deviation from the U.K. Act and in the sub-Committee's opinion, favoured the vendor. The sub-Committee are, therefore, amazed at the plea that this provision was deemed to be more favourable to Government.

Six-wheelers

10. As already mentioned above, there were 22 six-wheelers among the Vehicles taken over from the Company. In Paragraph (4) of Section (1) of para 2 of their Report, the Valuers stated that these six-wheelers were not suitable for efficient road transport and as such they would not ordinarily recommend the purchase of those vehicles for Road Transport Undertakings. They, however, added

that according to the terms of the agreement all the vehicles should be taken over by the Government. On that basis, they had recommended as follows:—

“14 of these vehicles were purchased second hand and reconditioned. We would recommend that they should be valued at their cost to the G.N.I.T. less the usual depreciation and the adjustments which we have recommended in this report. The balance of eight vehicles were new when purchased and we have assessed a lump sum replacement value of Rs. 10,000 each for these”.

11. In his evidence, the Chief Cost Accounts Officer, Ministry of Finance, who was also a Member of the Board of Valuers, reiterated the view that according to the Valuers, the Government had no option to exclude any of the assets existing in the books of the G.N.I.T. Co. on 1st May, 1948, and added that even if there was a stock of scrap, it was to be taken over by Government under that clause at the scrap value. In reply to a question about the road-worthiness of these vehicles, the Chief Cost Accounts Officer stated that the condition of the vehicles was assessed by the other two technical experts on the Board of Valuers. He also read out a note from his own Manuscript Register to the following effect:

“Six-wheelers—not advised to be taken by Technical Experts. Do not recommend taking these as it will be asking for trouble”.

12. The sub-Committee are surprised to note that despite this assessment, the Board of Valuers thought it fit to recommend the purchase of these vehicles and that too at so high a price as Rs. 1,67,621. In reply to a question as to how the Valuers arrived at the above figures in respect of these vehicles when their replacement value was not known, the Chief Cost Accounts Officer informed them that the original purchase price of Rs. 10,000 per vehicle had been taken as the basis by the Valuers.

13. The sub-Committee understand that 14 of these vehicles were purchased second-hand by the G.N.I.T. from the B.E.S.T., Bombay and were of 1942 model; the remaining 8 were of 1945 model. All these vehicles were registered on varying dates from May, 1947 to January 1948. The formula adopted by the Valuers in assessing the value of these vehicles was:

(i) In respect of the 14 second-hand vehicles:—

The cost of each vehicle to the G.N.I.T. reduced by Rs. 500.

(ii) In respect of the remaining 8 vehicles:—

A lump sum replacement value of Rs. 10,000 for each vehicle diminished by Rs. 500.

Thus, in assessing the value of the above vehicles, the Valuers deviated from the provisions of the Agreement in two important respects. First, the actual cost to the G.N.I.T. (the book value) had been taken (and not the replacement value) as the basis for purposes of valuation in respect of the 14 second-hand vehicles. Secondly, depreciation at 25% on the diminishing value had not been deducted in respect of completed years of service since the

date of registration of these vehicles. Instead, a deduction of only Rs. 500 for each vehicle in terms of clause 11(a) (2) of the Agreement had been made.

14. In the Sub-Committee's opinion there was no justification for not adopting in this case the formula prescribed in clause 11(a) (1) of the agreement *viz.*, replacement value *less* depreciation at 25 per cent. on the diminishing value in respect of *completed* years since the date of registration. Had this formula been applied taking Rs. 10,000 as replacement value, each of these 14 vehicles would have cost approximately Rs. 4,220 and the total value payable would have been Rs. 59,060 as against Rs. 91,620 actually paid in respect of these vehicles.

15. In evidence, it was admitted by the Chief Cost Accounts Officer that he was fully aware of the terms of the agreement. In reply to a pointed question why the Valuers deviated from the agreement and suggested a new formula *viz.*, "that these vehicles (14) should be valued at their cost to the G.N.I.T. *less the usual depreciation*" knowing full well that as the vehicles were registered within one year of the date of taking over, no depreciation could have been charged on the value of the vehicles in accordance with the terms of the agreement, the Chief Cost Accounts Officer could only say that it did not occur to the Valuers. The sub-Committee, therefore, feel that the responsibility for the over-valuation of these vehicles and consequent loss to Government as a result of the deviation from the provisions of the agreement should rest on the Chief Cost Accounts Officer.

The sub-Committee then desired to know why the Valuers did not seek the guidance of Government before suggesting the new formula in respect of these vehicles. The Chief Cost Accounts Officer could not give any convincing reply beyond reiterating that the valuers thought that all the assets were to be taken over which was hardly relevant to the point.

16. The sub-Committee consider that Government in the Ministry of Transport were not blameless in this matter. In extenuation, it was urged by the representative of the Ministry that as the Valuers' Report was binding on both the parties and was to be accepted without question, Government did not examine these points on receipt of the Valuers' Report. The sub-Committee are rather amazed at this statement especially when the Valuers of their own accord had gone beyond the framework of the agreement in valuing these second-hand vehicles and had drawn Government's attention to this departure in para (4) of Section (II) of part (2) of their Report. The sub-Committee consider that Government's acceptance of the Valuers' Report summarily without appreciating the financial implications of the quick decision was unwarranted and most unfortunate.

17. Another startling feature in this case was that no record of the technical examination of the vehicles conducted by the two technical members of the Board of Valuers had been maintained at all. In extenuation, it was urged that at that time, the technical experts had not thought it necessary to keep notes about each of these vehicles. The sub-Committee learnt that the two experts, one

of whom has since been appointed as the General Manager of this undertaking, worked in an honorary capacity and inspected the vehicles in the evenings from 6 P.M. to 11-30 P.M. (about 15 minutes for each vehicle) and the inspection lasted for about two weeks. There was no joint inspection by the two experts either. When one of them examined a vehicle and reported on its condition, the other took the report as correct without himself inspecting the vehicle. The sub-Committee are distressed at the perfunctory manner in which the technical experts had set out on this work involving the Public Exchequer to the tune of over Rs. 20 lakhs. In the absence of any such records, no scrutiny of the recommendation of the Valuers could be made by Government. It is surprising to the Sub-Committee why Government did not insist on the maintenance of such records. The sub-Committee regret to observe that the approach to this case at all levels had been unsatisfactory. Judging from the rather perfunctory manner in which the honorary experts had carried out their work, the sub-Committee feel that in such cases of valuation of assets to be acquired by Government, the appointment of persons in honorary capacity should be discouraged.

Disposal of two lots of unserviceable vehicles (55 plus 58).

18. The inevitable effect of all the defects and lapses pointed above was that out of the Fleet of 180 vehicles taken over from the G.N.I.T. Company in May, 1948, two lots of 55 and 58, unserviceable and worn out vehicles had to be auctioned in July, 1950 and January, 1952 respectively. The first lot of 55 vehicles for which the Company was paid about Rs. 3,05,587 was condemned as these buses had been in service for more than 4 years since the date of their original registration and were physically and mechanically unfit for service in 1949-50. The auction of this lot of vehicle was arranged through the Regional Commissioner (Disposals), Kanpur and the net sale proceeds realised were Rs. 36,803-10; i.e., about 10% of the value paid to the G.N.I.T. Company before a year or so.

19. The other lot of 58 vehicles taken over from the Company in May, 1948 remained in service for various periods upto 31st March, 1950 and covered in all 10,40,008 miles. In other words, these 58 vehicles should have been off the road within a period of 6 months or so, assuming that each vehicle did 100—120 miles per day. These buses had to be scrapped thereafter, as they had become unserviceable and were considered to be beyond economic repairs. The sub-Committee learnt with dismay that during this period, a sum of Rs. 67,600 approximately was spent on their repairs. This amount includes cost of spares and labour as well as payments made to outside parties. It will be pertinent to point out here that the Valuers had not made any comment about the condition of any of these vehicles.

The decision to sell these vehicles by public auction was taken by the Delhi Road Transport Authority. The Central Government's sanction required under section 20(2) (b) of the Delhi Road Transport Authority Act, 1950 had also been obtained.

20. In evidence, the Chief Cost Accounts Officer informed the sub-Committee that in his opinion bad maintenance might have been

the reason for the vehicles becoming unserviceable. The sub-Committee are unable to accept this plea.

Explaining the circumstances leading to the condemnation of the above vehicles, the Ministry of Transport have observed in a written note that on the advice of the Ministry, a representative of the Ford Motor Company of India Ltd. was requested to examine the condition of these vehicles with a view to ascertaining their fitness, or otherwise, for further service. The Company's technical representative inspected the vehicles and suggested that since the buses had been cannibalised and neglected to such an extent, it would be uneconomical to repair them for further service.

21. The sub-Committee were informed that the auction was conducted in the second case by Messrs. Shambu Nath Mool Raj and Sons, a local firm of Government auctioneers and the amount realised was Rs. 43,760-14-3 (net) against the original value of Rs. 5,33,754.

22. The sub-Committee desired to know whether wide publicity was given before the auction took place. In reply, they were informed that wide publicity was given by the Auctioneers by the insertion of advertisement in newspapers and by extensive distribution of printed handbills by hand to prospective clients in Delhi and by post to Motor dealers all over the country. No reserve prices were, however, fixed by the Delhi Road Transport Authority, although the Finance Ministry had directed that reserve prices should be fixed in this case. The sub-Committee understand that the above instructions were not communicated by the Ministry of Transport to the Delhi Road Transport Authority while conveying sanction to the auction. It was added that the vehicles were dismantled and made into separate attractive lots consisting of chassis, bodies and spare parts with a view to getting the best possible prices. No record about the different bids offered for these stores at the time of auction was kept and it was reported that it was not customary to maintain such records.

23. The sub-Committee are, however, informed by the Ministry of Finance that the statement made by the Delhi Transport Service that it is not customary to keep record of all the bids made verbally by prospective buyers at public auction is not correct. The sub-Committee agree with the Ministry of Finance that it is in consonance with the established commercial principles that record of all the bids in an auction should invariably be kept. The sub-Committee desire that the Ministry of Finance should issue necessary instructions in this behalf to all the Ministries concerned for future guidance.

24. The Comptroller and Auditor General informed the sub-Committee that in the case of the auction conducted by Shambu Nath Mul Raj and Company, the decision to appoint that Company as the auctioneers for the disposal of 58 buses was taken only on the 8th January, 1952. The actual date of auction was 13th January, 1952 and as such there was hardly any time for wide publicity.

The sub-Committee also learnt that no proper records were maintained in respect of the serviceable items stated to have been removed from some of the vehicles before disposal. The sub-Committee consider this omission serious, as in the absence of any such

record, acts of pilferage and theft could be committed with impunity. The sub-Committee would, therefore, like to observe that it is essential that when a vehicle is cannibalised, its serviceable and unserviceable parts should be segregated and listed in the presence of both the Technical and Accounts Officers concerned, properly authenticated and taken to the stock account. The sub-Committee desire that the Ministry of Transport should ask the Delhi Transport Service to explain why this procedure was not followed in this case before these vehicles were disposed of.

Conclusion.

25. The foregoing paragraphs go to show that the interest of the Public Exchequer had been seriously neglected at every stage in this case. About 43% of the vehicles were out of commission within one year of the transfer and another 15% by the following year.

It was the cumulative result of a series of serious lapses and inexcusable negligence from which the Officers concerned including the Chief Cost Accounts Officer and the representatives of the Ministry of Transport cannot be divested of responsibility. The most important of these irregularities were:—

- (i) certain clauses in the Agreement weighted against the Government;
- (ii) deviations from the clauses in the Agreement to the prejudice of Government;
- (iii) the perfunctory manner in which the Board of Valuers set about their work; and
- (iv) the failure on the part of the Ministry of Transport to examine the recommendations of the Valuers especially those which were beyond the scope of the Agreement.

The sub-Committee consider that this case requires a thorough investigation and adequate action.

II

CONSTITUTION OF THE DELHI ROAD TRANSPORT AUTHORITY

26. At the time of taking over the G.N.I.T. Co. Ltd. with effect from the 14th May, 1948, the Central Government had decided that the departmental operation of the bus services would be purely temporary and some alternative scheme would be worked out, as early as possible, for the running of the services on a permanent basis. A scheme was worked out by the Central Government which was approved by Parliament in the form of the D.R.T.A. Act, 1950 (No. XIII of 1950) and this brought into being the Delhi Road Transport Authority with effect from 1-4-50.

Object or duty of the Delhi Road Transport Authority

27. The duty of the Authority, as laid down in the D.R.T.A. Act, is progressively to provide, or secure or promote the provision of an efficient, adequate, economical and properly co-ordinated system of road transport services for passengers and goods in the State of Delhi. The Authority is also competent to extend, with the prior consent of the Central Government and other State Governments concerned, the operation of any of its road transport services to any route or area situated within any other States.

Composition of the D.R.T.A.

