

PUBLIC ACCOUNTS COMMITTEE

1955-56

TWENTIETH REPORT

[Delhi Road Transport Authority (Bus Section)]

Vol. II—EVIDENCE



LOK SABHA SECRETARIAT

NEW DELHI

August, 1956

CORRIGENDA

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

- Page 3, Col. II, line 14 from bottom: for 'membtr' read 'member'.
- Page 4, Col. II, line 17: for 'so' read 'no'.
- Page 5, Col. II, line 4 from bottom: for '3 68' read '3.68'.
- Page 10, Footnote marked*, line 3: insert 'by' between 'over' and 'Government'.
- Page 15, Col. I, line 6 from bottom: for 'wil' read 'will'.
- Page 19, Col. I, line 12 from bottom: for 'missin-trip' read 'missing-trip'.
- Page 25, Col. I, line 20 from bottom: for 'pecular' read 'peculiar'; and Col. II, line 17: for 'Deport' read 'Depot'.
- Page 27, Col. I, line 6, Heading: for 'Arrangement' read 'AGREEMENT'.
- Page 31, Col. I, line 19: add 'terms of the Agreement' at the end of line; and Col. II, line 11: for 'repaid' read 'repair'.
- Page 34, Col. II, line 9: for 'showing' read 'shoving'.
- Page 35, Col. II, line 16 from bottom: insert 'on' between 'Govt.' and 'this'.
- Page 48, Col. II, last line: insert 'assess Rs. 10,000' after 'to'.
- Page 53, Col. II, line 24: for 'on eyear' read 'one year'; and line 32: for 'mines' read 'minus'.
- Page 55, Footnote marked*: for 'Refered' read 'Refers'.
- Page 56, Col. I, line 16 from bottom: for 'Shri S. Gupta' read 'Shri S. V. Ayyar'; and Col. II, line 10 from bottom: for 'thng' read 'thing'.
- Page 60, Footnote marked*, line 2: for 'G.N.I.SO' read 'G. N. I. T. Co'.
- Page 62, Col. I, line 16, for 'Mr. Ashacony' read 'Mr. Arshacony'.
- Page 66, Col. I, last line: for 'tnree' read 'three'; and Col. II, line 20: for 'Shri P. S.' read 'Shri T. S.'.
- Page 83, Col. I, line 11 from bottom: insert 'and' between 'over' and 'above'.
- Page 87, Col. II, line 9 from bottom: for 'Rs. 1,12,877-11' read 'Rs. 50,858-13'.
- Page 99, Col. II, last line: for 'them' read 'then'.
- Page 100, Col. I, line 2: for 'an' read 'and'; and lines 10 and 11 from bottom: delete 'and substitute'.
- Page 102, Col. I, line 14 from bottom: for 'dose' read 'does'; and Col. II, line 20: for 'obivious' read 'obvious'.
- Page 103, Col. II, line 9 from bottom: for 'farfluing' read 'farflung'.
- Page 111, Col. I, line 13 from bottom: for 'commerced' read 'commenced'.
- Page 124, Col. II, lines 4 and 5 from bottom: insert 'Miles' after the figures '2,50,000 and 1,25,000'.
- Page 126, Col. I, line 14 from bottom: delete 'Mr.' before 'the store-keeper'.

C O N T E N T S

PAGES

Proceedings of the sittings of the sub-Committee of the Public Accounts
Committee on the DELHI ROAD TRANSPORT AUTHORITY (Bus
Section) held on :

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MINUTES OF EVIDENCE

Thursday, 29th March, 1956

PRESENT

Shri S. V. Ramaswamy—*Chairman.*

MEMBERS

2. Shri Kamal Kumar Basu
3. Diwan Chaman Lall
4. Shri P. S. Rajagopal Naidu

Shri S. Gupta, *Additional Deputy Comptroller and Auditor-General.*

Shri P. N. Bhandari, *Director of Commercial Audit.*

SECRETARIAT

Shri V. Subramanian—*Deputy Secretary.*

WITNESSES

Shri N. M. Ayyar, I.C.S., *Secretary, Ministry of Transport.*

Shri B. K. Lall, *General Manager, Delhi Road Transport Authority.*

Shri T. S. Parsuraman, *Deputy Secretary, Ministry of Transport.*

Shri R. G. Abbhi, I.A.S., *Deputy Secretary, Ministry of Finance (Communications Division).*

Shri S. V. Ayyar, *Chief Cost Accounts Officer, Ministry of Finance.*

Shri M. Gopalakrishnan, *Chief Accounts Officer, Delhi Transport Service.*

(The Sub-committee met at three of the Clock)

AUDIT REPORTS ON THE ACCOUNTS OF THE DELHI ROAD TRANSPORT AUTHORITY FOR THE YEARS 1950-51 TO 1953-54

Mr. Chairman: You remember, when we met last, there was lot of discussion about the affairs of the Delhi Road Transport Authority and the Chairman of the Public Accounts Committee thought it fit to appoint a sub-Committee. We have been going round and even today we were in the Coronation Depot and the Central Workshop. Now, what we are worried about is this: here is a monopoly, namely, the Delhi Transport Service and it is axiomatic that any monopoly must yield a profit. But to our surprise we find that this

service is not yielding any profit. Why? That is what we are bothered about. What are the reasons for the transport not being profitable? Either the expenses must be high or the return must be low. These are some of the things that we must bestow our attention to. Can we cut down the expenditure? Can we increase the income? If so, what are the ways? We would like to see that as a result of our deliberations we are able to set right things in the organisation.

I may also invite your attention to the press comments regarding this. They are not quite favourable to the D.R.T.A. (Delhi Road Transport Authority) and the public also seem to be complaining about the way in which things are going about. I think, we should make a deep study of this problem especially since road transport,

if it is in private hands, is yielding tremendous profits elsewhere. Why should it not yield profit when it is in the public sector? Now, take for instance—Mr. Ayyar comes from the south and he will know the TVS Bus Service which is in the private sector. How they started with humble beginning? How they built up tremendous business? Today, the punctuality, service and efficiency of that Organisation is A-1. Nobody can complain. I think some such thing we ought to do here also to set this right.

I do not know whether Diwan Chaman Lall wants to say anything.

Diwan Chaman Lall: Who are the representatives of the D.R.T.A. present here?

Shri B. K. Lall: Two members of the D.R.T.A. are here, Mr. Parsuraman and Mr. Abbhi.

Diwan Chaman Lall: You (Mr. Abbhi) are from the Finance side and the other....

Shri B. K. Lall:...from the Transport Ministry.

Diwan Chaman Lall: How long were you there?

Shri T. S. Parsuraman: I was there for the last four years with a few breaks in between.

Shri R. G. Abbhi: I was there for the last 18 months, since September, 1954.

Diwan Chaman Lall: The reason why I asked how long have you been there is obviously to say that the responsibility is not only of the General Manager, but also of the representatives of the Government of India who are on the D.R.T.A. So, if anything has been going wrong, it has to be shared equally by the representatives of the Ministries along with the other representatives of the D.R.T.A. Something has obviously been going wrong. We want to know, as the Chairman has said quite correctly, what is it that has been going wrong, which has resulted in a monopoly of this nature not yielding profits. He has not asked this question in a critical spirit. That is a matter for the Public Accounts Committee to deal

with. We ask this question in the interests of the service itself, and also in the name of those who represent the Ministries on the D.R.T.A. So, that is Question No. 1. No. 2 is this: Do the D.R.T.A. or the representatives of it feel that the present set-up is not adequate for the purpose for which it is meant? For instance, do they know of the very large number of vehicles which are immobilised? There is no reason why they should be immobilised. Secondly, do they know of the slow progress of rehabilitating these vehicles? Are they aware that for months the proposal has been before them asking them to sanction extra staff—mechanical staff? It has taken six months to do so. It is only two or three days ago we were told that the sanction was obtained. The effect of that can be seen if any member of the D.R.T.A. visits a first class workshop where a large number of these vehicles are parked behind the workshop. It is a disheartening sight. Also this is visible in the job cards. The vehicles that came in September are still there. An engine has been taken out and put in another place and that bus is still there. Some of them have been there for a year. So, it continues. It is really a disastrous state of affairs as far as efficiency of work is concerned. Now, we would like to know, first of all, whether those who are representing us on this Authority are aware of these things and if they are aware, what steps they have taken to put these things right; if no steps have been taken—adequate steps—what do they suggest should be done? Allied with these questions, of course, there is another question which the Chairman referred to. There are other concerns like the PEPSU Transport Authority, Bombay Transport Authority and some in the South also which are paying concerns returning their capital and adding to the capital year by year, whereas we are hard-put to it as the Authority was hard-put to it to explain to the public through the Minister-in-charge that Rs. 3.6 lakhs—without actual profits—were earned by

this concern during the year 1954-55. This needs a close examination. I do not say that this is misleading the public or misleading the Minister. But it would be wrong to leave it at that and give incorrect figures. If you are hard-put to it as not to justify what is happening in this particular matter, it is a matter of grave concern to us. What should we do? What should we suggest to the Public Accounts Committee in this matter?

The other question that arises is with regard to the responsibility for frauds and forgeries committed. There might have been minor frauds; there might have been minor forgeries. But what is the action the Delhi Road Transport Authority took in regard to that? What about the losses incurred so far in this concern? What is it that should be done constitutionally to improve the situation or what is it that should be done from the point of view of the management to improve the situation or from the point of view of accounts to control this disastrous state of affairs under which lakhs of rupees worth spare parts are ordered when even a Clerk in the Office would have said that these things were not needed? Now you have got those spare parts in your hands and you do not know what to do with them or whether you should sell them at a tremendous loss. These are the main things. I do not say that any one of you is responsible for these things. But these are the main things that have been worrying us and we want your co-operation to try and explain these things to us clearly so that we may be able to make our recommendations with the full facts before us.

Mr. Chairman: Can you kindly give us an overall picture as to why we have no profits here?

Shri T. S. Parsuraman: I shall try my best to explain the matter. I have been associated with this organisation for the last four years, as I said, that is since 1951-52. In that year, Government as a result of numerous complaints received about

the working of the Delhi Road Transport Authority suggested to the Authority itself that it should appoint a Committee to investigate into its working and find out what were the loopholes and to make recommendations for improving it. That Committee consisting of the then Chairman of the Authority, the Chief Commissioner, Delhi, myself as a Member representing the Ministry of Transport, Deputy Secretary of the Finance Ministry, Mr. Jagdish Prasad, the Transport Commissioner of U.P. and Shri B. K. Lall who is now present here as the General Manager of the D.T.S. was called upon to produce a report within ten days because the Transport Minister felt that the matter was very urgent and accordingly they visited the Depots, inspected the organisation and the various offices and came to the conclusion that practically every Department of the Organisation was considerably below par in its work, that there were several loopholes and procedural irregularities and on top of that the Authority itself—so the Committee found—was not administratively geared to get speedy decisions on many proposals. It so happened that the General Manager could not get his proposals approved by the member representing the Ministry of Finance. This fact came to the notice of the Committee. As a result of the findings of that Committee, a different arrangement was made by which the representative of the Finance Ministry—that Division of the Finance Ministry which advises the Transport Ministry—was to be appointed as membtr on the Authority.

After the Committee made its recommendations, the Government decided to make a change in the incumbency of the post of General Manager. That was the third change made in the post of General Manager within three years from 1950 onwards. Further, there were deficiencies in the Accounts Department. The post of Accounts Officer was vacant for a long time, there were difficulties in getting a suitable Officer. Soon after the report of this Committee,

the General Manager was changed and the Comptroller and Auditor-General was pleased to lend the services of an experienced Accounts Officer to work as the Chief Accounts Officer for the Authority. Since that time, a perusal of the financial working of the Authority indicates that the losses which had taken place in the two years, 1950-51 and 1951-52 got converted into small surpluses. So it would not be strictly correct to say that the Authority is suffering losses. It may be that the profit was not as much as it should be.

Diwan Chaman Lall: In which year?

Shri T. S. Parsuraman: In 1952-53.

Diwan Chaman Lall: In 1952-53, there was a profit. What was the profit?

Shri T. S. Parsuraman: Rs. 4.28 lakhs.

Diwan Chaman Lall: How much did you get by selling scrap?

Shri T. S. Parsuraman: Quite a large part of it was due to the scrap being sold. It was Rs. 3.34 lakhs including miscellaneous receipts.

Diwan Chaman Lall: First of all, the Chairman says that for 1953-54, it was Rs. 4.28 lakhs.

Shri T. S. Parsuraman: For 1953-54, it was Rs. 3.15 lakhs and for 1954-55, it was Rs. 3.17 lakhs.

Mr. Chairman: So, in 1954-55, there was a loss.

Diwan Chaman Lall: I take these figures to be correct.

Mr. Chairman: Mr. Parsuraman, the balance sheet is here. You are showing a net profit of Rs. 3.68 lakhs. I am reading for the year ending 31-3-1955. Now if you kindly look at the other side, advertisement and publicity have accounted for Rs. 1.49 lakhs, sale of scrap and obsolete and unserviceable stores accounts for Rs. 1.20 lakhs, miscellaneous receipts Rs. 99,000. Total is Rs. 3.69 lakhs. This, you cannot say, is due to the operation of the bus service. This is something extraneous. This is sort of a wind-fall for you. If this

is deducted you are certainly working at a loss.

Diwan Chaman Lall: Surely you do not mean to tell the sub-Committee that you are convinced that this Organisation has made legitimate profits in that year.

Shri T. S. Parsuraman: I am only suggesting that there has been improvement over previous years.

Diwan Chaman Lall: You made a definite statement that this Organisation made a profit of Rs. 4.28 lakhs, but according to the Balance Sheet it turns out to be Rs. 3.68 lakhs and three items go to make up Rs. 3.69 lakhs. There is so profit.

If you leave the statement where you left it, it would mean that we should swear that this Organization on its running side made a profit; and it would be false.

Shri T. S. Parsuraman: If you exclude certain items.....

Diwan Chaman Lall: You can convert 20 buses into scrap and sell them as scrap and say it is a profit.

Shri T. S. Parsuraman: They have all been depreciated. Kindly refer to the Accounts.

Diwan Chaman Lall: This is the position in regard to the year 1952-53.

Mr. Chairman: You said something about the year 1953-54. I will read upto end of 31-3-1954. You have shown a net profit of Rs. 3.14 lakhs. Look at the other side. How is this made up of? Advertisement and Publicity—Rs. 1.18 lakhs; sale of old vehicles and obsolete and unserviceable stores—Rs. 1.88 lakhs; and Miscellaneous Receipts—Rs. 1.03 lakhs. The total is Rs. 4.10 lakhs. If you deduct these items, you get a loss of nearly Rs. 1 lakh.

Shri S. Gupta: There is some point in what Mr. Parsuraman said. You cannot say that the sale of condemned vehicles should not be treated as an item of profit. They have provided for depreciation which has been

charged to working expenses. As such it is correct to say that it is part of the profit.

Mr. Chairman: What I am interested in is the actual part of the bus service working—the carrying of passengers. Did you make any profit? You ought to be able to show a profit on this business of carrying passengers, that is, the transport business.

Shri T. S. Parsuraman: The operation of the Authority has to be taken as a whole in arriving at the profit.

Diwan Chaman Lall: This is your idea about the profit? I take that this is the conception you have got of the running of the Organisation. Suppose, your total revenue goes up to Rs. 10 lakhs. Ultimately, you call it still a profit. You will be proud even if Rs. 9 lakhs is lost by this Organisation in the actual operation?

Shri T. S. Parsuraman: As a commercial Organisation, the overall income is, what matters.

Diwan Chaman Lall: Even if you have to sell your buses in order to get an overall income?

Shri S. Gupta: But they had provided for the depreciation of these vehicles and charged it to working expenses.

Diwan Chaman Lall: I am not objecting to the accounting procedure. Will you try to understand the point that we are trying to put? Here is an Organisation which is run on a commercial basis. As far as the commercial accounts are concerned, these are adventitious items. There is loss and there is no profit.

Shri S. Gupta: We must also take into account the additional expenditure on depreciation.

Diwan Chaman Lall: Any business concern does that, but they do not show profit merely on account of sale of scrap. That is not their legitimate

business. That is adventitious business. It is part and parcel of something that happens. Why did they buy up all old rotten stuff? Supposing they have not got the old rotten things and supposing they have not had to dispose of these vehicles, what would they make on their own legitimate work of carrying passengers from one point to another minus expenses connected therewith. Is that loss or profit? I do not want to hoodwink myself or anybody else in regard to this matter. On the legitimate business, the commercial business of carrying passengers, was there a loss or profit?

Shri T. S. Parsuraman: Taking operational expenses per mile and operational revenue per mile, I accept the position as stated.

Mr. Chairman: That is how we view it.

Diwan Chaman Lall: Now we take the next year.

Shri K. K. Basu: Is there any comparative statement that could give an idea whether there has been improvement?

Shri B. K. Lall: Such a comparative statement can be prepared.

Shri K. K. Basu: It will tell us whether we are trying to reduce the operational expenses and at the same time whether earnings are increasing. That will give us an indication of the position.

Diwan Chaman Lall: The next item that the Chairman took up was about the year 1953-54. It is stated that income from advertisements is Rs. 1.18 lakhs; sale of old vehicles Rs. 1.88 lakhs; miscellaneous receipts Rs. 1.03 lakhs. The total is Rs. 4.09 lakhs. They show a profit of Rs. 3.14 lakhs which means there is a net loss of nearly a lakh of rupees.

Mr. Chairman: For 1954-55, the profit shown is Rs. 3.68 lakhs. Now this wind-fall from miscellaneous receipts accounts for Rs. 3.69 lakhs and advertisements—Rs. 1.49 lakhs

which means a net loss of about Rs. 1 lakh. This is according to us. Is it on the basis of this that the hon'ble Transport Minister said in the Lok Sabha that there was a profit of Rs. 3.6 lakhs?

Shri T. S. Parsuraman: Can we go to 1955-56 also?

Mr. Chairman: This is for the period ending 31-3-1955.

Diwan Chaman Lall: Is it on this basis that the Minister made a statement that there was a profit of Rs. 3.6 lakhs.

Shri T. S. Parsuraman: It is on the basis of the statement that we gave him up-to-date.

Diwan Chaman Lall: Did you tell him that this included these three items also?

Shri T. S. Parsuraman: We did not place the full Balance Sheet before him.

Diwan Chaman Lall: You know the Ministers are hard pressed for time. Did you give him the break-up of the figure?

Shri T. S. Parsuraman: No.

Diwan Chaman Lall: Would you not be misleading him if you did not give the break-up?

Shri T. S. Parsuraman: I don't think so.

Diwan Chaman Lall: You mean you would not have misled him.

Shri T. S. Parsuraman: May I put certain other facts also? This Authority unlike an ordinary joint stock company, had no capital of its own. Its capital was in the shape of loans from the Government and one of the conditions for the grant of loan was that it was to be repaid immediately from the next year. In other words, the profit that is shown here is the result of surplus minus the payments to Government for repayment of loan, on account of interest on loan, full

depreciation on all plants etc. In a normal undertaking, the charges on account of capital would be the normal interest, but here it is interest and return of capital also.

Mr. Chairman: Your contention is that you are over-capitalised. You are paying excess interest over it.

Shri T. S. Parsuraman: Yes. When drawing conclusions, some of these facts have also to be considered.

Diwan Chaman Lall: The same thing applies to the Madras and PEPSU Road Transport Services. Each one of them paid back Rs. 40, 50, 60, 70 lakhs and yet they are making legitimate profits, not out of the sale of old vehicles or out of advertisements, but on passengers carried per mile. The same applies to them. The handicaps which you have, they have also got them.

Shri T. S. Parsuraman: So far as the Bombay Corporation is concerned, they got loans interest free for 7 years.

Diwan Chaman Lall: Take the case of Madras Transport service.

Shri T. S. Parsuraman: They got loans interest free. They repay the loans after a certain period.

Diwan Chaman Lall: Take the PEPSU Roadway.

Shri B. K. Lall: PEPSU have just started their service.

In the case of Madras, it is a Government Department. They do not return capital.

Diwan Chaman Lall: How much have you returned in 1952-53? What were your returns for 1952-53, 1953-54 and 1954-55?

Shri T. S. Parsuraman: I may read out the figure of loans repaid. In 1954-55, the loans repaid was Rs. 9.33 lakhs.

Mr. Chairman: You may please begin from 1951.

Shri T. S. Parsuraman: I am sorry we don't have it. But the loans were repaid strictly in accordance with the terms.

Mr. Chairman: How much was repaid in 1953?

Shri T. S. Parsuraman: If the loan is granted this year, the first instalment of repayment is next year. If Rs. 20 lakhs are given this year, Rs. 2 lakhs will be repaid next year, Rs. 2 lakhs, the year after and so on.

Diwan Chaman Lall: How much did you pay in 1952-53, 1953-54 and 1954-55?

Shri T. S. Parsuraman: In 1952-53 we repaid Rs. 4 lakhs plus interest.

Diwan Chaman Lall: How much was the interest?

Shri T. S. Parsuraman: Unfortunately we have not got the figures.

Diwan Chaman Lall: What about 1953-54?

Shri T. S. Parsuraman: It should be more than that because we go on paying every year. It should be more than Rs. 4 lakhs.

Shri S. Gupta: Plus interest? But the loan repayment is not charged to the Revenue Account.

Shri T. S. Parsuraman: Yes, Sir. It is from the year's revenue.

Shri S. Gupta: I don't think you are correct.

Shri T. S. Parsuraman: What other resources the D.R.T.A. have?

Shri B. K. Lall: It is charged to the revenue Account. There are no other resources with the D.R.T.A.

Diwan Chaman Lall: What was your total capital in 1952-53?

Shri T. S. Parsuraman: The loan outstanding at the end of the year 1951-52 was Rs. 66.17 lakhs.

Mr. Chairman: In 1952-53?

Shri T. S. Parsuraman: In 1952-53 it was Rs. 97.17 lakhs. In 1953-54 it was Rs. 135.84 lakhs. In 1954-55 it was Rs. 161.5 lakhs.

Shri S. Gupta: I am not sure on this point of the repayment of the loan

being charged to the revenue account. I have to look into it.

Diwan Chaman Lall: Supposing they are having Rs. 4 lakhs profit and they are making Rs. 3.99 lakhs out of scrap and out of advertisement. So, out of the Rs. 4 lakhs.....

Shri S. Gupta: Their point is that it is a legitimate charge on revenue and they are meeting it out of the revenue.

Diwan Chaman Lall: The point is: did you deduct this Rs. 4 lakhs?

Shri S. Gupta: Mr. Parsuraman is not correct. The repayment is not charged to the revenue Account. Only the interest is charged.

Shri T. S. Parsuraman: Yes.

Shri S. Gupta: I was surprised to learn that repayment could be charged to the revenue account.

Diwan Chaman Lall: The edifice on which Mr. Parsuraman has built up his storey has collapsed. Anyhow we will proceed. May I ask one other question?

Mr. Chairman: What is the position? Do you agree with Audit?

Shri T. S. Parsuraman: Perhaps I was not clear about it. Every year the Authority is returning the loan to the Government according to the terms of the Agreement.

Diwan Chaman Lall: That we all know.

Shri T. S. Parsuraman: The loan terms are pretty rigorous.

Shri S. Gupta: But that does not affect your Profit and Loss Account.

Diwan Chaman Lall: May I ask one question with regard to your Profit and Loss Account? Is it a fact that in 1953-54 you actually lost one per cent. of the turnover whereas in the previous year, that is, 1952-53, you gained one per cent. over the turnover? Mr. Parsuraman you are a very hard-pressed man in your Ministry. What are your duties? Are you very busy in your own Ministry.

Shri T. S. Parsuraman: Yes, I am busy.

Diwan Chaman Lall: Naturally. Of course, it is a new Department and able men have got to be busy with the new Department.

Shri T. S. Parsuraman: This is not my only Department. My main activity relates to the administration of Ports.

Diwan Chaman Lall: I see. And every sort of bus troubles you in your Ports. So, Ports is your main activity. Would it not be better to appoint a whole-time Officer to do this work? Supposing you are on tour, what happens?

Shri T. S. Parsuraman: It is a suggestion worth considering.

Diwan Chaman Lall: Rs. 161 lakhs of investment should be returning at least Rs. 20 lakhs profit which requires whole-time attention. When you appoint an Authority, it has to function all the time. Take one example, I am asking about this particular figure.

Shri T. S. Parsuraman: It is true that if you take only the operational side and leave aside incomes from sale of surplus stores and advertisement, then the picture is not bright.

Diwan Chaman Lall: Were you here last year when we asked this very question? We had a long discussion about it last year. Do you remember? Were you present then?

Shri T. S. Parsuraman: I was present.

Diwan Chaman Lall: Do you remember it, Mr. Lall?

Shri B. K. Lall: Yes, I remember it.

Diwan Chaman Lall: You come back with the same story over and over again. You come back with the same justification over and over again. I ask you again: has there been any

deterioration in 1953-54 as compared to 1952-53 and whereas in 1952-53, you made a profit of one per cent. on the turnover, in 1953-54 you lost one per cent? Is that correct?

Shri T. S. Parsuraman: This is a developing Organisation.

Diwan Chaman Lall: True.

Mr. Chairman: But it must work on sound lines.

Shri T. S. Parsuraman: It is not fair to.....

Diwan Chaman Lall: Don't bring in morals in this matter. I am asking facts. I am not asking for opinion. The explanation may be given by the Ministry themselves. They have got the Officers with them.

Shri T. S. Parsuraman: The facts are there.

Diwan Chaman Lall: We know that it is a developing Organisation. Is the figure given by you correct?

Shri T. S. Parsuraman: Obviously, the figure is correct. It has been verified by Audit.

Diwan Chaman Lall: Far from showing any improvement as compared to 1952-53, in 1953-54, there was a loss of one per cent. of the turnover whereas in 1952-53, there was a profit of one per cent.

Mr. Chairman: Kindly look at the second paragraph on page 25 of the Report of the D.R.T.A. for the year, 1953-54 and 1954-55 which reads as:

"Rs. 6,33,334 were repaid during 1953-54 and Rs. 9,33,334 during 1954-55 to the Central Government as instalments of the loans taken during the previous years. Thus the Authority's capital amounted to Rs. 161.51 lakhs as on 31-3-1955. This amount is likely to be scaled down, because the proposal, mentioned in the previous report, to reduce the amount of initial capital provided

by the Central Government is likely to be accepted by the Government."

Therefore, your position that is debitable to the Revenue Account is not correct.

Shri T. S. Parsuraman: I don't quite follow.

Shri S. Gupta: He has admitted that repayment is not charged to the Revenue Account.

Shri T. S. Parsuraman: I myself do not understand from where the Authority gets money for the yearly repayment of loan.

Shri S. Gupta: It is by reduction of capital. It will not come to the Profit and Loss Account.

Shri T. S. Parsuraman: In other words, the year's resources of the Authority go not merely to provide the profits that we show but also for the repayment.

Shri K. K. Basu: In your Profit and Loss Account, you have only shown the payment of the interest. What the Audit Report says is the correct position. This payment was also made out of the profit. In the Balance Sheet, you might have a different picture. But the Revenue Account, on which the Profit and Loss Account is based, shows only the repayment of interest.

Shri T. S. Parsuraman: I do not know. The profit is not sufficient for the repayment of the loan.

Mr. Chairman: Will the Chief Cost Accounts Officer explain whether it is charged to the Revenue Account?

Shri S. V. Ayyar: It would be charged to the Revenue Account as depreciation is being charged and that amount of liquid money is available and had it not been for the repayment of this capital, this money would have been available for being utilized in other ways. In a Limited Company there is no question of this kind because there is no rigorous rule that every instalment must be paid. What would have been available to a Limited Company in the form of depreciation accumu-

lated in liquid assets for earning further profits is not available to this Company and to that extent there is a distinction between a Limited Company for whom the liquid asset is available and this Company where this amount has to be paid back.

It will not be proper to compare the business of a Limited Company with this simply because those extra assets which will be available in the form of liquid money is not available here for similar investment.

Mr. Chairman: Do you think that private sector does not borrow though there is the Sinking Fund?

Shri S. V. Ayyar: For those who have a Sinking Fund, they get interest and that interest is included in the profit and loss Account.

Shri S. Gupta: Will you please refer to page 54 of your printed report?

Shri S. V. Ayyar: I must beg of you not to drag me into the details, as I must tell you that I have not gone into the details I was mentioning only the general aspect of the question.

Shri S. Gupta: There you have shown a loan of Rs. 45 lakhs. How do you pay the interest?

Shri T. S. Parsuraman: The interest is charged to Revenue, of course.

Shri S. Gupta: I do not find it there.

Shri S. V. Ayyar: You find on page 50 of the Report that for interest charge there is a provision of Rs. 4,13,389. Let me mention to you that in the case of a Limited Company, there is no interest debited to Profit and Loss Accounts. Here it relates to the loan which has been borrowed.

Diwan Chaman Lall: What about debentures?

Shri S. V. Ayyar: There are some Limited Companies which have no Debentures and some which have debentures.

Diwan Chaman Lall: What is your Company then? Has it a Debenture or not?

Shri S. V. Ayyar: What I want to impress is this. The profit earned by a Company with 100% borrowed capital cannot be compared with a proprietary concern or with a Limited Company whose capital is the share capital without any loan. The proper method will be to treat this interest also as a profit on the share capital and compare it with the total profits of the Company, and not to exclude it completely.

Diwan Chaman Lall: This is a monopoly.

Shri S. V. Ayyar: May I just mention that if you consider that it is a monopoly, I cannot say anything else. It is for you to judge.

Diwan Chaman Lall: You do not think that it is a monopoly?

Shri S. V. Ayyar: I am not prepared to say that it is a monopoly, but it is a public utility concern. Monopoly carries with it the opinion of the Company to cut off any passenger traffic which is not found to be remunerative and to run only on the lines where passenger traffic is remunerative. I do not think that the Delhi Transport Service can afford to do that. When it is working as a public utility concern in a capital city like Delhi, it has got to run even special buses for the benefit and convenience of the public in the capital. A monopolist does not do this.

Mr. Chairman: Is that one of the reasons why you say you cannot make profits?

Shri S. V. Ayyar: As I have already said, I have never looked into all these details.

Diwan Chaman Lall: You happen to know a great deal of these details in spite of not looking into them, as you say. The question that you are raising now about this not being a monopoly is exactly what they have all along been raising. It is extra-

ordinary that you should also say the same thing. They continue saying that they have to serve certain routes which are not profitable. That does not take away from the fact of the concern being a complete monopoly of transport in Delhi in the matter of buses. Whether it is in the interests of the individual or the State or the public, the fact remains that it is a complete monopoly.

Shri S. V. Ayyar: Excuse me. I will leave this to you to judge whether a Government Organisation of this kind which is running as a public utility concern can be considered a monopolist concern. You are the better judges. I am afraid I cannot discuss this.

Diwan Chaman Lall: I say it is a very good thing. It is not a bad thing, and all that we are saying is this: that a good thing can be improved. But if it continues to run it is running at present, there is a great danger. The point is, how can we improve it. Now that you know the facts, let us know what your suggestion is.

Shri S. V. Ayyar. I entirely agree but I am not in a position to deal with it.

Mr. Chairman: What we mean by monopoly is that there is no competitor. In the case of the Indian Airlines Corporation, there is no competitor today. It is in that sense that we use the word monopoly.

Shri P. S. Rajagopal Naidu: According to him, the Indian Airlines Corporation will also be a public utility concern.

Mr. Chairman: Mr. Ayyar knows a good deal about the *Agreement and we shall come to that presently. Mr. Parsuraman was saying something about their not showing as much profit as they would like to. I would like Mr. Parsuraman to resume the thread of his argument.

*Refers to the Agreement between Government and the Gwalior and Northern India Transport Co., Ltd. (G.N.I.T. Co.) dated the 23rd April, 1948 relating to taking over Government of the Road Transport Business operated by that Company in Delhi.

Shri T. S. Parsuraman: I can attempt to give some general remarks. One of this principally is that the labour output is not as satisfactory as it ought to be.

Mr. Chairman: This is your third point, namely that labour output is not as good as it can be.

Shri T. S. Parsuraman: We have had considerable difficulty in dealing with labour. We had to give them concessions after concessions. They have all the benefits of an organisation handed from a private Company to the Government. They get the pay scales of the Government of India Secretariat. They get all the holidays of the Secretariat. They also get the benefits of the Minimum Wages Act, namely overtime payments at double the rates and so forth. Yet, they have not given us a headache-free time.

Mr. Chairman: These are all applicable to private industry.

Shri T. S. Parsuraman: But the Government scales of pay are not applicable. Take for instance a clerk in the D.T.S. The clerk here gets the same pay as a clerk in the Secretariat.

Mr. Chairman: Let us go into the details.

Shri T. S. Parsuraman: They get certain pass privileges also. They get all the 23 holidays notified for the Government of India Secretariat, and if we want to make them work on those holidays we will have to employ more staff.

Diwan Chaman Lall: Is this not done elsewhere?

Shri T. S. Parsuraman: Commercial organisations have no such privileges for their staff. This is a historical accident. For some time, this was handled by the Transport Ministry and the staff then managed to get all the benefits applicable to the Secretariat.

Diwan Chaman Lall: What is the total cost? Worked out on this basis, what is the total effect per mile on the cost?

Shri T. S. Parsuraman: That will have to be worked out. I shall let the sub-Committee have this information.

Shri K. K. Basu: What is the position in regard to Government Corporations and Port Trusts?

Shri T. S. Parsuraman: Port Trusts are not Government organisations.

Shri K. K. Basu: Some of the Port Trusts are not and some are.

Shri T. S. Parsuraman: When their expenditure rises, they raise their rates. Our expenditure bill is constantly rising but our fare rate has been kept stationary because they are already high and they cannot be raised further.

Shri K. K. Basu: Expenditure may be due to other reasons also. You say you are giving special concessions to labour and there may be some other factors, you cannot generalise.

Shri T. S. Parsuraman: One of the reasons is that the staff gets the benefits applicable to the Government of India Secretariat staff.

Shri K. K. Basu: I know from my experience in Calcutta that in the private sector they have Directors paid even Rs. 5,000 and there are several such Directors. Unless you can make out a case and say that because of these peculiar reasons you could not make a profit there is no point.

Shri T. S. Parsuraman: Unless a close analysis is made, it is difficult to form conclusions.

Diwan Chaman Lall: You may examine it and let us know what the cost is per mile.

Shri B. K. Lall: I will give some figures which relate to 1953-54.

Pay and allowances—34 per cent. more than what we paid in 1952-53. This was due to merging 50 per cent. of Dearness Allowance as pay and arrears of house-rent allowance and compensatory allowance.

Audit fees were raised by Rs. 9,194.

Provident Fund contributions etc. totalled Rs. 7,53,301 more than what we paid in 1952-53.

Diwan Chaman Lall: You can give us the break-up of these figures. This does not, of course, frighten us. Have you had more staff during the year?

Mr. Chairman: Your number of buses also increased and so the number of your staff should also have increased.

Diwan Chaman Lall: The railways are tackling this problem and the Posts and Telegraphs are doing it.

Shri B. K. Lall: Private owners are competing with us, for instance in the route to Kalkaji. They have one Driver and one Conductor to run their buses, whereas we have to have 2½ Drivers and 2½ Conductors. The private owners can manage to carry on with only one driver and one conductor, but we cannot afford to do it. They are not observing all the Factory Rules and Regulations.

Shri K. K. Basu: How can you say that the overall expenditure has increased.

Shri B. K. Lall: If a man gets a salary of Rs. 60 p.m. then there is the Provident Fund.

Diwan Chaman Lall: You say that you have to man the buses with 2½ Drivers and 2½ Conductors while the private man has only one Driver and one Conductor. Are you trying to suggest that this should be handed back to the private owners? Are you trying to make out that this is somewhat unique and does not exist

in any other private transport organisation? Does it exist in Bombay? It does not? Does it exist in PEPSU?

Shri B. K. Lall: You must not compare Bombay or Calcutta with Delhi.

Diwan Chaman Lall: Is it a fact that the same conditions regarding 2½ drivers and 2½ Conductors exist in Bombay, PEPSU, Madras or Travancore, wherever there is a public Transport Authority?

Shri B. K. Lall: In PEPSU there is no such thing. But for Madras, Bombay, Calcutta and Delhi it applies equally.

Diwan Chaman Lall: Is there anything which applies to you and which does not apply to them? There is nothing extraordinary, I think.

Shri B. K. Lall: More or less the same conditions everywhere, there is nothing extraordinary.

Mr. Chairman: Please look at the diagram showing 'HOW A RUPEE WAS SPENT DURING 1953-54' included in the Report of the D.R.T.A. for the years 1953-54 and 1954-55 (inserted between pages 26 and 27). You have given the figures for 1953-54 in which 'Pay and Allowances' come to 34 per cent. Can you give us the corresponding figure for the previous year and for the later year? Can you tell us what the figure was in 1952-53 and what it was in 1954-55, and to what extent it has increased? In this report, you have given figures for 1953-54 and there is a diagram drawn on the page (not numbered) preceding page 27.

Shri B. K. Lall: It gives the figures as 27.82 for the year 1953-54.

Mr. Chairman: For 1953-54, it is shown as 34.02 per cent. on page 28.

Shri B. K. Lall: The percentage is correct. It is 34 per cent.

Mr. Chairman: Then what is the figure of 27.82 that you now stated?

Shri B. K. Lall: 34 per cent. is correct.

Mr. Chairman: There is a difference of 7 per cent. between the figure you gave and the figure of 34.02 per cent. in the Report.

Shri B. K. Lall: The figure I gave was for petrol and oil, for spares and others.

Mr. Chairman: What are the corresponding figures for 1952-53 and 1954-55?

Shri B. K. Lall: For 1952-53, it is 33.35 per cent.

Mr. Chairman: For 1954-55?

Shri B. K. Lall: 34.5 per cent.

Mr. Chairman: That is not very appreciable.

Shri B. K. Lall: And for 1955-56. It is 34.8 per cent.

Mr. Chairman: It is not very appreciable.

Shri T. S. Parsuraman: Over a large revenue....

Mr. Chairman: All right. Can you kindly give us the comparative figures for B.E.S.T., Bombay. How much is it there?

Shri B. K. Lall: On an average, the revenue is Rs. 1/8 per mile and expenditure is Rs. 1/4 per mile. I have got the figures.

Mr. Chairman: Bombay is a costlier place....

Shri B. K. Lall: No, Sir. I am sorry to say that service is cheaper there. Every thing is cheap there....

Mr. Chairman: You will kindly furnish the comparative figures.

You said that labour is not quite helpful as it should. Have you got any other point to say?