28. The Authority consists of 7 members—4 officials and 3 non-officials. The official members are the Chief Commissioner of Delhi (or any official nominated by him) and 3 representatives of the Central Government (including one of the Ministry of Finance). The non-official members consist of one representative of the Delhi Municipal Committee, one representative of the Delhi District Board and one person having experience in transport, industrial, commercial or financial matters, nominated by the Central Government. One of the members of the Authority is appointed as Chairman by the Central Government. The Chief Commissioner, Delhi is the Chairman of the Authority since its inception in 1950.

Functions and duties of the General Manager

29. Under Section 16 of the D.R.T.A. Act, 1950, the General Manager is the Chief Executive Officer of the Authority and all other Officers and servants of the Authority are subordinate to him. He also acts as the *ex-officio* Secretary of the Authority and has the right of being present at any meeting of the Authority and of taking part in the discussions thereat.

D.R.T.A. Advisory Council

30. Section 13 of the D.R.T.A. Act, 1950 provides for the constitution of an Advisory Council for the D.R.T.A. consisting of not more than 15 members. The functions of the Council are to advise the

Authority on matters relating to routes, frequency of service, time tables, rates of fares, amenities for passengers etc.

The Advisory Council was constituted for the first time on the 5th March, 1952 and it has so far held 16 meetings.

Under the D.R.T.A. (Advisory Council) Rules, 1951 framed by the Central Government, the Council was required to meet at least once in a month. But on the recommendation of the Enquiry Committee which was appointed by the Delhi Road Transport Authority in July, 1952, these rules were amended by the Central Government on the 31st March, 1953 providing that the Council shall meet at least once in three months.

Wholetime Chairman for the Authority

31. The sub-Committee learnt that in view of the deteriorating trend in the working of the Delhi Transport Service resulting in losses during the years 1950-51 and 1951-52, the D.R.T.A. appointed in July '52 a Committee headed by the Chief Commissioner, Delhi to enquire into the working of the services and to suggest measures for improvement. The sub-Committee regret to observe that within a couple of years of its working it should have been necessary to appoint an Enquiry Committee to examine its shortcomings. They would like to point out that the D.R.T.A. has had laid upon it by Parliament certain obligations. First, the responsibility for the supervision of an undertaking set up on a monopolistic basis and secondly, public accountability. Now, a monopoly, whether in public or private lacks the classical spur to efficiency. Without the benchmarks that are available in a competitive industry, the problem of assessing the efficiency of a monopolistic enterprise becomes difficult and as such proper direction and supervision assume paramount importance.

32. In the opinion of the sub-Committee, a mixed Board of part-time Members and a Chairman, who has multifarious executive responsibilities to discharge is not well suited for discharging this responsibility adequately. The sub-Committee regret to observe that the representative of the Ministry of Transport on the D.R.T.A. failed to discharge his duties and was grossly negligent as it transpired from the evidence tendered by him. Great care should, therefore, be exercised in the matter of selection of the representative of that Ministry. What is necessary is a body of members whose judgment and knowledge would command respect and who would keep the Organisation on its toes by constant supervision and control. The sub-Committee are, therefore, of the opinion that the present part-time Chairman should be replaced by a whole-time incumbent. In this connection, the sub-Committee would also suggest that a detailed pattern of the administration of the D.R.T.A. in the context of the whole-time Chairman at its head should be worked out by the Ministry of Transport.

Working of the D.R.T.A. Advisory Council

33. The sub-Committee would also stress the importance of associating enlightened public opinion in the efficient working of the Delhi Transport Service. In this connection the sub-Committee

would suggest that a representative of the travelling public may be appointed on the Advisory Council.

The sub-Committee also observe that the Advisory Council is just formal in character and it has not contributed much in the matter of provision of better services to the travelling public. It is necessary that the Members of the Advisory Council should be made to feel that they have an important role as they form the connecting link with the public and can bring to bear the view-point of the public at their meetings. The sub-Committee would, therefore, suggest that a half-yearly Conference of the D.R.T.A. and the Advisory Council should be called by the Chairman of the D.R.T.A. as such contacts might go a long way in improving the working of the Organisation. The sub-Committee also feel that the meetings of the Advisory Council should be more frequent than at present.

III FINANCE

34. As stated in the preceding Chapter, the bus services in Delhi originally provided by the G.N.I.T. Co., were taken over by Government on 14th May, 1948, operated departmentally until 31st March, 1950 and transferred to the Delhi Road Transport Authority on the 1st April, 1950.

Capital

35. The capital of the D.R.T.A. consists of the initial capital provided by Government in the shape of assets transferred to the Authority on 1-4-50 and loans advanced by Government to the Authority subsequently.

Initial capital at-charge

36. The assets transferred by Government on 1-4-50 consisted mainly of motor vehicles, plant and machinery etc. They did not include any land or buildings. The Depots, Central Workshop and administrative offices were all located in rented buildings. The value of the assets taken over amounted to Rs. 42.90 lakhs. Simultaneously, the liabilities amounting to Rs. 10.82 lakhs were also transferred by Government. Thus the net value of the assets taken over from Government aggregated to Rs. 32.08 lakhs.

37. Under sub-section (1) of Section 31 of the D.R.T.A. Act, 1950, all non-recurring expenditure incurred by Government for and in connection with the Delhi Transport Service upto the date of establishment of the Authority and declared to be capital expenditure by Government is to be treated as the capital provided by Government to the Authority.

Government provisionally fixed the initial capital at Rs. 41.5 lakhs representing the book value of assets transferred to the Authority on 1-4-50, as exhibited in the Balance Sheet of the Delhi Transport Service for the year 1949-50 when it was run departmentally by the Ministry of Transport. Actually, however, the Authority exhibited in its Balance sheet for 1950-51 that the capital at charge on 1-4-50 was only Rs. 32.08 lakhs. This represented the book value of the assets taken over by the Authority less undischarged liabilities as on 31-3-50. In the Balance Sheet for the year 1950-51, the Government capital was further written down to Rs. 28.17 lakhs. This figure was reported to have been arrived at after making certain adjustments in the capital for the year 1949-50. One of these, was a deduction of Rs 4.08 lakhs representing the written down value of 58 old Ford Vehicles which had to be condemned shortly after they were taken over and were sold for Rs. 43760/14/3 (net) in 1952. Audit, however, pointed out in this connection that according to the provisions contained in Section 32 of the D.R.T.A. Act, 1950, these formed

part of the assets transferred to the Authority on 1-4-50 and consequently the capital-at-charge could not be reduced in the above manner as a result of any loss incurred on their subsequent disposal.

38. It was contended before the sub-Committee that the capital-at-charge in respect of the vehicles taken over was pitched rather too high regardless of the physical condition of the vehicles. Further, certain unliquiated liabilities to the tune of Rs. 10.82 lakhs when the Organisation was under Departmental management by Government was also transferred to the Delhi Road Transport Authority without the transfer of corresponding resources for the purpose. The result was that the financial structure of the Organisation presented a distorted picture.

Continuing, the representative of the Delhi Road Transport Authority stated that in November, 1951, the Secretary, Delhi Road Transport Authority represented to Government that the initial capital should not be related to the value of the assets transferred but should be fixed with reference to the amount of capital at charge in the balance sheet adopted by them namely, Rs. 28.17 lakhs after setting off the sum of Rs. 10.82 lakhs mentioned above. He also suggested that a further deduction of about Rs. 8 lakhs was also necessary on account of past liabilities taken over by the Authority, which had since come to light and to meet which the Authority had not been given any resources. In the Audit comments on the Annual Accounts of the Delhi Road Transport Authority for the year 1950-51, the need for early declaration of the initial capital of the Authority was stressed. Audit shared the view that the capital-at-charge might, as suggested by the Delhi Road Transport Authority, be reduced if there had been over-capitalisation. It was, however, added by Audit, that an amendment of the Delhi Road, Transport Authority Act was necessary before writing down the capital.

39. The matter was discussed between the representative of the Ministries of Transport and Law and Audit to determine the quantum of relief. The Ministry of Finance whose concurrence was sought in June, 1953 to the proposed reduction of initial capital accepted the view taken by the Ministry of Transport that Government might accept the liabilities only to the extent of the profits earned during the period of departmental operation, namely, Rs. 13.26 lakhs and that the initial capital should thus be fixed at Rs. 29.63 lakhs. The sub-Committee were informed that the Comptroller and Auditor General had also agreed that the Delhi Road Transport Authority's claim might be accepted if the Government were satisfied as to the correctness of the facts. The sub-Committee, however, regret to observe that although a period of more than 5 years has elapsed, final decision on this important question of fixation of Capital of the Delhi Transport Service which has a vital bearing on its financial working, has not yet been taken. The sub-Committee, therefore, desire that steps should be taken without further delay to frame the necessary legislation enabling the Government to accept the basis of calculation of Government capital as proposed by the Delhi Road Transport Authority.

IV

REPAIRS AND MAINTENANCE

40. The biggest handicap of the Delhi Road Transport Authority (Bus Section) had been the lack of adequate maintenance facilities. The G.N.I.T. Co. which was operating the bus services in Delhi under permits issued by the State Transport Authority, Delhi for limited periods did not have either any proper buildings for garaging the buses or any well-equipped workshops which could attend to the maintenance and repairs of buses. The Depots had small workshops attached to them, whose main function was to attend to day-to-day repair work only.

41. This difficulty in the proper maintenance of the fleet is, however stated to have been overcome by the construction of a new building for Central Workshop on Coronation Road, Delhi. The construction work has been planned in two phases. Only the first phase has been completed so far.

42. The sub-Committee happened to visit the Central workshop on the 29th March, 1956 for an on-the-spot study of its working. On that day, the number of vehicles stabled there for repairs was 87, some of them for minor jobs. Going through the Register of minor repairs, the sub-Committee noticed that it took as much as six to eight months in certain cases to carry out these repairs. The sub-Committee were amazed to find that it should have taken months to set right minor defects in a bus and put it back on the road. As for buses awaiting major repairs, the main argument advanced by the General Manager was paucity of mechanical staff conversant with the working of diesel buses. Explaining the reasons for the shortage of technical staff, the General Manager pleaded he could not proceed with the appointment of extra staff as it was beyond his financial powers.

43. The sub-Committee were very much perturbed to note that as many as 87 buses were in sick line on that day. Quite a number of the buses had come for repairs to the Workshop months back—the earliest bus having come on the 15th November, 1954. In reply to a question as to who was responsible for the hold-up of the vehicles in the Workshop, the General Manager stated that he would take the blame for the delay. The sub-Committee would like the matter to be investigated further.

From the statistics furnished by the General Manager, the sub-Committee observe that out of a fleet of 400 buses, 278 buses only were on the road daily on an average. 65 vehicles were being kept as reserve for maintenance and as traffic spares. Thus the average number of vehicles off the road was about 60 per day of which the major portion was awaiting attention in the Workshop. The weekly

average number of scheduled trips missed on account of buses not outsheded during the period January—March 1956 was:—

	Fleet strength	Lowest	Highest
Rajghat Depot	60	19.6	41.1
Karol Bagh	80	..	7.7
Coronation Road	95	..	29.8
Vinay Nagar	108	.5	13

The vehicle utilisation percentage of the Rajghat depot was thus too low compared to the position in the other three depots.

44. The sub-Committee were informed that the delay in outsheding the vehicles was partly due to non-availability of spare parts. The sub-Committee are glad to learn that the Workshop was now in possession of all the spare parts which were needed for carrying out repairs to these buses. They, therefore, trust that an all-out effort would be made to put back the buses on the road without any further loss of time, by employing extra staff or working an extra shift, if necessary.

45. Another disturbing feature noticed by the sub-Committee during the course of their visit of the Workshop was the incomplete nature of the Workshop records. The absence of any indication in the Minor Job Register that a particular job had been completed rendered nugatory an attempt to assess at a glance as to how many of the vehicles awaiting repairs had been set right during a period of time.

46. Attention has also been drawn by Audit to this unsatisfactory state of affairs and to the delay in the execution of repair jobs. In para 6 of the Audit Report on the Accounts of the Delhi Road Transport Authority (Bus Section) for the year 1953-54, it has been pointed out by Audit that a considerable time was taken in the execution of repairs to vehicles—the period involved ranged from one month to over a year. The delay in the execution of jobs has been, in several cases, attributed to lack of prompt action either in the placing of indents for the stores required for the job or in taking speedy purchase action. No records were even available to show that a vehicle on its arrival for repairs was examined by competent technical Officers and a written indent placed for the stores required for the completion of the job then and there.

Maintenance of Job Cards

47. A suggestion has been made by Audit that an estimate of the time required and the cost involved in respect of each job together with a list of parts required should be prepared as soon as a defective vehicle is received for repairs in the Workshop as in the absence of an estimate of the time required and expenditure likely to be incurred, an efficient control over the workshop expenditure was not possible. The sub-Committee fully endorse the above suggestion. They would also observe that the system of maintenance of job cards would enable the management to check and control the disposition of the technical staff with a view to ensure the maximum output and effici-

ency in the Workshop. Another important advantage of this system would be that it would establish standards for certain operational jobs which might serve as a guide for future occasions.

Time and Motion Study

48. Arising out of a suggestion by the sub-Committee that the Delhi Transport Service might examine the desirability of introducing 'time and motion' study in the Workshop, the sub-Committee have been furnished with a note. It has been stated therein by the Delhi Transport Service that for want of adequate supervisory staff and other handicaps, such as the absence of proper machinery etc., it would not be possible to enforce the time tests fixed for various operations. The sub-Committee, however, note that necessary staff required for the Central Workshop has already been sanctioned and necessary equipment also procured. They, therefore, emphasise that steps should be taken to enforce the standards fixed for various operations without delay.

49. The sub-Committee would also like to mention in this connection that for the proper control of workshop expenditure and for a scientific costing of the various jobs undertaken, comparison between the standards fixed in respect of both labour and material for each item of work with the actual performance would enable the management to apply appropriate correctives. The institution of any detailed system of job-costing is thus contingent upon the initial fixation by suitably trained technical staff, of standards of time and of materials for the items of work to be undertaken, and for the prompt comparison of the standards thus set with the actual results obtained.

50. The sub-Committee were informed that Government proposed to obtain for a short period the services of an International Labour Organisation Productivity Expert who was at present in India and who had assisted the Bombay State Transport Corporation in training workers and officers in production methods etc. with a view to increasing the efficiency of the Delhi Transport Service. The sub-Committee are glad to note this. They would like that a report giving the recommendations made by the Expert and the action taken to implement them as also the economy in expenditure achieved or likely to be achieved as a result thereof should be submitted to the Public Accounts Committee in due course.

Introduction of Piece-work system

51. Another suggestion which the sub-Committee made during the visit was the feasibility of introducing the Piece-work system in the Central Workshop. It has been stated by the Delhi Transport Service that such a system has not been introduced by any State Road Transport Undertaking in India. As this was also a matter inter-linked with Workshop management, the sub-Committee agree with Government that it would be better to leave it to the International Labour Organisation Expert to examine.

Maintenance of Job Cards in the Depots

52. Non-maintenance of proper job-cards was not only confined to the Central Workshop but also extended to some of the Depots. In the Coronation Depot, while visiting the Servicing Section where

minor repairs etc. were carried out to the vehicles apart from periodical servicing, lubrication etc., the sub-Committee found that no job cards were being maintained for the repairs to be carried out to the vehicles and thus it was not possible to maintain an effective check on the output of labour and on the time factor. The sub-Committee noticed that sometimes it took a number of hours for even minor repairs to be carried out and the absence of any type of control rendered it impossible to eliminate waste in man-power; the vehicle also was being detained in the sick-line for a longer time than necessary resulting in the reduction in the number of buses on the road which in turn meant shrinkage of revenue.

Tyre Retreading Plant

53. The sub-Committee observe from note submitted to them, at their instance, that the details of expenditure incurred by the Delhi Transport Service on retreading and vulcanising of tyres were as follows:—

Year	No. of tyres	Amount
1953-54	40	Rs. 5,450 approximately
1954-55	172	Rs. 25,010 ,,
1955-56	916	Rs. 1,11,950 ,,

The retreading of tyres of the Delhi Transport Service is being carried out at present on an annual contract basis by two local firms.

The sub-Committee learn that while the cost of retreading of a tyre is approximately one-third of the value of a new tyre, the mileage that can be expected from a retreaded tyre is about two-third of the mileage that can be given by a new tyre.

54. The sub-Committee suggest that in view of the expansion in the fleet strength of the Delhi Transport Service contemplated during the ensuing years, expenditure on retreading of tyres might assume larger proportions in future. A Tyre-Retreading Plant of its own in the Central Workshop would, therefore, prove an economic proposition in the long run and, at the same time, ensure more efficient, expeditious and dependable service.

V

WORKING OF THE DELHI ROAD TRANSPORT AUTHORITY (BUS SECTION)

Background

55. As stated in the earlier Chapters, the Bus Service in Delhi originally provided by the G.N.I.T. Company was taken over by Government in May, 1948 and operated departmentally until 31st March, 1950, when it was decided that the Delhi Transport Service should function under the control of an autonomous statutory authority, namely, the Delhi Road Transport Authority. This Authority was established under Section 3 of the Delhi Road Transport Authority Act, 1950 and its general duty has been defined in Section 19 *ibid* as follows:

“It shall be the general duty of the Authority so to exercise its powers under this Act as progressively to provide, or secure or promote the provision of an efficient, adequate economical and properly co-ordinated system of road transport services for passengers and goods in the State of Delhi and in any extended area * * * *”

In carrying on its undertaking under this Act, “the Authority shall act as far as possible on business principles”.

Financial position

56. The following table compares the Income and Expenditure of the Delhi Transport Service for the years 1950-51 to 1953-54:—

	(In lakhs of rupees)			
	1950-51	1951-52	1952-53	1953-54
Income				
Traffic Receipts	61.64	66.31	74.70	80.79
Miscellaneous	0.6	0.66	3.35	4.10
	62.10	66.97	78.05	84.89
Expenditure				
Excluding Interest and Depreciation Charges	55.41	59.42	62.70	64.18
Interest	1.31	1.83	2.65	4.13
Depreciation	11.58	11.27	8.42	13.43
	68.30	72.52	73.77	81.74
Net				
Profit (+)	..	..	(+ ) 4.28	(+) 3.15
Loss (—)	(—) 6.20	(—) 5.55	..	..

57. In evidence before the sub-Committee, the representative of the Ministry of Transport observed that the financial position of the undertaking was showing signs of improvement and stated in support of this observation that the losses in 1950-51 and 1951-52 had got converted into small surplus in the year 1953-54. The sub-Committee could not, however, accept this as a correct reading of the situation. For, while there had been an upward trend in the traffic receipts, there had been corresponding increase in the expenditure also and but for the significant increase in miscellaneous receipts which comprised of revenue on account of advertisement, sale proceeds of obsolete stores etc., the losses would have continued still.

58. The sub-Committee feel it extremely difficult to understand why road transport service in the Capital organised on a monopoly basis should be in such straits. In their opinion, an undertaking working under such conditions should be in first-class fettle not knowing what adversity means. Nationalised Road Transport Services working in certain States are indeed yielding better profits. For example, to quote the words of the Committee appointed by the Delhi Road Transport Authority to enquire into the working of Delhi Transport Service in 1952, "the U.P. Roadways realise about Rs. 1/3/- per mile on the Lucknow Bus service and showed a net return of about 6 per cent. in 1950-51". The following figures relating to the Hyderabad Government Road Transport bear testimony to the efficiency of that Organisation. The Road Transport in Hyderabad State was nationalised in 1932 and since then there has been phenomenal improvement all round:—

	1932	1942	1952
Gross Income (In lakhs of rupees)	2.84	39.91	274.01
Total Expenditure (In lakhs of rupees)	2.48	34.52	218.44
Net Income (In lakhs of rupees)	0.36	5.32	55.57
Vehicles (No.)	33	332	901
Capital-at-charge (In lakhs of rupees)	3.93	66.23	232.53
Operating Ratio	87.36%	86.51%	79.72%
Percentage of net earnings on capital outlay	8.6	8.1	25.2

Various reasons were advanced by Government, the Delhi Road Transport Authority and the General Manager, Delhi Transport Service in extenuation. The sub-Committee deal with these reasons in the following paragraphs.

Unremunerative routes

59. From a note (Appendix I) submitted to them, the sub-Committee observe that out of the 47 routes on which Delhi Transport Service buses plied, only 17 routes can be considered as remunerative, the balance of 30 routes being unremunerative; any route not bringing in Rs. 1/1/- per mile being reckoned as unremunerative.

Express Services

60. The sub-Committee were also given to understand that some "Express" Services were being operated by Delhi Transport Service

at a flat rate of 4 annas per passenger to certain outlying displaced persons' colonies. Monthly concessional passes on these "Express" Services were also available at Rs. 10/- a passenger. The longest route on which the "Express" Services were operated was 13 miles and the fare came to 2:46 pies per mile on the basis of the monthly ticket. It was added that no such concessional passes were issued by any other Road Transport Authority; nor were "Express" Services at such low rates issued regardless of the distance travelled by the passengers.

61. The sub-Committee are aware of the circumstances that led to the coming up of these outlying colonies. They also appreciate the need for connecting these distant colonies with the City by bus transport. They are not quite convinced of the plea that these services had been wholly unremunerative. While the sub-Committee agree that in operating these routes, the commercial responsibility of the Delhi Road Transport Authority should not be lost sight of, they feel that with the rationalisation of routes and regulating the frequency of the trips, it should be possible for these routes to pay their way.

62. The sub-Committee were informed that a scheme for the rationalisation of routes keeping in view the elimination of uneconomical mileage and operation of services on more efficient lines has been prepared and would be considered by the Delhi Road Transport Authority shortly. The Ministry of Transport also expect that this scheme, when implemented, would go a long way in achieving the target of Rs. 1/3/- per mile, as average income. The sub-Committee would like to watch the results of this revised scheme.

Missing trips

63. Another important cause responsible for low earnings is the frequency of "missed trips". During the three years ending 1955-56, the relative position of "missed trips" to "trips operated" is as follows:—

Year 1	Total No. of trips scheduled 2	Single trips operated 3	Single trips missed 4	Percentage of (4) to (2) 5
1953-54	9,49,034	7,99,528	1,49,506	15.8
1954-55	9,89,761	8,21,453	1,48,308	15.3
1955-56	10,96,077	10,14,738	8,11,339	7.4

Although there has been an improvement in the position, the percentage of 'missed trips' is still high and vigorous measures should be taken to reduce this percentage to the irreducible minimum, if it cannot be wiped out completely.

64. According to the General Manager's estimate, the loss on account of 'missed trips' was Rs. 6.7 lakhs in 1953-54, 7.73 lakhs in 1954-55 and Rs. 4.57 lakhs in 1955-56. It has not been possible to have these estimates verified.

The trips, it was explained, were generally missed because of mechanical failures of the vehicles, unexpected absenteeism and late

reporting to duty of operational staff or due to vehicles being involved in accidents or for similar other reasons.

65. In a note submitted to the sub-Committee, it has been stated that with the increase of the Delhi Transport Service fleet target figure of 400, it has now become possible to have sufficient standby buses at the Depots to take the place of vehicles involved in accidents or detained on the line due to mechanical failures or other reasons.

66. A scheme of zonal operations has also been evolved which provides for the appointment of a Traffic Controller in each Zone whose responsibility it will be to ensure efficient and economical operation of the services in his zone. These Traffic Controllers will be assisted by Traffic Inspectors and T.T.Es. One of the duties of the Traffic Controller will be to ensure that adequate arrangements are made immediately whenever the buses miss trips due to accidents, mechanical failure etc. The sub-Committee trust that the expenditure incurred on additional staff will be commensurate with the increase in earnings anticipated and actually realised.

67. If 'missed trips' on account of breakdown are to be avoided, or at least reduced to the minimum, it is imperative that adequate facilities should exist for repairs and maintenance. The sub-Committee have already dealt with the condition of the Workshop and Depots in the previous Chapter. They would only quote here an instance. In one particular case, where a vehicle was lying for months, the persons responsible could not say why it was being detained for so long. Eventually, on enquiry it was found that the engine of that vehicle had already been put on another body and sent out. This only goes to show the confusion prevailing in the Workshop where a number of vehicles have been lying for periods ranging from a few weeks to over a year. The sub-Committee were assured that the situation would improve since additional staff had been sanctioned for the Workshop. These steps would go a long way to reduce the missed trips. They were given to understand that Government had also sanctioned a scheme for the construction of new Workshops to improve maintenance and repairs to vehicles. Further purchase of spare heavy duty buses to be utilised in the event of breakdowns, accidents etc. had also been sanctioned.

68. It is an inconvenient habit of consumers to want satisfaction of their requirements all at the same time and this particular problem is brought home physically to the public specially during rush-hour travel when they compete together for existing capacity. Unless, therefore, all-out efforts are made to put the maximum number of buses on the road with a sufficient margin for reserve, the malady of 'missing trips' cannot be effectively eradicated. The sub-Committee hope that the measures taken will enable the Workshops to send out the stabled vehicles as early as possible. When once the stables are cleared, the Workshop management should see that the turn-round of the vehicles is regular, uniform and according to the schedule.

Reserve Staff

69. From a note submitted to them, the sub-Committee note that one driver and one conductor have been sanctioned for each duty and that 30 per cent. additional staff is also given to each Depot on

the number of duties, which are scheduled for operation to cover rest and leave reserve. Further, recently 10 extra drivers and an equal number of conductors have been posted in each Depot to meet unexpected heavy absenteeism.

70. The sub-Committee did not go into the question of staffing the depots. But *prima facie*, it appears that the Authority had been rather liberal. While the determination of the quantum of staff for any purpose is a matter for the Authority to decide in consultation with management, the sub-Committee would only sound a note of caution that if redundant manpower is retained on the pay-roll, it will hardly be worthwhile to seek efficiency.