Shri T. S. Parsuraman: My own impression is that our position cannot be compared with what obtains in those places. Delhi is a city which is the Capital and where developments are taking place all around and where the density of population is not as

much as it in Bombay, Calcutta or Madras and where most of the time traffic is uni-directional. Now, the planning of the traffic in order to satisfy the public on the one hand and get the maximum possible revenue on the other is a very difficult proposition with the available number of buses. We have tried various experiments. Last year, we got an expert from the Bombay Transport Organisation as we had requested him to come here and advise us. He studied our organisation and considered most of the things here as good and made certain recommendations. We are now putting some revised routes and doing some zoning of the areas.

Mr. Chairman: Supposing certain routes do not pay. Now, does the statute prevent you from allowing it to be run on company lines?

Shri T. S. Parsuraman: The Authority finds it exceedingly difficult because of the pressure....

Diwan Chaman Lall: Mr. Parsuraman, the point is that you are giving us, if I may say so, a picture of the difficulties that you have got because of the extended nature of the terrain, Delhi, and because of the extended services that you have to give to the public. But you are not putting your figures on the right spot. That may be only a small reason why large profits are not being made. There are other reasons, of course. What about your buses that are immobilised?

Shri T. S. Parsuraman: We had great difficulty in putting up of the Workshop, getting the necessary equipment and placing it in complete order. We had again very great difficulty in getting the land required for our workshop. The Minister of Works, Housing and Supply personally interested himself in the matter and there was a certain meeting and certain decisions were taken. But for reasons which it is not necessary to detail here, the land took a long time in coming to us.

Shri K. K. Basu: What progress have you made after getting the land?

Shri T. S. Parsuraman: The building was completed about 18 months ago.

Mr. Chairman: You are straying away from the question. You seem to think that the running of the transport business is a charity business and not a business proposition.

Shri T. S. Parsuraman: We as a public utility organisation are bound to put in a greater number of buses.

Remunerativeness of Bus Routes

Mr. Chairman: Mr. Lall was telling me that Route No. 21 accounts for as much as 1/6 of the income of all the bus routes. That means, all other routes, put together, bring you only 5/6. Did the Authority ever examine the question why other routes are not paying? If so, what steps did they take to see that they are also paying?

Shri R. G. Abbhi: With regard to Route No. 21, there is another point and if we compare the traffic earnings on that route with Route No. 20, it will be found that higher earning is on Route No. 20. But the maximum earning is from Route No. 21. By that, I mean that on Route No. 20, it may be Rs. 1/6 or Rs. 1/5 per mile whereas on Route No. 21, the amount earned is the maximum. But it is about Rs. 1/3 on that route.

Mr. Chairman: How does it help us? You must develop other routes to maximise your income. That must be your objective. That alone can cut down your losses.

Shri R. G. Abbhi: So far as traffic earning is concerned, it is an undisputable fact that except for the current year there had been no profit from the traffic earning.

Shri K. K. Basu: May I know the percentage of unremunerative routes?

Shri T. S. Parsuraman: Quite a good number of them are so. For Route No. 1, it is 12½ annas; for Route No. 1-A, it is 5 annas. For Route No. 2, it is 15 annas, for Route No. 2-A, it is 11 annas and 5 pies. I could give this to you.

Diwan Chaman Lall: Let me take the smaller figures. How many buses do you run on route No. 1-A?

Shri B. K. Lall: I cannot say off hand.

Diwan Chaman Lall: How many miles does a bus cover in a day?

Shri B. K. Lall: On an average, 120 miles.

Mr. Chairman: Your average expenditure is Rs. 1/0/6 per mile. Am I right?

Shri B. K. Lall: Approximately.

Mr. Chairman: If you go through this list, you will find that most of them are unremunerative.

Shri B. K. Lall: They are not paying routes. Only recently we got a demand for a bus from the Diplomatic Enclave side. We are losing there.

Diwan Chaman Lall: What is your cost?

Shri B. K. Lall: The cost is 15 annas and 7 pies.

Diwan Chaman Lall: Now, how could you increase your income? Apart from the general increase in the population in Delhi which will compel the public to use buses in larger numbers and the new colonies that are springing up as a result of which people may want more buses. What is the solution from the administrative side? Do not go into generality. Tell us something about the overhead charges. Tell us something about the shortage on the mechanical side. What are your ideas about these?

Shri B. K. Lall: We cannot work on a flat rate. If that is possible we would have definitely earned more. It is a question whether the Union will agree to the suggestion or not.

Diwan Chaman Lall: I happen to be the grand-father of the Union. It is I who set up a simple organisation of the workers and which is now run by my friend who is the leader of the All India Trade Union Congress. I was

myself organising this and I had never come across a Union—during the 26 years of my activities in that field—which is averse to giving more money in the pockets of the workers. Have you tried this?

Shri B. K. Lall: I have not. But I will be very glad to try it.

Diwan Chaman Lall: I am quite sure the Secretary of the Transport Ministry will bear with me when I say about the efficiency of this Service. It is a competition in efficiency that is needed in this country. We want this Organisation to be put on a sounder basis. Do you want staff? Do you require machinery? We are vitally interested in this. You and Mr. Abbhi sit together and think about this and say these are the things, we suggest should be done.

Mr. Chairman: Kindly see that list. Your Route No. 1-A gives you -/6/- as against an expenditure of Rs. 1/0/5. Route No. 13 gives you 8½ annas. Route No. 23—samples I am taking—gives you 10½ annas. Why should you continue this? This is not a sound business proposition at all. Your hands are not tied down that you must run that service willy-nilly if it does not pay. How long can you run it at this rate as a business proposition?

Diwan Chaman Lall: May I draw your attention to the figures that you have? For instance, take these various routes.

Mr. Chairman: I mention 1A.

Diwan Chaman Lall: Rs. 1,189 for 3,398 miles. It comes to -/5/7 pies per mile. These are not such important factors which would rob them of the profit to any appreciable extent. These are just mere drops in the ocean.

Mr. Chairman: If you will kindly go through it, you will find that more than half the routes do not pay. The earnings per mile do not come up to the expenditure per mile.

Diwan Chaman Lall: You must find the reasons.

Shri K. K. Basu: Instead of having more number of buses—400 or 500, you can increase the frequency of service. This way you can get more income.

Shri T. S. Parsuraman: There are a few outlying colonies in the outskirts of Delhi, yet we have to run the service.

Mr. Chairman: How can you run them is the crux of the matter.

Shri K. K. Basu: The losses have increased. Have you considered—I submitted in the discussion yesterday, whether these routes can be changed and made shorter instead of having long routes. Has some such factor been taken into consideration?

Shri T. S. Parsuraman: This is receiving the attention of the D.T.S. They are considering the scientific re-organisation of routes.

Mr. Chairman: I shall read out certain points. Please see whether they are correct.

At present out of 19 lakhs per day mileage done by D.T.S. buses, about 10 lakhs is dead mileage, the mileage done by buses from sheds to starting points. Now that the depots have been opened at three or four centres, have you been able to reduce this dead mileage? If so, to what extent? Do you accept the position that before the opening of these depots, 10 lakhs mileage out of 19 lakhs was dead mileage?

Shri B. K. Lall: In the early stage, there was dead mileage.

Mr. Chairman: What is the position now?

Shri B. K. Lall: Today buses start picking passengers right from the depots, and so the question of dead mileage does not arise.

Take the case of the Vinay Nagar Depot. The bus stop is right in front of the Depot and buses pick up passengers. Same thing happens in the case of Coronation Depot and Rajghat Depot.

Mr. Chairman: This must be reflected in the earnings.

Shri K. K. Basu: What about fountain?

Shri B. K. Lall: There are only four depots: one at Karol Bagh, one at Rajghat, one at Vinay Nagar and the other is the Coronation Depot. There is no depot at Fountain. Fountain is the terminus for some of the routes.

Shri K. K. Basu: Therefore, what about the buses which are put in the Rajghat Depot? All of them do not begin the same route. As soon as they get out of the Depot, they cannot start earning. There may be some buses which might have come there for just garaging.

Shri B. K. Lall: The buses which are plying near about that Depot are kept there. It is no use keeping buses at the Vinay Nagar Depot which ply in some other section.

Shri K. K. Basu: My point is this. Suppose buses of a particular route which terminate at Fountain are stabled in Rajghat Depot. Unless the bus is actually on the route, it cannot pick up passengers.

Shri B. K. Lall: They take up passengers.

Shri K. K. Basu: Even part of the routes?

Shri B. K. Lall: Yes, They pick up passengers.

Mr. Chairman: I suppose you do not claim that there is absolutely no dead mileage now. There must be some percentage, but it might be less.

Shri B. K. Lall: The percentage is much less. There are for instance, some buses which are plying between the Railway Station and Cantonment. The last trip of that bus is at 11 o'clock and it has got to come back to the Coronation Depot from the Railway Station. In such a case, there is bound to be some dead mileage.

Mr. Chairman: If you have been able to reduce the dead mileage, this must be reflected in increased earnings.

Shri B. K. Lall: That is why the earnings have gone up.

Mr. Chairman: Does it reflect in the increased earnings?

Shri B. K. Lall: If you look into the statement, you will see that the earnings have gone up. For instance, in 1948-49....

Mr. Chairman: I do not think we should go so far back.

Shri B. K. Lall: The income per mile in 1950-51 was Rs. 1/1/-; in 1951-52 it was 0/15/2; in 1952-53 it was Rs. 1/0/5; in 1953-54 it was Rs. 1/1/-.

Mr. Chairman: The expenditure has also gone up correspondingly.

Shri B. K. Lall: Yes.

Diwan Chaman Lall: May I submit another point. Here you have given figures for the different routes. If you take the near 13 anna routes and go up to one-rupee routes, whatever the maximum is, you get out of 9,48,131 miles—or on a rough calculation about Rs. 9,78,475—viz—Re. 1 or something. is your average income per mile. If you can bring down your cost of operation, naturally your profit will go up. You will be happy, the Ministry of Transport will be happy, the Finance will be happy and the Public Accounts Committee will be happy.

Shri B. K. Lall: We can try. We can do that. There is no difficulty.

Diwan Chaman Lall: Let us put our heads together and see what we can do.

Shri B. K. Lall: There is no difficulty.

Diwan Chaman Lall: I am not concerned with puerile criticism. We are not worried about it. We are worried from the Audit point of view. Certainly Audit will have to take that view if you do not improve.

If you start with that one basic point, vocal point, how to bring down the cost per mile, it will be good. That is how we can do it. This requires very careful examination and trial and check. Develop your Workshop, put extra staff, see to it that the buses do not wait there for months together and try to put some more life into the workers by the other method I had suggested.

Shri B. K. Lall: Yes.

Missing Trips

Mr. Chairman: Now, I would like to bring to your notice another point. The number of trips missed is something very appalling. I think there is some improvement, but yet these are the figures: For 1951-52, the average number of buses on road daily was 163; average number of single trips missed per day 219; in 1952-53, average number of buses on the road daily was 196 and the average single trips missed per day was 254; in 1953-54, the average number of buses on the road daily was 186 and the single trips missed were 220; in 1954-55, the average number of buses on the road was 199 and the single trips missed 202. Don't you think that this missing of trips will drive a big hole into your revenues? What steps have you taken to see that these trips are not missed?

Shri B. K. Lall: That is one point which has been worrying me and I took it up with the other nationalised undertakings as to how they were combating this trouble and I find that they were keeping reserve buses. Immediately there is a breakdown, another bus is sent to continue the trip and the bus that broke down is brought back to the Depot. Of course, in 1952-53 and 1953-54, the number of trips missed may be on the increase, because we did not have reserve buses. But to-day in all our Depots we have got reserve buses and in the event of any bus failing on road, another bus is immediately sent down to take its place.

Mr. Chairman: Is the missing of trips entirely due to break-down?

Shri B. K. Lall: The missing may be due to a tyre puncture or it might be due to mechanical failure. Whatever the case may be, another bus is immediately sent out.

Shri K. K. Basu: It might also be due to a Driver failing to report for duty.

Shri B. K. Lall: There was that case once....

Mr. Chairman: You had advance information of your requirements and you knew how many buses are there and how many men are required, yet just because one man did not turn up, you missed five trips?

Diwan Chaman Lall: Perhaps a wrong entry was put in.

Shri B. K. Lall: It was the contrary. A very clear entry was put in.

Mr. Chairman: Two days back, I read in the 'Hindustan Times' that because there was a dispute over one rupee, buses plying on route Nos. 5, 6, 17, 19, 22, 24, 27 and 30 were off the roads on Monday. How did this happen? If over a quarrel on account of one rupee, such a thing should happen, we do not know what we can do.

Shri B. K. Lall: It was actually a labour trouble. Actually much of my time has been spent on this problem and a minor complaint or a minor quarrel between a passenger and an employee occurs, I do not know what it may lead to.

This incident was on account of a bad coin. A passenger got in and gave a bad coin. It was about 11 P.M. and the return trip for the bus and the Conductor brought the bus straight into the Depot. After some time one of the Technical Engineers collected the fare from these three passengers and he dropped them at their places, but the labourers resented this attitude as to why he took them in his jeep and why did he drop them. So they did not out-shed a single bus. It was a lightning strike and mostly led by the leaders of the D. T. S. Workers' Union.

Mr. Chairman: It means that there is no effective control over labour? That is one way of looking at it.

Shri B. K. Lall: There is a Labour Officer. But the labour all round Delhi is very erratic.

Diwan Chaman Lall: I am not going to pass that statement without a challenge. I don't think it is right to put all the blame on labour. In this particular case, as the Chairman has pointed out, the trouble started because a passenger passed a coin and it was refused by the employee. Whatever happened has happened. But I don't think one should take advantage of that one incident to say that labour is difficult to handle.

Shri B. K. Lall: I did not give the detail because it was not asked for.

Diwan Chaman Lall: A bad coin passed on to the employee and as a result of that a dispute arose. Obviously, the Conductor said that he would not accept the bad coin. Some person wanted to force him to accept the bad coin. Naturally it ended in trouble. But the dispute was not properly and immediately handled. That is why I am asking you about your Labour Commissioner or Labour Adviser. Who is he?

Shri B. K. Lall: I have got a Labour Officer working in my Office and there is a Conciliation Officer.

Diwan Chaman Lall: What is his experience?

Shri B. K. Lall: He was in the Central Ordnance Depot. (C.O.D.) He has been dealing with labour for a considerable time.

Shri T. S. Parsuraman: He was a Labour Officer in the Defence Ministry.

Shri K. K. Basu: Was it during the War or after it?

Shri B. K. Lall: After the War.

Diwan Chaman Lall: What is his pay?

Shri B. K. Lall: About Rs. 350.

Shri K. K. Basu: Could we have the figures relating to the missing trips? You said there were some 300 or 400 missing trips? Has there been any improvement in 1955-56? Now you are in a position to have more reserve buses. As far as we know you have now reserve buses and reserve drivers.

Shri B. K. Lall: But that is for actual requirement.

Shri K. K. Basu: What is your strength?

Diwan Chaman Lall: What is your reserve?

Shri B. K. Lall: On an average there are 10 Drivers and 10 Conductors on the reserve list in each Depot. They are taken on the daily wage system. They serve for six months and then they are put on the monthly pay list.

Shri K. K. Basu: What is your actual requirement of the Depot?

Shri B. K. Lall: It will be very difficult to say off-hand. I can give you the actual figure by checking it from the Office if so required.

Shri K. K. Basu: As far as I know, in the main cities where there are private buses, they also have some reserve staff either on daily wage system or on monthly salary. You cannot just say that because one Driver has not reported for duty, so one trip was lost unless there is some trouble like strike.

Mr. Chairman: Could you kindly give us the reasons for the missing of trips.

Shri B. K. Lall: The vehicles were old. Some were due to mechanical failures. There are others due to hot weather because the fuel which we had been using contains power alcohol and when the temperature is too high and the machine has been running continuously for 4 or 5 hours, suddenly it stops due to vapour lock and then it won't start. There are extreme conditions in Delhi which are not there in other cities.

Mr. Chairman: Would it not be correct to say that in the majority of the cases it is due to the fact that workers had not turned up?

Diwan Chaman Lall: There are many missing trips.

Shri B. K. Lall: There might be some because of that. But I would not say that in a majority of cases it is due to that.

Mr. Chairman: Could you kindly give us the reasons?

Shri B. K. Lall: I will give you the reason.

Shri P. S. Rajagopal Naidu: We would like to know whether the missing trip is right from the beginning or it is somewhere after a bus has run for some time.

Shri B. K. Lall: If the bus is not out-shedded from the beginning, then it is not included. But if the bus is out on the road then the missing trip starts from the place where it stopped. Suppose, there are 310 vehicles and only 210 vehicles are on the road, then the other 100 are not taken as missing trips.

Shri P. S. Rajagopal Naidu: What do you call that?

Shri B. K. Lall: It will also amount to missing trips.

Shri P. S. Rajagopal Naidu: Just now you said that the buses are out-shedded and if there is any breakdown due to any of the reasons and if a bus does not complete the entire trip then, of course, according to your definition of missing-trip, it would be a missing trip. But suppose a bus does not start at all from the shed.

Shri B. K. Lall: But that is a very rare case.

Shri P. S. Rajagopal Naidu: Could you give us the break-up as to what is the percentage of total failures, that is, the bus does not start at all from the shed, and partial failures, that is, once having started broke down in the middle.

Shri B. K. Lall: I can prepare a statement and give it to you.

Mr. Chairman: What is the position in 1955-56?

Shri B. K. Lall: We don't have the latest figures.

Mr. Chairman : Am I correct in saying that at the rate of Rs. 10 per trip, on an average you are losing Rs. 2,000 per day?

Shri B. K. Lall: It would not be correct to say that.

Mr. Chairman: Approximately.

Shri B. K. Lall: Not even approximately. We have to consider other aspects.

Mr. Chairman: On an average you earn Rs. 10 per trip per bus.

Shri B. K. Lall: Provided a bus covers 160 miles. But none of our buses does 160 miles. On an average our buses are doing 120 miles.

Mr. Chairman: Rs. 10 per trip is an under estimate.

Shri B. K. Lall: How can it be? It depends on the route on which the bus is plying. There are certain routes where it might be profitable to miss a trip.

Mr. Chairman: We are not examining the question of a particular route of the thirty and odd routes. Roughly you are earning on the average Rs. 10 per bus. So, if you miss 200 trips, you would be losing Rs. 2,000 per day by missing trips alone. All the time you have got your establishment. All the time you are paying your Drivers and Conductors. The overhead charges are there. Unless you increase your revenue, how can you show a profit? And this missing trip is a very serious drain. Something ought to be done to reduce this to the very minimum.

Shri B. K. Lall: The position this year is definitely better as far as missing trips are concerned.

Shri S. Gupta: In 1953-54, the missing trips were one-sixth of the total number of scheduled trips.

Mr. Chairman: That year the figures were very high. If you are losing one-sixth of the total number of scheduled trips, that means that you are losing one-sixth of the income.

Shri P. S. Rajagopal Naidu: There is some confusion about the figures. For 1953-54, Mr. Lall has given the figures of 203. But it is given as 409 in the Audit Report.

Shri B. K. Lall: The question of missing trips and losing Rs. 10 does not arise now.

Shri P. S. Rajagopal Naidu: I am on the point of knowing what exactly is the figure for 1953-54. The average number of trips missed daily is given as 409. So the average number of trips is roughly about 2,000 or 2,500.

Shri B. K. Lall: I have got the figures for February, 1956. The number of trips scheduled daily in February was 3,339. The average number of trips operated daily was 3,204. In January 1956 the corresponding figures were 3,212 and 3,027.

Diwan Chaman Lall: What are the number of trips missed in January and February? The figure 3000 is mentioned. Is it single trip or double trip?

Shri B. K. Lall: Single trip.

Diwan Chaman Lall: How many trips were missed?

Shri B. K. Lall: We missed 135 in January out of 3,339.

Shri P. S. Rajagopal Naidu: Anyway, the Audit Report is correct. It states that in 1953-54 the total number of missing trips forms one-sixth of the total number of trips.

Mr. Chairman: I would like to correct myself. Here the trips are double trips—going and coming. Therefore, the income lost must be more.

Shri B. K. Lall: Now the question of missing trips actually does not arise because whenever there is a breakdown, another bus comes up and the trip is continued.

Shri S. Gupta: Since when?

Shri B. K. Lall: Since long we are keeping reserves.

Mr. Chairman: In 1952-53, the missing trips were 204.

Shri B. K. Lall: Because there were many break-down during that year. Now we have reserve buses in every Depot.

Diwan Chaman Lall: How many of these had been covered by this reserve of 135? Let us take the latest figure for January, 1956 of 3,339 trips, that is, round about 1,600 double trips. Out of 1,600 double trips you have missed 135. How many were not covered by the reserves?

Shri B. K. Lall: It would be about 62.5. I will have this checked up and then I will submit a note.

Diwan Chaman Lall: Suppose we take they were missing trips. 62.5 trips were missed. That much is the loss.

Shri B. K. Lall: But then each and every trip cannot be taken to be profitable because there is the load factor.

Mr. Chairman: I am taking the average. Some may be more and some may be less. But roughly it is Rs. 10 per trip.

Shri B. K. Lall: I can work out the details.

Diwan Chaman Lall: What is the loss?

Shri B. K. Lall: I will work out.

Shri P. S. Rajagopal Naidu: What is the average total earnings per day?

Shri B. K. Lall: The average total earnings vary from Rs. 30,000 to Rs. 32,000.

Shri P. S. Rajagopal Naidu: According to the 1953-54 Audit Report, one-sixth of the trips have been missed during that year on the average per day. The total number of trips missed during the year 1953-54 amounted to one-sixth of the total number of scheduled trips with the consequent loss of revenue. I suppose that observation of Audit is correct.

Shri B. K. Lall: It would not be.

Shri P. S. Rajagopal Naidu: According to the mathematical calculation, if the average earnings are about Rs. 30,000 to Rs. 32,000 per day and if the total number of trips missed forms one-sixth of the total number of scheduled trips that means that we have lost one-sixth of Rs. 30,000, that is, Rs. 5,000 per day.

Shri B. K. Lall: That is not the loss because you have not included the expenditure in it.

Shri P. S. Rajagopal Naidu: Don't you agree there was a loss?

Shri B. K. Lall: If the expenditure is taken out of that, then it will not be that much.

Mr. Chairman: Sometime back you said that it is a public utility concern and you are serving the people. When you are missing so many trips per day, are you rendering public utility to the people?

Shri B. K. Lall: If the conditions are conducive, we will not be missing trips. You have visited the Depots, and seen the conditions.

Diwan Chaman Lall: It is good for the health to walk!

Mr. Chairman: Now, you told us that these figures relating to 'missed trips' are not so bad. Can you give us month-wise figures for the year 1955-56. We have got the Annual figure for 1954-55. For 1955-56, you cannot obviously have the annual figure. Can you, therefore, give the figures month-wise?

Diwan Chaman Lall: And also details of the routes?

Shri B. K. Lall: I must compile these figures and send them to you.

Mr. Chairman: A little while ago, you contended that this has been covered up. We would like to check up whether you have been able to cover up these 'missed trips.'

Shri P. S. Rajagopal Naidu: You said that you were able to cover up these 'missed trips' by putting other buses on those routes.

Mr. Chairman: Out of a fleet of 297 buses which are in order, the number of buses on the road varied from 189 to 210 from month to month, giving an average of 199 buses per day. Is that correct? Out of 297 buses, only 199 are functioning

Shri P. S. Rajagopal Naidu: There should be more than 297 buses.

Shri B. K. Lall: That must be for the year 1953-54 and not for 1954-55.

Mr. Chairman: As on 31st March, 1955.

Shri P. S. Rajagopal Naidu: What was the total number of buses owned by D. T. S. on 31-3-55?

Diwan Chaman Lall: I find the figures 273 in February, 1955, 232 in February 1954 and 400 in February, 1956.

Shri B. K. Lall: In 1953-54 it was 260; in 1954-55 it was 266. The average of buses on the road was 187 in 1953-54 and 199 in 1954-55.

Shri Rajagopal Naidu: So, one-third of the number of buses were off the road?

Mr. Chairman: One-sixth of the income was lost on account of the 'missed trips' and one-third of the total number of buses were not on the road.

Shri B. K. Lall: In 1953-54 we shifted from the Rajghat Workshop to Karol Bagh. Then again we had to shift to the Central Workshops, and you can imagine the difficulties involved in shifting the Workshop from place to place. That is why there was not much of an improvement.

Mr. Chairman: We now come to the question of the Bedfords and Albions. How many of these types of buses are now locked up?

Shri B. K. Lall: Fifteen are held up in the Workshop—parts are lying there with them—and they are expected to be pushed out very shortly.

Mr. Chairman: What about the Albions? Out of 40 Albion buses, how many are on the road?

Shri B. K. Lall: It is very difficult for me to say. There must be some on the road. There are a good number of them lying in the Central Workshop. The reason for this is that we do not have the spares as this model is obsolete and it is no longer in production.

Mr. Chairman: How long have they been lying in the Central Workshop?

Shri B. K. Lall: Since a long time.

Shri K. K. Basu: Perhaps having well-earned rest?

Mr. Chairman: With regard to Bedfords, how many did you purchase?

Shri B. K. Lall: Thirty.

Mr. Chairman: How many of them are lying idle?

Shri B. K. Lall: Fifteen.

Mr. Chairman: So, 15 out of 30 are now idle?

Shri B. K. Lall: Those buses had done on an average, if I am not mistaken, between 60,000 and 70,000 miles.

Mr. Chairman: After these 60,000 to 70,000 miles, they refused to budge?

Shri B. K. Lall: It is not that they refused to budge. But these buses came in for overhaul of the engines. We did not have the spare parts. It was unfortunate that after these buses were purchased, the factory was closed down. We had to place our orders on the D. G., S. & D. and now we have completed receiving supplies.

Leakage of Revenue

Mr. Chairman: How far is there leakage of revenue? How far is this due to any possible understanding between the conductors themselves or due to the misbehaviour of conductors?

Shri B. K. Lall: It is very difficult to say and to put this down in actual figures showing how much could be due to this reason or that. But whatever we may do, there might be a certain percentage of leakage likely to take place. This has, however, been clamped down considerably by the steps we have taken in this matter. It is not the same as it used to be before. There is a special squad which is going round all the routes and the Conductors are searched by surprise on the way. I may tell you that some of the Conductors have also represented that it is very cruel the way in which these searches are carried out. Whether there is a collusion between the passenger and the Conductor or whether there is some kind of understanding between Conductors themselves, it will be very difficult to detect. But we are trying our best to reduce it to the bare minimum.

Mr. Chairman: Can you not control it if you have a large inspecting staff? What is the strength of your inspecting staff?

Shri B. K. Lall: This staff was sanctioned recently and it will take us a little time to put the staff in position.

Diwan Chaman Lall: What is your staff at present?

Shri B. K. Lall: The existing staff is 94 Inspectors and Travelling Ticket Examiners. They work in three shifts.

Diwan Chaman Lall: What is the increase now?

Shri T. S. Parsuraman: Actually the increase is in terms of superior

personnel who would take over particular zones and supervise them more intensively.

Diwan Chaman Lall: What do you mean by 'superior personnel'?

Shri B. K. Lall: We are calling them 'Traffic Contróllers.'

Diwan Chamal Lall: You are then simply adding to the administrative side, in the sense that what you are actually doing is to put these men to jump on to the buses and check the Checkers. They will be Checkers of the Checkers. That is what you are doing.

Shri B. K. Lall: Yes.

Diwan Chaman Lall: How many Checkers have you got?

Shri B. K. Lall: We have 64.

Diwan Chaman Lall: How many of them are actual Checkers?

Shri B. K. Lall: All are checkers.

Diwan Chaman Lall: You see how overloaded this is.

Shri B. K. Lall: I can give you the exact figures.

Administrative staff in the D.R.T.A.

Shri P. S. Rajagopal Naidu: With regard to Officers, we find that the number of officers has doubled between 1952 and 1955. The number of officers in 1952 was 12 while in 1955 it was 25. May I know the reason why there was this increase in the number of officers?

Shri B. K. Lall: In 1952, if I remember correctly, the total personnel was 1350 or 1400. Today, the personnel is anywhere about, I think, 2320 or over. There has been, considerable increase in the personnel.

Shri P. S. Rajagopal Naidu: On 31-3-55, the number of members of the staff was 2142 whereas on 1-4-52 it was, 1459. This shows that the increase in the number of members of the staff is not so much, but the increase among the officers is more than double.

Shri B. K. Lall: I shall give you the figures:

| Year | Total personnel |
|------------|-----------------|
| 1951-52 .. | 1319 |
| 1952-53 .. | 1643 |
| 1953-54 .. | 1759 |
| 1954-55 .. | 1853 |
| 1955-56 .. | 2320 |

Shri P. S. Rajagopal Naidu: The increase is not even 50% among the staff whereas it amounts to double in the case of officers.

Shri B. K. Lall: It is slightly above 50 per cent.

Shri P. S. Rajagopal Naidu: But with regard to the number of Officers, the increase is from 12 to 25.

Shri K. K. Basu: Has the Officers' cadre been increased above 25, or is it still 25?

Shri P. S. Rajagopal Naidu: What is the total number of officers you have on date?

Shri B. K. Lall: 23 Officers are now on the bus side. There are two in the Tramway Section.

Shri P. S. Rajagopal Naidu: So, the number of Officers has not been increased?

Shri B. K. Lall: No, not after 31-3-55. There has been no increase since then.

Shri P. S. Rajagopal Naidu: The number of members of the staff was 2142 on 31-3-55 and 2320 in 1956. The total increase in the number of staff is: from 1459 in the year 1952 to 2142 on 31-3-55. The increase is not even 50 per cent. whereas the increase in the number of officers is from 12 to 25. What is this due to?

Shri B. K. Lall: I will have to look into this. I shall give you a note on this.

Shri T. S. Parsuraman: In the printed report itself, the number of Officers* has been given.

Shri P. S. Rajagopal Naidu: But I want to know why there is an abnormal increase in the number of Officers.

Shri T. S. Parsuraman: The increase in the number of Officers is not related to the number of the staff. If they increase the number of Depots from two to four, they should have four Depot Managers. In the Administration Department, there are certain new Officers like the Publicity Officer, the Legal Officer, the Medical Officer and the Labour Officer. The additions are quite plain. Then there are additions to the repairs and maintenance Workshop.

Shri P. S. Rajagopal Naidu: Are the Legal Officer and the Medical Officer full time?

Shri B. K. Lall: Medical Officer is full-time; but the Legal Officer is part-time.

Shri P. S. Rajagopal Naidu: Do you include those Officers also in the list of Officers?

Shri B. K. Lall: They are included.

Shri P. S. Rajagopal Naidu: I am sure that Legal Officer does not find a place here.

Shri B. K. Lall: He is included.

Shri P. S. Rajagopal Naidu: So, do you mean to say that this 25 includes even part-time Officers?

Shri B. K. Lall: Every one of them.

Shri P. S. Rajagopal Naidu: What do you mean by that?

Shri B. K. Lall: Anyone who is in the official cadre, whether he is full-time or part-time Officer, is included,

Diwan Chaman Lall: May I ask you to look into the abstract of which you were kind enough to give us a copy? If you take Delhi Road Transport (Bus Division), you will find there is a variation in mileage. They have given there that the schedule mileage is so much. Now, there is a regular fall right through each route—Vinaynagar, Rajghat, etc. These are the paying routes. What is it due to? Perhaps you may give us an explanation.

Then, there is another point to be noted a couple of pages further. You take General Statistics for February, 1956—Bus Division. You see the missed mileage there. In Rajghat it is 7.15 per cent.....

Shri B. K. Lall: Rajghat is one of the Depots where the facilities are very poor. I am afraid you did not visit the place but the Chairman and other members visited Rajghat and saw the conditions under which we are working there.

Diwan Chaman Lall: 7.15 per cent. missed; it is disastrous. The result caused is that the earnings dropped.

Shri B. K. Lall: I quite agree. The total loss is 3.6 lakhs.

Diwan Chaman Lall: It is a terrible drop. Something is wrong somewhere. Instead of a drop, there should be an increase. So, that is where the leakage is likely perhaps.

Now, take the next page. See the number of buses received and turned out duly repaired. The number of vehicles remaining, to be repaired on 1-3-1956 is 95. This is so obvious that it requires immediate attention.

Now see the percentage of turnover. The average is 38 and the total is increased. See what you can suggest in regard to that. Perhaps you may give us a note on this also.

Then see the vehicles utilisation percentage. This shows that there are about 152 buses which are not in commission.

*Refer to the Report of the D.R.T.A. for the years 1953-54 and 1954-55.

These are the two or three things that I thought I should draw your attention to.

Before I finish, there are two or three other matters which I want to take up. Mr. Chairman, would you like that to be taken up? I mean the selling of certain vehicles.

Mr. Chairman: Let me put this question.

You said that because of certain statutory obligations you are required to have more men like Drivers and Conductors than what the private owners are called upon to maintain. What is the percentage of excess staff that you have against the regular Drivers and Conductors?

Shri B. K. Lall: We have got only 30 per cent. leave reserve. We had no extra staff. It is only recently we started to have few men on daily wage system so that in the event of anybody not turning up these men can be used.

Mr. Chairman: In the B.E.S.T. also is it 30 per cent?

Shri B. K. Lall: In the B.E.S.T. they have a very peculiar system. They are keeping majority of their staff on daily wage basis because they find absenteeism too much among their staff and majority of their Conductors and Drivers are on daily wage. There they are put on a monthly wage system only after working for a certain period on daily wage basis.

Diwan Chaman Lall: You also do the same.

Shri B. K. Lall: We have got only very few limited persons on a daily wage basis. It is practically negligible.

Mr. Chairman: Don't you think that 30 per cent. is high?

Shri B. K. Lall: It is not enough. Just before 15 minutes, some of them apply for leave....

Shri S. Gupta: Are your leave rules more liberal than the Government leave rules?

Shri B. K. Lall: It is more or less the same.

Shri S. Gupta: So, the number of leave reserve should depend on the leave rules.

Shri N. M. Ayyar: I think there is a fundamental difference. In Government service, if a particular man does not turn up, the work may go on. But in transport, if one Driver does not turn up, the bus cannot go unless you can replace him.

Diwan Chaman Lall: How many buses leave Coronation Depot every day?

Shri B. K. Lall: Every day about 74 buses.

Diwan Chaman Lall: How many missed?

Shri B. K. Lall: I can check up this.

Diwan Chaman Lall: Have you 70 Drivers for the first shift?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: Have you 10 per cent. reserve, that is, 7 persons extra?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: Would there be more than seven buses not leaving because of want of Drivers?

Shri B. K. Lall: Sometimes, during festivals and such things, greater number of people stay away.

Diwan Chaman Lall: Will it be more than seven?

Shri B. K. Lall: I can check it.

Diwan Chaman Lall: Let us see the facts as they are. Let us see what the position is. If the Driver is not there, the bus cannot fly; it has no wings. Therefore, it is very necessary to have the reserve.....

Shri B. K. Lall: I can check it up.

Reorganisation of Routes

Mr. Chairman: The last point that I want to ask you is this: My own personal view is, as I told you, that these routes are very long and if you have these long routes, you are not likely to cater to the public as you would if these routes had been shortened. I was suggesting to you that Connaught Circus must be made a centre where the buses from outside places come and terminate. Take, for instance, Route No. 17. Instead of running it from Mehrauli to Old Delhi Railway Station, what I say is you must break it at Connaught Circus so that passengers can change to some other bus in which event you can have more frequency, you can cater to the public thus in a better way and very probably your income also will be going up. I do not know if you have worked out a scheme by which Connaught Circus should be made a centre where all buses come and terminate and passengers get down from one bus and catch another bus. You can kindly give such a scheme next time.

Shri B. K. Lall: I have worked out actually the complete scheme for all the different routes, for instance, from Mehrauli coming down to Connaught Circus and then another one to Railway Station. Railway Station should be linked along with different colonies. According to the new scheme, we have divided the whole area into four zones and all the buses come down to Connaught Circus and turn round. If you like, I will be very glad to put the whole scheme before you at the next meeting. I have also got the route maps completed. Each wing has been taken and complete details have been worked out in respect of each route.

Mr. Chairman: From an expert's point of view, I do not know whether you will agree with me. This Mehrauli bus, you get only once in 45 minutes. Supposing you cut short the trip and make it terminable at Connaught Circus, you can have two

trips and thereby you will also be preventing passengers getting into other modes of transport. As a result of this, you will be augmenting your income. I hope you will examine this.

Shri B. K. Lall: I shall put the whole scheme before you.

Shri K. K. Basu: Is it a personal scheme? I mean, do you subscribe to the view expressed by the Chairman?

Shri B. K. Lall: D. T. S. had actually been working on it for the last five months. But I do not want to make too many sweeping changes. Besides, out of 300 buses, most of them going round Connaught Circus and taking round there, will make the locality very congested.

Shri T. S. Parsuraman: This suggestion was made by one of the members of the D. R. T. A. and it was also discussed. The General Manager started to look into it and prepare a programme to find out how far it will be feasible. No expression of opinion has been made by the D. R. T. A. yet on the soundness of such a scheme. Further, whenever we make a change, there is naturally dislocation and many complaints come. Complaints are made that revision of routes are ill-thought out schemes and that they were produced without consideration of the needs and convenience of passengers. So he has prepared a scheme that is yet to be considered by the Authority.

Shri K. K. Basu: What was the opinion of the expert who came from Bombay?

Shri T. S. Parsuraman: He has not advised us at all on this scheme.

Mr. Chairman: Mr. Lall was telling me that people have become used to getting into the bus and going right upto the other terminus. I do not think there is any fundamental right guaranteeing them to do so. I understand that you are considering it from the business point of view. You will kindly examine it.

Shri B. K. Lall: Yes.

Mr. Chairman: It will add to your revenue if you have short trips than the long ones.

Shri K. K. Basu: It depends on the frequency of service.

ARRANGEMENT DATED THE 23RD APRIL, 1948 BETWEEN THE GOVERNMENT OF INDIA AND THE GWALIOR NORTHERN INDIA TRANSPORT COMPANY RELATING TO THE TAKING OVER BY GOVERNMENT OF ROAD TRANSPORT BUSINESS OPERATED BY THAT COMPANY IN DELHI. ...

Mr. Chairman: We will now take up this question of Agreement which is covered by point No. 1 of the note circulated to you with regard to the fixation of Government capital and value for compensation.

Diwan Chaman Lall: On 20th March, 1948, an Agreement was reached regarding the method to be followed for valuation. It was the replacement cost less depreciation at the rate of 25 per cent. per year on the declining values from the date on which the vehicle was registered.

Now you had to scrap certain of these vehicles and sell them for about Rs. 44,000 (Net) against Rs. 5.34 lakhs which was the price you paid to the G.N.I.T. Company (Gwalior Northern India Transport Co. Ltd.). You had to scrap these vehicles within one year. Did you ever check up as to when they were registered?