71. Leakage of revenue was one of the causes attributed for the low earnings of the Delhi Transport Service. In a note submitted to the sub-Committee, it has been stated that this aspect of the problem has been receiving the special attention of the Authority. To plug this leakage, the checking staff is being increased and that arrangements are being made to obtain the services of a Magistrate for Delhi Transport Service for mobile duty for punishing the ticketless travellers on the spot. Also advance bookings at important bus stands have been introduced to reduce the loss of revenue due to unscrupulous persons taking advantage of overcrowding in buses. It is reported that this scheme which has been introduced recently is already showing good results and that the additional revenue realised through advance bookings is in the region of Rs. 2,000 a day on an average.

The sub-Committee, however, note that the Advance booking of passengers at certain points was recommended as early as July, 1952 by the Committee appointed by the Delhi Road Transport Authority. They are at a loss to understand why the implementation of this recommendation, which since its introduction in May, 1956 has shown good results, should have been deferred for four years.

Private Competitions

72. Another reason advanced by the Authority for lower earnings is the existence of competition by private operators. It has been represented to the sub-Committee that at present station wagons, motor-cycle rickshaws and taxies are operating in Delhi as stage-carriages, although they were not allowed to do so. The Delhi State Government have been approached with a view to amending the Delhi Motor Vehicle Rules. Under this amendment, stopping of motor-cycle rickshaws at bus stops of Delhi Transport Service or their lifting or putting down traffic at these stands would be prohibited. It has also been proposed that hawking of passengers by these vehicles should be prohibited. The Authority hopes that when this amendment becomes effective, a large volume of traffic, which the Delhi Transport Service is at present losing, would be diverted to the Delhi Transport Service buses resulting in a corresponding increase in the income of the Delhi Transport Service.

73. The sub-Committee are not clear whether the allegation is that there is unfair and/or cut-throat competition. On the other hand, it is common knowledge that the fares charged by Station Wagons and Motor Rickshaws are higher than the Delhi Transport

Service fares; yet quite a segment of the public travel by these modes of conveyance in preference to the Delhi Transport Service ignoring the differences in fares and other concessions like season tickets. The reason is obvious—the irregularity in the service and the long-waiting, tantalising at times. The sub-Committee would, therefore, urge that this matter should be given greater consideration, as any hasty step in this direction would inconvenience the travelling public and invite bitter criticism. In their opinion, an enduring remedy will be to increase the operational efficiency by removing the bottlenecks to which attention has been drawn earlier. Improved service should certainly enable the Delhi Transport Service to face up the competition successfully.

As for private bus operators operating on some of the Delhi Transport Service routes, although the figures of average income per bus mile on these routes did not appear to be very much influenced by such competition, the sub-Committee are inclined to agree in principle with the demand that private buses on these routes should be substituted by Delhi Transport Service buses.

Fare structure in Delhi Transport Service

74. As desired by the sub-Committee, a note on the fare structure in the Delhi Transport Service comparing it with that of the Government-run Bus Services in Calcutta, Madras and Bombay has been furnished to them. It has been urged therein that the general level of Delhi Transport Service fares was comparatively higher than that in other important cities like Madras, Bombay and Calcutta, and that the question of raising the fares should, therefore, be carefully considered particularly in view of the persistent demand from the public for reduction in existing fares. The sub-Committee appreciate the difficulties confronting the Delhi Road Transport Authority in revising its fare structure. It is true that the authority has to face criticism from the public, who in general are averse to any change in tariffs unless of course it is to their benefit. There might also be administrative or other considerations to avoid a revision of the fares at present, although it might be justifiable on economic grounds. While in principle tariff-making should reflect costs, it is necessary to find out whether the service is being run efficiently and on economic grounds. This leads the sub-Committee to the scrutiny of the expenditure.

Expenditure

75. The sub-Committee observe from a statement furnished to them that there had been a phenomenal increase in the expenditure on the working of the Delhi Transport Service since 1950-51.

One of the reasons advanced by the representatives of the Ministry of Transport for increased expenditure was the grant of certain concessions to the staff of the Delhi Transport Service, which were not enjoyed either by the staff of private bus owners or by the staff in newly established Road Transport Undertakings operating under Departmental management in the States of Punjab, West Bengal,

Uttar Pradesh and Himachal Pradesh. In support, the following concessions to the staff of the Delhi Transport Service were cited:—

(i) *Paid festival holidays.*—The Delhi Transport Service allows 23 paid festival holidays to their employees, just like any other Department of Government. The sub-Committee understand that the number of holidays allowed in Madras was 7 to the Operated Staff, 12 in West Bengal, 15 in Hyderabad and 12 to 16 in B.E.S.T., Bombay according to length of service. In the Punjab, no paid festival holidays were allowed. The sub-Committee feel that the number of paid festival holidays given to the employees of the Delhi Transport Service was comparatively on the high side.

(ii) *Provident Fund.*—It is reported that while the employees of the Delhi Transport Service enjoy Provident Fund concessions, no such concession have been extended to the employees of the newly established State Road Transport Undertakings operating under departmental management in certain other States. In the sub-Committee's opinion, this expenditure is legitimate.

(iii) *Running of Staff Buses.*—Staff buses are run for the benefit of the operational and workshop staff, who are required to come to work outside the operational hours of Delhi Transport Service for transporting them to and fro from their residences. The average daily mileage covered by Delhi Transport Service buses on this account during the years 1952-53 to 1954-55, has been estimated as follows:—

1952-53	400 miles.
1953-54	500 miles.
1954-55 •	500 miles.

And the cost of operating these staff-buses has been estimated at Rs. 1.5 lakhs in 1952-53 and Rs. 2 lakhs in each of the years 1953-54 and 1954-55. Such facilities were not provided by any other road transport undertaking in India. In the sub-Committee's opinion, this practice is not only unnecessary but also undesirable and should, therefore, be stopped.

(iv) *Free all-routes duty passes and family passes.*—Employees of the D.T.S. recruited before 1st September, 1952, are given free all-route passes and post-1952 recruits, only duty passes from their residence to place of work. Besides, six family passes are allowed to each employee in a year. Assuming that the employees utilised all the passes and that the average size of the family was 5 members, the value of these concessions is estimated to Rs. 9,92,400 in 1952-53, Rs. 10,11,000 in 1953-54 and Rs. 10,86,300 in 1954-55. The sub-Committee could hardly see any justification for the grant of family passes. They would suggest that the D.R.T.A. should consider the discontinuance of these passes at an early date.

Reduction in Dead Mileage and un-economical mileage

76. At present, the Delhi Transport Services vehicle cover quite a distance of 'dead' mileage and 'un-economical' mileage. A reduction in this would certainly go a long way in reducing the operational cost of the Delhi Transport Service. The sub-Committee are

pleased to note that the following steps have been taken by the Delhi Road Transport Authority to reduce the dead mileage:—

- (a) Whereas buses previously used to go to the depots for change-over of operational staff, it has now been decided that such charge-over should be done on the line in the afternoon. This, it has been anticipated, would result in the elimination of considerable dead mileage.
- (b) To reduce the dead mileage covered by the vehicles between the Depots and starting point of the routes, two more depots will be constructed this year and with the completion of these depots the Delhi Transport Service will be having four depots in the four corners of the city. The buses will be so garaged in the depots as to ensure that the starting point of their respective routes is as near to the depot as possible.

Expenditure on the Administrative side of the Delhi Road Transport Authority (Bus Section)

77. The sub-Committee while examining the Accounts noticed disproportionate increase in the expenditure on 'Pay and Allowances' of officers and staff of the Delhi Transport Service under the head 'Administration' since 1950-51, as compared with the corresponding increase under the heads 'Operation' and 'Repairs and Maintenance'. The following are the details of expenditure on 'Pay and Allowances' booked under these heads for the years 1950-51 to 1954-55:—

(In lakhs of Rupees)

Department	1950-51	1951-52	1952-53	1953-54	1954-55
Administration	2.03	2.04	2.76	3.92	4.98
Operation	13.45	14.55	15.84	17.85	19.99
Repairs and maintenance	4.43	5.00	5.09	6.05	6.45

78. The sub-Committee were informed that certain adjustment had become necessary in the above figures due to change in the classification of some of the items of expenditure under these three main heads. The position after effecting the necessary adjustments has been given as follows:—

(In lakhs of Rupees)

	1950-51	1951-52	1952-53	1953-54	1954-55
Administration	1.83 (2.68%)	1.86 (2.56%)	2.38 (3.22%)	3.50 (4.27%)	4.28 (4.74%)
Operation	13.48 (19.73%)	14.62 (20.15%)	15.98 (21.67%)	18.00 (22.02%)	20.35 (22.54%)
Maintenance	4.60 (6.73%)	5.10 (7.18%)	6.23 (8.44%)	6.32 (7.73%)	6.78 (7.50%)

(Figures in Brackets indicate percentage of total expenditure).

79. The sub-Committee observe from the note submitted to them that while under 'Administration', the strength of the Officers and Establishment rose from 8 and 77 on 31st April, 1950 to 12 and 190 respectively during 1954-55, an increase of 4 Officers and 113 in establishment, the corresponding increases under 'Operation' and 'Repairs and Maintenance' were 2 among Officers and 307 among establishment under 'Operation' and 4 among Officers and 162 among establishment under 'Repairs and Maintenance'. In other words, the percentage of increase under Administration was 234 compared to 150 and 147 only under 'Operation' and 'Repairs and Maintenance'.

80. Increases were prominent in the Finance, Accounts and Internal Audit and Stores Branches and the reasons therefor were reported to be all round expansion of the activities of the Delhi Transport Service. While the sub-Committee agree that store-accounting and stock verification are really very essential for the efficient Administration of the Undertaking and would not question any legitimate addition to the staff for that purpose, they feel that such of the additional establishment sanctioned purely for disposal of arrears and audit objection etc. should not be continued indefinitely. The sub-Committee would, therefore, suggest that constant review of the staff requirements should be kept with a view to ensure that the staff are fully employed. The sub-Committee would lay great emphasis on the need for such a review as they found in certain sections of a Depot which they had visited, the Clerical staff had, according to their own statement, not more than a couple of hours work a day.

VI STORES

81. The sub-Committee now turn to deal with some of the important financial irregularities relating to stores matters which had been disclosed in the Audit Reports under examination.

Para 15 of the Audit Report on the Accounts for 1950-51—Financial irregularities committed by the Stores Officer

82. This para disclosed certain irregularities which were committed by an Officer in the Stores Branch of the Delhi Transport Service. They mainly related to the following:—

- (i) Acceptance of the quotations of a particular party when the rates quoted by the tenderers were the same;
- (ii) acceptance of late quotations;
- (iii) suspicion of Records being tampered with to justify course of action adopted;
- (iv) procedural irregularities;
- (v) collection of quotations by Clerks personally from various firms;
- (vi) acceptance of higher quotations on alleged grounds that the lower quotations were not in respect of genuine parts; and
- (vii) removal of certain files to destroy all documentary evidence which might have been possible against the various irregularities.

83. Allegations of malpractices in the Stores Branch also came to the notice of the Delhi Road Transport Authority through an anonymous letter in September, 1951.

84. From a note furnished by the Delhi Road Transport Authority, the sub-Committee observe that according to the Director of Commercial Audit, a special Audit Report regarding the irregularities in the stores was discussed with the Deputy General Manager, Delhi Road Transport Authority on 29th December, 1951 and it was agreed in that meeting that the case should be handed over to the Special Police for investigation. Accordingly, a copy of the report was furnished to the Special Police Officer on the same date, who was invited to join the discussion. The Police Officer was, therefore, called to visit the office of the Delhi Road Transport Authority in December, 1951. The report of the Police Department made on 13th March, 1952 *inter alia* stated as follows:

- * * * * *
3. *The Financial* Adviser and the Stores Officer are thick friends and the former always tried to save the skin of the latter through his dealing with this case.*

*His correct designation was 'Financial Assistant'.

4. The Deputy General Manager, Delhi Transport Service on assuming his appointment scrutinised the old cases and, wherever possible, got them registered with the Police. The Stores Officer got frightened with this attitude of the Deputy General Manager and got the file (relating to the purchase of stores from the British Motor Company) removed from the record with the help of the *Financial Adviser.
5.the Stores Officer and the Financial Adviser are the only two persons who have done this wrongful act”

85. The Stores Officer tendered his resignation on 10-3-52 viz., 3 days before the receipt of the Police Report, presumably in anticipation of some trouble. On the recommendation of the Secretary, Delhi Road Transport Authority on 21-3-52, the Chairman accepted the resignation on 24-3-52 and the matter was placed before the Delhi Road Transport Authority on 17-4-52 for formal approval only.

86. The sub-Committee are surprised that even though the Secretary and the Chairman had in their hands the Police report dated 13-3-52, they readily accepted the resignation. Even the note of the Secretary dated 21.3.52 to the Chairman, gives details of, more or less serious charges, some of which are of a criminal nature against the particular official concerned. But in spite of all that the note merely suggests that “the resignation of the Stores Officer whose continuance at the present post is detrimental to the interests of the Organisation, may kindly be accepted”.

87. The sub-Committee regret that though the Police Report pointed to the fact that the D.R.T.A. authorities were fully aware of the complicity of the Stores Officer and the Financial Assistant in the serious charges pending against them, yet, instead of investigating those charges properly and suspending them, the D.R.T.A. accepted the resignation of the Stores Officer and dropped all enquiry regarding the Financial Assistant and reverted him to his parent Department. The sub-Committee are, therefore, surprised at the statement made in the note furnished by the Delhi Road Transport Authority that no *prima facie* case could be established against the former Financial Assistant despite the strong suspicion by the Police. In their opinion, it had neither basis nor any meaning. The sub-Committee suggest that action against the Financial Assistant would be entirely justified.

88. The sub-Committee are constrained to observe that ^{this} case had not been dealt with the severity that the circumstances had warranted. In their opinion, immediately after the irregularities had been brought to light in December, 1951, the Stores Officer should have been suspended from service. As pointed out by Audit, the failure to suspend the Stores Officer enabled that Officer to have access to all records and apparently helped him in his successfully destroying documentary evidence against him.

89. In this matter, the sub-Committee consider that the Ministry of Transport are not also blameless. They were given to understand that the whole enquiry started as a result of an anonymous

*His correct designation was 'Financial Assistant'.

letter addressed to the Ministry of Transport sometime in September, 1951 a copy of which was also endorsed to Audit. The sub-Committee were surprised to learn that the representative of the Ministry was not aware of the receipt of this anonymous letter on which the enquiry had started. The sub-Committee are amazed to see why that ministry did not care to pursue seriously such an important matter.

(i) *Para 19 (ii) of the Report for 1952-53 and*

(ii) *Para 5 of the Report for 1953-54—Purchase of Spare Parts—*

90. During the time of departmental operation of Delhi Transport Service, the following indents for Chevrolet spare parts for the maintenance of 125 Chevrolet buses were placed through the Director General, Supplies and Disposals:

(i) Indent dated 5th October, 1949 for Rs. 1,12,877/11/-.

(ii) Four indents dating November, 1949 to March, 1950 to the aggregate value of Rs. 50,858/13/-.

The value of these indents, it has been stated by the Ministry of Transport, was considerably less than the actual requirements for a fleet of 125 vehicles which had already run for nearly two years.

91. In the wake of the run by the various transport undertakings for stock-piling of spare parts, two more orders were placed in 1950-51 for Rs. 5.56 lakhs for spare parts for these 125 Chevrolet buses by the Delhi Road Transport Authority (The D.R.T.A. had come into being by that time). Again in August, 1951, two more indents for spare parts for Rs. 6.65 lakhs were placed on the basis of two years' requirements.

92. With the arrival of these spare parts, it was expected that the vehicles would be retained in service for a few more years. Out of this, spare parts worth Rs. 7.8 lakhs were found surplus to requirements and handed over for disposal in March, 1954. According to Audit, placing of fresh indents for Rs. 6.65 lakhs in August, 1951 lacked justification. The representative of the Ministry of Transport informed the Committee that the main reason for part of the supplies becoming surplus was the decision of the D.R.T.A. to completely dieselise the fleet. He, however, admitted that there was over-indenting of stores in this case; but in extenuation, he urged that there was a certain amount of panic prevailing at that time about the availability of spare parts.

93. The sub-Committee find it difficult to accept the plea. When the D.R.T.A. took over the D.T.S. in 1950, the effective fleet strength of D.T.S. was 264 vehicles consisting of

Chevrolets (Petrol)	131
Ford	111
Bedford	14
Albion	7
Leyland Tiger (Diesel)	1

264

The number of diesel buses added to the fleet was 157 (12 in 1950-51; 88 in 1951-52 and 57 in 1952-53) in pursuance of the decision to dieselise the fleet. 175 petrol-driven vehicles (54 in 1950-51; 57 in 1951-52 and 64 in 1952-53) were also put off the road during the above period. Thus, the delivery of the diesel vehicles had practically kept pace with the condemnation of petrol vehicles. The sub-Committee are, therefore, unable to understand the alleged delay in the delivery of the diesel vehicles nor do they appreciate the "imperative need to get the best possible service out of the petrol vehicles" when the Delhi Transport Service had a sizeable number of diesel vehicles. In the light of the heavy condemnation of petrol driven vehicles and their replacement by diesel vehicles as pointed out above, the sub-Committee agree with Audit that the placing of orders for spare parts in August 1951 for Rs. 6.65 lakhs completely lacked justification. It was further urged by the Government that an Enquiry Committee appointed in 1952 to review the working of the Undertaking recommended that 75 Chevrolet vehicles should be renovated at a cost of Rs. 3,000 to 5,000 each to give approximately 40,000 miles extra service. The Committee cannot appreciate how a recommendation made in 1952 could be put forth as a justification for an order placed in 1951.

94. As regards the disposal of the surplus spares, the sub-Committee learnt that the D.R.T.A. made an *ad hoc* reduction of 33 1/3% in the book value in anticipation of their disposal as a result of which a sum of Rs. 2.6 lakhs had to be written off as loss in anticipation of sanction. The sub-Committee consider this method of writing off in anticipation of Government sanction as highly irregular.

95. The sub-Committee are surprised to learn that not withstanding the reduction in the book value, the progress in the sale of surplus stores was not appreciable. Various expedients tried by the Undertaking were not attended with the anticipated success. The sub-Committee consider it unfortunate that the Authority should have immobilised such a large sum in unwanted spares and should find itself saddled with spares for which it could not find a ready market.

VII CONCLUSION

96. The sub-Committee have now come to the end of their task. As a result of the delay on the part of the Ministry of Transport in furnishing the required information to them, the sub-Committee could not examine the same in as much detail as they should have liked.

97. Their approach in their task was with one object—the improvement of this nationalised undertaking operating on a monopoly basis so that it could be a model of efficiency.

98. The efficiency of a nationalised undertaking is compounded of two factors: its success in giving its customers the services they want and its success in minimising the cost of so doing. While in the case of an undertaking working in competition, competition is the governing factor and affords a real test of its efficiency, its absence is a real handicap in the problem of assessing the efficiency of a monopolistic undertaking, whether nationalised or not. A monopoly may succeed in passing the apparent tests and yet be failing to give customers as good or as cheap a service as they would get if the undertaking were conducted with the efficiency found elsewhere.

99. The results of the examination of the working of the Delhi Transport Service by the sub-Committee have revealed that the undertaking has a long way to go towards achieving the objective mentioned above.

First, the formal structure of the Delhi Road Transport Authority is not conducive to the highest efficiency. The sub-Committee have suggested certain changes in this respect. Secondly, in the field of operation and management, the undertaking leaves much to be desired. Indeed, in some respects, the working of the undertaking reveals a deplorable state of affairs. Lastly, the undertaking has not devoted much attention to the economics of its working. Being a nationalised undertaking on monopolistic basis, it might without financial embarrassment keep itself going. The sub-Committee attach great importance to the undertaking being run on business lines. It should have one duty, and one duty alone; to provide transport to the public at the lowest possible expenditure consistent with the maintenance of employment standards at the level of the best private firms.

100. The sub-Committee trust that if the authorities address themselves to the problems outlined in the earlier Chapters, the undertaking will attain new levels of efficiency and will become a valuable public asset.

NEW DELHI;
The 23rd June, 1956.

S. V. RAMASWAMY,
Chairman,

*Sub-Committee of the
Public Accounts Committee.*

APPENDICES

APPENDIX I

A statistical statement showing (a) the number of Buses daily run on different routes, the different routes, the number of buses run on each route, the earnings, mileage, the average income per bus-mile and the percentage of traffic earnings of each route to the total earnings per month (information given for the three months ending 31st March, 1956) and (b) the number of routes which are considered as 'unremunerative' and what steps are proposed to be taken to make them remunerative.

Reply of the General Manager, D.T.S.

(a) A statement showing the Route Nos, the description of the routes, the total number of buses run on each route as well as the total number of buses run on all the routes operated by the D.T.S. is attached (Annexure A). The data given in this statement pertain to the months of January, February, and March, 1956.

Three statements showing routewise earnings, mileage and income per bus mile for the first quarter of 1956, monthwise are also attached (Annexures B, C & D).

A third statement showing the percentage of traffic earnings on each route to the total earnings for the months of January, February and March, 1956, has been added as Annexure E to this note.

(b) The following routes are considered to be unremunerative:—

1, 1A, 2A, 3, 3A, 3B, 4, 4A, 5, 7, 7A, 8, 8A, 10, 11A, 12, 13, 14, 15, 16, 16B, 18, 20A, 23, 25, 26, 29, 29A, 29B, 30 and Students Specials.

The following steps are proposed to be taken to make the Routes in question remunerative:

A scheme for the rationalisation of routes keeping in view of the elimination of uneconomical mileage and operation of services on more efficient lines, has just been prepared and will shortly be considered by the Authority. Since this rationalization is the result of a scientific study of the traffic requirements, it is hoped that it would be possible to effect a substantial increase in the revenue of the organisation.

Another step taken to reduce the uneconomical mileage was to effect change-over of duties of operational staff on the line in the afternoon. Whereas previously the buses used to go to the depots for change over of operational staff, this job is now being done on the line itself. Considerable dead mileage is thus being eliminated and a saving to that effect effected.

The next step introduced to augment revenue of the Authority is the booking of passengers in advance at important stands and ticketing them prior to embussing. Although this system has been put into practice only a few days ago, the results achieved during this

short period are very encouraging. The additional revenue realised through this advance booking is in the region of Rs. 2,000 a day on an average. Assuming that it would be possible to maintain this additional revenue at this level, an increase of about Rs. 7 lacs in the annual income of the Authority could be expected.

Comments of the Ministry of Transport

The D.T.S. has prepared a revised map of the field of its operation, re-aligning routes and introducing ring services. Some members of the D.R.T.A. have also been associated with the planning of the scheme. The scheme will be considered in all its aspects before implementation at a meeting of the Authority. It is hoped that this will go a long way in achieving the target of Rs. 1/3/- per mile, as average income recommended by the Enquiry Committee appointed by the D.R.T.A. in July, 1952, with the approval of the Central Government.

The D.R.T.A. is also fully aware of the competition faced, from certain private operators, on some of the routes. Effective steps are being considered to substitute, with the sanction of the competent authorities of Delhi State Government, the private services with the D.T.S. services on these routes. Attention is invited in this connection to the proceedings of the D.R.T.A.'s meeting held on 29th December, 1955. (Annexure F.).

Comments of the Ministry of Finance

(a) The need for rationalisation of routes is imperative. The scheme for rationalisation prepared by the sub-Committee appointed by the D.R.T.A. has yet to be considered by the D.R.T.A. No comments on this scheme can be offered at this stage.

(b) Booking of passengers in advance at important sheds will minimise chances of leakage of revenue. The experiment has already resulted in increasing the income to an extent of Rs. 2,000 a day. This should be pursued in right earnest.

Comments of the Director of Commercial Audit.

The scheme of booking passengers in advance is understood to have been started only from 1st May, 1956. The figure of monthly expenditure of this scheme has not been given in the note so as to work out the net revenue realised from this scheme.

ANNEXURE A

(a) Statistical statement showing the number and description of the routes the number of buses run on each route during January, February and March 1956, is given below —

Route No.	Description	No. of buses during		
		Jan.	Feb.	March
1	Fountain-Indra Nagar	4	4	4
1A	Fountain-Timarpur	1	1	1
2	Rajouri Gardens-Lajpatrai Market	5	5	5
2A	Moti Nagar-Central Secretariat	1	1	1
3	Kashmere Gate-C. O. D. Cantt	10	10	10
3A	Kashmere Gate-Central Secretariat	2	2	2
3B	Ajmer Gate-Gopinath Bazar	1	1	1
4	Radio Colony-E. Patel Nagar	5	5	5
5	C. C. Odean-Kalkaji	2	2	2
6	Tilak Nagar-Lodi Colony	17	17	17
7	Pusa Institute-Central Secretariat	2	2	2
7A	Gurdwara Road-Central Secretariat	6	6	6
8	Vinay Nagar-Timarpur	6	6	6
8A	Central Secretariat-Tis Hazari	1	1	1
9	North Avenue-Kingsway Camp	8	8	8
9A	Tin Murti-Shakti Nagar	8	8	8
9B	Kashmere Gate-Central Secretariat	4	4	4
10	Moti Nagar-Kingsway Camp	5	5	5
11	Fountain-Shahdara	4	5	5
11A	Fountain-Delhi/Border	1	1	1
12	Ajmeri Gate-Factory Road	4	4	4
13	Pusa/Ramesh Nagar-L. R. Mkt.	5	5	5
14	Turkman Gate-Ring Road	1	1	1
	Ajmeri Gate-Ring Road	1	1	1
	Darya Ganj-Ring Road	1	1	1
15	Tin Murti-Old Secretariat	7	10	10
15A	Malka Ganj-Central Secretariat	3	3	3
16	Fountain-Najafgarh	6	6	6
16A	Fountain-Tilak Nagar	3	3	3
16B	Kashmere Gate-Tilak Nagar	4	4	4
17	Railway Station-Mehrauli	11	11	11
18	Railway Station-Okhla	3	3	3
19	Fountain-Lodi Colony	8	10	10
20	Fountain-Krishan Nagar	5	5	5
20A	Fountain-Patparganj	1	1	1
21	West Patel Nagar-Kingsway Camp	39	39	39
22	West Patel Nagar-Lodi Colony	6	6	6

Route No.	Description	No. of buses during		
		Jan.	Feb.	March.
23	Fountain-Nangloi/Shakur Basti.	2	2	2
24	Dev Nagar-Lajpat Nagar	11	11	11
24A	Central Secretariat-Lajpat Nagar			
25	Camp Cinema-Lajpatrai Market	4	4	4
26	Pusa Institute-Lodi Colony	6	6	6
27	Rohtak Road-Factory Road	6	6	6
27A	Central Secretariat-Vinay Nagar	4	5	5
28	Railway Station-Malviya Nagar	8	10	10
29	Railway Station-Lajpat Nagar	3	3	3
29A	Railway Station-Chiragh Delhi	4	1	1
29B	Railway Station-Kalkaji	1	2	2
30	Delhi Gate-Kalkaji	6	6	6
	Student Specials	14	14	14
	M. P. Specials	3	3	3
		<u>272</u>	<u>279</u>	<u>279</u>

ANNEXURE B

DELHI ROAD TRANSPORT AUTHORITY

Statement showing Routewise Earnings/Mileage and Average income per bus mile during the month of January, 1956.