First of all before you go to that matter what was the cost of the vehicles that you purchased from the G.N.I.T. Company when you took them over? What was the price that you paid for the vehicles?

Shri S. V. Ayyar: In the Agreement, a formula was fixed. I will read it.

Diwan Chaman Lall: The formula was that they would pay 25 per cent. less for each year of service on the declining value from the date the vehicle was registered. You will find

it on page 2 of the White Paper towards the end of your note. What was the price that you paid?

Shri S. V. Ayyar: The price was ascertained from the manufacturers.

Diwan Chaman Lall: Did the Government ascertain the price through the Company or direct?

Shri S. V. Ayyar: The Company also ascertained the price and the valuers also ascertained it.

Diwan Chaman Lall: How did you ascertain the value of these condemned vehicles over which you paid Rs. 5.34 lakhs?

Shri S. V. Ayyar: These vehicles were not condemned at the time they were taken over. Whichever vehicle was condemned by the valuers, they were condemned, for which only scrap value was to be paid. There was no condemned vehicle as such. As a matter of fact, the Committee of valuers consisted of two technical men from the General Motors, one of whom is the present General Manager and another was Mr. Arshacony, a technician of the General Motors. They actually examined the vehicles by driving them.

Mr. Chairman: Every one of these vehicles was examined?

Shri S. V. Ayyar: Yes.

Mr. Chairman: Could you give us the date on which they were examined? Also have they made any notes of their inspection as to the condition of the vehicles?

Shri S. V. Ayyar: They have not made detailed notes of their inspection.

Shri T. S. Parsuraman: The Committee of Valuers was appointed on 23rd April, 1948 with the direction to report within a fortnight from the commencement of their work.

Diwan Chaman Lall: "The formal agreement has to be executed on or before 10th April, 1948. By the 12th April, the valuers should start the

valuation of assets. By the 25th the formal agreement should be ratified by the General Meeting of the shareholders of the Company. By 1st May the Company should make necessary arrangements for giving possession of buildings, fittings, etc." So it must be between 10th April and 1st May.

Shri T. S. Parsuraman: Actually they were appointed on the 23rd April, 1948.

Mr. Chairman: When did they complete their inspection?

Diwan Chaman Lall: When did the Company hand over the assets?

Shri S. V. Ayyar: Here is the list of items which were taken over at the time of inspection.....

Diwan Chaman Lall: This does not show the note or the details of the examination of these particular vehicles. What was the type of examination?

Shri B. K. Lall: So far as I can recollect, I examined these vehicles in regard to their road-worthiness and we were given a margin of Rs. 500 or something around that figure which could be given in favour of a vehicle provided the tyres and the condition of the vehicle was good. In a majority of cases, this Rs. 500 was not sanctioned. When it was found that the tyres were not good, the paint work was not good and so on, this Rs. 500 was not paid.

Diwan Chaman Lall: You examined the vehicles completely?

Shri B. K. Lall: Only the technical side of it.

Diwan Chaman Lall: Did you go into the question of registration.

Shri B. K. Lall: I did not look into anything except the technical side.

Shri S. V. Ayyar: I was responsible for it.

Diwan Chaman Lall: How many vehicles were scraped within one year? Is it 58 or 47?

Mr. Chairman: 58 vehicles valued at about Rs. 5.34 lakhs were sold for about Rs. 44,000 (Net).

Diwan Chaman Lall: Within one year they were sold as scrap for about Rs. 44,000 (Net).

Shri S. V. Ayyar: I would like to know more details about it.

Mr. Chairman: This is a rough estimate. Nobody has signed this. A body of experts went and examined each vehicle. Have they noted the condition of each vehicle as to whether it was road-worthy and so on? Is there any authoritative statement signed by them?

Shri S. V. Ayyar: A report was sent by the Committee of Valuers.

Mr. Chairman: What did they say? Did they say in the final report that such and such vehicles are road-worthy and worth so much?

Shri S. V. Ayyar: The vehicles which were road-worthy and which were considered to be scrap have been mentioned in the final report.

Mr. Chairman: You infer.....

Shri S. V. Ayyar: There was no question of inference. When we examined 150 or 200 vehicles and said that 10 or 15 are scrap and not to be paid for, it certainly means that the others have been considered by the technical people to be road-worthy.

Mr. Chairman: It is not specifically stated.

Shri S. V. Ayyar: It is a positive report. It is not a negative report. There is no question of inference.

Shri K. K. Basu: These 58 vehicles which were subsequently declared as scrap were certified to be road-worthy.

Shri S. V. Ayyar: Yes.

Mr. Chairman: For road-worthy vehicles you have given a particular value?

Shri S. V. Ayyar: The formula for valuation was laid down and the Committee of Experts had valued accordingly.

Diwan Chaman Lall: In regard to these, you checked up the registration.

Shri S. V. Ayyar: Yes. In the case of second-hand vehicles which were purchased, the original authority had been referred to.

Diwan Chaman Lall: Were these 58 vehicles second-hand?

Shri S. V. Ayyar: I do not know. If you can give me that list, I will look into it and say. It might be possible to say because the original certificates must be with them.

Then it would be easy for me to locate and find out from the original registration certificates of these vehicles. I have taken it from the registration cards of the G.N.I.T. Co.

Diwan Chaman Lall: Suppose, a bus that is registered here had not been registered before in Bombay or elsewhere.

Shri S. V. Ayyar: I have examined the books of the G. N. I. T. Co. to find out from whom the vehicles were originally purchased, whether they were purchased old. If they were purchased from the manufacturers, then we took them as new vehicles. Some of them were new and some of them were second-hand. I have looked into from whom they were purchased and I have ascertained information from the books also.

Diwan Chaman Lall: I will put a specific question. Have you got a list of vehicles which you recommended not to be purchased or to be excluded from the purchase.

Shri S. V. Ayyar: In respect of vehicle No. DLH 9440 we have stated "damaged by accident, repair costs

should be deducted from the value payable otherwise".

Diwan Chaman Lall: What was the registration period? When was it registered?

Shri S. V. Ayyar: DLH 9440 was registered on 1-12-43.

Diwan Chaman Lall: What was its original price?

Shri S. V. Ayyar: This was purchased in 1943.

Diwan Chaman Lall: What was the price, the original price?

Shri S. V. Ayyar: The original purchase price is not known to us.

Shri P. S. Rajagopal Naidu: How do you fix the price?

Shri S. V. Ayyar: Under the agreement there was no necessity to look into the original price.

Diwan Chaman Lall: Should you not make allowance for repair and replacement cost?

Shri S. V. Ayyar: On the date of taking over?

Diwan Chaman Lall: It is stated "less depreciation at the rate of 25 per cent. per year on the declining value from the date when the vehicle was registered".

Shri S. V. Ayyar: Quite true. We have to consider what was the replacement value of that vehicle on that date. That must be depreciated from 1-12-43 by 25 per cent. on the reducing balance structure.

Diwan Chaman Lall: A car was registered in 1943. The replacement value of that car on the date of purchase happens to be, let us say, more than what it cost in 1943.

Shri S. V. Ayyar: It was so.

Diwan Chaman Lall: Let us take a hypothetical question. Then, according to your formula, the depreciated value is 25 per cent. in the first year.

So, if it costs Rs. 10,000 then Rs. 2,500 is depreciated in the first year.

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: Have you done it?

Shri S. V. Ayyar: Yes, we have done it. The replacement value of that vehicle on that date was Rs. 12,800 and odd.

Diwan Chaman Lall: What was the original price?

Shri S. V. Ayyar: I do not know. I have not looked into it.

Diwan Chaman Lall: Then how do you reckon the price?

Shri S. V. Ayyar: That replacement cost was the figure which we ascertained from the local dealer.

Diwan Chaman Lall: Where is the correspondence, the letter you wrote to the manufacturer?

Shri S. V. Ayyar: I have it. We have ascertained from the manufacturer.

Diwan Chaman Lall: For this vehicle?

Shri S. V. Ayyar: For this particular make.

Shri P. S. Rajagopal Naidu: What is the average life of a vehicle? You say, that was a 1943 model vehicle. What is its life?

Shri S. V. Ayyar: The valuers were not concerned with that.

Shri P. S. Rajagopal Naidu: I would like to know what is the life of a vehicle? What is the number of years that the auditors have fixed as the life of a vehicle?

Shri S. V. Ayyar: It depends on the make and the use it is put to.

Shri P. S. Rajagopal Naidu: How many years?

Shri S. V. Ayyar: In every case it is worked out. Probably 10 years.

Shri P. S. Rajagopal Naidu: What do your auditors do? How do they calculate.

Shri S. V. Ayyar: They depreciate it on the basis of the Income-Tax rate.

Shri P. S. Rajagopal Naidu: How much?

Shri S. V. Ayyar: 25 per cent.

Shri P. S. Rajagopal Naidu: You yourself have admitted that this was a 1943 model vehicle. In which year was this acquired?

Shri S. V. Ayyar: In 1948, by the Government.

Shri P. S. Rajagopal Naidu: So, the vehicle was six years' old at the time of acquisition.

Shri S. V. Ayyar: Yes.

Shri P. S. Rajagopal Naidu: You did not even care to ascertain the original purchase price of the vehicle. What was the price of the vehicle in 1943? Was it ascertained?

Shri S. V. Ayyar: No. It was not my duty. Under a particular clause in the agreement we were appointed as valuers and this was not within the terms of my valuation.

Shri P. S. Rajagopal Naidu: Am I correct in saying that in the year 1948 when this vehicle was acquired you had valued this vehicle at more than the original price of the vehicle after seven years of use?

Shri S. V. Ayyar: It is quite possible. The value is governed by the market price and it is likely that it was higher.

Shri P. S. Rajagopal Naidu: In the course of the five or six years, a portion of the value of the vehicle should have been written off as depreciation.

Shri S. V. Ayyar: Yes.

Shri P. S. Rajagopal Naidu: You have to reduce it every year at the rate of 25 per cent. In the course of some years it will be reduced to nothing.

Shri S. Gupta: This 25 per cent. is on the reducing instalment. The asset will never be reduced to zero.

Shri P. S. Rajagopal Naidu: In this particular case, even though the vehicle was used for six years, you had valued the vehicle relying upon this Agreement that is entered into by them and you had paid much more than what this vehicle has cost in 1943.

Shri S. V. Ayyar: We were appointed as valuers under the clause of the Agreement and we worked as per the

Shri P. S. Rajagopal Naidu: Did it not strike you that this vehicle has been on the road for nearly six years and it costs nothing?

Shri S. V. Ayyar: I will not venture any opinion. We worked under the terms of the Agreement.

Shri P. S. Rajagopal Naidu: Within one year most of those vehicles had to be sold as scrap.

Shri S. V. Ayyar: I do not know the circumstances under which they were treated as scrap.

Diwan Chaman Lall: Let us take this DLH 9440.

Mr. Chairman: I want an elucidation. What is the valuation for this vehicle?

Shri S. V. Ayyar: Rs. 3,564/-.

Diwan Chaman Lall: That was your valuation?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: Does it include depreciation also?

Shri S. V. Ayyar: Yes.

Mr. Chairman: What was the original price?

Shri S. V. Ayyar: Rs. 12,000 and odd as replacement cost.

Mr. Chairman: According to you it has suffered an accident.

Shri S. V. Ayyar: Yes.

Mr. Chairman: Have you made any enquiries?

Shri S. V. Ayyar: We stated "damaged by accident; repaid cost must be deducted from the value".

Mr. Chairman: You have deducted only Rs. 500.

Shri S. V. Ayyar: Rs. 500 was deducted. But we qualified it by further saying that from the Rs. 3,564/-, we should again deduct the cost of repairs which are necessary to make this vehicle in a serviceable condition.

Mr. Chairman: What was the deduction?

Shri S. V. Ayyar: I do not know. It is for the DTS to say how much they recovered for that. Paragraph 2 of the Valuation Report dated the 23rd April, 1948 reads:

"In Annexure 'A' we have indicated the vehicles which have been damaged very badly as a result of accidents and which in our opinion would involve a complete overhaul and considerable expenditure thereon. Our valuation of these vehicles shown in the statement is subject to the further condition that from those assessed values, the expenditure on their complete repair and overhaul should be deducted."

Mr. Chairman: What have you done?

Shri S. V. Ayyar: We have left it to the Ministry. We do not know what amount they have recovered.

Mr. Chairman: May we know from the Secretary what has happened to this?

Shri B. K. Lall: There was no information. This value must have been adjusted at the time of purchase.

Mr. Chairman: How? You are working on a particular formula. Have you given effect to this formula?

Shri S. Gupta: The Rs. 500/- that you have made allowance is for the overhaul.

Diwan Chaman Lall: We want to know whether you have made the deduction of Rs. 500/-.

Shri B. K. Lall: We can find out from the records.

Diwan Chaman Lall: How many years depreciation is this?

Shri S. V. Ayyar: We have shown four years' depreciation.

Diwan Chaman Lall: Why not five years?

Shri S. V. Ayyar: Because the agreement says "completed years".

Diwan Chaman Lall: Where does it say so?

Mr. Chairman: That is a sore point. Even if it had run for 360 days it is not a completed year. It was discussed last time.

Diwan Chaman Lall: Where does the agreement say about the "completed year"? I do not see it.

Shri S. Gupta: Paragraph 11(a)(1) refers to that.

Diwan Chaman Lall: Even if it is 11 months and 29 days, as it is less than one year, it is not deducted.

Mr. Chairman: Are you able to get the figures with regard to DLH 9440? Apart from the Rs. 500, what have you deducted by way of cost of repairs?

Shri T. S. Parsuraman: I will look into the records and will let you know the exact amount.

Diwan Chaman Lall: This document says Rs. 500.

Mr. Chairman: There is nothing further in that.

Shri S. V. Ayyar: This Rs. 500 is not in respect of repairs. It is the amount which the Valuation Committee is authorised to adjust plus or minus if it so thinks fit.

Shri S. Gupta: The question is whether we have recovered anything in respect of the vehicles which were declared to be in a bad condition.

Shri T. S. Parsuraman: We have recovered. But we have to look into the records to know the actual amount.

Diwan Chaman Lall: Could anybody give us any explanation as to how it came about? Could we have a detailed report? Who are responsible to see that the terms of the agreement are honoured in their letter and in the spirit? Either one is responsible or the other one is responsible. It is stated that the report justifies the purchase of these vehicles. Where is that report?

Shri T. S. Parsuraman: It is not a separate report. The valuers submitted one consolidated report and a copy of that has been submitted to the Committee.

Shri K. K. Basu: For this DLH 9440, had any technician submitted similar report?

Shri S. V. Ayyar: There was only one common report submitted by all the three people. May I just read out from the report a portion?

Mr. Chairman: Have you got Annexure A? Would you tell me how many come under Category A?

Shri S. V. Ayyar: I will read the relevant portion.

"In annexure 'A' we have identified by asterisk certain vehicles. These are six wheelers. They are not vehicles suitable for efficient road transport. We understand

they were vehicles specially manufactured for the exclusive use of the Army. It is also understood that they are not replaceable at present in the market. As such, we would not ordinarily recommend the purchase of these vehicles for a road transport organisation.

In view of the agreement, however, it would seem that the vehicles should also be taken over by the Government. For the circumstances explained above, in our opinion, the formula laid down in clauses 11(a) I & II of the agreement should not apply to these vehicles.

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 adjustments which we have recommended in this report. The balance of 8 vehicles were new when purchased and we have assessed a lumpsum replacement value of Rs. 10,000/- for each of these."

This paragraph would indicate to what extent the Valuers had gone into the position. Then again, I want to bring to your notice the pains that we took.

Diwan Chaman Lal: Why did you not tell them so before the Agreement?

Shri S. V. Ayyar: We were not consulted before the Agreement. It is for the authorities who entered into the Agreement to say that.

Mr. Chairman: That report does not help us in the face of the fact that even within one year 58 buses were sold as scrap.

Shri S. V. Ayyar: What guarantee is there that after they were taken over they were maintained in proper manner, whether there were any accidents and if so how many of the buses had accidents which made them absolutely useless, and so on. I have been

myself trying to find out about the maintenance of these vehicles. but I could not get any information from the Delhi Transport Service (D.T.S.). How can one say that these vehicles were scrapped simply because they were unserviceable at the time of taking over? That might have been due to the fact that they were not properly maintained.

Mr. Chairman: According to you, the Valuers, the buses taken over by the D. T. S. were not up to the mark.

Shri S. V. Ayyar: I cannot say so. If you can look into the details in respect of these 58 vehicles, what were the exact circumstances in which they were scrapped, what were the repairs which were carried out for these 58 vehicles during the period after they were taken over, you can judge it.

Shri B. K. Lall: I will check up on this from the records and produce the record.

Diwan Chaman Lal: This matter has been before the Public Accounts Committee for over a year. Surely it is only courtesy to this Committee that the figures and facts and everything connected with this matter should have been brought to the notice of this Committee. Why is it that we have got to fish for information? This is a very serious thing. Mr. Lall, you are the only permanent link in this whole matter. You must know what has happened. About 7.6 lakhs worth of loss has been caused to Government—not a small loss. We are unable to get at the facts or the figures or the records in the matter!

Shri B. K. Lall: I was not there at that time. I joined later. I was only one of the valuers.

Diwan Chaman Lal: What is your opinion about the valuation? What have you to say about the 58 vehicles which were scrapped?

Shri B. K. Lall: It is difficult for me to say after so many years. I valued the vehicles technically.

Diwan Chaman Lall: Are there no records about this? Have you not made any report about your technical valuation?

Shri B. K. Lall: I did not keep any personal copy. I can check up.

Diwan Chaman Lall: If you had made your report, why should it not be there?

Mr. Chairman: Shri S. V. Ayyar was asserting that he could not get at anything about these vehicles at all. He said he did try to get at these buses and their history and why they were condemned and he could not get the information.

Shri S. V. Ayyar: I had written a letter to the D. T. S. on this subject. May I read out this letter which was dated 13th September, 1950, addressed by me to Shri Venkatachalam who was the Under Secretary?

Mr. Chairman: You can read it. You can furnish a copy of that letter to the Committee.

Shri S. V. Ayyar: (*Reads letter dated 13-9-50*).

“A statement showing the details of 55 vehicles.....”

“Statement of 60 vehicles on 31-3-50.....”

I had asked in this letter for a series of detailed information. The answer I got was that there was no information.

Diwan Chaman Lall: We want a copy of the letter that you have just now read.

Shri S. V. Ayyar: Yes. I will send it. If by examination your Sub-Committee can ascertain how these vehicles were condemned, and whether there was any heavy damage to them, I can understand the conclusion being reached.

Diwan Chaman Lall: It may also be that somebody.....

Shri S. V. Ayyar: May I tell you, that you should know who carried out the examination of these vehicles, who

wanted them to do so, who were the parties that condemned them and what were their qualifications.

Shri P. S. Rajagopal Naidu: We will come to that.

Mr. Chairman: Mr. Lall, the burden therefore seems to lie heavily on you to clear up these things. Mr. S. V. Ayyar is showing them on to you. You are in possession of all these records as to when these buses were sold, what were the conditions in which they were sold and at what prices. These are the points which we require.

Mr. S. V. Ayyar will kindly give us the list of buses referred to in Annexure A and also let us know what was the condition of these buses.

Shri S. V. Ayyar: I should give all the information.

Mr. Chairman: Mr. Ayyar had said that these buses may be excluded. Inferentially, we have to take it that the other buses were road-worthy.

Shri S. V. Ayyar: Annexure A refers to six-wheelers. Nos. 157 to 178; about 22 vehicles—were referred to in this Annexure.

Mr. Chairman: How many attract clause 11 (a) of the agreement?

Shri S. V. Ayyar: Annexure A gives a list of all the vehicles, divided into several sections.

Mr. Chairman: In the Annexure, have you indicated the vehicles which have been damaged very badly? Let us know what exactly is in Annexure A.

Shri S. V. Ayyar: If you refer to the Valuation Report, the first paragraph dealing with vehicles will show what is contained in Annexure A.

Mr. Chairman: In that Valuation Report you have stated that in Annexure A, you have indicated the vehicles which have been damaged very badly as a result of accidents and which, in the opinion of the valuers, would involve

a complete overhaul and considerable expenditure thereon. Let us know how many vehicles are in that category and how much you have deducted in addition to Rs. 500/. The Valuation Report says that the valuation is subject to the further condition that from those assessed values the expenditure on their complete repair and overhaul should be deducted. We want to know how much you have deducted.

Shri S. V. Ayyar: I have not deducted. The Ministry will have to give that information. There were two vehicles which suffered an accident.

Mr. Chairman: One of these vehicles is No. DLH 9440. What is the number of the other vehicle?

Shri S. V. Ayyar: The number of the other damaged vehicle is DLH 5021.

Shri N. M. Ayyar: An attempt was made by the Ministry to get the figures. I might read out a letter which was received from the D.R.T.A. in this connection. This letter is dated 2-11-1950.

Reference Ministry of Transport Letter No. 5-TAG (16)/49 dated 21-9-50.

I have the honour to furnish below further information asked for:

(i) Figures of the average or the actual cost of maintenance of these 55 vehicles are not available as these vehicles became unroadworthy even during the year 1948-49, in most cases soon after taking over from the G.N.I.T. Company. Moreover, no proper record of the maintenance cost of each of these vehicles was maintained. Nevertheless, taking into account the deteriorated condition of the body and mechanical parts of the vehicles and the total expenditure incurred on the maintenance and repair during the year 1948-49, it could reasonably be estimated that the approximate average cost

of the maintenance of each of these vehicles should not have been less than Rs. 300/- per mensem excluding the cost of labour, P. O. L. tyres and tubes.

(ii) The estimated expenditure of Rs. 4,14,549 is based on the maintenance of all the 189 vehicles taken over from the ex-G.N.I.T. for the period 14-5-48 to 31-3-49. This works out to an average of Rs. 2194/- per vehicle, that is, Rs. 209/- per month. As the maintenance cost on the 55 vehicles in question was comparatively more than the other vehicles on account of the deteriorated conditions, the maintenance cost has been estimated at about 50% more than the average cost.

(iii) The question does not arise as expenditure on tyres and tubes has been excluded.

(iv) The information is not readily available.

(v) The information is not readily available.

(vi) Out of the 55 vehicles, 4 vehicles were off the road (2 in May, 48, bearing registration Nos. DLH. 9429 and DLH. 5021; 1 in July, 48, bearing registration No. DLH. 5047; and 1 in August, 48, bearing registration No. DLA. 5360). No report appears to have been made to the Ministry of Transport in this connection as the position of the loss to be borne by the Government this account was then not apparently clear as the value assessed by the valuers was only known towards the end of 1948.

(vii) Out of the 23 vehicles, 7 vehicles are actually on the road at present, viz., DLH. 6130, 5579, 8291, 8075, 7358, 8801 and 6108. The remaining 16 vehicles are at present unroadworthy. The mileage performed by these vehicles from 1-4-50 up to 31-8-50 and the date from which they became unroadworthy are indicated in the attached statement

(viii) Apparently, the original list was prepared on the basis of the date of registration and the mechanical condition of the vehicles. The omission of the 27 vehicles which became unroad-worthy before June 1949 is probably with the idea that they could be repaired and placed on the road again. This hope, apparently, did not materialise subsequently.

(ix) The expenditure of Rs. 3814/- has been worked out on the basis of expenditure up to 31-7-50 on Ford vehicles. In this connection, it may be stated that no new addition of Ford vehicles was made to the existing fleet. Figures of actual expenditure are not readily available.

(x) No set procedure was followed. However, it may be stated that when the physical and mechanical conditions of the vehicles were such that it would not be economical to repair them, the Government was approached for the write-off of their book value.

(xi) No individual history cards are available in respect of these vehicles."

Mr. Chairman: Could you kindly send a copy of that letter which the Secretary has read out, to this Sub-Committee? I would also like to know another thing. Shri S. V. Ayyar was telling us that certain vehicles were found by the experts to be second-hand vehicles which had been reconditioned. I presume that before entering into an Agreement, the Ministry had knowledge that these vehicles were second-hand. If that was so, why did you apply the formula of deducting Rs. 500/- only, in the case of these second-hand vehicles also?

Diwan Chaman Lall: Mr. Lall, what have you got to say about this?

Shri B. K. Lall: I can only say that I looked into the technical side of the

valuation. I simply examined the technical aspects. There were two of us.

Diwan Chaman Lall: Is there any record of the fact that these vehicles were actually tested? Did you make a note of it?

Shri B. K. Lall: No separate note was kept.

Mr. Chairman: Mr. Ayyar seemed to be very clear that every one of the vehicles was checked and on that ground no deductions were made.

Shri S. V. Ayyar: The deduction of Rs. 500 and Rs. 300 etc. was simultaneously done at that time.

Mr. Chairman: There is a deduction of Rs. 500/- uniformly.

Diwan Chaman Lall: Do you mean to say that no record of any examination was kept?

Shri B. K. Lall: There is no record.

Diwan Chaman Lall: Was there an examination at all?

Shri B. K. Lall: There was.

Diwan Chaman Lall: If so, there would have been some record.

Shri P. S. Rajagopal Naidu: Did you try to note the condition of the tyres of the vehicles? How is it that a uniform formula was applied in respect of all vehicles?

Shri B. K. Lall: I remember that at that time it was late at night when I carried out this work. Usually after my working hours, I along with a colleague of mine, checked up the buses and when we checked the buses and they were in good condition, then we made a deduction of Rs. 500/-.

Shri P. S. Rajagopal Naidu: My question is particularly with regard to tyres. Each vehicle had six tyres and each tyre during that period would have cost Rs. 500/-. Am I correct?

Shri B. K. Lall: Yes.

Shri P. S. Rajagopal Naidu: But I find that you have not made any particular reference with regard to these tyres.

Shri B. K. Lall: The condition of the vehicles as a whole as it stood at that time was taken into consideration.

Shri P. S. Rajagopal Naidu: You felt that it was immaterial whether the tyre was good or bad.

Shri B. K. Lall: May be, mechanically it was not in a good condition.

Shri P. S. Rajagopal Naidu: I find that you have more or less fixed a uniform value. Did it not strike you to note the condition of the tyres?

Shri B. K. Lall: We looked round the tyres also. The condition of the vehicles as a whole was good at that time.

Mr. Chairman: What was the duration of your examination of the vehicles? How many hours did you spend on this examination?

Shri B. K. Lall: We used to start from about 6 in the evening till about 11.30 or 12 at night.

Mr. Chairman: For how long?

Shri B. K. Lall: I think it was for about two weeks.

Diwan Chaman Lall: You did the checking without a single note. Perhaps you trusted to your memory.

Shri B. K. Lall: We simply checked up. We did not make any notes.

Shri S. V. Ayyar: It was on the basis of the assessment of the condition of the vehicles on the spot that deduction was made.

Diwan Chaman Lall: Are you justifying the procedure that was adopted? Is this sufficient?

Shri S. V. Ayyar: That is our impression.

Diwan Chaman Lall: Then what is the reason for your writing a note on a certain thing?

Shri S. V. Ayyar: That is because this question of scrapping the vehicles was raised and I was asked to deal with this. So, I noted it down.

Shri K. K. Basu: Was there any joint inspection?

Shri B. K. Lall: We used to meet together and after I have checked a bus—say bus No. 321—for 15 minutes or so, I went back and discussed it with the other valuers.

Mr. Chairman: Did you have a procedure of checking—say, first engine, then tyre, etc.?

Shri B. K. Lall: We used to start the bus.

Diwan Chaman Lall: Who is the other man?

Shri B. K. Lall: He was one Mr. Arshacony.

Diwan Chaman Lall: Where was he working?

Shri B. K. Lall: He was the Service Manager of General Motors.

Diwan Chaman Lall: How soon after you came, did you come across this.

Shri B. K. Lall: This thing happened in 1948. I joined in August 1952.

Shri K. K. Basu: Was the report signed by both of you?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: There is no report.

Shri B. K. Lall: There was a joint report.

Diwan Chaman Lall: You mean that thing wherein it is stated that Rs. 500/- have been deducted? That is not a report at all.

Shri K. K. Basu: Now, the report is a common report. Suppose bus No. A is accepted as roadworthy only by other gentleman, will you accept what he says?

Shri B. K. Lall: We did not jointly inspect every minute.

Diwan Chaman Lall: So, when the other gentleman says that a certain vehicle is roadworthy, you accept it.

Shri B. K. Lall: That is right.

Diwan Chaman Lall: If you were a private concern would you have recommended the purchase of these vehicles on that basis.

Shri B. K. Lall: It never occurred to me at that time.

Diwan Chaman Lall: Mr. Secretary, would you have, as a private individual, purchased these vehicles on no report? Would Mr. Lall have purchased these on this basis if he were a private concern? It is a matter where about Rs. 7.6 lakhs are involved. Mr. Lall, let us suppose you were the General Manager at that time of a private concern. Would you have taken them over on this basis without a report?

Shri B. K. Lall: That question does not arise. I thought I was doing something good. I did not know that I would be questioned later on.

Diwan Chaman Lall: Will anybody buy a second-hand car without a detailed check? Would you recommend me to buy a second-hand car without a detailed check?

Shri B. K. Lall: I did not carry out a detailed check from my point of view at that time.

Diwan Chaman Lall: This is a detailed check. But there is no report.

Shri B. K. Lall: I quite agree with you. When we checked up the vehicles they were in a running condition. From our point of view we certainly carried out a check. We did our best to see that the Government had a fair deal in the matter.

Mr. Chairman: I would like to point out one other difficulty in accepting your position. Some of these vehicles were registered five, four or three years earlier. From the deductions made, you see that they range from Rs. 250 to Rs. 500. Mr. Naidu

put to you the question whether you examined the condition of tyres each of which was costing about Rs. 500/-. Now, do you want us to believe that you as experts to assess these vehicles, could deduct only this much of difference, namely between Rs. 250 and Rs. 500, even though the registration was done 3, 4 or 5 years ago?

Shri S. V. Ayyar: The Agreement is there. Could we go out of the Agreement?

Diwan Chaman Lall. You could have conducted a detailed examination of the record of each vehicle and condemned all those that were within 12 months. That is what you could have done. You did not do it.

Shri S. V. Ayyar: Where we considered that they are.....

Diwan Chaman Lall: Who are you? You are only from the Audit side, considering this matter. It is they—technicians—who know about this. They have got to satisfy their superior officers. Now, there is not even a single record to show what actually happened. But there is the fact that 113 of the vehicles were condemned and that resulted in a loss to the Government to the extent of about Rs. 7.6 lakhs. Suppose there was a proper record, then we could now call for the record and check it up. We could then find out whether what you are saying is right or what we are saying is right. As it is, this is completely guess work.

Mr. Chairman: You see you were bound down by that condition. If the technical experts had given you details with regard to the valuation, how are you bound by this Rs. 500? Why should you get bound by this Rs. 500? You could straightaway reject them. If the report that they have given with regard to the condition is bad, you could have rejected or you could have found out yourself.

Shri S. V. Ayyar: We considered it was not.....

Mr. Chairman: As a matter of fact you have confined yourself within that short range of Rs. 250 and 500.

Shri S. V. Ayyar: Under the Agreement that was the provision.

Diwan Chaman Lall: Let us take the Agreement. Is this the policy of the Government to appoint 2 non-officials, and ask them to come and examine these vehicles, without fee? Is that part of the Agreement? Have you no technical men in other Ministries? If you had no technical men then you could appoint some and put the responsibility on them to tell you whether these are serviceable or not.

Shri S. V. Ayyar: That is a question of policy.

Diwan Chaman Lall: It is not a question of policy. It is a question of ordinary commonsense.

Mr. Chairman: In regard to the Agreement, you had tried to follow the U. K. formula, but you did not follow it fully. Why have you introduced this clause about Rs. 500? It is not found in the U. K. Transport Act, 1947.

Shri T. S. Parsuraman: It was more favourable to Government.

Mr. Chairman: What was favourable?

Shri T. S. Parsuraman: Whatever it is. It was a little more favourable to Government.

Mr. Chairman: "In every case, 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 deducting from the sum ascertained under paragraph (i) of this clause, such amount, not exceeding Rs. 500 as fairly represents the difference." This is from clause 11 (ii) of the Agreement.

Why did you limit it to Rs. 500? If you had left it open as in the U. K. Act, you could have had a wider range of reduction instead of restricting yourself to Rs. 500. On what

ground do you contend, that is favourable? If you had adopted *in toto* the U. K. clause, you would have had a wider latitude. You could have had greater freedom and not within the range of Rs. 500.

Mr. Ayyar can pass on a copy of that letter and the reply he received.

Diwan Chaman Lall: Let us ask another question. Have you any record showing who took the decision to get rid of these vehicles as scrap?

Shri N. M. Ayyar: As far as I have been able to find out about this Rs. 500 figure.....

Diwan Chaman Lall: We will come to that later on. You can take note of that and you can send a note about it. The Chairman has drawn attention to the fact that you had made certain exception from the U.K. Act.

Mr. Chairman: There is no limit in the U.K. Act.

Shri N. M. Ayyar: That is correct.

Diwan Chaman Lall: When was the decision taken, and by whom, to get rid of these vehicles as scrap?

Mr. Parsuraman, have you got anything to say about this? Do you remember anything about this?

Shri T. S. Parsuraman: In the note that we have sent to the Committee, it is stated that out of the U.K.....

Diwan Chaman Lall: You leave the U.K. Act on one side and we will take that later on. What does your record say regarding the decision taken and by whom and for what reasons to sell these vehicles as scrap?

Shri B. K. Lall: There is a note here which says:

"Out of the fleet taken over from the G.N.I.T. Co Ltd., two lots of 55 and 58 unserviceable and worn out vehicles were auctioned in June 1950 and January 1952 respectively. The first lot of 55 vehicles was condemned as

these buses were in service for more than 4 years since the date of their original registration and were physically and mechanically unfit for service in 1948-50. As regards the 58 vehicles, these had come to the stage of condemnation during the course of the year 1949-50. Both the Tots were disposed of by public auction through Government recognised auctioneers. The auction for the first lot of 55 vehicles was arranged through the Regional Commissioner (Disposals) Kanpur, and the second lot of 58 vehicles was auctioned departmentally through Government recognised auctioneers."

Diwan Chaman Lall: Whose note is this?

Shri B. K. Lall: This is the information which we supplied.

Diwan Chaman Lall: On what records did you supply this? What is your record? Who took the decision? Who was responsible for this decision for the first sale and the second sale?

Shri M. Gopalakrishnan: I have seen some letters in the D.T.S. file which show that the first lot of 55 vehicles was considered unserviceable by the then General Manager.

Diwan Chaman Lall: So nobody else was consulted in regard to this matter?

Shri M. Gopalakrishnan: This has got to be looked into. This note was prepared on the basis of that letter.

Diwan Chaman Lall: These vehicles were condemned as unserviceable, because they have been in service for more than 4 years. Is that the statement? Am I correctly quoting?—whereas actually some of these buses were registered in 1943 and had been in service for more than 4 years and were purchased as good and serviceable after 6 years of service. Is that note regarding this 4 years' service the main basic reason for declaring them to be useless? Is that to be found in any other record?

Shri M. Gopalakrishnan: There must be some supporting record.

Diwan Chaman Lall: Don't you remember where did you get this?

Shri N. M. Ayyar: I think I will be able to throw some light. In a letter dated 21st September, 1950, to the Secretary DRTA, a specific question was put as to what was the procedure adopted by the D.T.S. for the condemnation of the vehicles, which precisely is the point which we are trying to pursue. The answer that was given was that no set procedure was followed. They further said: "However, it may be stated that when the physical and mechanical conditions of the vehicles were such that it would not be economical to repair them, the Government was approached for the write-off of their book value".

Diwan Chaman Lall: What is the record to show. what examination took place of the physical and mechanical condition of the vehicles? Who did that examination?

Shri N. M. Ayyar: I think from the sentence: "No set procedure was followed", the inference is probably that no set procedure was followed.

Diwan Chaman Lall: So it was the General Manager and General Manager alone who came to the conclusion that because these buses had been in service for four years, they were not worthy of service any more. Is that right?

Shri N. M. Ayyar: This question was specifically put to him and the answer that we could get was this: that there was no set procedure of examination.

Diwan Chaman Lall: Whatever records you have, would you kindly look into them and pass them on?

Shri K. K. Basu: I want to know whether the Ministry pursued the matter after receiving this reply.

Shri N. M. Ayyar: From the papers, I could find that a Committee was appointed to go into this question. There were two Members of Parliament on it.

29 March, 1956]

MINUTES OF EVIDENCE

[D.R.T.A.]

Shri T. S. Parsuraman: That was the Sub-Committee of the Standing Finance Committee. It met in 1950.

Diwan Chaman Lall: What did the Committee report?

Shri T. S. Parsuraman: When the G.N.I.T. Co. was taken over by Government in 1948 and the matter was placed before the Standing Finance Committee together with a request for the Committee's approval for the terms of the Agreement, the Committee decided that the arrangement proposed by the Ministry of Transport may be approved and that the operation of this service on departmental basis should be only temporary and that before long, satisfactory arrangements should be worked out for putting it on a permanent basis.

Diwan Chaman Lall: I was present at that time. I follow.

Mr. Chairman: We stop here and we will meet tomorrow at 10 a.m.

Shri N. M. Ayyar: I thought the next meeting was on Saturday.

Mr. Chairman: Diwan Chaman Lall is retiring on the 31st March and we would like to have a meeting tomorrow also at 10 A.M. if that is possible, because we have got a lot of ground to cover. We have not yet come to the Audit Reports.

Shri N. M. Ayyar: If you could excuse me, I have got to conclude negotiations with the Russian and Polish Delegations tomorrow.

Mr. Chairman: It is all right. I suppose you will be coming on Saturday.

Shri N. M. Ayyar: Yes, I will come on Saturday.

Diwan Chaman Lall: Tomorrow you can deputise somebody else.

[The Sub-Committee then adjourned at 6-30 P.M. till 10 A.M. on Friday, the 30th March, 1956.]

Friday, 30th March, 1956

PRESENT

Shri S. V. Ramaswamy—*Chairman*.

MEMBERS

2. Shri Kamal Kumar Basu

3. Diwan Chaman Lall

4. Shri P. S. Rajagopal Naidu

Shri S. Gupta, *Additional Deputy Comptroller and Auditor-General*.

SECRETARIAT

Shri V. Subramanian—*Deputy Secretary*.

WITNESSES

Shri B. K. Lall, *General Manager, Delhi Road Transport Authority*.

Shri T. S. Parsuraman, *Deputy Secretary, Ministry of Transport*.

Shri M. Gopalakrishnan, *Chief Accounts Officer, Delhi Transport Service*.

Shri R. G. Abbhi, I.A.S., *Deputy Secretary, Ministry of Finance (Communications Division)*.

Shri S. V. Ayyar, *Chief Cost Accounts Officer, Ministry of Finance*.

(The Sub Committee met at Ten
Twenty of the clock.)

(AGREEMENT DATED THE 23RD
APRIL, 1948 BETWEEN THE GOV-
ERNMENT OF INDIA AND THE
G.N.I.T. CO. LTD. RELATING TO
THE TAKING OVER BY GOVERN-
MENT OF THE ROAD TRANSPORT
BUSINESS OPERATED BY THAT
COMPANY IN DELHI—CONTINU-
ED).

Mr. Chairman: Mr. Ayyar said yes-
terday that he was fettered by the fact
that there was a clause restricting the
deduction to a maximum of Rs. 500/-.
Is there any clause in the Agreement,
making it obligatory on the Govern-
ment to purchase every vehicle?

Shri S. V. Ayyar: The Agreement
says that the assets would be taken
over all stock-in-trade.

Shri T. S. Parsuraman: Clause (3)
of the Agreement says:

"On the completion of the sale,
all assets owned by the Vendors
in Delhi Province in connection
with the business of transport
shall be transferred and the pro-
perty therein shall pass to the
Vendee and the Vendee shall be
entitled to full possession of the
assets including the premises in
Delhi now held and occupied or
used or acquired by the Vendors
or their agents or their Directors
or employees."

Mr. Chairman: That is on the com-
pletion of the sale. Now we are think-
ing of the conditions before the sale.
Is it obligatory on your part to take
over every bus that belongs to the

company? If you complete the sale then you must take over. But prior to that is it obligatory?

Shri T. S. Parsuraman: It is in the Agreement.

Mr. Chairman: Supposing they have hundred damaged vehicles. Did you or did you not have the right or option to reject them? Or have you to take all of them?

Shri Parsuraman: On a reading of the clause, it seems to me that Government were obliged to take all of them.

Shri S. Gupta: No. Not all.

Mr. Chairman: If that is so, I would ask Mr. Ayyar whether he informed them that they should not accept this one dozen vehicles because they are not in a good condition.

Shri S. V. Ayyar: We have stated that.

Mr. Chairman: It is clear from that that it is not obligatory on your part to take over every bus.

Shri S. V. Ayyar: I must point out that in the same paragraph we have stated that under the Agreement it would seem that these vehicles would have to be taken over.

Shri S. Gupta: There is no Agreement that everything should be taken over.

Shri S. V. Ayyar: The first clause of the Agreement says:

"The Vendors shall sell and the Vendee shall purchase as from the first of May, 1948, all the stock-in-trade, tenants' fixtures of leasehold premises and benefit of subsisting agreements and contracts and all other assets of the business existing on the books of the Vendors as on the first day of May, 1948, including the goodwill."

I don't think under this clause the Government has any option to exclude

any of the assets. The agreement definitely says "all the stock-in-trade".

Mr. Chairman: What was the number of vehicles which that Company had before you negotiated this Agreement.

Shri S. V. Ayyar: Whatever we knew we have reported on.

Mr. Chairman: Kindly give us the figure.

Shri S. V. Ayyar: I have not got it readily.

Mr. Chairman: Will you kindly pass on the assessment book, the rough calculation which you passed on yesterday?

Shri S. V. Ayyar: It is with you.

Shri P. S. Rajagopal Naidu: Was anything paid towards goodwill?

Diwan Chaman Lall: What was the date of this agreement?

Shri S. V. Ayyar: 23rd April, 1948.

Diwan Chaman Lall: So, according to the Agreement, you have to take whatever was the stock-in-trade on the 23rd of April or the 1st of May, 1948.

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: The stocks were obviously rotten and rejectable and could have been rejected as that is not part of the stock-in-trade.

Shri S. V. Ayyar: I could not follow.

Diwan Chaman Lall: On the 23rd of April, you entered into this agreement. As from the 1st of May, whatever is the stock-in-trade you will have to take over. On the 23rd of April when you entered into this Agreement you could have made it clear that the expression "stock-in-trade" does not include stock that is no longer usable, stock that is rejectable, stock that is rotten. Surely, that is a very ordinary precaution to take. Otherwise, stock-in-trade may mean anything.

Shri S. V. Ayyar: I could not understand the point. Is it the implication that between 23rd April, 1948 and the 1st May, 1948 some bad stuff was brought in as stock-in-trade?

Diwan Chaman Lall: In your Agreement, you could have stated that this is what we call stock-in-trade, that is, the buses which are in running order and buses which are usable and the rest we do not call stock-in-trade. The very fact that you did reject something....

Shri S. V. Ayyar: We have not rejected anything.

Diwan Chaman Lall: Did you take into consideration every vehicle that was there including useless vehicles? Suppose there was a three-wheeled vehicle which could not move even. Will you take over that and pay for it?

Shri S. V. Ayyar: We have listed all the assets.

Diwan Chaman Lall: Did you pay for that?

Shri S. Gupta: On the basis of the formula in clause 11 nothing was paid for.

Shri S. V. Ayyar: I do not agree there. We have paid under the formula for vehicles which the Committee considered to be in running order.

Diwan Chaman Lall: Then what is the stock-in-trade?

Shri S. V. Ayyar: The vehicles, which we thought, will have to be taken over, we have taken as the stock-in-trade and where we considered that the formula should not be complied with, we reported to the Government what the Committee considered reasonable.

Diwan Chaman Lall: So, you reported that such and such things are not to be considered as in running order.

Shri S. V. Ayyar: We said that this formula should not be adopted for them.

Mr. Chairman: After all, when an Agreement is entered into, then you must take everything that you have committed yourself to. You are contradicting yourself.

Shri S. V. Ayyar: May I read our Report**?

Diwan Chaman Lall: The Chairman's point is very simple, namely, that the expression "stock-in-trade", under which you took shelter now to say that you were compelled to purchase every type of vehicle that they have, according to us does not cover the vehicles that are rejectable. Now you confirm that. You also reported to Government that "such and such vehicles are rejectable and, therefore do not adopt that formula".

Shri S. V. Ayyar: The Valuation Committee interpreted the clause to mean that even if there was a stock of scrap, it is to be taken over by the Government under this clause at the scrap value. You will find that there were certain diesel parts, spare parts which were not useful to us and we pointed out to the Government that only about 6½ per cent. of the value should be paid for it if it were to be taken.

Diwan Chaman Lall: If you consider the term "stock-in-trade" includes these vehicles also, you would have similarly assessed the value of these vehicles which in a year were rejected and sold as scrap. You could have assessed them for this value.

Shri S. V. Ayyar: We have done it where we considered it as scrap. But, as I pointed out to you yesterday at the close, if you look into the running experience of these vehicles after they were taken over, you will find that all these vehicles have given more than about 17,000 to 41,000 miles. At the time of taking over,

*Report of the Board of Valuers.

could we by any stretch of imagination think that after one year, they will be sold as scrap?

Mr. Chairman: We are running away from the point. Were you under obligation to take over every vehicle?

Shri S. V. Ayyar: That was the interpretation that we gave to the Agreement.

Mr. Chairman: Then, anything that stood on four wheels or six wheels, as the case may be, you were bound to take.

Shri S. V. Ayyar: Yes, at least as scrap.

Mr. Chairman: Did you take over 14 six-wheelers belonging to them?

Shri S. V. Ayyar: Yes, we have.

Mr. Chairman: May I know the numbers of the six-wheelers that you took? Did you take over these six-wheelers? Or, rather I will give the numbers. DLA 4104, DLA 4105, DLA 5633, DLA 5645, DLA 5878, DLA 5632, DLA 3579, DLA 4102, DLH 5620, DLA 4103, DLH 5833, DLH 5764, DLA 3580, and DLH 5868. You bought these?

Shri S. V. Ayyar: These were valued by us and included in our Report.

Mr. Chairman: Were they bought?

Shri S. V. Ayyar: It is for them to say. We valued and reported.

Mr. Chairman: May I know from Mr. Parsuraman whether these vehicles were bought? I have given the number.

Shri T. S. Parsuraman: I was studying the Valuers' Report.

Shri K. K. Basu: Did you pay for everything including scrap? Mr. Ayyar says that everything has to be taken over. Were these vehicles taken over?

Shri T. S. Parsuraman: I will have to check it.

Shri P. S. Rajagopal Naidu: In the Preamble to the Agreement, it is briefly indicated what should be taken over. It reads:

"And whereas the Vendee is desirous of acquiring the said business and the Vendors, at the request of the Vendee, have signified their consent to transfer their property including vehicles, equipment, workshop equipment, machinery, spare parts and all their right, title and interests in the premises....."

Does this commit us to take the scrap also? It only mentions about vehicles, equipment, workshop equipment etc. Do you mean to say that this includes scrap also?

Shri S. V. Ayyar: It may be read with the next clause. The Preamble is only a Preamble. Clause (1) states what should be taken over.

Shri P. S. Rajagopal Naidu: The Preamble indicates that even scrap should be taken over?

Shri S. V. Ayyar: Yes, scrap is also stock-in-trade.

Shri P. S. Rajagopal Naidu: You mean that scrap also is 'stock-in-trade'?

Shri S. V. Ayyar: Yes. Scrap also is included in stock-in-trade.

Mr. Chairman: How do you value it?

Shri S. V. Ayyar: It is valued at scrap rates.

Mr. Chairman: With regard to the purchase of these vehicles, you valued them with reference to the two conditions, namely, being roadworthy and capable of giving good service. Was this applied with regard to the 14 six-wheelers?

Shri K. K. Basu: You have just now said that you took the vehicles with reference to their capability for

service and their road-worthiness. Suppose two vehicles bought in the same year are both in running condition. One of them might have had a big accident and some of the parts in the engine might have been removed and major repairs might have been done. In computing the value of these two vehicles do you apply the same principle that both of them are running on the road. In that how you have arrived at the formula.

Shri S. V. Ayyar: The condition of the vehicles was assessed by the technical people. To what extent the accident etc. had affected the condition of any vehicle and what deduction should be made would be according to the Agreement.

Shri K. K. Basu: I understand that the technical people had advised, but there is no detailed report as to whether the particular bus which had suffered some accident and major repairs should be taken at the same value. It may be that one could run after some repairs and another could run without any repairs while a third could run only for a few days. As far as I can gather from the answers that you have given the technical report was to the effect that a particular vehicle could run on the road. Unless there is a detailed report, we cannot possibly understand this.

Shri S. V. Ayyar: If at all you feel that there was no detailed report, I may say that at that time the Valuing Committee had not thought that they should give such detailed notes about each vehicle. The two experts attached to the Committee examined the condition of each vehicle and decided whether they were fit to be taken over and what deductions should be made for the actual condition of the vehicle. That is all that they did. If that is to be characterised as a failure it was a failure on the part of the Valuing Committee to keep full details of each vehicle. It

was never thought of and it was never thought by them to be necessary.

Shri K. K. Basu: Did you work on the basis that the particular vehicles which were just running should be brought under the calculation of the formula?

Shri S. Gupta: According to clause 11 of the Agreement, the valuation in respect of both the damaged vehicles should be the same except for minor items of adjustment within the Rs. 500 limit. The difference should be Rs. 500 at the most.

Diwan Chaman Lall: May I draw your attention to this? If you look at clause 5 of the Agreement, it says:

“The consideration of the said sale shall be such sum as the Valuers appointed in pursuance of clause (9) of this Agreement assess etc.....”.

There were three of them—one is the Chief Cost Accounts Officer and two other technical people. So, it is the assessment of these Valuers that fixes the price of each vehicle. Then Rs. 500/- is an additional safeguard in case the Valuers either assessed a little this side or that.

Shri S. Gupta: The valuation then depends upon the life of the vehicles. They can only adjust up to Rs. 500/- under clause 11 of the Agreement. The difference will be only to the extent of Rs. 500/-.

Diwan Chaman Lall: The principle of valuation is contained in clause 11 (a) (i) and (ii) of the Agreement. These are the two conditions. One relates to the deduction of 25 per cent. from the date of registration for each complete year and the other refers to Rs. 500/- for adjustment. At that time when the Valuers were valuing it according to this, there was nothing to prevent the Valuers from saying that a particular thing has to be treated as scrap. There was nothing to stop them from such an assessment.

Mr. Chairman: There is a reference in paragraph 4 of the Valuers' Report, Part II—Section I to the 14 vehicles to which I have referred to Mr. Parsuraman, I will save your time. These 14 vehicles were purchased. With reference to these vehicles, the Valuers have said that they do not recommend taking these vehicles as it will be asking for trouble.

Shri S. V. Ayyar: We have put that in the Report also.

Mr. Chairman: In paragraph 4 of the Valuers' Report (Part II—Section I), it is said:

"In Annexure A we have identified by asterisk certain vehicles. These are six-wheelers. They are not vehicles suitable for efficient road transport. We understand they were vehicles specially manufactured for the exclusive use of the army. It is also understood that they are not replaceable at present in the market. As such we would not ordinarily recommend the purchase of these vehicles for a road transport organisation. In view of the agreement however, it would seem these vehicles should also be taken over by the Government....."

Did you ask the Ministry for clarification on this point? You had taken a particular strong attitude with regard to these 14 vehicles. You said they were not fit and yet you had to go according to the Agreement. Therefore you had to find out whether under the Agreement you were bound to take them over. Did you ask the Ministry for a clarification on this specific point? I shall read out again from your Valuation Report:

".....In view of the Agreement, however, it would seem, these vehicles should also be taken over by the Government. For the circumstances explained

above, in our opinion, the formula laid down in clause 11 (a) I and II of the Agreement should not apply to these vehicles. 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."

Did you approach the Ministry for a clarification of this clause of the Agreement?

Shri S. V. Ayyar: I cannot say definitely at this length of time. It is quite possible that I would have consulted because I was working in close collaboration with the Deputy Secretary, Ministry of Transport. So it is quite possible that I might have asked for the intention. I have not put it up in writing. My files do not show anything. I cannot say anything at this time whether I asked for it or not. As Valuers we valued them in the best of our views and our interpretation of the Agreement.

Diwan Chaman Lall: You yourself recommended certain value for vehicles which you did not want to be purchased!

Mr. Chairman: And that without seeking any clarification! Mr. Parsuraman, in the meantime you can check up whether Mr. S. V. Ayyar had referred this matter to you for clarification.

What is the total value assessed for these vehicles?

Shri S. V. Ayyar: The total value for the 22 vehicles was Rs. 1,67,621.

Mr. Chairman: I want the assessed value for these 14 six-wheelers.

Diwan Chaman Lall: So, 14 vehicles were purchased though they were second-hand and the rest, 8 of them were new.

Mr. Chairman: New, when purchased!

Shri S. V. Ayyar: The total value assessed was Rs. 1.67,621.

Diwan Chaman Lall: Rs. 80,000/- is the value which you assessed for the 8 vehicles which were new and which you purchased. We do not know what the value was for the other 14 vehicles.

Shri S. V. Ayyar: Rs. 9,500 was the maximum for the new—for 2nd hand Rs. 7,451 was maximum and Rs. 6,171 was the minimum.

Mr. Chairman: Kindly give us the break-up figures in respect of all the 14 vehicles.

Diwan Chaman Lall: You have assessed a lump sum replacement value of Rs. 10,000/- each for the new vehicles. Let us know what you paid for the 14 vehicles.

Shri S. V. Ayyar: The new vehicles were only valued at Rs. 9,500/-.

Mr. Chairman: What about the 14 six-wheelers?

Shri S. V. Ayyar: Different values were given for these 14 vehicles.

Diwan Chaman Lall: What make are these six-wheelers?

Shri S. V. Ayyar: They were all Ford make. All the vehicles for which the value was below Rs. 9,500/- were old ones.

Diwan Chaman Lall: They were valued between 7,000 and 9,000 and the difference between them is that they were old, second-hand when purchased and were reconditioned. And yet, the difference was only a couple

of thousands or so in spite of their being old, second-hand and reconditioned.

Mr. Chairman: You have made a note that there is no replacement value for these types of vehicles. If that was so, how did you arrive at that valuation?

Shri S. V. Ayyar: We have taken the original purchase price. We have stated that in paragraph 4*.

Diwan Chaman Lall: How can there be a difference of Rs. 2,000?

Mr. Chairman: Am I right in saying that you assessed Rs. 1,08,983 for these vehicles?

Shri T. S. Parsuraman: Rs. 91,620 have been paid for these.

Shri K. K. Basu: What is the basis according to which you arrived at this figure? In the other cases, you applied the old formula.

Shri S. V. Ayyar: The point is this. These vehicles were purchased in 1947. The prices paid then were second-hand prices. There were no prices for new ones. They were second-hand original prices and there was no replacement value.

Shri K. K. Basu: Your principle was that when a particular vehicle comes out of the manufacturers that should be the period from which you should calculate. According to this, what was the value? Even if it is valued, you deduct depreciation on the basis of 25 per cent. on the diminishing value method.

Shri S. V. Ayyar: As I said, there was no replacement value:

Diwan Chaman Lall: Unless you see the point, there is not much use. The point he is raising is this: a new vehicle is there worth Rs. 10,000. Now, that is the replacement value. These are second-hand and reconditioned vehicle purchased on the 14th May, 1947. Suppose you were to

*This relates to the Report of the Board of Valuers.

for each and deduct a 25 per cent depreciation for 3 years, how much will it come to?

Shri S. V. Ayyar: But the prices adopted are second-hand prices.

Diwan Chaman Lall: Please try to understand me. Now, you deduct from the date of registration at 25 per cent. You fix Rs. 10,000 as replacement value. Let us take it even at that fantastic value. After first year, it comes to Rs. 7,500. After the second year, it comes to Rs. 5,000.....

Shri S. V. Ayyar: You will find that practically all the vehicles have been assessed between Rs. 6,000 to Rs. 7,000.

Shri K. K. Basu: Because the date of registration is four or five years earlier.

Shri S. V. Ayyar: I beg to differ from you. Some were registered 4 or 5 years earlier.

Shri K. K. Basu: In this case you did not apply the terms of the agreement which says that the replacement.....

Shri S. V. Ayyar: We have mentioned that. We have not minced matters.

Diwan Chaman Lall: You have certainly mentioned it: just as somebody else mentioned that you have made a profit of 3.6 lakhs of rupees. But you do not give the reasons.

Shri S. V. Ayyar: We ourselves have stated that. We have not ignored the fact because we considered that those vehicles were not useful for traffic.

Diwan Chaman Lall: But you are paying for them. Our impression is that you are paying at an exaggerated price even knowing that it is useless.

Shri S. V. Ayyar: Even though it is not useful for passenger traffic, for other transport it may be used.

Diwan Chaman Lall: Therefore, you are paying an exaggerated price.

Now take bus No. DLA 5378. When was it purchased? By whom was it purchased? To whom was it sold? Give us a history of this vehicle. It looks

to me that it was purchased from the Disposals.

Shri S. V. Ayyar: All the vehicles were purchased from B.E.S.T., Bombay.

Diwan Chaman Lall: When?

Shri S. V. Ayyar: In 1946 and registered on 14-7-1947.

Diwan Chaman Lall: Where does B.E.S.T. Bombay get it from and when?

Shri S. V. Ayyar: It was registered by B.E.S.T. during 1944.

Diwan Chaman Lall: Previous to that? Wherefrom did they purchase it?

Shri S. V. Ayyar: We have no record of that.

Diwan Chaman Lall: You did not even bother to find out whether they were useless—utterly useless—or whether life has gone out of them. But you go and value them even at a higher rate than you would have done in respect of new vehicles. Now tell us whether B.E.S.T. purchased these vehicle second-hand.

Shri P. S. Rajagopal Naidu: Let us know the book value of these vehicles at the time of acquisition.

Shri S. V. Ayyar: In the books of B.E.S.T.? We have not got anything here?

Shri P. S. Rajagopal Naidu: According to you.

Shri S. V. Ayyar: The book value of G.N.I.T. Co. is the purchase value which we have mentioned

Diwan Chaman Lall: After two year's service do you still consider that as the book value?

Shri S. Gupta: What about depreciation?

Shri P. S. Rajagopal Naidu: Where is your record to show that they paid that particular price?

Diwan Chaman Lall: Did you check it up?

Shri S. V. Ayyar: Not with the B.E.S.T. but with the G.N.I.T. Co.

Shri P. S. Rajagopal Naidu: The G.N.I.T. Co. did not depreciate the value. Is that right?

Shri S. V. Ayyar: The question does not arise because they registered it only in May 1947.

Shri K. K. Basu: Do you have any record to show how long they were in service under G.N.I.T. Co.?

Shri S. V. Ayyar: They were on the road at that time.

Shri K. K. Basu: What was the mileage done in these 11 months?

Shri S. V. Ayyar: We have examined it, but we have no records at present.

Diwan Chaman Lall: Have you checked up whether this is the actual price they have paid?

Shri S. V. Ayyar: So far as B.E.S.T. are concerned there was subsequently bodies built on them and so that also was taken into account.

Diwan Chaman Lall: By whom?

Shri S. V. Ayyar: By G.N.I.T. Co.

Diwan Chaman Lall: Actually the price was paid without the body built. We are kept in the dark. I asked you to repeat what did B.E.S.T. get for these. You do not tell me that fact. You take the book value. What is the actual price paid to B.E.S.T.? Why is this attempt being made to hide this little fact?

Shri S. V. Ayyar: I am not hiding any fact.

Diwan Chaman Lall: This bus DLA 5878 was purchased on the 14th May, 1947. What was the actual price paid by G.N.I.T. Co. to B.E.S.T.?

Shri S. V. Ayyar: Without body, these fourteen were purchased for Rs. 32,000.

Diwan Chaman Lall: How much does it come to? I think it is Rs. 2,500.

Not even that. Now what have you got to say about it? How did you get this figure, that is, the figure according to the Agreement?

Shri S. V. Ayyar: There was the body afterwards.

Diwan Chaman Lall: Look at your Agreement. What does it say? "Replacement value minus this, that and the other."

Shri S. V. Ayyar: Yes. Body has to be taken into account. We cannot exclude the body when you take the body also.

Shri P. S. Rajagopal Naidu: How much is the cost of construction of the body?

Shri S. V. Ayyar: About Rs. 5,000. Actually, the cost was taken from the G.N.I.T. Co.

Diwan Chaman Lall: You say that for each one of these vehicles there was body.

Shri S. V. Ayyar: I have to look into it.

Diwan Chaman Lall: You can send your note.

It comes to this that the actual price paid to B.E.S.T. for this reconditioned second-hand junk was Rs. 2,400 which you recommended should be within the range of Rs. 7,000 to Rs. 8,000.

Mr. Chairman: In paragraph 4*, you say: "We would recommend that they should be valued at their cost to the G.N.I.T. Co. less the usual depreciation and the adjustments which we have recommended in this report. What is the usual depreciation?"

Shri S. V. Ayyar: Twenty five per cent.

Mr. Chairman: What does it work out to?

Shri S. V. Ayyar: But one year was not completed.

*This relates to the Report of Valuers.

Mr. Chairman: So you did not take any depreciation into consideration. Under the terms of the Agreement you are bound not to give depreciation if one year was not completed. You could not allow depreciation. You were bound by that clause.

Shri S. V. Ayyar: Yes.

Mr Chairman: May I draw your attention to the actual amount that was realised by the sale of these 8 vehicles, you valued at Rs. 76,000? In 1952 they have been sold for Rs. 480 each.

Shri S. V. Ayyar: Yes.

Mr. Chairman: Will you now at least agree that your valuation was a bit on the high side?

Shri S. V. Ayyar: I am sorry it is not possible, because the condition of the market in 1952 might have been quite different from the condition in 1948. We cannot simply argue that because in 1952 a vehicle which was out of date was sold in the market only for Rs. 480, the Valuers assessment in 1948 was very high. I think what the position of availability of the motor vehicles in this country in 1948 was, is a known fact.

Shri S. Gupta: In 1952, the prices were equally high.

Shri S. V. Ayyar: New vehicles were available at that time.

Anyhow so far as the valuation is concerned, on the basis of factors which were available, we did our best and we stated in the report what we have done.

Mr. Chairman: In view of the remarks you have made with regard to the condition of these vehicles, earlier in paragraph 4*, could you not think of any other formula than that of deducting merely the usual depreciation when you could not make any depreciation on account of the fact that it had not run for one year? In view of the fact that the registration was not done before one year, you

could not allow any depreciation. You knew it. You had the Agreement before you and you had earlier remarked that you would not recommend these for any transport organisation. And yet you could not think of some other methods other than what you have recommended in paragraph 4, viz., usual depreciation which could not be given effect to.

Shri S. V. Ayyar: Yes, but since we were not going on the replacement value, we were only taking the original purchase value. We did not think it necessary to have any other formula.

Diwan Chaman Lall: Suppose you had stuck to the depreciation in the Agreement itself and not gone out of the Agreement, what would have been the result? The formula would have resulted in this that you would have taken the price of the new vehicle at the date of transfer which you yourself considered to be Rs. 10,000. In the case of the new vehicle you have got the figure. You would have deducted from the year 1943 or 1944 whenever these were registered right upto 1948 at the rate of 25 per cent and you would have come to the figure of Rs. 2,000. Why did you depart from this formula in this particular case?

Shri S. V. Ayyar: These vehicles were considered to be unsuitable for transport service.

Diwan Chaman Lall: Why did you depart from this formula? Suppose you had stuck to the formula in the Agreement, you would not have paid this price. What is the basic reason which compelled you to depart from this formula?

Shri S. V. Ayyar: We thought this was not a vehicle on which this formula could be used, because it was not going to be used on road. We considered that it will not serve the purpose of transport.

*This refers to the Report of the Board of Valuers.

Diwan Chaman Lall: It may not serve the purpose of transport, but the formula applies to the purchase. It is a water-proof formula which is applicable to all cases. You deliberately departed from this in order to give advantage to these people.

Shri S. V. Ayyar: There was no replacement value available.

Diwan Chaman Lall: But the replacement value has been fixed by you yourself at Rs. 10,000 for the new vehicle.

Shri S. V. Ayyar: We fixed it as the value of that type of new vehicle on that date and not as replacement value by purchase from manufacturers.

Diwan Chaman Lall: How dare you say that there is no replacement value? If you have anything to say, say it frankly.

Shri S. V. Ayyar: There is no question of being not frank. There is nothing which is being hidden.

Diwan Chaman Lall: Give us some explanation as to why you departed from this formula.

Shri S. V. Ayyar: There is no question of departing from the formula. We have stated that we have started from the second-hand purchase value. We have mentioned that.

Diwan Chaman Lall: You have taken the new value as Rs. 10,000. It is absurd to go on like this when the fact is so obvious. You took the value of a new vehicle as Rs. 10,000 and you pass this. It is exactly the same vehicle. Is that so?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: Why did you say you didn't know what the purchase value was? If you take this Rs. 10,000 as the basis and apply your formula, you would not have to pay the amount that you paid. Why did you depart from the formula?

Shri S. V. Ayyar: That was what was considered proper at that time.

Diwan Chaman Lall: In other words, you departed from it....

Shri S. V. Ayyar: We had no replacement value.

Diwan Chaman Lall: You had no replacement value in spite of the fact that you yourself had given the replacement value of Rs. 10,000.

Shri S. V. Ayyar: It was the value then assessed by us.

Diwan Chaman Lall: There was replacement value. So far as these vehicles are concerned, it is the second-hand value which is to be taken into account. You departed from the formula in order to give advantage to the seller.

Shri S. V. Ayyar: I know that in the case of 6 wheelers, we have departed from the formula.

Mr. Chairman: I will put it in another way. Mr. Ayyar, you have been working on this question and you have interpreted the Agreement and, therefore, you are fully conversant with the subject. In clause 11 (a) (i), there is the provision of one year completed service. You knew that these vehicles had not completed one year. What made you to recommend depreciation on these? You must have known this when you made it. You knew in effect no depreciation could be given. Knowing it, you recommended depreciation.

Shri S. V. Ayyar: I do not exactly follow you.

Mr. Chairman: Clause 11(a) (i) of the Agreement says that there must be a completed year. Unless there is completed year, depreciation cannot be given. You knew from the information before you, whether each vehicle had completed one year or not. You knew that these 14 vehicles had not completed one year. Yet you have recommended that in the case of these vehicles, the usual depreciation may be allowed. You knew in effect that this depreciation could not be given effect to.

Shri S. V. Ayyar: The usual depreciation does not mean....

Mr. Chairman: Let me finish. You knew when you recommended that no depreciation could be given effect to.

Shri S. V. Ayyar: The principle was decided by the Committee about the valuation of these vehicles and that principle was applied. When discussing the question of assessment of value for these vehicles, it was not considered how that will affect particular vehicles in question. When the principle was discussed and decided, it was not considered how it is going to affect the valuation of a particular vehicle.

Mr. Chairman: What is the purpose of enunciation of the principle?

Shri S. V. Ayyar: In the opinion of the Committee, these vehicles were not considered fit to be taken and if these have to be taken, they considered that this suggested procedure may be followed.

Mr. Chairman: You knew that no deduction could be made, and yet for the sake of principle you recommended this gift of Rs. 1 lakh and odd to G. N. I. T. Co. There must be some purpose in your recommending a depreciation.

Shri S. V. Ayyar: We considered that these vehicles would be of that value. That is all.

Mr. Chairman: You are beating about the bush. The point is this: You knew, even though you recommended the usual depreciation, it could not be given effect to in view of clause 11 of the Agreement.

Shri S. V. Ayyar: I differ from you in this. How are these vehicles to be valued? When it was purchased, how it was purchased is not the question. How are these vehicles to be valued is the problem.

Mr. Chairman: That is not the problem that I stated. You knew that under clause 11, there must be a completed year before you allow depreciation. You knew also that these ve-

hicles had not completed one year of registration.

Shri S. V. Ayyar: I took that into account after having....

Mr. Chairman: You knew already that these vehicles had not completed one year. Therefore, under clause 11 no depreciation should be worked out for these vehicles.

Shri S. V. Ayyar: It resulted in that.

Mr. Chairman: Were you aware of that?

Shri S. V. Ayyar: No, I was not aware. There were certain vehicles which, the Committee considered, should not be taken over and we decided that we should value those assets on such and such basis if they were to be taken over. This is the starting point. Then the usual depreciation must be allowed. Then it came to our notice that it has not completed one year. So we did not allow depreciation. Because this was the result to say that we knew in advance that this would be the result and we wanted to give them the benefit, is, I am afraid, putting into it another interpretation. I beg to differ there. We saw the vehicles and decided such and such basis mines their depreciation should be followed, as the general principle. Those which had not completed one year, we exempted from depreciating. It is really unfortunate that there were not even one or two vehicles which were purchased before 1st May, 1947 in which case this position would not have arisen.

Diwan Chaman Lall: This is an important issue that you have raised. The issue is very simple. When you made the recommendation that the usual depreciation should be deducted, were you aware of conditions of the Agreement?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: Were you aware of the fact that for vehicles which are less than one year no depreciation should be allowed?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: You were also aware that these vehicles were less than one year.

Shri S. V. Ayyar: Afterwards.

Diwan Chaman Lall: When?

Shri S. V. Ayyar: When we started valuing.

Diwan Chaman Lall: By the time you made all the recommendations you had all the facts before you. Do you admit that?

Shri S. V. Ayyar: The facts were before us when we took the final value decision in respect of these vehicles.

Diwan Chaman Lall: At the time when you made this recommendation were all these facts before you or not?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: You knew that these vehicles could not have depreciation because they were less than one year old.

Shri S. V. Ayyar: We knew that these vehicles have had no depreciation when our report was finalized.

Diwan Chaman Lall: First of all, did you know the terms of the Agreement. Were you associated with the negotiations from the beginning?

Shri S. V. Ayyar: Yes, we knew the terms of the Agreement.

Diwan Chaman Lall: At the time of the recommendation, did you or did you not know that in respect of none of these vehicles would any depreciation be charged?

Shri S. V. Ayyar: That is the point which I wanted to explain.

Diwan Chaman Lall: Did you or did you not know?

Shri S. V. Ayyar: When we decided that these vehicles would be assessed on a certain basis, we never

linked it up, with what the result is going to be on the vehicle.

Mr. Chairman: We are not concerned with the linking up. Were you aware of that?

Shri S. V. Ayyar: After the principle was decided and after the valuation was made, we were aware. In this case, there was no depreciation.

Mr. Chairman: Knowing full well that this depreciation could not be worked out, why did you lay down the principles?

Shri S. V. Ayyar: The committee considered the matter and laid down the principles.

Diwan Chaman Lall: When you wrote that thing with your own hand writing or dictated to your Typist that the usual depreciation should be deducted, were you or were you not aware at that time that no depreciation can be deducted because it is less than one year?

Shri S. V. Ayyar: I am afraid you are putting the cart before the horse.

Diwan Chaman Lall: I am putting a simple question. On the 23rd April, 1948 when the agreement was signed and on the 1st May when the assets of the G.N.I.T. Co. were taken over, you knew that according to the terms of the Agreement no deduction could be made in respect of these vehicles.

Shri S. V. Ayyar: No. No deduction has been made.

Diwan Chaman Lall: No. No deduction could be made.

Shri S. V. Ayyar: I beg to differ. We decided that these vehicles would be valued on such and such basis and on the application of that principle it happened that there was no depreciation.

Diwan Chaman Lall: Will you listen to my question? You were part and parcel of the negotiating team.

Shri S. V. Ayyar: Of the Valuation Committee.

Diwan Chaman Lall: Did you know that these vehicles were taken over on the 14th May, 1947?

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: You knew about the terms of the Agreement and Clause 11.

Shri S. V. Ayyar: Yes.

Diwan Chaman Lall: Clause 11 laid down certain procedure. Therefore, did you not know that any recommendation that you make regarding depreciation being deducted was of no value?

Shri S. V. Ayyar: I don't see that. That is where I beg to differ.

Diwan Chaman Lall: You thought you can go out of the Agreement.

Shri S. V. Ayyar: Actually we have gone beyond the Agreement.

Diwan Chaman Lall: So you made this recommendation knowing full well that you are going beyond the Agreement.

Shri S. V. Ayyar: We have stated that.

Diwan Chaman Lall: Yet you made that recommendation for this particular purpose. In the Agreement, the signature was not even dry and you violated that in this respect.

Shri S. V. Ayyar: We have only stated that we have not followed the Agreement. We have made a recommendation.

Diwan Chaman Lall: If the Agreement is to be adhered to strictly, then your recommendation has no value.

Shri S. V. Ayyar: Quite true.

Shri K. K. Basu: What did you mean by the expression "usual depreciation". You have recommended that it may be purchased with the usual depreciation.

Shri S. V. Ayyar: Depreciation as is applicable to other vehicles.

Shri K. K. Basu: You have already said in answer to my friend that you could not allow any depreciation under the terms of the Agreement. But in this case you recommended that some depreciation should be allowed.

Shri S. V. Ayyar: In the case of vehicles which have a life of more than one complete year, depreciation was allowed. It does not carry any other meaning.

Shri K. K. Basu: In this case, you knew full well that this vehicle has not completed one year of its service.

Shri S. V. Ayyar: That is what I want to say. We decided on the principle that depreciation will be allowed if the vehicle has completed one year. In this case, the vehicle had not completed one year. Therefore no depreciation was allowed. It did not mean that knowing that these vehicles will not be affected by any depreciation we decided that the principles should be followed. The decision was taken that this should be the basis to be followed and we applied it. Eventually, in this particular case it resulted in this way that no depreciation was allowed because one year had not been completed.

Shri K. K. Basu: When you made that recommendation, you were of the opinion that this vehicle should be depreciated 25 per cent on the date of one completed year.

Shri S. V. Ayyar: That was the idea. Taking the book value on the date, it shall be depreciated by 25 per cent.

Shri K. K. Basu: When you completed the Agreement and you found that it was not possible to allow any depreciation under the terms of the Agreement, did you advise the Government that so far as these vehicles are concerned when they are taken over, some other principle should be applied?

Shri S. V. Ayyar: We have mentioned in the report* whatever we thought necessary.

*Referred to the Report of the Board of Value.

Shri K. K. Basu: In the report you use the expression "usual depreciation". When you found out that it is not possible to allow any depreciation because of the terms of the Agreement, and in view of the fact that you yourself had recommended that these vehicles should not be taken over as they are not serviceable so far as transport service is concerned, did you advise the Government to apply some other principle if the Government wanted to take over them?

Shri S. V. Ayyar: We did not.

Shri S. Gupta: You yourself stated that these vehicles were not road-worthy and they cannot be used. You also recommended that these vehicles should not be purchased. If however, these vehicles are to be purchased you wanted that this formula should not be applied. You possibly thought that it would be better to use some other formula. Was it not your duty to actually work out both formulae and find out which was favourable?

Shri S. V. Ayyar: There was no possibility of knowing which formula was advantageous.

Shri S. Gupta: Why not? You had all the data before you.

Shri S. Gupta: No official replacement price was known.

Diwan Chaman Lall: What do you mean by the extraordinary expression "no official"?

Shri S. V. Ayyar: This was not being manufactured even by the original manufacturers at that time.

Diwan Chaman Lall: You yourself put down the official price. You put it down at Rs. 10,000/-.

Shri S. V. Ayyar: That was the Committee's assessment.

Diwan Chaman Lall: Which was accepted by both parties.

Shri S. V. Ayyar: Yes, eventually.

Diwan Chaman Lall: Therefore, what is the difficulty. Let me look at clause 11 again. Rs. 10,000 is the price that you yourself put down for a new vehicle. This goes back to the year 1943. That is to say, if you have worked within the four corners of the Agreement in respect of this particular matter when both the vendor and the vendee are agreed upon a particular price for the new vehicle, which gives you the starting point, you would then have saved the Government over a lakh of rupees. But by going outside this Agreement and making an extraordinary demand, which you need not have done, by making a recommendation that the usual depreciation could not work in this case, you made the Government lose money. Suppose you have stuck to the agreement itself. Is it a fact that you would have to start with the depreciation from 1943 downwards.

Shri S. V. Ayyar: Yes. Or full replacement value.

Diwan Chaman Lall: Please work out this figure for me from 1943. If it is Rs. 10,000/- in 1943, what does it come to in 1948. Don't tell me that you people were so innocent that you did not know what it will be.

Shri S. V. Ayyar: It never struck me.

Diwan Chaman Lall: It would naturally have struck you. Now let us see the figure.

Mr. Chairman: Mr. Parsuraman, have you found out with regard to clause (1) of the Agreement whether we were bound to take everything that they had? Could we reject anything?

Shri T. S. Parsuraman: We think Government have no option.

Mr. Chairman: Mr. Ayyar says we are bound to take everything.

Shri S. V. Ayyar: For 4 years it will be Rs. 3,164.

Diwan Chaman Lall: Mr. Lall, what is the price now?

Shri B. K. Lall: Rs. 2,322.