Route No.	Earnings	Mileage	Average income per mile
	Rs.		R. A. P.
1	8,749	11,587	0 11 2½
1A	1,284	3,410	0 6 0
2	23,934	24,014	0 15 11½
3	44,064	47,026	0 15 0
3A	2,363	2,842	0 13 3, 2/3
4	15,569	19,334	0 12 10, 2/3
4A	3,137	5,184	0 9 8
5	6,147	8,262	0 11 11
6	69,965	62,461	1 1 11
7	9,986	12,079	0 13 2½
8	19,785	18,445	1 1 2
8A	1,381	1,639	0 13 6
9	30,091	28,911	1 0 8
9A	29,141	27,423	1 1 0
9B	13,137	12,044	1 1 5½
9 Spi.	1,997	2,047	0 15 7
10	9,961	12,251	0 13 0
11	17,431	12,996	1 5 5½
11A	3,380	3,924	0 13 0
12	17,283	17,101	1 0 2
13	15,340	15,539	0 15 9½
14	2,453	4,613	0 8 6
15	26,678	26,877	0 15 10½
15A	6,795	7,158	0 15 2½
16	37,129	40,821	0 14 6, 2/3
16A	11,945	12,186	0 15 8
16B	13,885	17,331	0 12 7½
17	61,017	50,940	1 3 2
18	15,928	16,951	0 15 ½
19	40,013	31,965	1 4 0
20	18,967	15,647	1 3 4½
20A	2,500	3,317	0 12 1
21	1,53,911	1,33,918	1 2 4, 2/3
22	23,627	22,645	1 0 8, 1/3
23	4,436	7,064	0 10 ½
24	41,168	42,375	0 15 6½
25	10,823	12,738	0 13 7

Route No.	Earnings	Mileage	Average income per mile
	Rs.		R. A. P.
26	20,700	23,111	0 14 4
27	33,402	31,047	1 1 2½
28	35,062	34,195	1 0 5
29	12,645	12,586	1 0 1
29A	15,655	18,029	0 13 10, 2/3
29B	1,789	2,193	0 13 ½
30	16,001	21,646	0 11 10
St. Spl.	9,380	11,275	0 13 4
M. P. Spl.	7,496	6,077	1 3 9
Exh. Other Spls. and Police Vouchers	7,094	4,988	1 6 9
Special Hire and passes	57,661	4,169	
	10,32,085	9,64,381	1 1 1½

ANNEXURE C
DELHI ROAD TRANSPORT AUTHORITY

Statement showing Routewise Earnings/Mileage and Average income per bus mile during the month of February, 1956.

Route No.	Earnings	Mileage	Average income per mile
	Rs.		R. A. P
I	8,452	11,222	0 12 ½
1A	1,189	3,398	0 5 7
2	20,062	20,967	0 15 3¼
2A	920	1,291	0 11 5
3	40,391	46,371	0 13 11¼
3A	3,022	4,139	0 11 8
3B	2,106	2,341	0 14 4¼
4	14,694	18,746	0 12 6½
4A	3,338	5,006	0 9 ½
5	5,364	7,850	0 10 11
6	67,757	62,185	1 1 5
7	2,004	2,895	0 11 1
7A	7,842	9,545	0 13 2
8	19,401	21,085	0 14 8, 2/3
8A	972	1,392	0 11 2
9	26,326	26,731	0 15 9
9A	30,811	28,106	1 1 6½
9B	12,979	11,808	1 1 7
9 Spl.	2,360	2,212	1 1 1
10	13,086	15,138	0 13 10
11	19,500	16,140	1 3 4
11A	2,725	3,703	0 11 9
12	15,340	16,933	0 14 6
13	14,220	15,837	0 14 4, 1/3
14	3,080	5,174	0 9 6½
15	35,052	37,650½	0 14 11
16	36,316	38,898	0 14 0, 1/3
16A	11,295	11,806	0 15 3, 3/4
16B	13,028	16,852	0 12 4¼
17	57,297	47,969	1 3 1, 1/3
18	13,137	14,956	0 14 0, 2/3
19	37,055	32,721	1 2 1½
20	17,304	14,148	1 3 7
20A	2,502	3,189	0 12 6, 2/3

Route No.	Earnings	Mileage	Average income per mile
	Rs.		R. A. P.
21	1,45,115	1,25,119	1 2 6, 2/3
22	22,146	21,750	1 0 3½
23	3,892	6,607	0 9 5
24	37,851	40,085	0 15 1¼
25	10,136	12,259	0 13 2½
26	18,313	21,544	0 13 7½
27	31,917	31,505	1 0 3½
28	33,104	33,095	1 0 0
29	18,345	19,534	0 15 0, 1/3
29A	6,438	8,402	0 12 0
29B	3,441	4,421	0 12 5½
30	14,799	20,441	0 11 7
Student Special	9,571	12,946	0 11 10
Specials	643	799	0 12 10½
Police Vouchers	434	..	..
M.P. Specials	5,771	4,884	1 2 11
Pk. Traffic service	1,840	1,641	1 1 11½
Spl. Hire & Passes	54,792	3,795	..
	9,78,475	9,48,131.5	1 0 6 1/7

Sd,- *Asstt. General Manager (TR).*

ANNEXURE D

DELHI ROAD TRANSPORT AUTHORITY

Statement showing Routewise Earnings, Mileage and Average income per bus mile during the month of March, 1956.

Route No.	Earnings	Mileage	Average income per mile
	Rs.		R. A. P.
1	8,941	11,340	0 12 7, 2/5
1A	1,029	3,098	0 5 4
2	21,653	21,629	1 0 0, 1/5
2A	802	1,190	0 10 9, 1/5
3	42,004	47,813	0 14 0, 2/3
3A	2,335	3,440	0 10 1, 2/3
3B	2,418	3,049	0 12 8, 1/5
4	15,180	19,630	0 12 4 1/2
4A	2,763	6,252	0 7 0, 1/5
5	5,218	8,464	0 9 10 1/2
6	69,374	64,908	1 1 1, 1/5
7	1,890	2,452	0 12 4
7A	8,528	9,370	0 14 6, 2/3
8	21,195	22,583	0 15 0, 1/5
8A	994	1,326	0 11 11, 9/10.
9	26,109	27,949	0 14 11, 2/5
9A	31,375	29,518	1 1 0
9B	12,195	11,771	1 0 6 1/2
9 Spl.	2,217	2,085	1 1 0, 1/6
10	13,788	15,626	0 14 1, 2/5
11	20,274	16,471	1 3 8, 1/3
11A	3,119	3,783	0 13 2, 1/3
12	16,122	17,452	0 14 9, 1/3
13	15,198	16,995	0 14 3, 2/3
14	2,746	4,695 1/2	0 9 5, 2/5
15	36,530	39,110	0 14 11, 2/3
16	37,383	40,712	0 14 8, 1/3
16A	11,252	11,888	0 15 1, 4/5
16B	13,202	17,515	0 12 2/3
17	60,209	49,009	0 3 8
18	13,990	17,251	0 12 11 1/2
19	41,391	38,724	1 1 1, 1/5
20	17,711	14,820	1 3 1, 2/5

Route No.	Earnings	Mileage	Average income per mile.
	Rs.		R. A. P.
20A	2,768	3,353	0 13 2½
21	1,43,470	1,14,944	1 3 11
21A	3,048	3,654	0 13 4, 2/5
21B	5,165	5,572	0 14 10
21C	5,037	5,484	0 14 8, 2/5
22	23,266	22,130	1 0 9½
23	4,624	7,039	0 10 6
24	38,033	40,311	0 15 1
25	10,042	12,210	0 13 2
26	18,665	21,624	0 13 9, 2/3
27	34,789	34,170	1 0 3, 2/3
28	36,984	35,763	1 0 6, 2/3
29	20,864	23,620	0 14 1, 2/3
29A	2,988	4,717	0 10 1½
29B	5,094	6,510½	0 12 6, 2/5
30	15,038	19,675	0 12 2, 2/3
Special	594	649	0 14 7, 2/3
Student Spl.	8,781	11,917	0 11 9½
M. P. Specials	4,408	4,228	1 0 8
Police Vouchers	434	..	..
Special Hire and Passes	41,594	2,239	..
	10,04,723	9,81,728	1 0 4½

ANNEXURE E

Statements for January, February and March 1956, showing Routewise Earnings/Mileage and Average income per mile on each route are enclosed here with. The percentage of Traffic Earnings of each route to the total Earnings per month is noted below :—

Route No.	%age during January	%age during February	%age during March
1	·85	·86	·9
1A	·12	·12	·1
2	2·32	2·05	2·16
2A . . . . .	..	·09	·08
3	4·27	4·13	4·2
3A	·23	·31	·23
3B . . . . .	..	·21	·24
4	1·5	1·5	1·5
4A	·3	·34	·27
5	·6	·35	·52
6	6·78	6·91	7·0
7	·97	·2	·13
7A . . . . .	..	·8	·85
8	1·92	2·0	2·11
8A	·13	·1	·1
9	2·9	2·7	2·6
9A	2·8	3·15	3·13
9B	1·27	1·32	1·21
9 Spl.	·19	·24	·22
10	·68	1·34	1·37
11	1·7	2·0	2·0
11A	·33	·28	·3
12	1·69	1·57	1·61
13	1·5	1·45	1·51
14	·24	·31	·27
15	2·6	3·58	3·65
15A	·66	..	..
16	3·6	3·61	3·73
16A	1·16	1·15	1·11
16B	1·3	1·33	1·32
17	5·9	5·87	6·0
18	1·54	1·33	1·4
19	3·9	3·82	4·13
20	1·84	1·77	1·77
20A	·25	·25	·27
21	14·9	14·82	15·6
22	2·3	2·26	2·3

Route No.	%age during January	%age during February	%age during March
23 . . . . .	.43	.40	.45
24	4.0	3.87	3.8
25	1.05	1.04	1.0
26	2.0	1.87	1.9
27	3.2	3.26	3.4
28	3.4	3.38	3.6
29	1.23	1.87	2.1
29A	1.55	.66	.3
29B . . . . .	.17	.35	.5
30	1.51	1.59	1.5
St. Spl. . . . .	.91	1.0	.87
M. P. Spl. . . . .	.73	.59	.44
Specials . . . . .	.7	.1	.1
Pk. Tr. Serv. . . . .	..	.18	..
Spl. Hire & Passes	5.6	3.6	4.14

Annexure F to the note on item No. 2.

*Extract from the Minutes of the meeting of the D.R.T.A. held on
29-12-55*

15. (ii) Representation against the proposed renewal of the permits of private operators by the State Transport Authority, Delhi, on certain routes on which the Authority is already operating bus services.

This matter was brought up for the consideration of the Authority by the Secretary, who explained the position as detailed in the supplementary agenda (Enclosure to these minutes) and requested the Authority to pass the resolution referred to therein. The Transport Minister, Delhi State, however, opined that the D.T.S. was unable, due to the limited fleet at its disposal, to cope with the traffic demand within the city itself and that it should concentrate on the existing city routes before contemplating to displace the private operators on the routes in question. The need for rationalisation of the existing routes of the D.T.S. was also stressed by him. There was difference of opinion on these points as well as on the advisability of renewing the private operators' permits in question. After discussing the matter at length, it was agreed that the Transport Minister, Delhi State, would arrange:

- (a) issue of permits to the private operators on these routes for a short period not exceeding one year, and
- (b) imposition of "corridor" restrictions whereby these operators would not be allowed to pick up or set down passengers at the intermediary points but would be entitled to carry only through traffic between the two points for which the permits are valid.

It was also decided that the General Manager would take the Transport Minister, Delhi State, on the routes in question in order to explain to him the extent of competition thereon and the necessity of their complete nationalisation.