Diwan Chaman Lall: The figure that Mr. Lall has given would be the correct figure—Rs. 2,300 and odd. What I am saying is, apart from the question whether under the Agreement itself you would be compelled to take these goods or not, the question arises that when the vendor and the vendee are agreed on the price of a new vehicle, which can be taken as the replacement value of this vehicle, why do you depart from the Agreement in this particular case? If you had not departed, it would not have resulted in the loss of about a lakh and a quarter to the Government.

Why did you specially depart from the Agreement? What is your special motive for departing from the agreement itself in respect to this particular matter?

Shri S. V. Ayyar: There was nothing in particular. We only pointed out that these were unusual vehicles.

Diwan Chaman Lall: So, for unusual vehicles, you adopted an unusual procedure! Is that the reason to go outside the Agreement, the result of which is this? If you had strictly followed clause 11 of the Agreement, knowing the date of purchase by B. E. S. T. (which may not perhaps be a correct date of their purchase—they may have purchased second-hand, we do not know) you would not have fixed this very high price. You fixed this high price as an extraordinary measure which does not benefit the Government but benefits the vendor. But if you had strictly followed the Agreement, there would have been no loss to Government.

Mr. Chairman: I think this Sub-Committee can draw its own conclusions.

Mr. Parsuraman, you will see that in paragraph 4 of the Valuers Report, attention was drawn specifically to this clause of the Agreement. May I know whether the Ministry considered this aspect with reference to these 14 vehicles and also the question of the interpretation of this Agreement? Was this question of interpretation of the Agreement referred to you? The point

is whether the Government were bound to take all the vehicles.

Shri T. S. Parsuraman: The Valuation Committee was appointed on 23rd April, 1948. Their report was received by the Government on the 13th September, 1948. My records do not indicate that in between these two dates, there was any reference made by that Committee to Government.

Mr. Chairman: Did the Ministry at least bestow any attention to this valuation report?

Shri T. S. Parsuraman: I do not find any particular reference of any discussion on this paragraph of the Valuation Report.

Mr. Chairman: Do you know that the Ministry should have referred this particular issue to the Law Ministry?

Shri T. S. Parsuraman: This was referred to the Law Ministry without that paragraph being specially brought to their notice. They have said that the Valuation Committee's recommendations should be accepted *in toto*, with reference to paragraph 5.

Diwan Chaman Lall: Even if they had stuck strictly to the Agreement in respect of the items we are now discussing, the loss would have been greatly minimised. That is our point. But they departed most unusually from the Agreement.

Mr. Chairman: With a view to help the Government! But unfortunately it worked the other way.

With regard to the introduction of Rs. 500/- in the clause, did you try to follow the U. K. Act? Why was this introduced?

Shri T. S. Parsuraman: Under the U. K. Act, the percentage is 20. Under this formula, it has been increased to 25.

Mr. Chairman: Probably on the ground that the road conditions here are not good.

Shri T. S. Parsuraman: Yes, it is for that reason.

Shri S. Gupta: Then why did you depart from the other clause?

Shri T. S. Parsuraman: So far as I can see, there is nothing here about the discussions as to how Rs. 500/- was taken. But the implication is that it relates to a figure of Rs. 500/- which was mentioned in a White Paper laid before the Parliament in 1946 in which the principles for acquisition by Government of private undertakings was laid down.

Mr. Chairman: That is not the point.

Shri T. S. Parsuraman: What I said is that there is a mention of Rs. 500 in the White Paper.

Mr. Chairman: The White Paper was in 1946, but we are concerned with the U. K. Act of 1947, which is later. The U.K. Act of 1947 is different.

Shri T. S. Parsuraman: Presumably the U. K. Act was adopted and Rs. 500 was taken out of the White Paper recommendation where it was mentioned as allowance for the condition of the vehicle.

Mr. Chairman: You preferred the White Paper recommendation which is earlier to the U.K. Act which is later?

Shri T. S. Parsuraman: The U. K. Act was only adapted, but we took into account also our White Paper recommendation.

Mr. Chairman: Whatever that point may be, the White Paper was in 1946.

Shri T. S. Parsuraman: It was copied verbatim in the Agreement.

Mr. Chairman: Subsequently the Act of U. K. was passed and the acquisition was only in 1948.

In the U. K. Act it is provided:

"by adding to or deducting from the said cost, as reduced by the deductions, if any, falling to be

made under paragraph (a) of this sub-section, such amount as fairly represents the difference".

There is no limiting factor. There is no limit of Rs. 500 or any amount.

Shri T. S. Parsuraman: That was the U. K. Act. I was saying that the U. K. Act was only taken as a starting point. The line of action that was being adopted in India was set out in the White Paper laid in the Parliament in 1946.

Mr. Chairman: Why do you prefer the White Paper of 1946 to the U. K. Act of 1947?

Shri T. S. Parsuraman: The Act was not Indian.

Shri S. Gupta: The 1946 policy was followed. The crux of the whole problem is that if they had not put this limiting clause all this trouble would not arise. If this limiting clause was not there they could have made deductions in the case of vehicles less than one year old.

Shri K. K. Basu: What was the reason behind the decision—going back from the earlier decision?

Shri T. S. Parsuraman: The company had a monopoly and the Government were taking it over and then worked out the terms.

Shri K. K. Basu: We would like to know what weighed with the Government for deviating from the principle already adopted?

Shri T. S. Parsuraman: It was only the exigencies of negotiation with the company.

Shri K. K. Basu: Were you there at the time of these negotiations?

Shri S. Gupta: This formula was favourable to the company. In Madras, I believe, they assessed on the original cost and not on the replacement cost. Here they have not followed even the Madras method. They have neither followed the U. K. Act nor the White Paper nor the Madras method.

Shri T. S. Parsuraman: There was a meeting presided over by Shri Sukthanker with the representatives of the Ministry of Finance—the Deputy Secretary of the Ministry of Finance—the Solicitor to the Government of India.....

Shri K. K. Basu: We do not want to know about the meeting. Actually, who were those who negotiated with the company? Who discussed about the terms on which they would take it over?

Diwan Chaman Lall: Who was the Officer who negotiated with the Managing Director of that company?

Shri T. S. Parsuraman: I have only this record. At this meeting there were both parties. Apparently there have been talks in the matter.

Diwan Chaman Lall: I know that there was a meeting of the Standing Finance Committee where it was decided to accept it in principle. It was decided further that the Department should not run it but alternative arrangement should be made. I was there in the Standing Finance Committee. There must be one or two officers deputed for the purpose of these negotiations. You cannot negotiate with 30 people on this side of the Table and 30 on the other. Who was sent to go and negotiate with the company? Some individual must have drafted these terms. Some individual must have settled these terms.

Shri T. S. Parsuraman: There was discussion about the terms on which it can be taken over and the meeting that I referred to was the final meeting.

Diwan Chaman Lall: First and last, it is the Transport Ministry which is responsible for this taking over.

Shri K. K. Basu: Have you all the correspondence that passed between the Government and the company?

Shri T. S. Parsuraman: I only have a letter from the Transport Minister to the Finance Minister requesting

that the matter may be placed before the Standing Finance Committee.

Shri K. K. Basu: Are there no records for the period in between?

Shri T. S. Parsuraman: There is no record of any correspondence.

Shri K. K. Basu: Why did you deviate from the principle of the 1946 White Paper or the U. K. Transport Act, 1947, or from the principle followed by the Madras Government in the case of nationalisation of Motor Transport, of which I am not aware. What was the issue raised?

Shri T. S. Parsuraman: There is no record of any discussion, stating the reasons as to why this principle was followed.

Mr. Chairman: 59 vehicles taken over from the Company had not completed one year after their registration?

Shri S. Gupta: 59 vehicles were taken over by the Government from the Company in the first year of purchase by the company. Since they had not completed one year, no depreciation was charged. The point is they could have at least deducted Rs. 500/-. That was done in some cases but not in all cases.

Mr. Chairman: 59 vehicles, we take it, is the number, to which clause 11 of the agreement became applicable and therefore depreciation could not be allowed. Even in those cases—in some of those cases—you have not deducted Rs. 500/-. Why?

Shri S. V. Ayyar: I am not certain. We find here that in most of the cases at least one year's depreciation has been deducted.

Mr. Chairman: My point is this: You could not deduct depreciation by virtue of clause 11 of the Agreement. Could you not have exercised the right of deducting Rs. 500/- and saved the Government some money?

Shri S. V. Ayyar: We find that the number of cases where we have deducted less than Rs. 500/- is very few.

Mr. Chairman: What is the number of cases where there is no deduction at all?

Shri S. V. Ayyar: I will just look into it. There are only 10 vehicles where there is no deduction at all.

Mr. Chairman: May we know why you did not make any deduction?

Shri S. V. Ayyar: That is because most of them were purchased in January 1948, and technical people considered that it was sufficient.

Shri S. Gupta: It is said that if it is established that the physical condition of the vehicles.....

Shri S. V. Ayyar: Clause 2 does not come into operation.

Mr. Chairman: The point is this: In view of the fact that you could not carry out depreciation, at least you could have deducted Rs. 500/- under clause 11(2) of the Agreement.

Shri S. V. Ayyar: If you say that we could have done that, we cannot say that we could not have done that. But the Committee thought that under the clauses of the Agreement and under the principle in which it was enunciated, we could not do so. We thought that we were not expected to take that type of attitude. I do not think it was the intention of this clause. We thought that the conditions were good enough.

Mr. Chairman: I am sorry to get into details. I find from the notes that the cases where the deduction is not made and where the registration was in January are not mentioned here. There is nothing here to show from the Audit side the date of registration.

Shri S. V. Ayyar: It is shown in our Report. Every registration of a vehicle is shown here.

Shri P. S. Rajagopal Naidu: I would like to know the history of vehicle

• No. DLA 3571. At the time of purchase you have paid full amount. But it has been sold only for Rs. 90/-. This is in the statement showing the details of vehicles taken over from GNIT Co. and their disposal. See page 1 of the statement*. It is S. No. 25. The other vehicle is DLH No. 8572. One has done 86,000 miles and the other has done about 21,000 miles.

Shri B. K. Lall: This was obviously according to the condition of the vehicles.

Diwan Chaman Lall: What was wrong with these vehicles? Who decided that they should be sold at this price?

Shri K. K. Basu: What is the departmental way of doing this?

Shri B. K. Lall: The departmental procedure is through public Auction or, disposal through the Director General Supplies and Disposals.

Shri K. K. Basu: How many were sold departmentally?

Shri B. K. Lall: 58 vehicles were sold departmentally?

Shri K. K. Basu: What about these two? Were they sold departmentally?

Shri P. S. Rajagopal Naidu: Even a scrap vehicle will yield more than Rs. 1,000/- at any rate not certainly Rs. 90/-. Even by mere weight, it will fetch more.

Shri S. Gupta: In case of sales by auction Government usually fix a reserve price. When the price offered for the vehicle is below this reserve price, it is not sold. Here, in this case, what was the reserve price?

Shri B. K. Lall: That procedure I think, is followed only since the last three years.

Shri P. S. Rajagopal Naidu: Then see serial No. 23—DLH 8132. It had

*Refers to the Statement showing the details of vehicles, taken over from G. N. I. So., and their disposal attached to a note submitted by the Ministry of Transport to the Public Accounts Committee on 9th December, 1954.

done about 52,000 miles. It was also sold only for Rs. 90. This was sold on the same day. So, S. Nos. 23, 25, and 26 were sold only very recently, namely, 28/1/1954. Other vehicles—say S. No. 22—sold previous to these, were sold for higher prices. Why have these three vehicles sold on this particular day fetched only Rs. 90.

Mr. Chairman: The last part is only for the body.

Shri B. K. Lall: It is quite likely that the chassis and the other components must have been removed.

Diwan Chaman Lall: Mr. Lall, either you should have your officers with you or you must have your records. We cannot obviously go on day to day like this waiting for information. We would like to have some information about these three vehicles and the fourth vehicle on the other page—S. No. 45*.

Shri P. S. Rajagopal Naidu: Could it be that the body alone was sold for Rs. 90?

Shri B. K. Lall: May be that we have removed the chassis and the other components for our own use.

Mr. Chairman: This is only in respect of one case.

Shri P. S. Rajagopal Naidu: See No. 45—DLH 5579. The body is sold for Rs. 90.

Mr. Chairman: There is one other interesting thing. Mr. Naidu drew your attention to the Bus bearing No. DLA 3571. It was sold for Rs. 90. The condition of the vehicle was so good that not even Rs. 500 were deducted. The deduction was not made because the report on it was good and yet the vehicle fetched only Rs. 90.

Diwan Chaman Lall: Have you all the facts with you, Mr. Lall?

Shri B. K. Lall: No.

Mr. Chairman: Mr. Ayyar might help with this Valuation Report.

Diwan Chaman Lall: We would like to have the full details as to what was the price offered; what was the advertisement made; how many persons offered; how is it that the price does not go beyond Rs. 480, what was the condition of the vehicle, whether these vehicles were sold with tyres, tubes, accessories, etc. We would like to have the complete details. And also who condemned them and for what reasons they were condemned; were the reasons checked by anybody—by an independent authority.

Shri P. S. Rajagopal Naidu: With regard to DLA 3571, you are sure that it fetched only Rs. 90. It is mentioned here.

Shri B. K. Lall: Yes.

Shri P. S. Rajagopal Naidu: And you do not know who is the purchaser of the vehicle.

Shri B. K. Lall: I can get that information tomorrow.

In a number of cases we pulled the engines and other components and kept them for our own use. It is likely that these vehicles were without engines.

Shri P. S. Rajagopal Naidu: That you had indicated in pages 2 and 4 of the statement†. You had indicated clearly where only bodies had been sold.

Diwan Chaman Lall: You can keep this in mind when you are coming tomorrow. There can be only four reasons for doing it: One that the vehicles were not properly maintained; two, that it suffered major damage by accident or other causes; three, they were so old that they could not be put to service; and four, there was something made to favour somebody. We would like to have those Officers who were in charge of doing this before us in case we want to ask them anything.

*Refers to the Statement *ibid*.

†See statement *ibid*.

Shri P. S. Rajagopal Naidu: Mr. Parsuraman, in the first instance, I would like to know who requisitioned the services of Mr. Lall to value these vehicles.

Shri T. S. Parsuraman: The Government of India.

Shri P. S. Rajagopal Naidu: The Government of India wrote to the General Motors to send a qualified man for this purpose or did they name any person to be sent?

Shri T. S. Parsuraman: The papers available with me indicate that three Officers, Mr. Lall, Mr. Ayyar and Mr. Ashacony, were nominated on the Board of Valuers. The history of their selection is not recorded here.

Shri P. S. Rajagopal Naidu: Will you kindly trace that in your papers?

Shri T. S. Parsuraman: Yes.

Shri P. S. Rajagopal Naidu: I think Mr. Lall will be able to explain the whole thing as to under what circumstances he was deputed.

Shri B. K. Lall: I was not deputed by the Company. They turned down the requests made by different parties and the Government. Later on they approached me and I said I can do it in my spare time?

Diwan Chaman Lall: Who approached you?

Shri B. K. Lall: The then Road Transport Adviser, Shri P. R. Puri.

Shri K. K. Basu: Was he a service man?

Shri B. K. Lall: He was the Road Transport Adviser. He was the Technical Officer or something in the Ministry of Transport at that time.

Shri P. S. Rajagopal Naidu: When the General Motors had refused to help the Government in valuing these vehicles, did you take the permission of the General Motors to undertake this work?

Shri B. K. Lall: I was not bound to do that. It was an American firm

and my contract with them was between 10 a.m. and 5 p.m. They did not control my activities outside these hours.

Shri K. K. Basu: Is this also the case with Mr. Arshacony?

Shri B. K. Lall: Yes.

Shri P. S. Rajagopal Naidu: Can you tell me why the General Motors refused to value these vehicles?

Shri B. K. Lall: They did not like to get mixed up with these affairs. When I undertook to do this work, I thought I was doing a service.

Shri P. S. Rajagopal Naidu: When you valued these vehicles, what were you?

Shri B. K. Lall: I was the Field Service representative of the General Motors. I was controlling the activities in Western India, Central India, Kashmir and U.P. The General Motors had divided India into four zones. I was controlling one zone.

Shri P. S. Rajagopal Naidu: Controlling in what capacity? Is it supervision of sale of vehicles?

Shri B. K. Lall: I was supervising the Engineering side of it. I was supervising the work of dealers in this zone.

Shri K. K. Basu: What is the engineering work?

Shri B. K. Lall: For instance, if you purchased a car from the General Motors, they never believed that they sold you a car and forgot about it. They followed the sale with servicemen. It was the duty of this Service Engineer to develop and build a Service Organisation in his territory. He used to control the activities of all the dealers. For instance, if a car gives any trouble and the owner complains, he is at liberty even to replace the engine.

Shri P. S. Rajagopal Naidu: You are a qualified engineer yourself.

Shri B. K. Lall: Yes.

Shri K. K. Basu: How long had you been working with the General Motors?

Shri B. K. Lall: For nearly 23 years.

Shri P. S. Rajagopal Naidu: You said that you have not been paid anything. You did the work in an honorary capacity. Was no honorarium paid to you?

Shri B. K. Lall: Nothing, unless it was paid and somebody else got it.

Diwan Chaman Lall: You mean that it might have been paid and somebody else might have got it.

Shri B. K. Lall: I did only honorary work.

Diwan Chaman Lall: You hold them in a very low estimation.

Shri B. K. Lall: I did not mean that.

WORKSHOPS OF D.T.S.

Mr. Chairman: There is another point Yesterday, we visited your workshop. We were able to collect these figures. There are 87 vehicles in the Central Workshop, i.e., Leyland 32, Bedford 20, Albion 30, and then other makes. With regard to these 87 vehicles, there you have been pleased to give us a statement as to why they came to you, as to what is the nature of the defect, what is the action taken and whether they have been out-shedded. None of them seems to have been out-shedded. They are all there. You have stated that every one of these vehicles is awaiting labour. The first bus in the serial list starts that it was taken to the shed on 15th November, 1954. Yet in the remarks column you say 'awaiting labour', 'awaiting spare parts'; probable date out "Nil". May we know why such a large number of vehicles—they seem to have come as early as 15th November, 1954—are still in the shed? May we know the position in the workshop?

Shri B. K. Lall: It is true that a large number of vehicles have been held in the Workshops for a considerably long time and it is due

mainly to the fact that we have got certain makes like CX-9, Albion 40. These buses have gone out of production. There are no dealers in India for supplying spare parts. Import of spare parts is a problem for these vehicles. Then we have got Bedfords 30. Of these I believe 15 are on the road and 5 of them are ready in the Central Workshop. About 10 buses will be coming after doing an average of 50,000 to 70,000 miles for major overhaul. No parts are available in India for these vehicles. When we bought them, parts were available, but while we were processing our indents, unfortunately the Company closed down and the parts went under-ground and when we negotiated for the purchase of parts at one time, the prices given to us were totally different. When we said we are willing to buy them, they said that they have not got the parts and that they have sold them. Eventually, we placed an indent through the D.G.S. & D. on the India Store Department, London to get our supplies. It took considerably long time. In the meanwhile, the vehicles started coming into the Workshops for major overhaul. We asked the agents in Madras to give us certain parts. Supplies of spare parts from U.K. have just been completed and I feel these vehicles, will go out of the Workshop soon.

With regard to Albion, some of the spare parts are not available and we have been trying to get these parts from the manufacturers and we have placed our firm indents. I expect some of these to arrive shortly. There are a few parts which have not arrived. Once these are put right, then we will be able to give them to the body-builders to build the body.

In regard to the others, a number of vehicles are coming in for major overhaul as a routine measure after having completed 80 000 miles.

But there are other vehicles which have come in with serious accidents—body damage or damage to the different components or units of the chassis.

These are being attended to. The main hold up was due to spare parts and labour. Some time back we opened a fourth Depot. Most of the men from the Central Workshop had to be sent to that Depot. Now labour has been sanctioned and we are trying to employ them. Because to pick up diesel mechanism it is very difficult. We are going to try some of the diesel mechanics from the Central Tractor Organisation because they are reducing their number. Those engines are totally different from our engines. These are low-powered engines and they are high-powered. So it is difficult to train. And in the market it is difficult to get diesel mechanics who know much about diesel engines because most of the mechanics have worked only on petrol engines. We have to train them and put them on the Depot. But attempts are being made to pick up some people from the COD army side, Cantonment Workshop and from the Central Tractor Organisation and, I think, within the next two-three months we will be able to reduce the number of vehicles in the Workshop considerably.

Mr. Chairman: When a vehicle comes to your Central Workshop, do you have any mechanic who immediately checks the vehicle and sees what is wrong with it? Does he take an inventory of the spare parts that are needed and, if so, within what time does he prepare his job card.

Shri B. K. Lall: It is true that this was not being done. But now it is done.

Diwan Chaman Lall: This elementary thing was not being done.

Shri B. K. Lall: The reason for not doing this was: we had no Workshop. In Rajghat, we had a temporary Workshop with tarpaulin covering and all that. Our Central Workshop was at Kashmere Gate which was suitable for Albion type of vehicles. We could not take the Leyland Comet inside the Workshop. We were repairing Leyland in the open. And the climatic conditions also, you will agree

with me, are not very conducive to our work, particularly in hot weather with dust storms or in winter when it is too cold or when it rains. We had no Workshop of our own.

Mr. Chairman: So it is not merely want of men but want of accommodation.

Shri B. K. Lall: That was the situation between 1952-53 and 1953-54. In 1954, we shifted the Workshop from Rajghat to Karol Bagh. From Karol Bagh again we have shifted the Workshop to our new premises where we have completed the first phase of the Workshop, which you visited yesterday.

Mr. Chairman: With regard to these vehicles when did you make an inventory of the parts that are needed and when did you write to the India Store Department, London?

Availability of Spares

Shri B. K. Lall: This was done a long time ago because the India Store Department, London takes on an average 16 to 18 months or two years to give the supplies. In fact to get some of the supplies I had to put a long distance call to London and explain to them my difficulties and then they said "all right, we will send an Inspector to inspect the goods". But the manufacturers wrote to us that the supplies are lying in boxes but the Inspectors have not come and so we cannot send it.

Mr. Chairman: Could you not correspond with them directly?

Shri B. K. Lall: I did and they snubbed me. The Ministry of Works, Housing and Supply said that I had no business to send an indent direct. From the business point of view I thought I will make four copies of the indent, give one to the Director General, Supplies and Disposals, one to London and another to the manufacturers and tell them to expedite despatch. We got a snub from the Director General, Supplies and Disposals that we had no business to send advance copies like that.

Mr. Chairman: Is it your contention that if you have full powers as the General Manager, you would have done it earlier? Is it the red tape that is standing in the way?

Shri B. K. Lall: The less I speak of it, the better it is.

Shri P. S. Rajagopal Naidu: What is your opinion?

Shri B. K. Lall: If you allow this to be put on a commercial basis, it could be done quicker. I can send a couple of men to pick up things in the market and get things done. But if I have got to go through different channels, then it becomes very difficult.

Shri K. K. Basu: How long does it take for your indent to reach the manufacturers after you issue it?

Shri B. K. Lall: I am afraid it would not be possible to give the time. If I place an indent with the Director General, Supplies and Disposals, it would take a long time. After about three weeks, they will write to me that they would like to have certain clarifications about the supplies. Evidently, no action was taken on the indent till then.

Shri K. K. Basu: How long does it actually take between the time you put in your indent and the final decision taken by the Director General, Supplies and Disposals to place orders with the manufacturers?

Shri B. K. Lall: Once I send an indent to them, it is for them to take further action.

Shri K. K. Basu: But you certainly can keep track of that.

Shri B. K. Lall: I will explain the position. If I place an indent to-day to get supplies from the U.K., it takes anywhere from 18 months to two years.

Shri K. K. Basu: It may be that there was some delay on the part of the suppliers. Possibly, it may be taking more time as the suppliers are only one or two. But how long do

the Directorate General, Supplies and Disposals take to come to a decision to place the indent on the actual suppliers?

Shri B. K. Lall: I am afraid, I have not got that information.

Shri K. K. Basu: Only that part we can try to expedite because we have no control on the suppliers.

Shri B. K. Lall: Now we are doing it direct because there are manufacturers in the country. We are placing indents direct with them.

Shri K. K. Basu: How long does that take now?

Shri B. K. Lall: Now we have the Ashoka Leylands. If the parts are not available I insist that they should supply even, if necessary, by cannibalising one of the new chassis from the production department. For instance, hubs of Leylands are troubling us much and I insisted that they remove the hubs from the vehicles which they had for sale in the market.

Shri K. K. Basu: How long do they take?

Shri B. K. Lall: It is a very short time. It has to come from Madras.

Shri K. K. Basu: Do they charge anything extra for this?

Shri B. K. Lall: No extra charge.

Shri P. S. Rajagopal Naidu: In the list of spares it is mentioned you do not have cylinder hub gaskets.

Shri B. K. Lall: It has been a headache to obtain supplies particularly for Albion vehicles. As I explained to you, Albion vehicles have gone out of production and the spare parts are not easily available. Now I have developed a source in Delhi which could manufacture certain gaskets for us. But these gaskets have not proved satisfactory.

Shri P. S. Rajagopal Naidu: This DLB 1234, what is its make? Is it Albion?

Shri B. K. Lall: It is Albion.

Shri K. K. Basu: Could we not substitute from some other type?

Shri B. K. Lall: It is not possible. Wherever interchangeability is possible, we do it.

Shri P. S. Rajagopal Naidu: What is the make of DLC 1340?

Shri B. K. Lall: Leyland Comet.

Shri P. S. Rajagopal Naidu: For what spares are available?

Shri B. K. Lall: Yes. For that we do not have any difficulty in getting spares.

Shri P. S. Rajagopal Naidu: I am on the subject of Cylinder head gasket. I find this vehicle has been held up for one year and one month for want of cylinder head gasket.

Shri B. K. Lall: It must be for something else. It could not be for cylinder head gasket.

Shri P. S. Rajagopal Naidu: And gear box balls. Does it take 13 months to get gear balls?

Shri B. K. Lall: Ordinarily it would not take 13 months. If they wanted anything they could have got it directly and finished it and within three months the vehicles should be out. There is no justification here, I admit.

Shri P. S. Rajagopal Naidu: Will you kindly look into why it was delayed?

Shri B. K. Lall: I will look into it.

Delays in the Workshop in repairing the vehicles

Mr. Chairman: We say that many vehicles are remaining in the Workshop whether for major repairs or minor repairs. In one or two cases nine months have elapsed. You have to classify them as major repairs or minor repairs. If they are minor repairs, you have to send them out without delay.

Shri B. K. Lall: We are having trouble. As I explained to you, the workload on the Workshop is increasing. It has come up from 260 vehicles to 400 vehicles. But, as I said, the

labour strength has not been increased. In B.E.S.T., Calcutta and Madras Depots they have on an average about 3.3 persons per vehicle. We have only 1.7 strength to look after the whole thing. Now additional strength has been sanctioned and we will have no difficulty.

Mr. Chairman: When did you feel the need for extra labour? And what steps did you take to have extra labour?

Shri B. K. Lall: This started some time ago. But, unfortunately, the papers were lying with me and they were held up.

Mr. Chairman: Some time ago does not help us. How long has it been with you? I find even with regard to the vehicle which came on 15th November, 1954, you have noted "awaiting labour".

Shri B. K. Lall: I will explain. This case was put up to me sometime—I think a year ago. I had been insisting that some kind of time and motion study should be prepared before we go forward and ask the authorities. There are certain minor and major operations which have to be carried out to keep the vehicles road-worthy. I asked my Works Manager to prepare a time study on our own conditions of the various operations keeping in view the equipment available. After this time study was prepared, the case was put up before the Standing Committee and they sanctioned the labour.

Mr. Chairman: What I want to know is this. These vehicles are lying there for the past one and a half years or so. You wanted labour. If the requisite labour was not granted to you, let us know who is responsible for this delay. If it is not you, somebody else must be responsible. When did you apply for this requisite labour and what was the time taken by others to grant this? Somebody must be responsible for this. Is the Committee the Standing Committee of the D.R.T.A.?

Shri B. K. Lall: Yes.

Mr. Chairman: How often do they meet?

Shri B. K. Lall: Whenever there is an agenda, it is circulated because usually important items are put up before the D.R.T.A.

Shri K. K. Basu: How many times have they met last year?

Shri B. K. Lall: They meet off and on; twice a month.

Mr. Chairman: If they meet twice a month, when did you make the demand for extra labour and when was it sanctioned?

Shri T. S. Parsuraman: So far as I recollect, I think about two months ago. I cannot now remember the exact date.

Diwan Chaman Lall: That is incorrect. Six months ago they made the request. Mr. Parsuraman, there seems to be some lack of liaison between you and the General Manager and the other member. The General Manager tells us that they had to wait for six months until that Committee could sanction the labour. Yesterday he told us.

Shri T. S. Parsuraman: I was only speaking from memory.

Diwan Chaman Lall: Why not then allow him to say so? You stop him from talking and you interpose by another answer, which is not the truth. May I make one request? Mr. Lall, you have got to be perfectly frank with us and there is nothing to hide.

Shri B. K. Lall: I take the blame for the delay and I am prepared to submit my resignation if you feel I have done something wrong.

Diwan Chaman Lall: That is no answer. Tell us exactly when you actually applied for this labour. Was it six months ago?

Shri R. G. Abbhi: I think it is necessary to know when it was taken up before the Standing Committee and when the Standing Committee took a decision

Diwan Chaman Lall: We were told that about six months ago, the request was made to the Standing Committee and that this Committee sanctioned this a few days ago—three or four days ago.

Shri R. G. Abbhi: I believe, it was about a little more than six weeks or at the most two months—between six to eight weeks—ago that this request was placed before the Committee. In that very meeting, the Standing Committee ascertained from the Works Manager as to what was the strength immediately required which he could recruit before the next meeting of the D.R.T.A.; and this staff was sanctioned in that very meeting, subject of course to the confirmation of the D.R.T.A. Then they were asked to give the percentage of the workshop staff in B.E.S.T. and in other nationalised organisations as well as in other countries and to come up with their case for further staff. That was given to us, I believe, a week ago and a meeting was convened three days before and the rest of the staff was sanctioned.

Diwan Chaman Lall: It is correct that the rest of the staff was sanctioned. Was the request made to the D.R.T.A. authorities—not to this Committee—earlier?

Shri B. K. Lall: I do not off-hand remember the date, but it was some time in September that we opened the fourth Depot and naturally we wanted more staff. Then I had to pick out men from the Central Workshop and send them to that Depot. D.R.T.A. thought it would be advisable if the Finance Member and Transport Member went there themselves and their recommendations were put up before the D.R.T.A.

Diwan Chaman Lall: I am correct when I say that about six months ago, the request was made and three or four days ago some part of the staff was sanctioned. That is correct. Do you think this militated against clearing the arrears of the Workshops?

Shri B. K. Lall: If I had the strength required, I would have pushed away more vehicles.

Shri R. G. Abbhi: So far as the D.R.T.A. is concerned, the question as to when the matter was put up before the D.R.T.A., whether it was six months ago or not, can be verified from records. There is a regular agenda wherein detailed particulars are given. At the same time, if the matter was so urgent that staff was immediately required and the vehicles were held up in the Workshops for want of staff, the General Manager has powers to recruit them temporarily and then get the recruitment confirmed by the D.R.T.A.

Diwan Chaman Lall: Did you look at this sheet which is dated 24th March 1956, "Awaiting labour" is the remark shown in it. If we in this Committee had known that labour was required, surely as members of this Committee we should have been fully aware of what was happening—we can appreciate it. We are told in the statement that the reasons for the delay are "body to be repaired" "awaiting labour" and so on. It means that labour was short. You could have judged from the remarks.

Shri R. G. Abbhi: Not only from that. Myself and the late Shri Parthasarathy (Deputy Secretary, Ministry of Transport) visited the Depot, saw these vehicles and then and there asked them to recruit the labour. After that, several letters were written by me pointing out that the vehicles were there still and they were being delayed for very long. We were not oblivious of the fact. After we had seen the vehicles, we asked them to get the spare parts as well as to recruit the necessary staff.

Shri P. S. Rajagopal Naidu: How often do the Committee members visit these Workshops?

Diwan Chaman Lall: How often does the Chairman visit the Workshop?

Shri B. K. Lall: The Chairman, I think, has visited three times

Diwan Chaman Lall: For how many years?

Shri B. K. Lall: He was appointed Chairman only recently. Every Chairman had visited. But the labour conditions were not good at the time. We were having a lot of trouble with labour. Twice, I think, the Chairman visited.

Shri P. S. Rajagopal Naidu: I know that when there was some labour trouble, he might have visited.

Shri B. K. Lall: He visited the premises twice, not only because of the labour trouble.

Shri P. S. Rajagopal Naidu: What about the other Members?

Diwan Chaman Lall: What about the Committee?

Shri P. S. Parsuraman: They visit once in about two to three months.

Mr. Chairman: Could we know what is your programme for the repair of these vehicles. Have you got all the job cards ready for the repairs of all the vehicles? Have you got the requisite spare parts? Have you got the requisite mechanics? How long will you take to put those vehicles on the road?

Shri B. K. Lall: The job cards are ready and labour has been sanctioned. After we opened the fourth Depot, most of the labour for the fourth Depot had to be sent from the Central Workshop. I hope within three months I will be able to move some of the vehicles out.

Mr. Chairman: Have you got the job cards for each and every vehicle ready? Do you know what has got to be done for each vehicle to be put on the road—what is required? Have you got technical data for each one of these buses awaiting repairs? Have you got the requisite data completely? Has any expert examined them and found out what is necessary for them?

Shri B. K. Lall: My Works Manager has assured me that he has got all the information and that he is preparing everything. Even yesterday I

told him about this and asked him to give me detailed information, particularly item-wise repairs required to be done for each vehicle.

Mr. Chairman: You have been to the United States. You have worked with the General Motors. When a car is sent to the Workshop, immediately a mechanic comes, finds out what is wrong, what is what, then puts up a job card showing the date of receipt and the number of the car, particulars of repair and date of delivery. The list of spare parts required is also attached to each.

Shri B. K. Lall: That is exactly what I wanted to do.

Mr. Chairman: How long after? The job cards are not yet ready. The first vehicle went into your Workshop in March 1954.

Shri B. K. Lall: Up to September it has been completed. My Works Manager tells me that the job cards have been completed up to September.

Mr. Chairman: It has not been completed.

Shri K. K. Basu: May I know what is the experience of the Works Manager? What are his qualifications?

Shri B. K. Lall: He was working with the Bombay State Corporation.

Shri K. K. Basu: For how many years?

Shri B. K. Lall: He is a very good man, a practical man. He was with the Army before. He has got very good experience, and even before joining the Bombay State Corporation he was with the Ahmedabad City Bus Service.

Shri K. K. Basu: Is it a private service?

Shri B. K. Lall: Municipal.

Diwan Chaman Lall: Mr. Lall, what is worrying us is this. Apart from the things which we consider irregular, we have seen that in the management of this service there is lot of chance for improvement. We want your assistance in this matter to see that the service works smoothly, that work is completed in time at the least cost and with great efficiency. After all, you are the executive in charge of a very important public sector and we expect you to put your best into it. If there are any difficulties, tell us so that we could make a recommendation that the difficulties you are faced with should be overcome and smooth running ensured. If the arrears of repairs are taken on hand immediately and if buses are put on the road immediately and if running cost is reduced, we can show to the world that a public sector organisation could function very efficiently as it should. You will agree that you have great many advantages. You are the boss of your own show. If there are any handicaps, tell us. If there are any difficulties explain them to us, in a note if you like, so that we can assist you in putting things right.

Mr. Chairman: We would like to know whether you would want to have wider powers.

Shri B. K. Lall: Yes, I do. No General Manager would ever refuse this. I would like some more powers so that I can show results.

Diwan Chaman Lall: You can give us a note. For instance, Mr. Parsuraman told us yesterday that his main job was to look after light-houses—I think it is Ports. I suggested to him, not that there is anything against him in making a suggestion, merely that we would like some wholetime attention to be paid to this work. If you want good results, you must have a full time officer. If you have to wait for the meetings of Committees every two weeks or two months, it cannot work. If you have got any suggestions to make in regard to that, please do so. Perhaps, we could recommend that the Ministry of

Transport should appoint whole-time Officers to sit with you because the Ministry is in the picture. You might also recommend that you should have one of the workers associated with you. You might also recommend that you should have a representative of the public to assist you because it is for the public.

Shri R. G. Abbhi: They have got an Advisory Committee. That Advisory Committee represents the consumers and had to deal with all important changes in time and fare tables. In other allied matters also the Advisory Committee is consulted.

Diwan Chaman Lall: That is good. Another thing you can suggest in your note is this. Perhaps it would be of advantage to you if you have got some responsible man to deal with the piece rate system, of getting the workers on to the piece rate, to work out the details. The workers should not, however, be made to feel that their emoluments may be cut down—it may not be cutting down but probably they may earn more. We can have better efficiency. Even in a great country like Russia, the unit of work is fixed and the amount of work assessed for each worker. You might consider that. Anything else? We are here to help you. Attend to this immediately instead of saying, two months hence and three months hence etc. Do it immediately and set an example to the rest.

The third thing you should remember is about your purchasing policy. Survey the whole situation and see what particular type of vehicle you need—whether it is American, German or British, it is immaterial—so that you could recommend to the Ministry concerned and have it purchased in time.

Direct Purchase of Stores

Mr. Chairman: Mr. Parsuraman, has it ever been considered by your Ministry that somebody must be saddled with heavy responsibility and given wide powers so that he can go ahead with matters and the difficult-

ies with regard to placing orders, etc. can be avoided? Mr. Lall just now told us that in one case he wrote directly to a company in England and it took a long time to go through several Ministries, etc. Has your Ministry considered this problem?

Shri T. S. Parsuraman: If any request was made to the Ministry to resolve it, certainly we would have given all our help. Actually, the Authority is not bound by any rule to place the indent through D.G.S.&D. It is open to them to do so in cases where the General Manager considers that other means are not satisfactory or are open to abuse or for such like reasons. Actually, to my knowledge, this has not been brought to the attention of the Ministry.

Mr. Chairman: In view of what Mr. Lall said, will your Ministry consider this?

Shri T. S. Parsuraman: This is a matter which need not come to the Ministry at all. The D.R.T.A. can take its own decision, regarding purchases. This need not go to the Government.

Mr. Chairman: Let Mr. Lall submit a note to your Ministry and give your views then.

Expenditure of D.R.T.A.

Shri P. S. Rajagopal Naidu: Mr. Lall, when we perused the statement showing the break-up of expenditure from 1950-51 to 1954-55, we found that the Pay and Allowances on the Administration side had increased by nearly 2½ times. It had gone from about 2 lakhs to 5 lakhs of rupees. On the other hand, on the operation side, it had gone up by only 50 per cent., namely, from Rs. 13 lakhs to 19 lakhs. May I know why this expenditure on Administration side had gone up by 2½ times whereas on the other side, that is on the operation side, it had gone up only by 50 per cent. Please see page 8.

Shri B. K. Lall: I am trying to find it out and submit a note.

Shri P. S. Rajagopal Naidu: This is in the Statement which you had circulated to us only yesterday or day before yesterday. You have given us therein a break-up of expenditure from 1950-51 to 1954-55. Have you got that? Now, I would invite your attention to 1A and 1B—Administration and Operation.

Shri B. K. Lall: Yes, it is practically double.

Shri P. S. Rajagopal Naidu: Not double but 2½ times. Now, I would like to know before that what was the number of officers in 1950-51 and what is the number as on today.

Shri B. K. Lall: There were about 11 Officers—if I am not mistaken—in 1950-51. To-day we have got 24 officers.

Shri P. S. Rajagopal Naidu: May I know the reasons for the increase in the number of Officers? Have you created any new posts and if so, what are those new posts? I would like to know whether you have increased the number of officers by 13 since then.

Shri B. K. Lall: We have increased the number of Officers.

Shri P. S. Rajagopal Naidu: Did you increase the salaries of Officers also to any appreciable extent?

Shri B. K. Lall: We have increased salary only in respect of Works Manager.

Shri P. S. Rajagopal Naidu: Increase from how many rupees to how many rupees?

Shri B. K. Lall: In the early stage, he was paid only Rs. 500. Now the grade of the Works Manager is Rs. 1,000 because when we took over from the G.N.I.T. Co., the number of vehicles was much less and the type of vehicles also was different. Those vehicles were mostly 3 ton, whereas today we have heavier vehicles. Today what we have are 5 ton vehicles.

Shri P. S. Rajagopal Naidu: So, except in the case of the Works Manager, the pay of no other officer was increased. Is that correct?

Shri B. K. Lall: I will just read out some of the new posts created: Assistant General Manager (Administration), Personnel Officer, Secretary to General Manager, Labour Officer, Publicity Officer, Medical Officer, Assistant General Manager (Traffic), and Officer in charge of D.T.S. training school. These are the new posts created.

Shri P. S. Rajagopal Naidu: When were they created? Was there any real necessity for all these posts to be created? Was this matter placed before the D.R.T.A.?

Shri B. K. Lall: All these posts were created with the approval of the D.R.T.A. and with the sanction of the Government of India.

Shri P. S. Rajagopal Naidu: Was there any real necessity for so many officers?

Shri B. K. Lall: On the Administration side, I felt it was absolutely necessary.

Shri P. S. Rajagopal Naidu: Does it not strike you that the expenditure on the operation side had gone up only by 50 per cent.—from Rs. 13 lakhs to Rs. 19 lakhs or so? I can very well understand your point if the cost on Administration side had gone up from Rs. 2 lakhs only to Rs. 3 lakhs. But it has gone up from Rs. 2 lakhs to Rs. 5 lakhs. What I mean is that that proportion is not maintained. How do you account for this? If the expenditure on the Operation side also had gone up by 2½ times just like the Administration side, there would have been some proportion. Now, there is no proportion at all.

Shri B. K. Lall: If you like, I will send you a full note on this.

Shri P. S. Rajagopal Naidu: Then, in the case of the Stores Officer, is there any increase in pay?

Shri M. Gopalakrishnan: His present scale of pay is Rs. 350 to Rs. 800.

Shri P. S. Rajagopal Naidu: What is he drawing now?

Shri M. Gopalakrishnan: His basic pay is Rs. 625.

Shri P. S. Rajagopal Naidu: When did he join?

Shri M. Gopalakrishnan: It was in September, 1952, I think, and he was started on Rs. 550 on that scale.

Shri P. S. Rajagopal Naidu: What was the previous Officer drawing?

Shri M. Gopalakrishnan: He was getting the scale of pay of Rs. 250 to Rs. 500.

Shri P. S. Rajagopal Naidu: What was the necessity to fix this man's pay at the higher rate?

Shri B. K. Lall: Because the previous man was tackling things on a much smaller scale.

Shri P. S. Rajagopal Naidu: Is it the Board that fixed the scale of pay? Who fixes the starting pay?

Shri B. K. Lall: The D.R.T.A.

Shri P. S. Rajagopal Naidu: In this particular case, what was the occasion to fix his pay at Rs. 550?

Shri B. K. Lall: In this case we got the services of this officer from the State of Jammu and Kashmir where he was Stores Officer.

Diwan Chaman Lall: I am sure Jammu and Kashmir could not have afforded to pay him so much.

Shri B. K. Lall: They were paying him Rs. 450 for a fleet of 450 vehicles. All of them were Chevrolets.

Diwan Chaman Lall: The number is more than ours.

Shri B. K. Lall: We gave him something more and got him over here. In Jammu and Kashmir the Stores were worth Rs. 19 to 20 lakhs and he was handling the stores. The stores were in a better condition there and

there was no complications and no trouble. When I took over, I wanted somebody who should see to the stores side because stores is like the heart of a body. If the stores side is functioning properly and supplying parts at the right time, there is no necessity for any vehicle being held up in the Workshop.

Diwan Chaman Lall: What was wrong with the previous man?

Shri B. K. Lall: He had resigned and gone. We had deputed him to do the work and he had no experience of stores. It was only a question of make-shift arrangement.

Diwan Chaman Lall: Was the previous man responsible for this state of affairs?

Shri B. K. Lall: Yes. He has left the service of D.T.S.

Diwan Chaman Lall: Where is he employed now?

Shri B. K. Lall: I believe he is in Calcutta in a private firm now—in Allenberry or so.

Shri Rajagopal Naidu: In the case of Chief Accounts Officer, what was he before he joined D.T.S.?

Shri T. S. Parsuraman: Now the post is vacant and Mr. Gopalakrishnan who sits next to me is now acting as Chief Accounts Officer.

Shri B. K. Lall: For three years, we had a man from the Audit side and after completing his term, he left and the post fell vacant and the Accounts Officer was promoted to that post till the vacancy is filled up. Some time ago the Government had advertised the post and they got applications. They asked 20 men to come for interview and 13 turned up for interview. Out of these, the Government of India have already selected one and they have offered the post.

Diwan Chaman Lall: On what pay?

Shri T. S. Parsuraman: Rs. 600—Rs. 1150.

Shri Uman Chaman Lall: What about this man?

Shri T. S. Parsuraman: He is the Departmental man. He will revert to his post.

Shri P. S. Rajagopal Naidu: Is there any necessity for two Assistant Managers, one on the Traffic side and another on the Administration side?

Shri B. K. Lall: On the administration side, on an average we get about 120 cases a month. There should be somebody who should be able to tackle all these cases, because there are public complaints where the conductors have misbehaved or where any offence has been committed by any of the employees. The number of employees has increased to nearly 2100 or 2200 at the moment in the D.R.T.A. and one Assistant General Manager is devoting most of his time on this side, like disciplinary action, leave rules, salary bills, etc. All that is administrative work. Assistant General Manager (Traffic) is doing the work entirely on the traffic side. He is handling the allocation of duties, where the buses should work, which side the buses should go, because the Depots are exclusively concerned with out-shedding the buses. Once the buses go out on the road, they come directly under the control of the Head Office. Once the Depot outsheds the bus, it knows nothing more about it. It is the Assistant General Manager (Traffic) who controls it. He is in my Office and he knows where the bus is.

Shri P. S. Rajagopal Naidu: Do you mean to say that the moment a bus is outsheded, the Traffic Superintendent in that particular Depot ceases to have control over the bus and it is only the Assistant General Manager (Traffic) who controls.

Shri B. K. Lall: Yes. The Assistant General Manager (Traffic) not only controls the bus, but he diverts it from one place to another. He has got the full strength of inspection and checking staff.

Shri P. S. Rajagopal Naidu: He has his office in the Scindia House?

Shri B. K. Lall: Yes.

Shri P. S. Rajagopal Naidu: How does he control the work of Traffic Superintendents. Does he do it simultaneously?

Shri B. K. Lall: The Traffic Superintendents operate more or less independently. Certain procedures have been laid down.

Shri P. S. Rajagopal Naidu: Suppose Bus No. 6 is outsheded say from Vinay Nagar Depot. Do you mean to say that as soon as the bus is outsheded, the Assistant General Manager is informed of it. How is he informed as to which particular bus has been outsheded at a particular time.

Shri B. K. Lall: This is what I am trying to explain. At 9 o'clock, outsheding of buses is completed. I get a complete report of outsheding on my table at 10 o'clock from the Assistant General Manager (Traffic). Suppose if any bus is not outsheded on account of staff or something else, that information is on that report. Every morning at 10 o'clock, I know how many buses are outsheded and the inspection staff is on the line checking up the buses.

Shri P. S. Rajagopal Naidu: Anyway if the cost on the administration side is to be reduced, what is your suggestion to reduce that?

Shri B. K. Lall: I will give you a note on that.

Shri K. K. Basu: May I know what exactly is the function of the Civil Engineering Wing?

Shri B. K. Lall: Sometime back, D.R.T.A. decided that we should put up our own Depots. Accordingly this wing was created. The D.R.T.A. has a plan to put up some more depots, one at Shadipur, one at Indraprasta and one in the Head Office building. The Civil Engineering Wing prepares plans for these buildings. We are executing these works ourselves.

Shri K. K. Basu: You are doing this Departmentally and not through the C.P.W.D.?

Shri B. K. Lall: Yes.

Shri K. K. Basu: How many persons have you got on this?

Shri B. K. Lall: On this work, the sanctioning of posts was on the workload basis. We have got an Executive Engineer on deputation from U.P. and he prepared what is the strength of staff required for the total amount of work to be executed. This was checked up by the Superintending Engineer, Delhi State, and after that, the D.R.T.A. sanctioned the posts.

Shri K. K. Basu: You cannot be increasing Depots every three months.

Shri B. K. Lall: These are purely temporary posts. Once the construction is over all the posts will be abolished and there will be only a maintenance crew.

Check over the misuse of P.O.L. etc.

Shri P. S. Rajagopal Naidu: During our visit to two of the Depots, I was asking you as to how you checked the issue of petrol and diesel oil. Most of your vehicles have no speedometers. Only by the report that is submitted by the Drivers or Conductors you will be able to know as to the number of miles travelled by that bus each day. In the absence of these meters how do you calculate the number of miles actually travelled by these buses? How do you calculate the issue of fuel for these vehicles? How do you check the use of fuel on these vehicles?

Shri B. K. Lall: When the vehicles come back at night after completing their duty during the day, they go straight to the fuel pump where the tank of the vehicle is filled up. The tank capacity for example, of the Comet is 25 gallons. We fill up the tank and we know that there are 25

gallons of fuel. Before filling up the meter reading is recorded and again it is recorded after filling up.

Shri P. S. Rajagopal Naidu: You have no meters?

Shri B. K. Lall: I am speaking of filling up of diesel oil from the fuel pump. The meter reading of the fuel pump is recorded.

Shri P. S. Rajagopal Naidu: That will only show how many gallons had been put into the vehicle.

Shri B. K. Lall: After that is recorded, the fuel pump man signs, the Driver who has taken diesel oil signs it. Then the vehicle is parked in the open yard and then in the morning, the Conductor comes. He is given his box of tickets and he has got certain route on which he has got to ply and the Driver Memo is given on which we have already worked out full details of mileage. For example, Bus No. 250 proceeds on route No. It will perform 8 hours' duty. If it goes out at 5 in the morning and comes back at 1 o'clock, it will be able to do 8 trips and the mileage completed will be 60 miles. That is already recorded. If any of the trips are missed, that is deducted in the mileage and the balance is recorded.

Shri P. S. Rajagopal Naidu: Suppose it misses a trip and it is not reported. Suppose, a driver has to do 10 trips but does only 8 trips.

Shri B. K. Lall: He cannot, because once he moves out from the Depot, he goes first to the starting point. There is a Time Keeper and he makes an entry. According to the schedule he puts the time. We have got a double check.

Diwan Chaman Lall: Are you against speedometers?

Shri B. K. Lall: It is not that I am against them. I am all in favour of them, but at the same time, speedometers are delicate costly mechanical devices and they go out of order.

Diwan Chaman Lall: What is your basis of calculation?

Shri B. K. Lall: By certain method even if the speedometer is not working, we can record the mileage just the same as accurately as the speedometer. The only thing is we cannot record the speeding of the bus.

Shri K. K. Basu: What is the special advantage of doing away with the speedometers?

Shri B. K. Lali: The only advantage is that we need not be spending on the repair of speedometers. We found that even on B.E.S.T. buses there were no speedometers.

Shri K. K. Basu: The speedometer should last at least for a number of years.

Shri B. K. Lall: A speedometer should last that much time, but our experience is that they do not serve that long.

Diwan Chaman Lall: Look at this figure for 1950-51 and 1954-55. You had a large addition of buses to your fleet and your consumption of oil in 1950-51 is 20,56,130 gallons and in 1954-55 it is 15,20,037. What Mr. Naidu is trying to establish is this: You had a large fleet and increased your trips, but your petrol consumption and oil consumption have gone down by about 5 lakh gallons.

Shri P. S. Rajagopal Naidu: That is due to the change over to the diesel. It costs cheap.

Shri B. K. Lall: I will explain to you. You must keep in mind another thing, i.e., the market price. 1950 prices are not prevailing in 1956.

Shri P. S. Rajagopal Naidu: They have gone up.

Shri B. K. Lall: Not only the prices of things have gone up, but also the labour prices have gone up. The vehicle price has gone up, but my cost is static at Rs. 0/15/7.

Shri P. S. Rajagopal Naidu: Diwan Chaman Lall's question is: In the year 1950-51 the cost of petrol, oil and other

lubricants amounts to Rs. 20 lakhs and odd and in the year 1954-55 with the appreciable increase in the number of vehicles on the road, the cost of petrol and oil is only Rs. 15 lakhs and odd. It has come down.

Shri B. K. Lall: It is on account of the diesel oil, as we had petrol Buses and Petrol costs double.

Diwan Chaman Lall: You think the check that you have got now is sufficient.

Shri B. K. Lall: This check is reasonably good.

Shri P. S. Rajagopal Naidu: This is a rough check. It is not an accurate check.

Shri B. K. Lall: I will explain. We have got 5 or 6 tachometers. We know of one private operator who has got practically a tachometer on each of his vehicle. I wanted to introduce these tachometers, but so far we have not been able to do that. Each tachometer costs about Rs. 600 to Rs. 700 and to put this on nearly 400 vehicles will be a colossal expenditure. Then again, tachometer is a mechanical device and unless and until something is produced in the country I think it would be wise to go on wasting foreign exchange for this fancy apparatus. But if one puts on a tachometer and speedometer, whatever you may do, if the buses are in proper order, there is no doubt, they will do the same mileage. But if there is only speedometer, the overspeed recording will not be there which the tachometer will record.

Shri K. K. Basu: How do you check over-speeding?

Shri B. K. Lall: To check over-speeding the restrictions have been tightened and all the 400 vehicles are fitted with governors. Each governor is regulated and the maximum speed is 30 miles each, I do agree that sometimes when the governor is under continuous use, the spring loses its tension and the speed may increase. But invariably this never happens.

Shri K. K. Basu: In many places the police pull them up for over-speeding.

Shri B. K. Lall: If the vehicle is fully loaded with 55 or 60 passengers and if the average speed is 30 miles, it will hardly be doing 25 or 28 miles.

Shri K. K. Basu: Supposing the traffic people tell you that such and such bus is over-speeding. What is your machinery to check up this? Your people might actually be over-speeding.

Shri B. K. Lall: For short distances we have given each driver for each particular route a certain time factor. That is to say, he has to complete his trip in a certain time. For instance, if the distance is 12 miles, he must take not less than one hour.

Shri K. K. Basu: But how do you check it? He can stay for three or four minutes in the way and have over-speeding. That we have seen in Calcutta.

Shri B. K. Lall: In Calcutta it may be possible. Here we have got effective checks. From Kashmeri Gate to Factory Road it takes so much time for a bus to cover the distance. The time keeper has got a watch with him and he has got to sign on the memo that the bus left at such and such time. The time at which it reaches the other termini is also recorded. Then we know if any of the drivers speeded up in between. If so, we pick him up.

Shri K. K. Basu: How is it?

Shri B. K. Lall: He is bound to reach there a few minutes earlier.

Shri K. K. Basu: He may just stop at a certain place in the way for a few minutes.

Shri B. K. Lall: These things don't happen—the driver and conductor stopping a bus in the way for some minutes. They don't do it.

Fare Structure of D.T.S.

Mr. Chairman: We would like to know one other thing. You stated that your cost of maintenance is fixed at 5 annas 1 pie. Could you tell us how you fixed it? Is it so much per mile? In Madras, for instance, it is half an anna per mile?

Shri B. K. Lall: The fare structure in Delhi is fixed by the Delhi State by orders of the Chief Commissioner under the Motor Vehicles Act. They have fixed one anna for the first mile, one anna for the second mile, six pies for the third mile, six pies for the fourth mile, one anna for the fifth mile and again six pies for each subsequent mile. A person travelling 18 miles has to pay eight annas. It is slightly less than six pies a mile. For a long distance rider it works out to about six pies, for a short hopper, who hops in and hops out, it comes to about one anna per mile.

Mr. Chairman: How does it happen that the charges are such? Has the transport system not got the power to fix its own fare as a commercial body?

Diwan Chaman Lall: The fares are fixed under the provisions of the Motor Vehicles Act. It has to be done with the previous approval of the Central Government.

Shri B. K. Lall: The D.R.T.A. can revise their own fares so long as it is within the fare fixed by the State Government.

Mr. Chairman: You haven't got the authority. With the consent of the State Government you can do it. That seems to be the position.

Shri T. S. Parsuraman: The fares are notified by the State Government under the Motor Vehicles Act. Each State Government has got the power to fix the maximum rate of fare for the operators in the State.

Diwan Chaman Lall: But anything that goes against a Central Act is *ultra vires*.

Shri T. S. Parsuraman: But this also is a Central Act.

Diwan Chaman Lall: There you fix it by notification, that is, notification of the Central Government. Is that right? Here also it is the same thing.

Shri T. S. Parsuraman: That is a notification by the State Government under the Motor Vehicles Act. What I am trying to say is that the fares have been fixed by the D.R.T.A. They have complete powers. The maximum limit has been fixed by the Delhi State under the Motor Vehicles Act.

Mr. Chairman: The cost is mounting up. Is it not time that you consider revision of fares? Have you got the power to revise the fares?

Shri T. S. Parsuraman: Oh, yes.

Mr. Chairman: Otherwise, how can you balance the budget?

Shri B. K. Lall: It is quite true.

Mr. Chairman: Will you kindly prepare a note on this?

Shri T. S. Parsuraman: On the other hand, there is pressure for reduction of fares. This matter is under consideration. For the financial year 1955-56, the working shows much better progress than the previous year and the D.R.T.A. has been considering how best they could give better service and how the fares could be reviewed. All these are now under consideration.

Shri K. K. Basu: Please give us a comparative statement of costs in other transport systems.

Mr. Chairman: In Calcutta, for instance, I think they are doing for three annas.

Shri T. S. Parsuraman: In Calcutta it is the cheapest.

Shri B. K. Lall: In Calcutta the position is totally different.

Shri P. S. Rajagopal Naidu: With regard to depreciation, I find that the life of a motor vehicle is about 1,20,000 miles. But in the case of the diesel buses that have been disposed of, we find that none of the vehicles have done more than 1,25,000 miles and still they were condemned.

Shri B. K. Lall: We don't think we have disposed of any of the diesel vehicles. It was the petrol fleet that was sold and most of the vehicles—so far as I recollect, all the chevrolets have done much more than 1,25,000 miles.

Diwan Chaman Lall: Only 50, to 60,000.

Shri B. K. Lall: That is some of them, i.e. the old ones taken from the G.N.I.T. Co. I am talking of the new ones.

Shri P. S. Rajagopal Naidu: Do you think that the method of working depreciation is quite correct?

Shri B. K. Lall: At present we are working depreciation at the rate of 3½ anna per mile.

Diwan Chaman Lall: Mr. Lall will give us a note, giving full details as to how they came to consider that these vehicles have to be condemned.

Shri M. Gopalakrishnan: 1,20,000 miles is the estimated life of petrol vehicles while 2,50,000 miles is the life of the diesel vehicles. These have been approved by the Government of India and the question of the revision of these lives is under consideration of Government taking into account the recommendations made by the All India State Transport Undertakings Conference.

Shri P. S. Rajagopal Naidu: Is the depreciation calculated by the other Government Business Concerns also in the same way or is it different?

Shri B. K. Lall: In fact, the majority of them recommended that it should be mileage-wise.

30 March, 1956]

PUBLIC ACCOUNTS COMMITTEE

[D.R.T.A.]

Mr. Chairman: How much does it work? 3 annas per mile. What is the percentage?

Shri B. K. Lall: None of the vehicles have actually done 1,50,000 miles. The life of the vehicle, particularly of Leyland Comet is 2,50,000 miles.

Mr. Chairman: What is the percentage at present?

Shri S. Gupta: 20 per cent on the reducing price basis.

Shri B. K. Lall: 3 annas means, it will be about 20 per cent.

Mr. Chairman: We will adjourn now and will meet again at 9-30 A.M. tomorrow.

Shri S. V. Ayyar: Do you want me also to come tomorrow?

Mr. Chairman: Yes.

[The Sub-Committee then adjourned at 1.30 P.M. till 9-30 A.M. on Saturday, the 31st March, 1956.]

Saturday, 31st March, 1956

PRESENT

Shri S. V. Ramaswamy—Chairman

MEMBERS

2. Shri Kamal Kumar Basu
3. Diwan Chaman Lall
4. Shri P. S. Rajagopal Naidu
- * Shri S. Gupta, *Additional Deputy Comptroller and Auditor-General.*

SECRETARIAT

Shri V. Subramanian—*Deputy Secretary.*

WITNESSES

- Shri N. M. Ayyar, I.C.S., *Secretary, Ministry of Transport.*
Shri B. K. Lall, *General Manager, D.R.T.A.*
Shri R. G. Abbhi, I.A.S., *Deputy Secretary, Ministry of Finance.*
* Shri S. V. Ayyar, *Chief Cost Accounts Officer, Ministry of Finance.*
Shri T. S. Parsuraman, *Deputy Secretary, Ministry of Transport.*
Shri M. Gopalakrishnan, *Chief Accounts Officer, D.T.S.*
Shri P. D. Mehta, *Asstt. General Manager, D.T.S.*
Shri Amarnath, *Traffic Superintendent (formerly Assistant Personnel Officer), D.T.S.*

The Sub-Committee met at Nine forty of the Clock.

(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 GOVERNMENT OF THE ROAD TRANSPORT BUSINESS OPERATED BY THAT COMPANY IN DELHI—Contd.

Mr. Chairman: Mr. N. M. Ayyar, I would like to ask you something. Yesterday, we were discussing about the Report of the Valuers, particularly with reference to paragraph 4 thereof.† You will find that in the earlier portion of the paragraph,

they say that they would not recommend the purchase of the 14 six-wheelers. In the middle of the paragraph, they say that because of the Agreement they were bound to take even those vehicles. Then they say that they propose a different method of valuation for them. Was any attention paid by the Ministry to that paragraph? Have the Ministry examined the question whether they were bound by the Agreement to purchase those vehicles which the Valuers would not recommend for purchase. Secondly, there is an allied question whether the Ministry considered the effect of the recommendation, whether in effect they

*Attended forenoon sitting only.

†Attended afternoon sitting only.

See Valuer, Report—part II—Section 1. Section 1.

could deduct any depreciation at all. These are the two points which arise out of the paragraph. The valuation was made according to clause 11 of the Agreement on a particular basis. Because they would not recommend those vehicles for purchase, they proposed a different method, but in effect no amount was deducted. Did the Ministry examine this point?

Diwan Chaman Lall: There was no necessity to depart from the original Agreement in this matter and the result of this departure has been a tremendous loss to Government, which was obvious to anybody, who looked into the matter even cursorily. We have now to fix the responsibility.

Mr. Chairman: We were also able to elucidate that if they had not deviated from clause 11 of the Agreement, Government would have got more.

Diwan Chaman Lall: The point raised yesterday was that the assessment of these second-hand reconditioned vehicles (six-wheelers) purchased by the G.N.I.T. Co. from B.E.S.T. Bombay was very high—approximately between seven and eight thousand as against Rs. 10,000 for the new ones. These vehicles were as old as 1943 and had been overhauled and reconditioned. Had the procedure laid down in clause 11 of the Agreement been followed, the price of the new ones taken as the basis and then the reduction of 25 per cent from the time of registration calculated, it would have been Rs. 2,300 as against Rs. 7,000 to 8,000. We have been told about the sanctity of the Agreement, that they could not possibly depart from the Agreement, that they had to live within the four corners of the Agreement. It was, we were told, as tight as a coffin over a dead body. Yet, certainly over this particular matter there is a deviation, and the

only answer given to us regarding this deviation is that they did not know how to fix the price of a new vehicle. It was pointed out that they themselves fixed the price of a new vehicle at Rs. 10,000/- and they could not say now that they did not know. They themselves were fixing the price as the replacement value of the new vehicle. Then why did they depart?

Shri N. M. Ayyar: From the relevant noting, it does not appear that these points were discussed or raised. So, there is also no record in the notes that these specific points were considered or that this particular aspect of the matter received attention.

Shri S. Gupta: If they were considered, there would have been a record in the notes. The fact that there is no record shows that it was not considered.

Diwan Chaman Lall: Therefore, somebody in the Ministry has been hoodwinked in the matter.

Shri N. M. Ayyar: This is a matter of inference.

Diwan Chaman Lall: This is obvious. Therefore, the responsibility has now got to be fixed as to the persons who are now available and who took part in the proceedings then and who themselves suggested, possibly, this deviation from the Agreement.

Mr. Chairman: May I also draw the attention of the Ministry to this fact? Mr. Parsuraman was referring yesterday to the White* Paper of 1946. Now, there is a mention of Rs. 500 in the White Paper, but there is no mention of a completed year for purposes of depreciation. Why was this incorporated in the Agreement?

Shri S. Gupta: Yesterday it was said that they followed the White Paper policy and not the U.K. Transport Act of 1947.

*This was laid on the table of the House on 20-1-1946.

Mr. Chairman: Two things are clear. So far as Rs. 500/- is concerned, though you followed the U.K. Act, you incorporated this, whereas it is not found in the U.K. Act. The point about completed year is not found in the White Paper, but you have incorporated this in the Agreement. These two items would have been advantageous to the G.N.I.T. Co. You seem to have taken interest, but not in favour of the Government, either way. I do not know whether I have made myself quite clear.

Shri N. M. Ayyar: But, as I said previously, there is nothing in the record to show how this was introduced or why it was introduced.

Mr. Chairman: So, what we would like to know is as to why these two points, namely Rs. 500/- and the complete year, were introduced.

Shri S. Gupta: The White Paper had a clause according to which it was not binding on the Government to take over all the material.

Diwan Chaman Lall: I do not think it was binding that everything should be taken over.

Mr. Chairman: You will see from paragraph 4 of the Valuer's Report (Part II—Section I) what interpretation they put on that clause. They felt constrained to take over all the vehicles. This is their interpretation; and if there was any doubt, the valuers, in the opinion of this sub-Committee, should have referred to the Ministry for a clarification of the point whether they were bound to take over all the vehicles with four wheels even though they were old and decrepit. Shri S. V. Ayyar said that the Valuers felt constrained because of clause 11. In the White Paper this is not mentioned, namely, that they were bound to take over all the vehicles of the Company.

Diwan Chaman Lall: It would, of course, rest with the Government to decide whether the vehicles were

worth taking over. The policy laid down was deliberately not followed.

Mr. Chairman: The last sentence of this policy says that it would, of course, rest with the Government to decide whether the vehicles were worth taking over. You had the option to take over all the vehicles or not to take all of them. In the face of that, why did the Valuers feel constrained to value every junk even.

Shri S. Gupta: The Agreement did not follow either the White Paper or the U.K. Transport Act of 1947.

Diwan Chaman Lall: The main policy laid down in the White Paper is the policy for us to follow. What was the reason for the deviation in these two respects which the Chairman has pointed out?

Mr. Chairman: The White Paper says only actual cost. That was not worked out. They have taken the replacement cost.

Diwan Chaman Lall: They have taken the cost of Rs. 10,000/- for the new vehicles.

Mr. Chairman: In the latter portion of the same paragraph (paragraph 4), you will see that they have mentioned that 8 vehicles will be taken as new.

Diwan Chaman Lall: Could you tell us what the actual cost of the new vehicles was. You fixed it at Rs. 10,000/-. Was that the cost?

Shri S. V. Ayyar: Out of these 8 vehicles, 7 of the chassis were purchased for Rs. 4,500 and odd and one was purchased at Rs. 8,000/- and the body cost was about Rs. 6,000/- and odd.

Diwan Chaman Lall: Who gave you the cost of the body?

Shri S. V. Ayyar: I have taken it from the books of the Company. The body was constructed locally by them.

Mr. Chairman: There is also another point which arises, which should have been considered by the Ministry. It is this: certain vehicles came within the period of one year, that is not a complete year. They were supposed to have been registered in January or so, but they were actually taken over in May, 1948. You could not deduct depreciation because of that clause relating to "complete year". But you could have at least deducted Rs. 500/- for the use of the vehicles for five months. Even that precaution was not exercised. Why is it so in the valuation? You tied yourself by that "complete year" clause, not to deduct the depreciation; but the vehicle was allowed to be used for five months. At least you should have deducted Rs. 500/- for the use of these vehicles in lieu of the depreciation. Why was that not done?

Shri K. K. Basu: Under whose advice actually was such a type of Agreement entered into? It is important for us to know why they have deviated from a certain principle. There must have been some considerations probably which made them come to that decision. We would like to know who are the persons connected with this. Who was he that advised you to enter into this peculiar type of an Agreement?

Shri N. M. Ayyar: We have sent you a copy of the proceedings of the relevant meeting.

Shri K. K. Basu: That is at the final stage when you practically rubber-stamped and 'okayed' what you have done. Have you any record to show who exactly advised you to enter into such an Agreement?

Shri N. M. Ayyar: There were several discussions leading to the Agreement.

Diwan Chaman Lall: The point was raised as to who were the people who actually negotiated with the Managing Director of the Company and eventually arrived at this deviation from the White Paper. We are trying to fix the responsibility. We

cannot obviously fix the responsibility on an unappointed body. There must be some individuals who were responsible.

There must be some individual who conducted the negotiation on behalf of the Government and who came to a certain understanding to deviate from this policy thereby causing loss to the Government. Who are the people responsible?

Shri N. M. Ayyar: I have got the names of the people here.

Diwan Chaman Lall: Mr. Parsuraman read out certain names yesterday. That is only from the minutes of the meeting—larger meeting. Before the larger meeting, there must be some negotiations.

Shri S. Gupta: We should not ask for names of persons.

Diwan Chaman Lall: After all we have to know who is responsible.

Shri S. Gupta: Designation can be given, like Secretary or Deputy Secretary; but names should not be asked for.

Diwan Chaman Lall: Our policy usually is not to get the names of persons. Our main point is this: Who were the Officers responsible for this? If it is an outsider, we cannot fix the responsibility on him now. We know that in the case of the other vehicles—the reconditioned vehicles—Mr. Ayyar was one of the Officers who made the recommendation in respect of these things. I do not know what was his designation then. Here, who are the officers by designation?

Shri T. S. Parsuraman: There was the Road Transport Officer of the Ministry of Transport. He was the primary adviser to Government.

Diwan Chaman Lall: What is his name?

Shri T. S. Parsuraman: Mr. P. R. Puri.

Diwan Chaman Lall: Where was he before?

Shri T. S. Parsuraman: I think he was in the private employ. Perhaps he came in the year 1947 or so.

Diwan Chaman Lall: Do you think we can send for him?

Shri K. K. Basu: Is he a Government employee?

Shri T. S. Parsuraman: He is not a Government servant.

Diwan Chaman Lall: Mr. Chairman, can we send for him?

Shri T. S. Parsuraman: He was later appointed as General Manager of the D.T.S. in combination with his appointment as Road Transport Officer.

Shri K. K. Basu: When the negotiations were going on, was he in the Transport Ministry?

Shri T. S. Parsuraman: Yes.

Shri K. K. Basu: Was he appointed straight to this post from the private employment?

Shri T. S. Parsuraman: That is my recollection. Thereafter his services were terminated.

Shri K. K. Basu: Was it a contract appointment?

Shri T. S. Parsuraman: Probably a contract or temporary appointment.

Mr. Chairman: If necessary, we can call him to find out what exactly is the position.

Diwan Chaman Lall: Who was responsible, over above him? He was a small man.

Shri T. S. Parsuraman: He was the Officer next junior to the Secretary.

Diwan Chaman Lall: Who did the actual negotiation? Did you authorise him to negotiate....

Shri T. S. Parsuraman: Papers here do not indicate as to how the negotiations were conducted. But, as I said, there was a letter from the

G.N.I.T. in January, 1948. Thereafter there was inter departmental discussion between the Finance Ministry and the Ministry of Transport and thereafter what I find is the minutes of the meeting held on the 28th March, 1948.

Diwan Chaman Lall: Is there nothing to indicate as to who was actually responsible for the deviation from the Agreement or White Paper?

Shri T. S. Parsuraman: Nothing.

Shri K. K. Basu: No papers of any meeting you had?

Diwan Chaman Lall: Ordinarily, there must have been a proposal put up by the G.N.I.T. Co. It must have been considered by you. Some changes must have been made by you. The changed proposals must have gone back to them and the final proposals must have come from them. Where are they?

Shri T. S. Parsuraman: I have a note from the Road Transport Adviser dated 27th February, 1948. It refers to the minutes of the discussion between the representatives of the Transport Ministry and the G.N.I.T. Co. in the room of the Hon'ble Minister of Transport on the 11th November, 1947 at which a representative of the Ministry of Law was also present. That note further says:

"...A note has been prepared summarising the proposals for taking over the business of the G.N.I.T. with effect, if possible, from the 1st April, 1948. This note has been informally shown to the Ministry of Finance, but that Ministry feels that the opinion of the Ministry of Law should be obtained in the first instance with regard to the claim of the G.N.I.T. for compensation in the light of the circumstances of the case and with particular reference to:-

- (a) assurance of the monopoly till 1953 granted to them by the P.T.A. (Provincial Transport Authority);

(b) the award of the Chief Commissioner against the Minar Transport Company; and

(c) the case law in the Madras High Court.

This Ministry will be glad if the opinion of the Ministry of Law is given as early as possible in order to enable the Ministry to place the scheme before the Departmental Advisory Committee at an early date".

Diwan Chaman Lall: This is when the cake is already ready. I want to know when the ingredients are put in before it is put into oven.

Shri T. S. Parsuraman: If you will kindly permit me to read the Law Ministry's note on this question, it may throw some light on the matter.

Diwan Chaman Lall: You can do so but that may be dealing with the issues raised by your Ministry. They are issues outside what we are discussing. For instance, the High Court case has nothing to do with us.

Shri T. S. Parsuraman: The question of compensation is also dealt with here.

Diwan Chaman Lall: Let me see.

Shri T. S. Parsuraman: Law Ministry says:—

"With regard to questions (a) and (b) of Mr. Puri's preceding note, I have already explained the Legal position in my note dated 10-11-1947 where I have stated that the undertaking given by the special sub-committee of the Provincial Transport Authority does not give any absolute right of renewal for ten years to the company and does not place the company in any higher position than its rights under section 58 of the Motor Vehicles Act. I may, however, say that at an informal meeting, the Hon'ble Minister for Transport pointed out that if the undertaking did not carry the matter beyond section 58 of the said Act, it would not have been acceptable to the company and from

that point of view there must have been an understanding to renew the licence for ten years which may have a moral if not a legal backing. There is considerable force in this contention. However in view of the judgement of the Madras High Court in *Shri Rama Vilas Service Ltd. vs- the Road Traffic Board, Madras*, it would seem that the company would be entitled to some compensation in any event. In the Madras case a temporary licence had been given as in the present case instead of a renewal for three years...."

Diwan Chaman Lall: Let us get down to something relevant.

Shri T. S. Parsuraman: It further says:

"...The English Transport Act, 1947, also allows compensation for loss of profits for a period of at least three years and if the undertaking were compulsorily acquired by legislation, it would seem that on principles of equity reasonable compensation would have to be given to the company for cessation of its business..."

Diwan Chaman Lall: Is there any reference to these vehicles?

Shri N. M. Ayyar: This note more or less deals with legal points.

Diwan Chaman Lall: Why was the White Paper deviated from in respect of these six-wheelers? Not only was the White Paper deviated from but even the Agreement was deviated from.

Shri T. S. Parsuraman: There is no mention of those things here.

Shri K. K. Basu: Have you got a copy of the minutes of the meetings?

Shri T. S. Parsuraman: I will enquire.

Diwan Chaman Lall: Mr. Chairman, this is an important matter and we must get this cleared. Would you like to take this up?

Mr. Chairman: Before we pass on, I would like the Ministry also to see if the Report of the Valuers was

examined by them at all or was it that they merely accepted it in toto without demur?

Shri T. S. Parsuraman: The records indicate that as soon as the Report was received by Government, a copy of it was sent to the G.N.I.T. Then, they sent certain comments on it—that is the G.N.I.T.—a few months later. After receipt of those comments, there appears to have been no discussion other than about the particular points raised by the Company.

Mr. Chairman: So, there is no independent examination by the Ministry.

Shri T. S. Parsuraman: But there is something to the effect that Government are bound to accept the recommendations of..

Mr. Chairman: They are bound to accept the findings of the Committee. But were they bound to take over all the vehicles? This was how it was interpreted by the Valuers.

Shri T. S. Parsuraman: There is nothing here.

Diwan Chaman Lall: Clause 4 refers to the six-wheelers. What do the Valuers say? Who were the Valuers apart from Mr. Ayyar.

Shri T. S. Parsuraman: There were two others.

Mr. Chairman: We were told that in view of clause 11 of the Agreement, they were bound to follow this policy.

Shri T. S. Parsuraman: There was no discussion on the Government side on that paragraph of the Valuers' Report.

Diwan Chaman Lall: Valuers' Report comes on the basis of the Agreement. How did the Agreement come to be deviated on these two points?

Shri T. S. Parsuraman: There is a clause about depreciation for completed years.

Diwan Chaman Lall: Who was responsible to take over everything?

Shri T. S. Parsuraman: There is no discussion here. I am now looking

up for the 1947 discussion to which reference was made.

Diwan Chaman Lall: You are bound to come across something. Perhaps you will give up a note about it.

Mr. Chairman: Can you kindly let us know whether the Ministry of Finance was consulted with regard to the Report of the Valuers?

Shri T. S. Parsuraman: Of course.