ENCLOSURE

Supplementary item for consideration by the Delhi Road Transport Authority in its meeting to be held on 29-12-1955

- Sub. Representation against the proposed renewal of the permits of private operators by the State Transport Authority, Delhi on certain routes on which the Authority is already operating bus services.

The Delhi Road Transport Authority was established on 1-4-50 in pursuance of the provisions of the D.R.T.A. Act, 1950 which was

enacted by the Parliament. The duty enjoined upon the Authority by the Parliament is contained in Section 19 of this Act, which is reproduced below:—

“General duty of the Authority:—It shall be the general duty of the Authority so to exercise its powers under this Act as progressively to provide, or secure or promote, the provision of an efficient, adequate, economical and properly co-ordinated system of road transport service for passengers and goods in the State of Delhi and in any extended area:

Provided that nothing in this section shall be construed as imposing on the Authority either directly or indirectly, any form of duty or liability enforceable by proceedings before any court or tribunal to which it would not otherwise be subject.”

The Authority is statutorily bound to increase the scope of its services with a view to provide an efficient, adequate, economical and properly co-ordinated system of bus services in Delhi State.

The Authority has decided not to nationalise further routes for the present and it is now concentrating upon consolidating its position on the existing routes. There are, however, certain routes on which the services of certain private operators as well as those of the Authority are plying. While intimating the policy of the Authority to the State Motor Transport Controller, Delhi in October, 1955, it was made clear that the policy of not nationalising further routes does not apply to the routes on which the buses of private operators are plying in competition with the D.T.S. Nine permits of private operators on the routes in question have already expired or are about to expire and their applications for renewal are under consideration of the State Transport Authority, Delhi. Particulars of these permits are given below:—

Serial No.	Name of the permit holder	Route on which the permit is valid	No. perm
1	Rama Bus Service	Kalkaji to Railway Station <i>via</i> Okhla Corner & Jangpura	2
2	Kohli Transport Co.	Kingsway Camp to Subzimandi <i>via</i> Mulka Ganj	1
3	Kohli Transport Co.	Azadpur to Subzimandi <i>via</i> Kingsway Camp & Mulka Ganj	1
4	Messrs. Aggarwal Bus Service.	Indra Nagar to Railway Station <i>via</i> Azadpur, Subzimandi Clock Tower and Tis Hazari	1
5	Messrs. Model Bus Service	Railway Station to Najaf Garh <i>via</i> Subzimandi, Zakhira & Tilak Nagar	1
6	Messrs. Model Bus Service, Pehlwan Lal Singh & Shri Lal Singh.	Railway Station to Najaf Garh <i>via</i> Karol Bagh, Delhi Cantt. & Bijvasan.	3
Total No. of Permits			9

Details of the services operated by us on the above mentioned routes and the extent of competition are indicated below:—

Kalkaji to Railway Station.—This route is served by D.T.S. Routes Nos. 29 & 18. The private buses compete directly with our buses of route No. 29 upto Jangpura and with buses of our route No. 18 up to Okhla Corner. It is true that the route between Okhla Corner and Kalkaji on which private buses are plying is different from the route on which the buses of D.T.S. ply but most of the traffic on the route served by the private buses consists of passengers direct from Railway Station to Kalkaji, or between Railway Station and Jangpura and these passengers can be catered fully by the buses of our route No. 29. The D.T.S. will, however, divert some buses of route No. 29 *via* the points now served by Rama Bus Service between Okhla Corner and Kalkaji for catering to the passengers now served by this company between these points. The number of our buses on route No. 18 is 3 and on route No. 29 is 5 against 2 of the Rama Bus Service.

Kingsway Camp to Subzimandi *via* Mulka Ganj.—There are three important points of traffic on this route (*Viz.* Kingsway Camp, Subzimandi and Mulka Ganj). All these points are served by our route No. 10. The number of our buses on this route is 5 against one of Kohli Transport Company.

Azad Pur to Subzimandi *via* Kingsway Camp and Mulka Ganj.—The traffic from Azad Pur to Subzimandi is served by our route No. 1. We do not have any buses in the sector Kingsway Camp to Azad Pur but this will be provided by us by extending route No. 10 or diverting some other route. Alternatively, we may start a new route from Azad Pur to Railway Station *via* Kingsway Camp and Model Town.

Indra Nagar to Railway Station *via* Azad Pur, Subzimandi Clock Tower and Tis Hazari.—This route is the same as our route No. 1 with the small diversion between Ice Factory and Subzimandi Clock Tower. We serve the same traffic as served by the private buses with the result that our income per mile on this route is very meagre. The number of buses operated by us on this route is 4 against one of M/S Aggarwal Bus Service.

Railway Station to Najaf Garh *via* Subzimandi, Zakhira and Tilak Nagar.—This route is the same as our route No. 16 except that the Model Bus Service is required to operate buses from Tilak Nagar to Najaf Garh *via* C.O.D. The main points of traffic between Najaf Garh and Railway Station are served by our buses as well as those of the Model Bus Service and thus there is direct competition. The number of buses operated by us on this route is 13 against one of the private Co. It will be possible for us to connect C.O.D. with Najaf Garh by diverting route Nos. 16 and 2.

Railway Station to Najaf Garh *via* Karol Bagh, Delhi Cantt. and Bijvasan.—This route competes with our buses of routes Nos. 2 and 13 between Railway Station and Karol Bagh and of route No. 3

between Railway Station and Delhi Cantt. It also competes with our buses of route No. 16 so far as direct passengers from Railway Station to Najaf Garh are concerned. The main loading points of traffic between Railway Station and Najaf Garh on this route are Railway Station, Karol Bagh, Delhi Cantt. and Najaf Garh. All these points are served by the D.T.S. buses and thus the private buses compete directly with us. We will also divert our buses so as to serve that sector of this route which is not covered at present by our buses *viz.*, Delhi Cantt. to Najaf Garh *via* Bijvasan. The number of buses operated by us on the above mentioned routes (2, 3 & 13) are 20. The number of private buses on this route against the permits in question is 3.

It is clear from the details given above that there is considerable overlapping of the bus services operated by us and the private operators on the above mentioned routes. It is against the interest of the nation to allow the continuance of this competition. It is also against the policy laid down by the Parliament in the D.R.T.A. Act, 1950 for providing an economical and properly co-ordinated system of bus services in the State of Delhi.

When the Delhi State Transport Authority announced in November, 1955 that the above mentioned private operators' permits are due for renewal, we applied for issue of these permits in our favour and filed our representation and objection against the renewal of these permits in favour of private operators. The State Transport Authority heard our representatives in connection with our representation and objections on 9-12-55 and in connection with our application for issuing the permits in our favour on 26-12-55. One technical objection raised by the private operators was that the General Manager or Assistant General Manager (Traffic) had no authority to apply for the grant of new permits or to file representation against the renewal of permits of private operators. It was pointed out that the General Manager is the Executive Officer of the Delhi Road Transport Authority and that the policy of the Delhi Road Transport Authority was to take over the routes of private operators which were directly competing with the D.T.S.

In view of the position explained above, it is suggested that the Delhi Road Transport Authority may pass a resolution declaring that:—

- (a) it has decided to operate its buses on the above mentioned routes served by the private operators, in pursuance of the provisions of Section 19 of the D.R.T.A. Act, 1950; and
- (b) requesting the Central Government to issue an order in writing to the State Transport Authority, Delhi in exercise of the powers conferred by Section 47(c) of the D.R.T.A. Act, directing it not to renew the above mentioned permits of the private operators as the D.T.S. will operate its buses on these routes.

B. K. LALL,
Secretary,
Delhi Road Transport Authority.

APPENDIX II

Statement showing the main conclusions/recommendations made in the Twentieth Report of the Public Accounts Committee on the Delhi Road Transport Authority (Bus Section)

Serial No.	Para. No. of the Report of the Sub-committee	Ministry concerned.	Conclusions/Recommendations.
1	2	3	4
1	(3) Introduction to the Report of the P.A.C.	Ministry of Transport.	<p>Certain clauses contained in the Agreement entered into by the Government of India with the Gwalior and Northern India Transport Co. Ltd., to acquire its business were weighted against Government. The Agreement did not contain any provision vesting the right in the purchaser to decide whether a vehicle was worth taking over, as laid down in the White Paper laid before both the Houses of Central Legislature on the 20th January, 1946. Further, a limit of Rs. 500/- was imposed on the amount to be deducted from the depreciated value, taking into account the physical condition of the vehicle, whereas no such limit had been set down in the U. K. Transport Act (1947). These two vital deviations circumscribing the right of Government culminated in the Government having had to take over vehicles some of which were not road-worthy and some others at higher prices than their physical condition warranted. Further, the Board of Valuers set about their task in a rather perfunctory manner deviating from the provisions of the Agreement to the prejudice of Government. The Committee, therefore, desire that Government should investigate the matter further and take appropriate action.</p>
2	8 and 9 of the Report of the Sub-Committee.	Transport.	<p>In terms of clause 11 (a) of the agreement entered into between the Government and the G. N. I. T. Co., which was stated to have been based on the U. K. Transport Act, 1947, depreciation was to be deducted only in respect of each <i>completed</i> year or years elapsing between the date of registration of the vehicles and the date of transfer. Thus, in terms of these provisions, no depreciation was taken into account in respect of 62 vehicles for the period which happened to fall short of a</p>

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complete year. (The amount thus not taken into account has been worked out to be more than Rs. 2 lakhs by Audit). The Committee find it difficult to see any apparent justification for such a weightage inasmuch as motor vehicles do get depreciated in value when once they are put on the road even for days, not to speak of months, the more so in the case of public utility vehicles.

Similarly clause 11 (a) (ii) of the Agreement provided a limit of Rs. 500/- per vehicle as the amount to be deducted from the depreciated value of each vehicle taking into account its physical condition when no such limit was imposed by the U. K. Act. By the inclusion of these two clauses in the Agreement, Government unduly fettered both their right and discretion in this deal ; the result being that deductions upto Rs. 500/- only could be made even in respect of some of the vehicles which according to the Valuers were not road-worthy. The Committee are, therefore, amazed at the plea that this provision was deemed to be more favourable to Government.

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Transport

(i) In the Committee's opinion there was no justification for not adopting, in the case of 14 six-wheeler vehicles, the formula prescribed in clause 11 (a) (1) of the Agreement *viz.*, the replacement value less depreciation at 25% on the diminishing value in respect of *completed* years since the date of registration. This departure from the Agreement resulted in an overpayment to the extent of Rs. 32,560/- having been made to the Company.

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Do.

The Committee, therefore, feel that the responsibility for the over-valuation of these 14 six-wheelers and consequent loss to Government as a result of the deviation from the provisions of the Agreement should rest on the Chief Cost Accounts Officer (who was one of the Members of the Board of Valuers) inasmuch as he, knowing full well the terms of the Agreement, agreed to the new formula suggested by the Valuers that these vehicles (14) should be valued at their cost to the G. N. I. T. Co. less usual depreciation when no depreciation could have been charged in respect of these vehicles as they were registered within one year of the date of their taking over.

The Committee consider that Government in the Ministry of Transport were not

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			<p>blameless in this matter inasmuch as they failed to examine the financial implications of the departures made by the Valuers from the Agreement in the matter of evaluation of these second-hand vehicles despite the fact that the latter had drawn Government's attention to this in para (4) of Section (II) of Part (2) of their Report. The Committee further consider that Government's acceptance of the Valuers' Report summarily without appreciating the financial implications of the quick decision was unwarranted and most unfortunate.</p>
4	17	<p>Transport All other Ministries</p>	<p>The Committee are distressed at the perfunctory manner in which the two technical Members of the Board of Valuers had set out on this work involving the Public Exchequer to the tune of over Rs. 20 lakhs. In the absence of any record of the technical examination of the vehicles conducted by the two technical experts, no scrutiny of the recommendations made by the Board of Valuers could be made by Government. The Committee regret to observe that the approach to this case at all levels had been unsatisfactory.</p> <p>Judging from the rather perfunctory manner in which the honorary experts had carried out their work, the Committee suggest that in such cases of valuation of assets to be acquired by Government, the appointment of persons in honorary capacity should be discouraged.</p>
5	23	<p>Ministry of Finance.</p>	<p>The Committee agree with the Ministry of Finance that it is in consonance with the established commercial principles that record of all the bids in an auction of public property should invariably be kept. They, therefore, desire that the Ministry of Finance should issue necessary instructions in this behalf to all the Ministries concerned for future guidance.</p>
6	24	<p>Ministry of Transport D.R.T.A.</p>	<p>The Committee learnt with regret that no proper records were maintained in respect of the serviceable items which are stated to have been removed from some of the vehicles before their disposal by the D. R. T. A. They consider this omission serious as in the absence of any such record, acts of pilferage and theft could be committed with impunity.</p> <p>The Committee would, therefore, like to observe that it is essential that when a vehicle is cannibalised, its serviceable and</p>

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unserviceable parts should be segregated and listed in the presence of both the Technical and Accounts Officers concerned, properly authenticated and taken to the stock account.