Mr. Chairman: Is there a representative of the Ministry of Finance here?

Diwan Chaman Lall: What do the valuers say about the reconditioned vehicles—these six-wheelers?

Mr. Chairman: The representative of the Finance Ministry may be able to tell us what has happened.

Shri T. S. Parsuraman: The records of discussions are here.

Shri R. G. Abbhi: In the Finance Ministry, we have no records.

Diwan Chaman Lall: What do they say?

Mr. Chairman: If you are not well posted with the information...

Shri S. V. Ayyar: These reconditioned ones were priced at second hand rate less usual depreciation and adjustment which we have recommended in this report.

Diwan Chaman Lall: You say that they should be valued at the cost of G.N.I.T. less the usual depreciation. Did anyone at that stage ask the Valuers as to why in this particular instance they deviated from the Agreement?

Mr. Chairman: There is nothing on record.

Diwan Chaman Lall: So, we take it that nobody asked them the reason for deviating from the Agreement.

Shri T. S. Parsuraman: No. apparently.

Diwan Chaman Lal: Mr. Ayyar does not know himself. The only answer was because of the impossibility of finding out the replacement value. Then, it was brought to our notice that they themselves had fixed the replacement value of the vehicles at Rs. 10,000. There is no necessity to go beyond that replacement value. Am I correct Mr. Parsuraman?

Shri T. S. Parasuraman: Yes.

Mr. Chairman: we would like to know if the Finance Ministry examined this report in detail. You will kindly send us a note if you cannot tell straightaway.

Shri T. S. Parsuraman: Yes, we will do that.

Fixation of the Capital of the D.R.T.A.

Mr. Chairman: We will take up the replies received from the Ministry. This is with reference to the question as to why the initial capital-at-charge has not been fixed. Why has there been delay and why has this been pending for a long time?

The point is this. From your note,* it is found that the valuation of the assets taken over from the G. N. I. T. Co. was assumed by Government at Rs. 41 lakhs or so and there has been correspondence between the D.R.T.A. and the Ministry. The D.R.T.A. seems to have been contending that they have been saddled with extra liability of about Rs. 14 lakhs and they have been pleading for reduction in the capital. This seems to have been finalised in January, 1953. The matter was referred to the Ministry of Law in January, 1953. I read from page 3 of this note. The Law Ministry seems to be of the opinion that in view of Sections 30 and 31 of the D. R. T. A. Act, 1950 it would be necessary to amend the Act. There was further discussion on 28th June, 1953 and you thought it fit to amend the Act. On

page 4, you say that the matter has been under continuous discussion since then. Finally in December, 1954, the Auditor General agreed that the D.R.T.A.'s claim may be accepted if the Government are satisfied as to the correctness of the fact. Why has it not been finalised yet and what is delaying it? Could you kindly tell us?

Shri T. S. Parsuraman: There has unfortunately been a delay, because of some confusion of ideas at the beginning as it now appears in retrospect over a matter where *prima facie* indications were that the Act needed amendment. Such a view was expressed by the Law Ministry.

Shri S. Gupta: Audit expressed the opinion that the Act should be amended. The Ministry of Law agreed to that.

Shri T. S. Parsuraman: Finally the Audit also agreed that certain course of action should be taken if the facts could be verified and the facts have since been verified by the Audit and they have advised that a legislation should be enacted.

Mr. Chairman: The D. R. T. A. seems to lay further claim on reduction. Where does it stand now?

Shri S. Gupta: That matter may be left to Audit and the Ministry concerned.

Shri T. S. Parsuraman: The legislation is required to be undertaken on the basis of the advice and criticism offered by Audit.

Shri S. Gupta: Are they finalised?

Shri T. S. Parsuraman: This communication was received only 10 or 15 days ago.

Mr. Chairman: Could you kindly tell us how long it will take?

Shri T. S. Parsuraman: I think it should be finalised shortly.

*This was submitted by the Ministry of Transport in February, 1956.

Mr. Chairman: May I know from Mr. Lall that in 1954-55 he has prepared his Balance Sheet on the basis of Rs. 28.17 lakhs capital right through. He seems to have presumed that the Government have accepted the contention for the reduction of Rs. 14 lakhs.

Shri B. K. Lall: The Government have more or less practically conceded this.

Shri T. S. Parsuraman: In principle, it has been accepted in the discussions.

Shri S. Gupta: One point arises out of this. The other day when you were asked as to why this Organisation could not show any profit, one of the points that you made was that it was over-capitalised. That was not correct. You are working on the basis of Rs. 28 lakhs and not on the basis of Rs. 48 lakhs.

Mr. Chairman: We were under the impression that your Balance Sheet was based on a capital of Rs. 48 lakhs and therefore you could not show any profit. As a matter of fact, you were working on the basis of Rs. 28.17 lakhs in anticipation of the decision of the Government and yet there is no profit. That is where we are seeking your explanation.

Shri T. S. Parsuraman: We are working on the basis of Rs. 28 lakhs.

Shri S. Gupta: Then you cannot say that it is over-capitalised. One of your points was that it was over-capitalised and you had to pay a lot of interest on the capital.

Shri T. S. Parsuraman: That does not affect my point of view. Now I will speak on behalf of the D.R.T.A. The Authority felt that they have been saddled with liabilities in respect of which the incomes were earned and credited to the Central Revenues. The

profits which accrued as a result of the working of the departmental undertaking went to the Central Revenues whereas the liabilities were transferred to the D.R.T.A. under the terms of the Act.

Purchase of Stores in Excess by the D.R.T.A.

Mr. Chairman: Is there anything more on this point? I think we will take up the next point regarding the purchase of stores. The main point that emerges out of this is this. When you had decided to go in for diesel buses in 1950 itself, why did you place orders for stores to the tune of about Rs. 6.65 lakhs? You seem to have put in indents for over Rs. 6.65 lakhs in two orders after deciding in favour of diesel engines. Now the whole thing has become surplus and you are frantically making attempts to sell them.

In the first paragraph of your note,* you have stated "the bulk of its fleet consisted of 125 Chevrolet buses purchased during the year 1948-49 when the services were being operated departmentally by the Government. During the time of departmental operation, the following indents for Chevrolet spare parts were placed through the Directorate General, Supplies and Disposals:

- (1) Indent No. CS/Chev. Parts/6-53, dated 5th Oct. 1949 for Rs. 1,12,877-11-0.
- (2) Four Indents dating November, 1949 to March, 1950 to the aggregate value of Rs. 1,12,877-11-0.

The value of these indents was considerably less than the actual requirements for a fleet of 125 vehicles which had already run for nearly two years" and so on. Now when you changed over to diesel engines, why should you place an order on the 14th August, 1951 for about Rs. 4,98,274—and

*As submitted by the Ministry of Transport in February, 1956.

another for about Rs. 1,66,596 totalling about Rs. 6.5 lakhs, which has become wholly surplus for you?

Shri T. S. Parsuraman: The decision was taken to change over to diesel gradually. It was implemented all at once and the spare parts that were ordered were intended to keep the existing Chevrolet vehicles going for as long a period as possible. The decision to dieselise completely would come into operation when the Chevrolet vehicles die out.

Mr. Chairman: They had already run for two years. What was your expectation of these vehicles and was your order in proportion to the expectation of life of these vehicles? It does not seem to be so.

Shri S. Gupta: There is another point also. *The Enquiry Committee recommended that these 74 Chevrolet vehicles should be reconditioned at a cost of Rs. 3,000 to Rs. 5,000. Taking Rs. 4,000 as the average value, the cost of reconditioning and overhaul of the 74 Chevrolet vehicles would be about Rs. 3 lakhs and this would include not only spare parts, but other items also. The cost of spare parts on account of this would be about Rs. 1 lakh at the most. Even on the basis of the Enquiry Committee's recommendation, the indent for spare parts should have been for Rs. 1 lakh and not for Rs. 6.65 lakhs.

Shri B. K. Lall: This was only for reconditioning the vehicles, later on in 1952 because the main idea of reconditioning the vehicles at a cost of Rs. 3,000, or Rs. 4,000 as recommended by the Enquiry Committee was expected to be carried out some time after August or September or during the part of that year.

Shri S. Gupta: In other words, at the time of sending the indents, you did

not know that these vehicles should be reconditioned at all.

Shri B. K. Lall: At the time of actually placing the indent, there was no Enquiry Committee. There was no decision that these 74 vehicles should be reconditioned.

Shri T. S. Parsuraman: Not in 1951, but this sentence is put in here to indicate that even beyond the normal life of the vehicles, it was recommended by this latter Committee that these Chevrolet vehicles should be reconditioned.

Shri S. Gupta: After the Enquiry Committee was appointed, it recommended that these vehicles should be reconditioned at a cost of Rs. 4,000. Otherwise there is no justification for these spare parts.

Shri B. K. Lall: My point is even otherwise the spare parts would have been the same, for taking an average of Rs. 4,000 for overhauling each vehicle, for 74 vehicles, it will be about Rs. 3 lakhs.

Mr. Chairman: You had already placed two indents valued at Rs. 5.56 lakhs even in 1950-51. Please see the note** at page 7—the Audit Comments. It is stated there:

“As mentioned in the note, two indents for Rs. 5.56 lakhs for spare parts required for 125 Chevrolet buses were already placed in 1950-51. Again in August 1951, two more indents for spare parts for Rs. 6.65 lakhs were placed. The fact that spare parts worth Rs. 7.8 lakhs were declared as surplus for disposal even though 125 buses continued running during 1951-52 and 1952-53 clearly shows that the spare parts indented for in 1950 and 1951 were more than sufficient for the requirements of these buses during the 2 subsequent years. In the

*This Committee was appointed by the D. R. T. A. in July, 1952.

**This was submitted by the Ministry of Transport in February 1956.

circumstances, placing of fresh indents for Rs. 6.65 lakhs in 1951-52 does not appear to be justified."

Shri N. M. Ayyar: The inescapable conclusion is that there is over-indenting. I would also add that there was a certain amount of panic then about the availability of spare parts.

Shri K. K. Basu: Even then the Enquiry Committee was convinced that there has been over-indenting and there must have been an error in judgement at that time.

Shri T. S. Parsuraman: It seemed to have been justified at that time.

Mr. Chairman: At any rate, it was over-indenting. The Secretary has himself admitted it.

Shri N. M. Ayyar: If there had been no over-indenting, the spare parts would not be there now.

Mr. Chairman: Now what do you propose to do to dispose of these? What is it likely to fetch?

Shri B. K. Lall: Sometime back we advertised in the newspapers. We have received tenders. The U.P. Roadways are particularly interested to pick up two lakhs rupees worth of spare-parts and the Rajya Transport from Bihar are also keen to purchase some spares. The statements are being prepared and I think within a few days this will be put up before the D.R.T.A. for final decision. We have invited tenders and we cannot have any *ex parte* decision. The local firms have also submitted their offer. We want to compare all the figures and then come to a decision.

Shri K. K. Basu: So still this type of buses are being used by these concerns?

Shri B. K. Lall: There are quite a number of these buses still plying in the interior by individual operators and as such these parts could be used by them.

SALE OF VEHICLES AT ABNORMALLY LOW PRICES.

Mr. Chairman: The next question I would like to ask is this. Some vehicles which were purchased at prices ranging between Rs. 6,000 to 8,000 were sold at Rs. 90 later.

Shri B. K. Lall: I will give you full information. I promised a note. I have got it with me. These vehicles were taken over from ex-G.N.I.T. One single chassis was priced at Rs. 90. Our records indicate 96 bodies, one body with Chevrolet chassis (only chassis), no cross bearers, no engine, no front axle, no gear box etc.

Diwan Chaman Lall: Now you are changing your opinion. Previously you said chassis includes everything. Now you say that it does not include engine.

Shri B. K. Lall: Yesterday I explained that some of these vehicles were sold. So far as I remember, we cannibalised and took all salvagable parts which we did not sell.

Diwan Chaman Lall: We will take that up later. When we are on the subject of spare parts we will deal with it exhaustively. We are not going to drop that matter.

Mr. Chairman: On this point another question arises. You said that you changed over to diesel. These Bedford buses are petrol buses.

Shri B. K. Lall: These are heavy duty petrol buses.

Mr. Chairman: Why did you buy them, in 1953?

Shri B. K. Lall: This was the decision of the D.R.T.A. They wanted to supplement the fleet and they wanted heavy duty vehicles and the Authority decided that the only heavy duty vehicle which was available in the market should be purchased. The order was placed with the D. G. S. & D. and the D. G. S. & D. was requested to buy a heavy duty bus and not 1½ ton or 3 ton bus. This is a 5 ton bus while Chevrolet and Ford are 3 tons.

Mr. Chairman: The point is when you have taken a decision to change over to diesel engine, why did you go back again to petrol buses in 1953.

Shri B. K. Lall: Evidently, the Authority thought at that time that the funds at their disposal were not enough to buy diesel buses which were very expensive and they wanted more buses on the road immediately to carry the load.

Mr. Chairman: Would you kindly look into the records and tell us why they decided upon this?

Shri K. K. Basu: The Government would advance money if there is lack of it.

Shri B. K. Lall: Diesel buses were not readily available and it takes as much as 8 to 10 months to obtain supplies after the order has been placed. Petrol buses were readily available and so we purchased these vehicles.

Shri K. K. Basu: So, funds was not the criterion. It was the availability of the buses that was the criterion.

Shri B. K. Lall: That is right.

Mr. Chairman: They have not given the service because they are in the sheds. These Bedfords have not given the service.

Shri B. K. Lall: If they are in the shed that is on account of the non-availability of spare parts when the vehicles came in for the first major overhaul.

Mr. Chairman: You got them in 1953. When will be the first major overhaul?

Shri B. K. Lall: These buses had been on the road all this time. They have done, on an average, between 50 to 70 thousand miles and they required major overhaul such as grinding of valves, removal of piston rings and fitting new piston rings, under-size bearings etc. We do not have the spare parts.

Shri K. K. Basu: When they have done about 50,000 miles why were they not overhauled?

Shri B. K. Lall: That was not done at 50,000 miles because we do not have the spare parts and we kept them running. Being petrol driven heavy duty vehicles, they usually come for major overhaul at 50,000 miles. At that time we did not have the spare parts and that is why we keep them in service.

Mr. Chairman: If you are so sure that these petrol driven buses will come for overhaul after doing 50,000 miles, why did you not anticipate the requirements?

Shri B. K. Lall: We did anticipate and we placed an indent with the D. G. S. & D.

Mr. Chairman: Not in anticipation.

Shri B. K. Lall: We were making provision. Actually we were making provision for all the spare parts. If I had tried to get the supplies direct, I would have got the spare parts much earlier. But our placing the indents with the D. G. S. & D. resulted in delay. The indent was placed with the D. G. S. & D. in time.

Mr. Chairman: You have given that view once before that you could not get the spare parts directly and therefore there was delay. That is what you have been saying.

Financial Irregularities Committed by the Ex. Stores Officer of D.R.T.A.

Now we will pass on to the question of the Stores Officer. This officer, obviously, mishandled things and you were able to get at the fact that there was over-writing of bills and indents only very late. So many of these things have been subsequently proved. Why was no proper action taken against him and why was he not suspended and allowed to continue the whole time?

Shri S. Gupta: He tampered with the records.

Mr. Chairman: The Police say that certain records have disappeared. Is it because he was allowed to continue? When there was some suspicion against him, why was he not suspended?

Diwan Chaman Lall: Who was the General Manager at that time when this thing happened?

Shri B. K. Lall: Mr. R..... was the General Manager at that time.

Shri S. Gupta: That is when he was first appointed.

Diwan Chaman Lall: When the enquiry was held by the then Deputy General Manager, and at the time when this report was received, who was the General Manager? Will you give us the date of the enquiry?

Shri B. K. Lall: I will read out the papers. •

Mr. Chairman: What was the period during which Mr. R..... was the General Manager? Is he a service man?

Shri B. K. Lall: Yes, Sir. He is in the Railways.

Shri T. S. Parsuraman: In January, 1951 he took charge and he reverted to the Railways in August, 1952.

Mr. Chairman: Is he still in service?

Shri T. S. Parsuraman: Yes.

Shri K. K. Basu: Since August 1952, you are the General Manager?

Shri B. K. Lall: Yes. He then read out a note* recorded by the then General Manager. Mr. P. L..... was the General Manager before that period.

Diwan Chaman Lall: Where is he now?

Shri B. K. Lall: He is in the Railways.

Diwan Chaman Lall: Who is Mr. T.....

Shri B. K. Lall: He was the Accounts Officer at that time.

Diwan Chaman Lall: Is he still in service?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: Where is he now?

Shri B. K. Lall: In the Audit Department.

[He further read out the note* *ibid.*]

Mr. Chairman: The whole thing started with an anonymous letter. Please give us the date of that letter. The Stores Officer submitted his resignation on 10-3-52.

Shri B. K. Lall: That was a note sent by my predecessor to the Chairman.

Mr. Chairman: Please let us know when this whole business started.

Diwan Chaman Lall: Where is Mr. T.....now?

Shri T. S. Parsuraman: He belongs to the Audit Department. He is in the Audit Department.

Diwan Chaman Lall: A serious charge was made against him by the Police Sub-Inspector.

Shri T. S. Parsuraman: That appears to have been gone into later on and certain conclusions reached.

Diwan Chaman Lall: What was the conclusion?

Shri B. K. Lall: The conclusion was that there was no proof against him. That was what the police stated.

Mr. Chairman: Why did you not go to a higher level than the Sub-Inspector? This was an important matter.

*Not printed.

31 March, 1956]

PUBLIC ACCOUNTS COMMITTEE

[D.R.T.A.]

Shri B. K. Lall: This report was not given by the Sub-Inspector of Police but by the Deputy Superintendent of Police.

Diwan Chaman Lall: The man who investigated the matter first was the Sub-Inspector. Is that so? The other was an officer, the Deputy Superintendent of Police.

Shri B. K. Lall: There is a letter (dated 20-12-52) which was received by the D. T. S. from the Deputy Superintendent of Police, C.I.A.*

Mr. Chairman: I want to know the date of the anonymous letter and the date of the then Deputy General Manager's enquiry.

Diwan Chaman Lall: If the file had been taken away and destroyed, how would you or the police or anybody be able to trace it? Was this sufficient ground for not proceeding against these people?

Shri B. K. Lall: I shall look it up and give the information if it is available.

Diwan Chaman Lall: There must be some note available. There must be a receipt register showing the date of receipt of all letters, whether anonymous or otherwise. The complaint went to the Police on which the Sub-Inspector made enquiries. How could he have done so?

Mr. Chairman: What is the date of your first reference to the Police?

Shri B. K. Lall: I will get the file in which the Chief Accounts Officer says that there is no anonymous letter. The reports are all with him and he will be getting the file now.

Mr. Chairman: Your note shows that immediately you had referred the matter to the then Deputy General Manager, and he came to the conclusion that the state of affairs in the Stores Branch left much to be desired.

Shri B. K. Lall: That file is not here. I have sent for it.

Mr. Chairman: Please send somebody to get it immediately, and as quickly as possible.

Diwan Chaman Lall: We want to have everything connected with the taking over of the private firm. If you have not got any of the papers, get them quickly.

Mr. Chairman: Mr. Lall, I am not quite clear. Do you mean to say that there was no anonymous letter.

Shri B. K. Lall: That is what my Chief Accounts Officer says. There was no anonymous letter. The file that was given for safe custody does not contain any anonymous letter but it contains other papers.

Diwan Chaman Lall: Who drafted the reply.

Shri M. Gopalakrishnan: I drafted the reply to the P.A.C.'s (Public Accounts Committee's) note.

Diwan Chaman Lall: That must have been on the basis of the anonymous letter. Where is that anonymous letter? How could you have drafted the reply without it?

Shri M. Gopalakrishnan: There is a reference to the anonymous letter in the papers that we have. But I drafted the reply to the note of the P.A.C. with the available papers on behalf of the General Manager.

Diwan Chaman Lall: If you had those papers given to you and had them in your safe custody at that time, how could you say you did not have the anonymous letter. The whole basis of this is the anonymous letter. Did you at any time ask the General Manager or anybody else as to where the anonymous letter was?

Shri M. Gopalakrishnan: I have made all possible enquiries. I only took for safe custody the papers that were available and they are with me.

*Letter was read out to the Sub-Committee but not printed.

Diwan Chaman Lall: When did you have them in your safe custody?

Shri M. Gopalakrishnan: When the reply was drafted in January, 1956.

Diwan Chaman Lall: Before that, did nobody else have access to it?

Shri M. Gopalakrishnan: This is normally done by the General Manager. But when I was asked to draft a reply, I asked for all the papers and requested that further investigations should be made to trace the other papers.

Shri S. Gupta: This must have been a confidential file. Who was in charge of the file?

Shri M. Gopalakrishnan: These papers were collected from the Administration Branch. I took whatever papers were available from the Assistant General Manager, Administration.

Mr. Chairman: You seem to make a definite statement that there was an anonymous letter. You say you drafted the reply. Was it done without reference to any anonymous letter?

Shri M. Gopalakrishnan: In the correspondence, there was a copy of the report of the then Deputy General Manager containing a reference to an anonymous letter received by the Office. In the file that I got from the Assistant General Manager, Administration, that particular anonymous letter was not there. I dealt with the matter on the basis of the information available in the file.

Diwan Chaman Lall: Was there a separate file for the Police? Surely, that anonymous letter should have been shown to the police.

Shri P. S. Rajagopal Naidu: That should have been handed over to the Police. If it had been handed over to the Police, at least there should be a copy of it in the file.

Shri B. K. Lall: I have gone through the file. My predecessor when he was working as General Manager used to give correspondence and other work to Mr. Gopalakrishnan. At that time, Mr. Gopalakrishnan was also his Financial Assistant. Later on, Mr. A..... was appointed as Deputy General Manager.

Mr. Chairman: Mr. Lall, I believe you saw this statement that has been sent to this Committee before submitting it to us. There is a specific statement that there was an anonymous letter. If that anonymous letter was not there, you should not have sent this statement to us mentioning it.

Shri B. K. Lall: There is a reference to it.

Diwan Chaman Lall: Therefore, you took that as a fact and nobody has taken care to see that the anonymous letter has been preserved. The anonymous letter must be in the then Deputy General Manager's file.

Shri M. Gopalakrishnan: I have taken all the available papers while collecting them from the Assistant General Manager, Administration.

Diwan Chaman Lall: How did that anonymous letter now disappear? There is no record as to when it disappeared. All the time it was there and obviously it was there at the time of Mr. A..... the then D.G.M. and obviously it was also there when the Police investigated the matter, It certainly must have gone to them. When did you last see the anonymous letter Mr. Lall?

Shri B. K. Lall: It was some time when the Audit raised the query, that I went through the file.

Diwan Chaman Lall: You never saw it yourself?

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Diwan Chaman Lall: Who would have had the custody of the papers?

Shri B. K. Lall: All these papers were with Mr. Gopalakrishnan. As I said, he was doing most of the work till Mr. A..... came in. When Mr. A..... came in, I suppose the file was given to him and when I joined, Mr. R..... gave me the file.

Shri M. Gopalakrishnan: As far as the custody of these papers is concerned, I did not keep any of these papers. I am a Finance man and I am supposed to deal with my sphere of activities. These papers were handled entirely by the then Deputy General Manager, Mr. A..... He might have passed on those papers to the Administration Branch.

Diwan Chaman Lall: The Administration Branch is not an inanimate Branch. It should have passed on this letter to some individual.

Shri M. Gopalakrishnan: The Assistant Personnel Officer was in charge of personnel at that time. He is still working as an Officer of this Organisation.

Diwan Chaman Lall: What is his name?

Shri M. Gopalakrishnan: His name is Mr. Amar Nath.

Shri B. K. Lall: He is at present Traffic Superintendent, Vinay Nagar Depot.

Shri M. Gopalakrishnan: That is my presumption. I have not handled the papers till the last stage when I was asked to draft the reply to the note of the P.A.C. The then Deputy General Manager is the Officer who conducted the enquiries.

Diwan Chaman Lall: Please try and help us. After the then Deputy General Manager conducted the enquiries, the enquiries led to a Police case and the papers were then handed over. Nobody knows to whom they were handed over!

Mr. Chairman: Can the papers go down to that level—a top secret matter as this.

Shri K. K. Basu: Some arrangement should have been there for these important cases.

Shri B. K. Lall: At present, we have this arrangement. All important files are in safe custody.

Diwan Chaman Lall: As head of this Organisation, you should have had all the papers with you.

Shri M. Gopalakrishnan: I was there for a few months. I joined the Organisation in January 1952.

Diwan Chaman Lall: Did you see this anonymous letter or not?

Shri M. Gopalakrishnan: I was not handling the case at all. I have not seen it. It is the then Deputy General Manager, on behalf of the General Manager, who was dealing with it. He at times had asked me to draft letters. That is all.

Diwan Chaman Lall: Did he not hand over these papers to you? You must have handled it.

Shri M. Gopalakrishnan: No.

Diwan Chaman Lall: You must have handled the file. You cannot draft a letter out of the air. Try to refresh your memory.

Shri M. Gopalakrishnan: None of these papers was handed over to me by the then Deputy General Manager.

Diwan Chaman Lall: Did you draft replies all the time?

Shri M. Gopalakrishnan: The General Manager instructed that some replies should be drafted and he entrusted it to me.

Diwan Chaman Lall: You cannot draft replies without the papers. How can you draft replies without them?

Shri M. Gopalakrishnan: I have not drafted replies on this case.

Shri P. S. Rajagopal Naidu: The Police had reported that some of the files were missing and they could not, therefore, proceed with the investigation. What did the General Manager do with regard to the missing files? Did he start an investigation and if so on whom was the responsibility fixed? Is there any file dealing with these points?

Shri B. K. Lall: I am afraid, there is no file.

Shri P. S. Rajagopal Naidu: Is there no file regarding the investigation as to how the file was missed?

Shri B. K. Lall: Not that I know of.

Mr. Chairman: Did you ever think of getting at this document? Did it ever strike you at any time to look into this document—this anonymous letter?

Diwan Chaman Lall: Have you seen the letter?

Shri B. K. Lall: No.

Diwan Chaman Lall: When the Police was given this file, was a receipt taken from them?

Shri M. Gopalakrishnan: I could only say that I am not in charge of this.

Diwan Chaman Lall: Who was the person responsible for handing the file over to the Police and keeping a receipt therefor?

Shri M. Gopalakrishnan: My answer will be that this should have been given by the Deputy General Manager (Administration), Mr. A..... or the Officer who was handling the case.

Diwan Chaman Lall: Who was the Officer?

Shri M. Gopalakrishnan: It must be the Deputy General Manager himself.

Diwan Chaman Lall: He could not keep such receipts in his pocket. There must be somebody in charge of office.

Shri M. Gopalakrishnan: The General Manager will be in a position to answer these questions as these are administrative details.

Shri B. K. Lall: I am afraid, there is no information.

Diwan Chaman Lall: What happens now? Suppose the Police are called in and some files are handed over to them. Would you keep a receipt?

Shri B. K. Lall: There is a regular Receipt and Issue Section now.

Shri K. K. Basu: Who keeps the confidential files?

Shri B. K. Lall: Each Departmental Head keeps the confidential files in his Godrej Almirah; but the others are with me in my safe. Some of the files that are very important are given to the Chief Accounts Officer for safe custody.

Mr. Chairman: Can you kindly tell us when the Deputy General Manager submitted his report?

Shri M. Gopalakrishnan: Sometime in the early part of 1952. I think it was in February or March. It was soon after I joined. I will send for the file and then I will be able to say definitely.

Mr. Chairman: Was it before the matter was sent to the Police? When did you first refer it to Police?

Shri R. G. Abbhi: If this letter is not in the custody of the Office, it may be with the Police. There is a possibility for this.

Mr. Chairman: But you must have a copy of it.

Shri P. S. Rajagopal Naidu: Usually, the Police give a receipt.

Diwan Chaman Lall: The Deputy General Manager Mr. A..... left in February, 1952. When did Mr. R.... leave?

Shri M. Gopalakrishnan: Mr. R..... left in August 1952.

Diwan Chaman Lall: Let us have everything that you have got on this matter.

Shri B. K. Lall: There is nothing more except that the resignation was accepted. The note which was signed by the then General Manager was accepted by the Chairman with the remarks on it that his resignation should be accepted.

Mr. Chairman: The crux of the matter is this: You received an anonymous letter. The then Deputy General Manager enquired into it. The summary of the report is before us. Don't you think that on the basis of the Deputy General Manager's report, the officer must have been immediately suspended? Why was not that action taken?

Shri B. K. Lall: He should have been suspended but that was not done.

Mr. Chairman: Could you give any explanation as to why it was not done?

Shri B. K. Lall: I am afraid, I cannot give.

Shri K. K. Basu: Was this matter discussed in the Board?

Shri B. K. Lall: There was only one note which was sent and which I read out to you along with the remarks of the Chairman. There were very few meetings those days.

Mr. Chairman: Was it ever placed before the Standing Committee? You kindly see what are the irregularities. There was acceptance of the quotations of a particular party when the rates quoted by the tenderers were the same; acceptance of late quotations; suspicion of records being tampered with to justify the course of action adopted; procedural irregularities; collection of quotations by clerks personally from various firms; acceptance of higher quotations on alleged grounds that the lower quotations were not in respect of genuine

parts. These are all very important matters. Should not these matters have been considered by your Standing Committee or whatever it may be?

Shri B. K. Lall: There was no standing committee at that time.

Mr. Chairman: Should not the Board have considered this?

Shri B. K. Lall: It was not brought to its notice.

Diwan Chaman Lall: Mr. Parsuraman, were you not in the Board at that time?

Shri T. S. Parsuraman: At that time, it will be found from the report of the Enquiry Committee* that very few meetings of the Board were held because the initiative for calling a Board Meeting has to come from the Secretary.

Mr. Chairman: What is that?

Shri T. S. Parsuraman: During the time of Mr. R.'s tenure of the post of General Manager, the number of meetings of the Board was very few. There was a meeting soon after he took over charge. But after that perhaps for various reasons, very few meetings were held and most of the decisions—which ought to have been taken at Board meetings—were taken, I believe, by the General Manager on his own responsibility in certain cases and where he felt that a matter required the approval of higher authority, he took the approval of the Chairman. This seems to be one of such instances where he took the Chairman's approval.

Shri K. K. Basu: Was there no rule saying that Board meetings should be held every two months or so?

Shri T. S. Parsuraman: Yes. It was due to this fact that there was a change in the incumbency of the post.

*The Committee was set up by the D.R.T.A. in 1952.

It is quite obvious that the Government felt that the then General Manager was not pulling his weight. So he was changed.

Diwan Chaman Lall: Let us take this particular instance. When did you come to know of these?

Shri T. S. Parsuraman: I never came to know of this except that he had told me that the Stores Officer resigned and whether I could get him an officer etc.

Diwan Chaman Lall: Did you never know of the existence of this letter?

Shri T. S. Parsuraman: I remember his telling me personally of certain irregularities.

Diwan Chaman Lall: Did you come to know about all these irregularities that the Chairman has referred to?

Shri T. S. Parsuraman: This was never brought to me.

Diwan Chaman Lall: So, until you came here before this Sub-Committee, you never knew about these. Were you aware of the Police investigation?

Shri T. S. Parsuraman: I was not aware of that except that he (the Store's Officer) had resigned.

Diwan Chaman Lall: Did you then draw the attention of the Ministry that you—a member of the D.R.T.A.—were not made aware of this serious matter that was taking place?

Shri T. S. Parsuraman: The seriousness of the matter was not brought to my notice because the details were not brought to me, except in a vague way.

Diwan Chaman Lall: You were not perhaps told about this definitely, but only vaguely. What did you do?

Shri T. S. Parsuraman: Soon after Mr. R's.... appointment, we were

trying to see how he could be helped to function effectively.

Diwan Chaman Lall: I am taking you to something else. Did you know—within your personal knowledge—at any time that certain things were going wrong? You know that the Police has investigated the matter.

Shri T. S. Parsuraman: I cannot say whether the Police has investigated the matter. I know that the then Deputy General Manager was going into several cases of irregularities. That I know. I know also that many of them had gone to the Police. I was made aware of the resignation of this officer (Stores Officer).

Mr. Chairman: That you came to know in your personal capacity.

Shri T. S. Parsuraman: Yes. Very often we talked about this.

Diwan Chaman Lall: Subsequent to that, there was an enquiry conducted by Mr. H*.... and Mr. N. †..... Did you know that?

Shri T. S. Parsuraman: I knew that the entire thing needed complete overhaul.

Diwan Chaman Lall: I know that there was need for overhauling.

Shri T. S. Parsuraman: I felt that things were not moving as they should.

Diwan Chaman Lall: I want to ask you one thing. You knew at the time of personal talks with the General Manager or otherwise that these things had happened, that reports had been made to the Police about certain instances and that the then Deputy General Manager had made an enquiry of a serious nature. You knew all that. Is that right?

Shri T. S. Parsuraman: Yes.

*He was then the Chief Accounts Officer of the D.R.T.A.

†He was an officer of the Indian Audit Deptt. whose services were specially obtained for conducting enquiry into the irregularities committed by the Ex-Stores Officer of the D.R.T.A.

Diwan Chaman Lall: Did you, knowing all these facts, at any stage draw the attention of your Ministry to this fact that serious things are happening?

Shri P. S. Rajagopal Naidu: Or at least as a Member of the D.R.T.A., did you write to the Chairman of the D.R.T.A. about it?

Shri T. S. Parsuraman: I have spoken about this to the Chairman.

Diwan Chaman Lall: Did you write to him? Did you write to the Ministry?

Shri T. S. Parsuraman: No.

Shri S. Gupta: You are the representative of the Ministry and you should have brought this to the notice of the Ministry.

Shri T. S. Parsuraman: I brought to the notice of the Minister in a general way that such and such things are happening.

Mr. Chairman: But there was nothing in writing?

Shri T. S. Parsuraman: Nothing.

Diwan Chaman Lall: You are a responsible Officer of the Government and you were put in a very responsible position as a representative of Government on this Authority. You were made aware of a case made over to the Police and an enquiry of a serious nature was made by the Deputy General Manager, yet you did not make the slightest gesture as a representative of the Ministry on the D.R.T.A. to deal with this matter or inform in writing the Ministry.

Shri T. S. Parsuraman: I used to convey everything orally to the Secretary.

Diwan Chaman Lall: Is that your method of working?

Shri T. S. Parsuraman: Yes, It would be done orally first. If nothing moves by oral discussion, then I put it in writing.

Diwan Chaman Lall: Any serious matter you refer orally?

Shri T. S. Parsuraman: I first refer all matters orally.

Mr. Chairman: I do not know whether the Secretary approves of this method of referring the cases orally to the Ministry.

Shri T. S. Parsuraman: My Secretary is here.

Diwan Chaman Lall: Suppose a serious question arises in the course of the duty that is imposed upon you. Would you deal with this matter orally?

Shri Parsuraman: I would refer that matter orally to the Secretary. If nothing happens, I would put it in writing.

Diwan Chaman Lall: So you are merely a hand-piece of the Secretary?

Shri T. S. Parsuraman: Yes.

Diwan Chaman Lall: You did not take any initiative in this matter.

Shri T. S. Parsuraman: Anything I have to say I told the Secretary orally.

Diwan Chaman Lall: Is this your method of working? Have you never put down any notes in writing?

Shri T. S. Parsuraman: I have put down notes in writing...

Diwan Chaman Lall: Have you ever put down any notes in writing?

Shri T. S. Parsuraman: I may have.

Diwan Chaman Lall: In this case, you did not put down anything in writing?

Shri T. S. Parsuraman: That is my recollection.

Shri K. K. Basu: Had you ever seen the report of the then Deputy General Manager or the other two gentlemen? Did you ever ask for the copy of their reports?

Shri T. S. Parsuraman: I had knowledge about this particular Enquiry. I knew that the Deputy General Manager was enquiring into this.

Shri K. K. Basu: You had knowledge that the Deputy General Manager was going into this case and subsequently another Committee consisting of Mr. H.....and Mr. N..... was appointed. Did you ever as a Member of the D.R.T.A. ask the General Manager for the supply of a copy of the Report by these officers to see what were their recommendations?

Diwan Chaman Lall: Had you brought this matter to the notice in writing of the Ministry, it is quite possible that the Ministry might have taken serious action.

Mr. Chairman: Apart from that, is not a copy of the Report of the Enquiry Committee sent to the Ministry along with the Audit Report?

Shri S. Gupta: The Report of M/s. H....N.... was there.

Diwan Chaman Lall: Did you know these people, Mr. H.....and Mr. N.....

Shri T. S. Parsuraman: I do not recollect the name. I was not continuously a member of the D.R.T.A. There have been several breaks.

Shri P. S. Rajagopal Naidu: What are the powers of the Chairman of the D.R.T.A.? Has he got any special powers.

Shri T. S. Parsuraman: He has no special powers.

Shri K. K. Basu: In every case, it will only be accepted by D. R. T. A. In reality, the authority is the D. R. T. A.

Shri B. K. Lall: Quite correct.

Shri P. S. Rajagopal Naidu: Has the Chairman got special powers other than presiding over the meeting? Was this particular paper sent by the General Manager to the Chairman?

Shri B. K. Lall: Yes, for approval.

Shri P. S. Rajagopal Naidu: And the Chairman did not place this before the meeting?

Shri B. K. Lall: It was not done.

Shri P. S. Rajagopal Naidu: His action was not even that of ratifying. What are the special powers of the Chairman?

Shri B. K. Lall: He is not delegated with special powers.

Shri P. S. Rajagopal Naidu: Who is the appointing Authority, the General Manager or the D.R.T.A?

Shri B. K. Lall: The Central Government is the Appointing Authority.

Shri P. S. Rajagopal Naidu: The appointment of staff of D.R.T.A.

Shri B. K. Lall: The appointment of Class III and Class IV staff is done by the General Manager and Class II by a Selection Board of the D.R.T.A.

Shri P. S. Rajagopal Naidu: Who is the punishing authority?

Shri B. K. Lall: For Class III and Class IV the General Manager is the punishing authority and for Class II, it is the Chairman.

Shri P. S. Rajagopal Naidu: The Chairman or the Board?

Shri B. K. Lall: The D.R.T.A. Board. No special powers have been delegated to the Chairman.

Shri P. S. Rajagopal Naidu: In this particular case, the D.R.T.A. should have accepted the resignation and not the Chairman.

Shri T. S. Parsuraman: These powers just now described came in after the Enquiry Committee to which I referred. In 1952, it made certain recommendations and certain powers were drawn up. There was no real schedule of powers previously.

Shri K. K. Basu: Has there never been a rule that you as a representative of the Ministry should make a report every 2 months or 3 months as to the manner in which the D.R.T.A. has been functioning?

Shri T. S. Parsuraman: Talking of 2-monthly reports, or 3-monthly reports, not even Annual Reports were sent to Government by the D.R.T.A. them.

Shri K. K. Basu: These resignations an dispensing with services of staff are not reported to any one?

Shri T. S. Parsuraman: I came to know of this case when I was asked for a substitute Stores Officer. I was asked whether I could get one from the Railways.

Diwan Chaman Lall: Did you draw the attention of the Ministry to this?

Shri T. S. Parsuraman: Yes.

Diwan Chaman Lall: In writing?

Shri T. S. Parsuraman: I will have to check up.

Diwan Chaman Lall: How many reports you made to the Ministry over all these matters pertaining to your own duty, I would like to know.

Shri T. S. Parsuraman: I will supply that.

Mr. Chairman: Mr. Ayyar, I would like to put this to you. I have to draw your attention to the report of the then Deputy General Manager. I suppose you admit that these allegations are quite serious. Do you not think that as soon as you receive the report, the Stores Officer must be suspended?

Shri N. M. Ayyar: Normally, if there is a *prima facie* case, the Officer is suspended.

Mr. Chairman: Look at the third point made out in the Deputy General Manager's Report. It is [* * * and substitute * * *] All the actions taken by this Officer were to cause loss to the Authority and gain to himself. Under these circumstances, as soon as the report was received, do you not think that this Officer should have been suspended.

Shri N. M. Ayyar: Any one of these allegations would have warranted suspension.

Mr. Chairman: Could you kindly say why no action was taken?

Shri N. M. Ayyar: I can only regret that such action was not taken.

Mr. Chairman: You will see that this man was allowed to function and he was able to remove the whole files and prevent the Police from launching a case against him. We do not know yet what is the total loss sustained thereby. The Report of the Enquiry Committee of Mr. H..... and Mr. N..... only shows that there was a loss of about Rs. 2,866. As yet we do not know. The whole thing is a mystery. I do not know what steps you would take to see that there is no such recurrence of these things. May I know whether the then Deputy General Manager is in service?

Shri R. G. Abbhi: He is in service.

Mr. Chairman: Is he in Delhi?

Shri R. G. Abbhi: No, he is in Rajasthan.

Diwan Chaman Lall: I want to ask Mr. Parsuraman as to whether, under clause 4 of the D.R.T.A. Act, 1950 he was appointed as one of the non-officials or one of the 3 officials.

Shri T. S. Parsuraman: As one of the three officials.

Diwan Chaman Lall: You say you never saw even the then Deputy General Manager's report?

Shri T. S. Parsuraman: That is my recollection. My recollection was that the General Manager sent me a note saying that the Stores Officer had resigned and could I help him with a substitute Stores Officer from the Railways. I took action on that.

Diwan Chaman Lall: Who appointed the then Deputy General Manager. Was he appointed under section 6 of the D.R.T.A. Act, 1950?

Shri T. S. Parsuraman: He was appointed by the Delhi Road Transport Authority.

Diwan Chaman Lall: Under section 41 of the D.R.T.A. Act?

Shri T. S. Parsuraman: No. That was not an appointment by the Central Government.

Shri R. G. Abbi: He was an officer of the Delhi Road Transport Authority. Therefore, he made an enquiry.

Diwan Chaman Lall: Were you aware of the fact that the then Deputy General Manager has been appointed to make an enquiry?

Shri T. S. Parsuraman: Mr. A. was appointed as Deputy General Manager and these are some of his numerous functions.

Diwan Chaman Lall: Were you aware that the then Deputy General Manager has been appointed to make this enquiry?

Shri T. S. Parsuraman: He was not appointed to make this enquiry alone. He was appointed as Deputy General Manager.

Diwan Chaman Lall: Who asked him to make this enquiry? Did you ask him to make this enquiry?

Shri T. S. Parsuraman: No.

Shri Diwan Chaman Lall: Who asked him?

Shri T. S. Parsuraman: I think the Chairman or the General Manager.

Diwan Chaman Lall: You do not know?

Shri T. S. Parsuraman: No.

Diwan Chaman Lall: So you were completely unaware of the fact that the General Manager has asked him to make an enquiry.

Shri T. S. Parsuraman: I knew that generally the then Deputy General Manager was making enquiries in that Department.

Diwan Chaman Lall: What do you mean by 'generally'?

Shri T. S. Parsuraman: I knew that he was making many enquiries.

Diwan Chaman Lall: Were you aware that he was making an enquiry against this particular person?

Shri T. S. Parsuraman: That he was making an enquiry against the Stores Purchase Officer, I did not know.

Diwan Chaman Lall: So, even the fact that he was making an enquiry was not known to you?

Shri T. S. Parsuraman: I knew that he was making an enquiry into many things.

Diwan Chaman Lall: As the Chairman has correctly put it, didn't you have the curiosity to get hold of the copy of the report made by the then Deputy General Manager or to call for the meeting of the D. R. T. A. to discuss this?

Shri T. S. Parsuraman: I would only say that all my attempts to call regular a meeting of the D.R.T.A. during the time of Mr. R... were unsuccessful.

Mr. Chairman: Then you should have placed it before the Ministry.

Shri T. S. Parsuraman: I did tell them.

Diwan Chaman Lall: Did you get a copy of the Deputy General Manager's Report?

Shri T. S. Parsuraman: My recollection is that I did not.

Diwan Chaman Lall: Don't you know that a very serious obligation is cast on you?

Shri T. S. Parsuraman: The condition of the D.R.T.A. at that time was such that there were several laxities.

Shri S. Gupta: Then it comes to this: that as a representative of the Ministry you did not pull your weight.

Shri T. S. Parsuraman: I knew full well that the D.R.T.A. was working most unsatisfactorily and I reported it to the Ministry.

Mr. Chairman: All this is of no value to us unless it is put in writing. Have you drawn the attention of the Ministry and said: this is the position; I have no work there and I am being flouted. If you have reported like that, then we can give weight to your remarks.

Diwan Chaman Lall: If you had written to the Secretary, as any other person would have done, "Please accept my resignation as I am unable to function as you want me to function" then it would have been a different matter. When an enquiry is being made and when forgeries are taking place, you have not the slightest kind of knowledge of all these things.

Shri T. S. Parsuraman: My omission to put it in writing is, of course, my mistake. But I did inform the Secretary, the Deputy Minister and the Minister of everything that was happening and it was as a result of those reports that they decided to appoint an Enquiry Committee.

Diwan Chaman Lall: How did you inform them what has happened when you yourself did not know what was happening?

Shri T. S. Parsuraman: Certain reports came to the Ministry. And when we sent letters to the D.R.T.A. replies did not come.

Diwan Chaman Lall: You are the custodian of the Ministry and you have to perform the functions as the custodian.

Mr. Chairman: If you had given anything in writing we could have commended your action and we would have thrown the blame for non-action on the Ministry. Now all your talk is of no use because it does not carry conviction with us. You should have put it in writing.

Diwan Chaman Lall: You should have submitted your resignation as other officers would have done under similar circumstances. If an officer finds that he is not able to function properly he will immediately submit his resignation and say: I do not take the responsibility for things that are happening and for things that have gone wrong; I do not take any responsibility unless I am associated with it.

I would have done it. Any person who would have the interest of the Ministry at heart would have done it.

Shri T. S. Parsuraman: I certainly had the interest of the Ministry at heart and I certainly reported the matter to the higher authorities.

Diwan Chaman Lall: You did not know what was happening. The enquiry was held because an anonymous letter came. When something was happening, something has gone wrong and somebody was making an official enquiry which might lead to the police being entrusted with that matter even then you did not put your note to the Ministry. Had they been informed in time about these matters, then some action would have been taken.

Mr. Chairman: It is obvious. We do not know why he did not put it in writing. Could we know where is Mr. R.... now?

Shri T. S. Parsuraman: He is in the Railways in Calcutta.

UNAUTHORISED ATTEMPT BY
THE DELHI STATE TRANSPORT
AUTHORITY TO HAND
OVER SOME OF THE ROUTES
OPERATED UPON BY THE
DELHI ROAD TRANSPORT
AUTHORITY TO PRIVATE
OPERATORS

Mr. Chairman: On page 14 of the *note it is stated that there was an unauthorised attempt by the State Transport Authority to hand-over some of the routes operated upon by the Delhi Road Transport Authority to private operators. How does this come about? You are having the monopoly and you allow the State Transport Authority to advertise for some routes. How do you justify it?

Shri B. K. Lall: In this connection I will just read out the letter received by my predecessor from Mr. G....†

*This was submitted by the M. n. of Transport in February 1956

†He was Secretary, Relief and Rehabilitation Department, Delhi State.

Mr. Chairman: We have got a copy of that. But why did you allow them to advertise for routes which were legitimately yours? Why did you allow any other party to function within your jurisdiction?

Shri B. K. Lall: There was pressure from the Relief and Rehabilitation Ministry and Mr. K..... (then Rehabilitation Adviser in that Ministry) had discussions with us and they wanted more buses to be put on the road. They felt that the refugee colonies where so many of the uprooted people from North were staying were not getting enough transport service. So a decision was taken that something should be done.

Diwan Chaman Lall: May I draw your attention to page 15* where it is stated "As a result of this survey it was indicated to the General Manager...."

Shri B. K. Lall: That was later on. That is at a later stage.

Diwan Chaman Lall: The first one we know. We have got a copy of that. ".....it was indicated to the General Manager....". Indicated by whom?

Shri B. K. Lall: The survey was carried out in conjunction with the S.M.T.C. (State Motor Transport Controller).

Diwan Chaman Lall: But who indicated it? It is stated "it was indicated to the General Manager, Delhi Transport Service that in the circumstances then existing, it would be in the interest of all concerned if some of the routes on which the Delhi Transport Service were plying buses, were thrown open to private operators". Who indicated it?

Shri B. K. Lall: It was originally by S.M.T.C.

Diwan Chaman Lall: Who was he?

Shri B. K. Lall: State Motor Transport Controller.

Diwan Chaman Lall: What is his work?

Shri B. K. Lall: He controls the permits for all these different routes.

Diwan Chaman Lall: Can he give permits if he wants?

Shri B. K. Lall: Yes, under the Motor Vehicles Act, 1939.

Diwan Chaman Lall: It is you who are concerned with the routes.

Shri B. K. Lall: No, I was not there.

Diwan Chaman Lall: It was he who indicated this matter to the General Manager. Am I correct?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: Was there anything in writing?

Shri B. K. Lall: There was correspondence, exchange of letters.

Diwan Chaman Lall: Please mark that letter of the S.M.T.C. as No. 1. We will get hold of it.

Shri P. S. Rajagopal Naidu: The Chairman of the D.R.T.A. was the Chief Commissioner of Delhi. Is that correct?

Shri T. S. Parsuraman: Yes, Mr. Shanker Prasad was the Chairman.

Shri P. S. Rajagopal Naidu: According to the D.O.† the whole thing was done with the concurrence of the Chief Commissioner. The D.O. says that the Chief Commissioner was pleased to say that if the Delhi Transport Service are not able to provide satisfactory service in some of the farflung colonies they should be prepared to surrender those routes. So the Chief Commissioner, who is the *ex-officio* Chairman of the D. R. T. A. is responsible for the whole thing.

Shri S. Gupta: That is the position.

Shri P. S. Rajagopal Naidu: We need not blame anybody else. It is the

*Refer to note as submitted to P.A.C. by Min. of Transport in February, 1956.

†This letter was sent to the D.R.T.A. by Shri G..... who was then Secretary, Relief and Rehabilitation Department, Delhi State.

Chairman of the D.R.T.A. who is responsible for this according to the D.O. letter.

Shri B. K. Lall: Yes.

Shri P. S. Rajagopal Naidu: Am I correct in presuming that?

Shri B. K. Lall: It is correct.

Mr. Chairman: Did it not strike any one of you that under section 24 of the D.R.T.A. Act, you are given full monopoly within the State to operate your services and that you had no power to surrender any of them? You could even extend it beyond the present limits but you had no power to surrender. Was it ever brought to the notice of the Chief Commissioner the then Chairman?

Shri B. K. Lall: Later on when it was brought before D.R.T.A. they appointed a sub-Committee and that sub-Committee went into the whole affair and submitted its report.

Shri S. Gupta: It was brought to the notice of the D.R.T.A. by Audit.

Shri B. K. Lall: At the same time it was considered by the D.R.T.A. Evidently Audit read in the newspapers but the information was there with the Ministry.

Shri S. Gupta: How do you know that audit raised the objection after reading the newspapers?

Shri B. K. Lall: That is my presumption.

Shri S. Gupta: We do not go by newspapers. We can tell you that.

Diwan Chaman Lall: A sub-Committee was appointed to go into this.

Shri B. K. Lall: Yes.

Diwan Chaman Lall: This was adopted by the D.R.T.A. at its meeting held on 18-1-52.

Mr. Chairman: If the Audit had not pointed out, the route would have gone to private owners.

Shri B. K. Lall: There are four routes for which there are private buses running parallel with the D.T.S. buses. These four routes are:

1. From Kalkaji to Railway Station.
2. From Mehrauli to Railway Station.
3. From Tehar to Railway Station.
4. From Najafgarh to Inder Nagar.

Diwan Chaman Lall: Just look up your statement regarding your earnings for these routes.

Shri B. K. Lall: May I read out the letter of the State Motor Transport Controller?

Diwan Chaman Lall: We do not want that letter. Let us have the break-up figures so that we may know what is the reason behind these four routes having private buses also. I should think that the highest earnings are on the Vinaynagar side.

Shri B. K. Lall: The buses running are as follows:—

| | D.T.S. | Private |
|------------------------|--------|---------|
| Delhi to Cantonment .. | 11 | 6 |
| Delhi to Mehrauli .. | 9 | 5 |
| Delhi to Kalkaji .. | 8 | 4 |
| Delhi to Najafgarh .. | 3 | 3 |

Diwan Chaman Lall: Can you give us figures regarding your earnings on these routes so that we may know the position?

Shri P. S. Rajagopal Naidu: Can you tell us from what date these private operators are operating on these routes?

Diwan Chaman Lall: On what date did these private bus owners start operating these routes?

Shri B. K. Lall: I will have to find out.

Shri P. S. Rajagopal Naidu: Were they operating even before you joined here?

Shri B. K. Lall: Yes, in fact, I have been persistently asking them about this. I put on one day three more buses to Kalkaji from Railway Station. This is a distance of 13 miles. We are running the service at 4 annas per mile and the private operators complained. The State Motor Transport Controller told me that we had no permit to run more buses. I asked him to cancel the permits of these private owners. He has not been able to cancel their permits.

Shri P. S. Rajagopal Naidu: Therefore it means that the Chief Commissioner of Delhi State who is also the Chairman of the D.R.T.A. is a disadvantage to the D.R.T.A. His interests are more towards others than towards the D.R.T.A. Am I correct in saying this?

Shri N. M. Ayyar: In many cases there will be conflicting interests.

Diwan Chaman Lall: Do you think that these are profitable routes?

Shri B. K. Lall: I will give the earnings on those routes: Route No. 29 from Kalkaji to Railway station pays us 0-15-3 per mile. Route No. 23 from Fountain to Nangloi pays Rs. 1-0-3½. Route No. 17 from Mehrauli to Railway Station pays us Rs. 1-3-1½. Route No. 16 from Najafgarh to Railway Station pays Rs. 0-14-6½, and Route No. 3 from Delhi Railway Station to Cantonment pays Rs. 0-13-11½.

Diwan Chaman Lall: What about the dates from which the private operators are operating?

Shri T. S. Parsuraman: No routes operated by D.T.S. were handed over to any private operators. If private operators were there, they have been there even before the D.T.S. began to operate on a line.

Shri N. M. Ayyar: The legal position is that the D.R.T.A. has to apply for

permits in the usual way and it is theoretically open to the State Motor Transport Controller to license the D.R.T.A. or private operators or both. We are now taking powers in the amending Bill to remedy this anomaly.

Shri B. K. Lall: Recently we made a representation when the renewal of these permits was due, but our representation was not considered by the State Motor Transport Controller.

Diwan Chaman Lall: What is the legal position now?

Shri B. K. Lall: We are just like any other operator. We are treated in the same way as any other permit holder.

Diwan Chaman Lall: The Delhi State authority is really responsible because they issue the permits. Have you had any discussions with them?

Shri B. K. Lall: I have had discussions with them and I have also lodged petitions. They are not taking any notice.

Diwan Chaman Lall: Are the Central Government giving any subsidy? Anyhow, I should think that this matter will be simplified by October next.

Shri R. G. Abbhi: Not only were objections raised, but in a recent meeting of the D.R.T.A. when the Transport Minister of Delhi State also attended it, this question was raised and this point about the D.T.S. having to run unremuneratively on the routes where private operators are allowed was specifically emphasised. This was fully discussed and the Transport Minister agreed that after two months some of these permits will be cancelled.

Shri T. S. Parsuraman: The private operators, they said, would not be permitted to take the trip passengers on the overlapping sections of these routes; that is to say, they would be allowed only to pick up passengers from outside the city for conveyance through to the terminus.

Shri K. K. Basu: I presume nobody observes these restrictions.

Shri T. S. Parsuraman: It is only a pious hope, but the Minister he said he would see to its being strictly followed.

Shri P. S. Rajagopal Naidu: You have the power to acquire those private buses. The D.R.T.A. Act enables you to acquire those private-operated buses. Why did you not do it?

Shri T. S. Parsuraman: Then again the question of compensation etc. will arise.

Shri P. S. Rajagopal Naidu: See page 5, section 20, sub-clause 2(b) of the D.R.T.A. Act, 1950.

Diwan Chaman Lall: That does not give the power. I have looked into it carefully, but there is nothing to guarantee your monopoly.

Shri N. M. Ayyar: This lacuna is being provided for in the Amending Bill.

Diwan Chaman Lall: There is another remarkable thing. I do not know who has given this explanation. They have said in their note* as follows:—

“The Delhi State Transport Authority is not required under the Motor Vehicles Act, 1939, to report to Government and obtain its sanction before it calls upon private operators to submit applications for permits for operation of transport vehicles. All that is required under the Motor Vehicles Act is that the Delhi State Transport Authority should give an opportunity to operators to make any representation against the grant of a permit.”

Shri T. S. Parsuraman: There are two authorities. One is the Delhi State Transport Authority which is the Regional Transport Authority appointed under the Motor Vehicles Act, 1939.

They are a statutory body working in the State and are not controlled by the Government. They are quasi-judicial bodies. The decisions made by them can be appealed against. The Chief Commissioner is the Appellate Authority.

Shri K. K. Basu: Not to the State Government?

Shri N. M. Ayyar: Certain additional powers of supervision by the State Governments are given in the amending Bill. There are two bodies.

Diwan Chaman Lall: Now the position has changed.

Shri N. M. Ayyar: The Transport Authority even now functions.

Diwan Chaman Lall: You may keep all these things in view so that they can be incorporated in the amending Bill.

Shri K. K. Basu: Have you got to pay the same fees?

Shri B. K. Lall: In all respects we are treated like any other private operator.

Shri K. K. Basu: Suppose you want to change the route from Mehrauli to Delhi Station.

Shri B. K. Lall: We have to take their permission.

Shri S. Gupta: The point is that the Delhi State Transport Authority, on its own, takes a course of action which cuts across the settled policy of the Government of India. That policy was to nationalise the whole thing.

Shri N. M. Ayyar: Briefly speaking, the amending Bill provides that when an undertaking is nationalised, the scheme is to be approved by the State Government when it will be obligatory on the part of the State Transport Authorities to cancel all permits or restrict the services as the case may be.

*As submitted to the P.A.C. by the Ministry of Transport in February, 1956.

Shri K. K. Basu: In Calcutta, whatever new routes are introduced by the State Transport, the private operators are shunted out.

Shri N. M. Ayyar: I think they do it by pressure tactics.

Shri P. S. Rajagopal Naidu: So far as Madras City is concerned, it is the Government that is operating the buses in the City.

Shri N. M. Ayyar: The Madras Government have, I think, appointed single officers as their authorities.

Shri B. K. Lall: In Madras City, the Transport Commissioner and the head of the Department is the same person.

Shri N. M. Ayyar: Here in Delhi the Authority is composed of officials and non-officials. In Madras the power is vested in single officers.

Shri B. K. Lall: And there they can be asked to follow the policies.

Irregularities Committed by the ex-Stores Officer of D. R. T. A.—contd.

Shri B. K. Lall: Now, I have got the file about the then Deputy General Manager's report. Shall I read out?

Mr. Chairman: What is it that you are going to read?

Shri B. K. Lall: We had sent for this file. It is here now.

Mr. Chairman: I am more particular about the dates. Otherwise, please pass it on to me. The then Deputy General Manager's report is enough for me.

Diwan Chaman Lall: Is there any Superintendent or Head Clerk in your office?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: Who was the Superintendent at that time?

Shri B. K. Lall: At that time, there was no Superintendent. There was an A. P. O. (Assistant Personnel Officer.)

Diwan Chaman Lall: Your present Superintendent was perhaps raised to that level.

Shri B. K. Lall: Yes. There was even no Head Clerk at that time.

Diwan Chaman Lall: When was the Superintendent appointed? Is he here?

Shri B. K. Lall: He is not here. There were Assistants actually working under the then Deputy General Manager and the A.P.O.

Diwan Chaman Lall: Are they still there?

Shri B. K. Lall: They are still with us.

Diwan Chaman Lall: Which one of those Assistants handled this matter?

Shri B. K. Lall: This was mostly handled direct by the then Deputy General Manager.

Diwan Chaman Lall: Who handled the correspondence?

Shri B. K. Lall: I can check upon that.

Diwan Chaman Lall: Because they will be the best persons. What about the Superintendent? When was he originally taken into your service?

Shri B. K. Lall: I filled in these posts in December, 1952.

Shri K. K. Basu: Was there any Personal Assistant to the then Deputy General Manager?

Shri B. K. Lall: There was no Personal Assistant to the then Deputy General Manager.

Diwan Chaman Lall: How many Clerks were there?

Shri B. K. Lall: Nine clerks.

Shri K. K. Basu: Are they all in service?

Mr. Chairman: We will go through this file now and we shall meet after some time.

31 March, 1956]

PUBLIC ACCOUNTS COMMITTEE

[D.R.T.A.]

Shri B. K. Lall: This file has not got the original letter sent by the then Deputy General Manager. It is only a copy.

Diwan Chaman Lall: Is it missing?

Shri B. K. Lall: It is not in the file.

Diwan Chaman Lall: Obviously it was sent to the Ministry.

Shri B. K. Lall: It might have been sent to the Chief Commissioner. The Officer says that he could not get it.

(The sub-Committee then adjourned for lunch to meet at 2-30 P. M. again)

The sub-Committee reassembled after lunch at 2-40 P. M.

Mr. Chairman: Have you been able to find out that anonymous letter? Can you kindly give us the date?

Shri B. K. Lall: Mr. Amarnath will explain. He was the Assistant Personnel Officer at that time.

Shri Amarnath: I do not know anything about that. All these policy matters were dealt with by the General Manager.

Diwan Chaman Lall: When did you hear about this anonymous letter?

Shri Amarnath: Just now.

Diwan Chaman Lall: You never heard about it?

Shri Amarnath: No.

Diwan Chaman Lall: What were you at that time?

Shri Amarnath: I was the Assistant Personnel Officer.

Diwan Chaman Lall: Did you handle any files?

Shri Amarnath: No.

Diwan Chaman Lall: Then what is the Assistant Personnel Officer?

Shri Amarnath: I was dealing with routine matters.

Diwan Chaman Lall: What were the routine matters that you handled?

Shri Amarnath: Staff cases, suspension cases, leave cases and other matters such as involving correspondence and other things.

Diwan Chaman Lall: If a particular officer had done something wrong and action was being taken against him, you would obviously know about it?

Shri Amarnath: Yes.

Diwan Chaman Lall: Did you know that there was something wrong with the Stores Officer?

Shri Amarnath: Yes. In those days, as a general news, I heard that there was something wrong with the stores.

Diwan Chaman Lall: Since you were dealing with personnel matters, obviously if an anonymous letter was received about this particular Stores Officer, you would know.

Shri Amarnath: All such letters were addressed to the General Manager and whatever letter was given to me after having been endorsed by the General Manager to me, I used to keep a record of them. About other letters which were retained by him, I do not know.

Diwan Chaman Lall: Did you know that Police were there making enquiries?

Shri Amarnath: Police used to come there for so many cases.

Diwan Chaman Lall: Did you know that they came for this particular case?

Shri Amarnath: I am not aware about this particular matter.

Diwan Chaman Lall: But you were aware that there was an enquiry regarding the Stores Officer.

Shri Amarnath: I was not aware of the enquiry regarding the Stores Officer.

Diwan Chaman Lall: You just said that you were aware of it.

Shri Amarnath: I said I was only aware of the fact that there was something wrong in the Stores Department. I was not aware of what happened in the enquiry.

Diwan Chaman Lall: You say that you were not aware of what was going on in the enquiry?

Shri Amarnath: Yes.

Mr. Chairman: You know that the Deputy General Manager, Mr. A.... was conducting an Enquiry.

Shri Amarnath: Yes, he was doing it.

Mr. Chairman: You said you did not know.

Shri Amarnath: He was doing it. Mr. Gopalakrishnan was helping him in all these matters.

Mr. Chairman: Mr. Gopalakrishnan, have you got the file?

Shri M. Gopalakrishnan: Yes.

Diwan Chaman Lall: You said, Mr. Amarnath, that Mr. Gopalakrishnan was helping Mr. A... in regard to this Enquiry. Is that correct?

Shri Amarnath: Yes.

Diwan Chaman Lall: Mr. Chairman, will you please see the orders that were issued by the then Deputy General Manager in regard to this particular Stores Officer. Are the originals there?

Mr. Chairman: We are not able to trace it. Please tell us from your records. Are you able to say when you got the letter?

Shri M. Gopalakrishnan: I want to make the position clear. These are the files on the basis of which I gave

answers to the points raised in the P. A. C.'s note*. As far as the original papers are concerned, I have never dealt with them at any stage, because all these matters were dealt with by the then Deputy General Manager. I was appointed as the Financial Assistant to the General Manager in January, 1952 and I was mostly dealing with financial matters.

Diwan Chaman Lall: Did you say that you were the financial Assistant?

Shri M. Gopalakrishnan: Yes.

Diwan Chaman Lall: Were you ever acting as the Personal Assistant to then Deputy General Manager, Mr. A....

Shri M. Gopalakrishnan: No.

Diwan Chaman Lall: Were you working in the capacity of Personal Assistant to the General Manager or the then Deputy General Manager at any time?

Shri M. Gopalakrishnan: I was the Financial Assistant to the General Manager. That was my designation.

Diwan Chaman Lall: Were you ever performing the work of Personal Assistant or not?

Shri M. Gopalakrishnan: In certain cases where the then Deputy General Manager Mr. A... or the General Manager asked me to put up some drafts or anything of the kind, I used to help them in putting up certain drafts on the lines of verbal instructions.

Diwan Chaman Lall: You were not working as the Personal Assistant.

Shri M. Gopalakrishnan: No.

Diwan Chaman Lall: Were the orders about this Store Keeper in your hand-writing?

Shri M. Gopalakrishnan: Not about the Store Keeper.

* This was submitted to the P.A.C. in February, 1956.

Diwan Chaman Lall: Where are the orders?

Mr. Chairman: That is what I want to get.

Diwan Chaman Lall: We are told that the orders were in your own hand-writing.

Shri M. Gopalakrishnan: I do not know to what orders you are referring.

Diwan Chaman Lall: Were you in the habit of writing any orders?

Shri M. Gopalakrishnan: I used to write certain letters. For example, the Deputy General Manager Mr. A.... used to write out certain notes or just used to indicate to me verbally the lines on which to write. When he made such requests, I used to write. I did not see the original papers. I was the Financial Assistant, and Mr. A.... had lot of confidence in me.

Diwan Chaman Lall: He had all that confidence in you and yet he did not have enough confidence to tell you about this anonymous letter.

Shri M. Gopalakrishnan: He was handling the case fully and completely and at the final stage, in some cases, he used to ask me to write out the orders.

Diwan Chaman Lall: Did you write out any orders in regard to this matter?

Shri M. Gopalakrishnan: As regards the termination of services of the Stores Officer Mr. V....

Diwan Chaman Lall: Did you write that order?

Shri M. Gopalakrishnan: I drafted the letter.

Diwan Chaman Lall: Answer me frankly. Did you write out the orders in regard to this Officer in your own hand-writing?

Shri M. Gopalakrishnan: I shall try to explain. Under the verbal instructions of the then Deputy General

Manager, certain orders were written out by me and in my hand-writing.

Diwan Chaman Lall: Which were those orders?

Shri M. Gopalakrishnan: I remember there was....

Diwan Chaman Lall: The orders about the discharge of this man were in your hand-writing?

Shri M. Gopalakrishnan: Yes, the draft letter accepting his resignation.

Diwan Chaman Lall: I asked you that question five minutes ago. You could have given me this answer early instead of going round and round.

Shri M. Gopalakrishnan: May I be permitted to say that because the words "Store Keeper" were used, I could not exactly follow what you were referring to. Mr. V.... was the Stores Officer and I did write the draft letter of acceptance of resignation under verbal instructions.

Diwan Chaman Lall: Was there any Store Keeper who was discharged? You knew perfectly well what I was driving at.

Shri M. Gopalakrishnan: Since you were mentioning Store Keeper, I was not exactly in a position to answer the question.

Diwan Chaman Lall: Now you admit that you wrote out the discharge orders and got that signed by the then Deputy General Manager Mr. A....

Shri M. Gopalakrishnan: Yes. The letter of acceptance of the resignation was signed by the General Manager.

Diwan Chaman Lall: Therefore, you were acting as the Personal Assistant of Mr. A.... (then Deputy General Manager, D.T.S.) in all these matters.

Shri M. Gopalakrishnan: I was assisting Mr. A.... (then Deputy General Manager, D.T.S.) only in such matters as he specifically asked me to do. He was the Deputy General Manager and I was a Junior Officer who had just entered the organisation.

Diwan Chaman Lall: You said that Mr. A.... (then Deputy General Manager, D.T.S.) had great confidence in you.

Shri M. Gopalakrishnan: He had trust in me and he took my help now and then. Probably he used me as a draftsman.

Diwan Chaman Lall: I just want to know this. If he had trust and confidence in you, how is it that you were unaware of this anonymous letter?

Shri M. Gopalakrishnan: I did not say I was not aware. I knew that some enquiries about stores cases were being made by the then Deputy General Manager.

Diwan Chaman Lall: When did you come to know of it?

Mr. Chairman: I think I will lead the witness in a different line.

Mr. Gopalakrishnan, you will kindly help us with some facts and dates. The file that you passed on to us does not help us. What was the date on which the then Deputy General Manager started his enquiry?

Shri M. Gopalakrishnan: I can say now only on recollection. I never handled this case at any stage.

Mr. Chairman: It does not matter. You can take the file with you. We want you to kindly help us with certain dates and facts. We want to know when the then Deputy General Manager commenced the enquiry; you can refer to the file and there is no hurry.

Shri N. M. Ayyar: If I can just mention one fact, from the minutes of a meeting of the D.R.T.A., I find this question of resignation of the Stores Officer was mentioned.

Mr. Chairman: The date please?

Shri N. M. Ayyar: It was in the minutes of the meeting of 27-8-1952.

Mr. Chairman: His resignation was accepted in March itself. So it was considered before it was accepted.

Shri N. M. Ayyar: The date of the meeting was 17th April, 1952.

Mr. Chairman: Even that is after.

Shri N. M. Ayyar: Yes. That is after.

Mr. Chairman: Please tell us the date.

Shri N. M. Ayyar: The *ex post facto* confirmation of the acceptance of the resignation....

Mr. Chairman: There was no discussion before?

Shri N. M. Ayyar: No. I only wanted to correct impression that the *ex post facto* confirmation of the D.R.T.A. was not taken.

Diwan Chaman Lall: Was there any discussion in that meeting?

Shri N. M. Ayyar: In the agenda it is mentioned "acceptance of the resignation" and then it was confirmed.

Shri M. Gopalakrishnan: It was probably somewhere between January and March 1952 or even earlier.

Mr. Chairman: Mr. Lall, were you able to pinch into the anonymous letter?

Shri B. K. Lall: No.

Mr. Chairman: Then we will give you a copy of the letter from our files. This is a copy of the letter which has been addressed to the then Comptroller & Auditor General of India, dated the 24th September 1951. Earlier there is a letter. Since no action was taken, this gentleman thought it fit to address the Auditor General also. This is dated 24-9-51. It is addressed to the then Chairman, and copy to Accountant General F. R. & S. It is supersubscribed by the "D.T.S. Workers Union". (He then read the letter*)

Then there is another letter dated 2-11-55 addressed to the then Comptroller and Auditor General of India. (He then read the letter*.)

*Not printed.

Is the Store Purchase Assistant still in service?

Shri B. K. Lall: Yes.

Mr. Chairman: He gives a list of cases—10 cases giving details of the fraud, the manner in which it was committed and detected and the quantity of money that the State was deprived of. It must be taken for granted that a copy of this letter was sent to the Ministry also because the very opening sentence of the then Deputy General Managers' report is: "I have held an enquiry into the allegations set out in an anonymous petition which was sent to the Ministry of Transport." Therefore, this well-wisher has sent a copy not only to the then Auditor General, not merely to the Chief Commissioner (that is, the Chairman of the D.R.T.A.) but also to the Ministry of Transport. This is the basis on which the then Deputy General Manager starts. These cases have been included in it and they have subsequently proved to be authentic. Every one of the allegations has proved to be authentic. One would have naturally thought that on receipt of this they would institute an enquiry immediately and on getting the report suspend the officers concerned. As it is, you seem to have referred the matter to the police long after accepting the resignation of this man.

Diwan Chaman Lall: When was this matter referred to the police?

Mr. Chairman: I have been trying to get it another way. Mr. Gopalakrishnan says that this enquiry by the then Deputy General Manager was between January and March 1952. You will kindly remember that this letter is dated September 1951. The resignation is dated 10th March, 1952. Mr. Gopalakrishnan says that the enquiry by the then Deputy General Manager was between January and March 1952. After the Deputy General Manager Mr. H.... and Mr. N.... went into it.

Shri K. K. Basu: When was that?

Mr. Chairman: We do not know.

Diwan Chaman Lall: You are the person to give us the facts. Why don't you give the facts?

Shri M. Gopalakrishnan: I am giving the information as known to me.

Diwan Chaman Lall: This gentleman made an enquiry in your premises. Did not Mr. H.... and Mr. N.... conduct an enquiry in your premises?

Shri M. Gopalakrishnan: Yes.

Diwan Chaman Lall: Were you not aware of it when they were making the enquiry?

Shri M. Gopalakrishnan: I was not the Officer dealing with it.

Diwan Chaman Lall: I am not asking whether you are the Officer. I am asking you whether you were aware that these people were making an enquiry at that time.

Shri M. Gopalakrishnan: I knew there was an enquiry later.

Diwan Chaman Lall: Were you not in the premises?

Shri M. Gopalakrishnan: I was in the Organisation when the enquiry was made.

Mr. Chairman: The then Deputy General Manager's report is dated 10-4-52 and Mr. N.....'s report is dated 25-4-52. From September to April, some time after the resignation was made, why was no action taken even departmentally? Will you kindly refer to the Deputy General Manager's report?

Shri K. K. Basu: That was dated 10-4-52. He resigned in March.

Mr. Chairman: 10th March 1952. May I know from the Transport Ministry when this letter was received and when they forwarded it?

Shri T. S. Parsuraman: We will have to search the records.

Mr. Chairman: Kindly submit a note on that.

Shri K. K. Basu: When was the then Deputy General Manager asked to enquire?

Shri S. Gupta: The conduct of the enquiry by the then Deputy General Manager and the acceptance of the resignation by the Chairman were simultaneous. The two things were going on together.

Shri K. K. Basu: The then Deputy General Manager began the enquiry. In the course of the enquiry it was found that there was a *prima facie* case for framing charges. This led to his resignation and the whole report was kept pending till he was allowed to resign.

Mr. Chairman: It is not clear. Even the Chief Commissioner, who is the Chairman of the D.R.T.A. knew as early as September 1951 that things were not all right. The Chairman was informed, the Auditor General was informed and the Transport Ministry was informed. They left no stone unturned to draw the attention of all the authorities concerned with regard to the things that were taking place in the Stores Department. Will you kindly tell us what action the Transport Ministry took? I presume the Transport Ministry also got it simultaneously.

Shri T. S. Parsuraman: We will have to check it up.

Shri K. K. Basu: What I feel is that we should try to find out from the records actually when the then Deputy General Manager began his enquiry because immediately after that something might have happened. Then we should have the then Deputy General Manager to give evidence. It seems, of course, subject to what may come out of the records, after the enquiry was made and a *prima facie* charge was framed, the gentleman was allowed to resign before the actual enquiry report was submitted.

Mr. Chairman: Even so, if the Chief Commissioner, who is the Chairman of the D.R.T.A. was posted with certain

facts about this affair as early as September 1951, why was not any speedy action taken?

Shri B. K. Lall: It is regretted that no action was taken. There is no record to prove that any action was taken except that he submitted his resignation and that it was accepted in March, 1952.

Shri K. K. Basu: Was there any note attached to the letter of resignation before it was actually submitted to the Chairman regarding the opinion of the General Manager or something like that or the letter was just placed before the Chairman?

Shri B. K. Lall: There was a note to the Chairman.

Shri K. K. Basu: You must have a copy of the note. Apart from the fact that so and so wanted to resign, is there any other note on that?

Shri P. S. Rajagopal Naidu: Was any conduct certificate given to Mr. V.... the Stores Officer at the time of resignation.

Shri M. Gopalakrishnan: I think some certificate was given, signed by the then Administrative Officer.

Shri P. S. Rajagopal Naidu: Was it a certificate of good conduct?

Shri M. Gopalakrishnan: It was rather a vaguely worded certificate.

Shri K. K. Basu: Do you have a copy of that?

Diwan Chaman Lall: Was it drafted by you?

Shri M. Gopalakrishnan: I cannot exactly say, but it is possible because I remember certain things I used to do under verbal instructions from the then Deputy General Manager.

Diwan Chaman Lall: It is quite possible that it was drafted by you. Shall I put it that way?

Shri M. Gopalakrishnan: It is possible, but on the lines verbally indicated to me.

Shri P. S. Rajagopal Naidu: So, you drafted the conduct certificate.

Shri N. M. Ayyar: Shall I read a copy of the letter to the Transport Manager, Ahmedabad Municipal Transport House, Ahmedabad? (He then read the letter*).

This is probably what is referred to. This is, probably, a reference from another employer.

Diwan Chaman Lall: Who sent this?

Shri N. M. Ayyar: The General Manager.

Diwan Chaman