(iii) The Ministry of Transport should ask the D. T. S. to explain why the above procedure was not followed by them before disposing of the vehicles in this case.

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Transport

The interest of the Public Exchequer had been seriously neglected at every stage in handling the deal relating to the acquisition of the assets of the G. N. I. T. Co. About 43 % of the vehicles went out of commission within one year of their purchase and another 15 % by the following year.

It was the cumulative result of a series of serious lapses and inexcusable negligence from which the Officers concerned including the Chief Cost Accounts Officer and the representative of the Ministry of Transport cannot be divested of responsibility. The Committee consider that this case requires a thorough investigation and adequate action.

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Transport

(i) In the opinion of the Committee, the present mixed Board of part-time Members of the D.R.T.A. with the Chief Commissioner of Delhi as its Chairman, who has multifarious executive responsibilities to discharge, is not well suited for discharging the responsibility laid upon the D.R.T.A. by Parliament.

(ii) The Committee regret to observe that the representative of the Ministry of Transport on the D.R.T.A. failed to discharge his duties and was grossly negligent, as it transpired from the evidence tendered by him. Great care should, therefore, be exercised in future in the matter of selection of the representative of that Ministry.

(iii) What is necessary now is a body of members whose judgment and knowledge would command respect and who would keep the organisation on its toes by constant supervision and control. The Committee are, therefore, of the opinion that the present part-time Chairman should be replaced by a whole-time incumbent. The Committee would also suggest in this connection that a detailed pattern of the administration

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			in the context of a whole-time Chairman at its head should be worked out by the Ministry of Transport.
9	33	Transport . . .	<p>(i) With a view to associate enlightened public opinion which is essential for the efficient working of the Delhi Transport Service, the Committee suggest that a representative of the travelling public should also be appointed on the Advisory Council.</p> <p>(ii) The Committee observe that the Advisory Council is just formal in character and it has not contributed much in the matter of provision of better services to the travelling public. It is necessary that the Members of the Advisory Council should be made to feel that they have an important role as they form the connecting link with the public and can bring to bear the viewpoint of the public at their meetings. The Committee, therefore, suggest that a half yearly Conference of the D.R.T.A. and the Advisory Council should be called by the Chairman of the D.R.T.A. as such contacts might go a long way in improving the working of the Organisation. In this connection, the Committee also suggest that the meetings of the Council should be more frequent than at present.</p>
10	39	Transport . . . D.R.T.A.	The Committee regret to observe that although a period of more than 5 years has elapsed, final decision on the important question of fixation of capital of the D.T.S. which has a vital bearing on its financial working, has not yet been taken. The Committee, therefore, desire that steps should be taken without further delay to frame the necessary legislation enabling the Government to accept the basis of calculation of Government Capital as proposed by the D.R.T.A. (<i>c.f.</i> para 38).
11	43	Do. . .	The Committee were very much perturbed to learn that as many as 87 buses were in the sick-line on the 29th March, 1956 when their sub-Committee visited the Central Workshop of the Delhi Road Transport Authority. Quite a number of these buses had come for repairs to the Workshop months back—the earliest bus having come on the 15th November, 1954. In reply to a question as to who was responsible for the hold-up of vehicles in the Workshop, the General Manager, D.T.S. stated that he would

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take the blame for the delay. The Committee would like that this matter should be investigated further.

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|----|---------|-------------------------------------|---|
| 12 | 43 & 44 | <u>Transport</u>
<u>D.R.T.A.</u> | <p>Out of a fleet of 400 buses, the average number of vehicles off the road has been stated to be about 60 per day, of which the major portion is awaiting attention in the Workshop. As the Workshop is now in possession of all the spare parts which are needed for carrying out repairs to these buses, the Committee trust that an all-out effort should be made to put back the buses on the road without any further loss of time by employing extra staff or working an extra shift, if necessary.</p> |
| 13 | 47 | <u>Transport</u>
<u>D.R.T.A.</u> | <p>The Committee fully endorse the suggestion made by Audit that the estimate of the time required and the cost involved in respect of execution of each job together with a list of parts required should be prepared, as soon as a defective vehicle is received for repairs in the Workshop, as in the absence of these records, an efficient control over the Workshop expenditure is not possible. This system of maintenance of job cards will serve two useful purposes :</p> <p>(i) It would enable the management to check and control the disposition of the technical staff with a view to ensure the maximum output and efficiency in the Workshop; and</p> <p>(ii) It would establish standards for certain operational jobs which might serve as a guide in future.</p> |
| 14 | 48 | Do. | <p>(i) Since the necessary staff required for the Central Workshop has already been sanctioned and necessary equipment also procured, the Committee desire that steps should be taken to enforce the time-tests fixed for various operations in the Workshop without delay.</p> |
| | 49 | Do. | <p>(ii) For the proper control of workshop expenditure and for a scientific costing of the various jobs undertaken, comparison between the standards fixed in respect of both labour and material for each item of work with the actual performance would enable the management to apply appropriate correctives.</p> |
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15	50	Transport . D.R.T.A.	A report giving the recommendations made by the I.L.O. Productivity Expert whose services are contemplated to be obtained by the Government with a view to increasing the efficiency of the D.T.S., and the action taken to implement them as also the economy in expenditure achieved or likely to be achieved as a result thereof, should be submitted to the Committee in due course.
16	54	Do.	In view of the expansion in the fleet of the D.T.S. contemplated during the ensuing years, expenditure on retreading of tyres might also assume larger proportions in future. A Tyre Retreading Plant of its own in the Central Workshop of the D.T.S. would, therefore, prove an economic proposition in the long run and at the same time would ensure more efficient, expeditious and dependable service.
17	58	Do.	The Committee feel it extremely difficult to understand why road transport service in the Capital organised on a monopoly basis should not show as good profits as other nationalised Road Transport Services working in certain States are yielding. In their opinion an undertaking working under such conditions should be in first class fettle not knowing what adversity means.
18	62	Do.	The Committee would like to watch the results of the working of the revised scheme prepared by the D.R.T.A. for the rationalisation of routes keeping in view the elimination of uneconomical mileage and operation of Services on more efficient lines.
19	63	Do.	(i) Although there has been an improvement in the position of missing trips, the percentage of missed trips is still high and vigorous measures should be taken to reduce it to the irreducible minimum, if it cannot be wiped out completely. (ii) Since the Workshop of D.R.T.A. has now been equipped with necessary spare parts and staff, the Committee suggest that all-out efforts should be made to send out the stabled vehicles on the road as early as possible. (iii) When once the stables are cleared, the Workshop management should see that the turn-round of the vehicles is regular, uniform and according to schedule.

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			The above measures in the opinion of the Committee will go a long way in the effective eradication of the malady of 'missing trips'.
20	70	<u>Transport</u> D.R.T.A.	From the staffing of depots, it appears that the D.R.T.A. had been rather liberal. While the determination of the quantum of staff for any purpose is a matter for the Authority to decide in consultation with the Management, the Committee would only sound a note of caution that if redundant manpower is retained on the pay-roll, it will hardly be worthwhile to seek efficiency.
21	71	Do.	The Scheme of Advance Booking of passengers at certain points was recommended as early as July, 1952 by the Enquiry Committee appointed by the D.R.T.A. But it was implemented in May, 1956. The Committee are at a loss to understand why the implementation of this recommendation, which since its introduction, has shown good results, should have been deferred for four years.
22	72—73	Do.	In connection with the proposed amendment of the Delhi Motor Vehicle Rules seeking to prohibit the lifting and putting down of traffic by the station-wagons, motor-cycle-rickshaws and taxis at the D.T.S. Bus Stands, the Committee feel that it requires careful consideration as any hasty step in this direction might inconvenience the travelling Public in view of the long waiting generally entailed due to the irregular Services rendered by the D.T.S. In their opinion, therefore, an enduring remedy will be to increase the operational efficiency by removing the various bottlenecks to which attention has been drawn in the Report. (ii) As for private bus operators operating on some of the D.T.S. routes, the Committee agree in principle with the demand that private buses on these routes should be substituted by D.T.S. buses.
23	74	Do.	While the Committee appreciate the difficulties confronting the D.R.T.A. in revising its fare structure, they would, nevertheless, like to impress upon the Authority the importance of the cardinal principle—'Tariff-making should reflect costs'.

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24	75	Transport D.R.T.A.	<p>(i) <i>Paid Festival Holidays.</i>—The Committee feel that the number of paid Festival Holidays given to the employees of the D.T.S. is comparatively on the high side.</p> <p>(ii) <i>Running of Staff Buses.</i>—The Committee feel that this practice of running of Staff Buses for the benefit of the operational and workshop Staff for transporting them to and from their residences at a cost of Rs. 1.5 lakhs in 1952-53 and Rs. 2 lakhs in each of the years 1953-54 and 1954-55 is not only unnecessary but also undesirable and should, therefore, be stopped.</p> <p>(iii) <i>Free all-routes duty passes and family passes.</i>—The Committee can hardly see any justification for the grant of free all-routes family passes to the staff recruited before 1-9-1952. They, therefore, suggest that the D.R.T.A. should consider the discontinuance of these passes at an early date.</p>
25	80	Do.	<p>While the Committee agree that store-accounting and stock-verification are really very essential for the efficient administration of the undertaking and would not question any legitimate addition to the staff for that purpose, they feel that such of the additional establishment sanctioned purely for disposal of arrears and Audit objections should not be continued indefinitely.</p> <p>The Committee, therefore, suggest that a constant review of staff requirements should be kept with a view to ensure that the staff are fully employed. The Committee would lay great emphasis on the need for such a review as their Sub-committee which visited the Depots of the D.T.S. found that in certain section of one of the Depots, the Clerical staff had, according to their own statement, not more than a couple of hours' work a day.</p>
26	86—87	Do.	<p>The Committee regret to observe that even though the Secretary and the Chairman of the D.R.T.A. had in their hands the Police Report dated 13-3-52 which pointed to the fact that the authorities were fully aware of the complicity of Stores Officer and the Financial Assistant in the serious charges pending against them, yet, instead of investigating those charges properly and suspending them, the D.R.T.A. accepted the resignation of the Stores Officer and dropped all enquiry re-</p>

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garding the Financial Assistant and reverted him to his parent Department. The Committee, are, therefore, surprised at the statement made in the note furnished by the D.R.T.A. that no *prima facie* case could be established against the former Financial Assistant despite the strong suspicion by the Police. In the opinion of the Committee, it had neither basis nor any meaning. The Committee, therefore, suggest that action against the Financial Assistant would be entirely justified.

(ii) The Committee are constrained to observe that this case had not been dealt with the severity that the circumstances had warranted. In their opinion, immediately after the irregularities had been brought to light in December, 1951, the Stores Officer should have been suspended from service. As pointed out by Audit, the failure to suspend the Stores Officer enabled that Officer to have access to all records and apparently helped him in his successfully destroying documentary evidence against him.

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Transport . . .

(iii) In this matter, the Committee consider that the Ministry of Transport are also not blameless. The Committee were given to understand that the whole enquiry started as a result of an anonymous letter, setting forth the various irregularities committed by the ex-Stores Officer, addressed to the Ministry of Transport sometime in September, 1951, a copy of which was also endorsed to Audit. They are, therefore, surprised to learn that the representative of that Ministry was not even aware of the receipt of this anonymous letter on which the enquiry had started. The Committee are amazed to see why the Ministry did not care to pursue seriously such an important matter.

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Do. . . .

The Committee are unable to appreciate the plea of alleged delay in the delivery of diesel vehicles, which were intended to replace the petrol driven vehicles, advanced in justification of the over-indenting of spare parts, nor do they appreciate the "imperative need to get the best possible service out of the petrol vehicles", when the D.T.S. had a sizeable number of diesel vehicles.

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28	94	Transport D.R.T.A.	The Committee consider the action of the D.R.T.A. in making an <i>ad hoc</i> reduction of 33 1/2% in the book value of the surplus stores in anticipation of their disposal, which resulted in the writing-off of the sum of Rs. 2.6 lakhs as a loss, in anticipation of Government sanction, as highly irregular.
29	95	Do.	The Committee consider it unfortunate that the D.R.T.A. should have immobilised such a large sum in unwanted spares and should find itself saddled with spares for which it could not find a ready market.
30	99	Do.	The results of the examination of the working of D.T.S. have revealed that the undertaking has a long way to go towards achieving its real objective. First, the formal structure of the Delhi Road Transport Authority is not conducive to the highest efficiency. Secondly, in the field of operation and management, the undertaking leaves much to be desired. Indeed, in some respects the working of the undertaking reveals a deplorable state of affairs. Lastly, the undertaking has not devoted much attention to the economies of its working. Being a nationalised undertaking on monopolistic basis, it might without financial embarrassment, keep itself going. The Committee attach great importance to the undertaking being run on business lines. It should have one duty and one duty alone : to provide transport to the Public at the lowest possible expenditure consistent with the maintenance of employment standards at the level of the best private firms.
31	100	Transport	The Committee trust that if the authorities address themselves to the problems outlined in the Report, the undertaking will attain new levels of efficiency and will become a valuable public asset.

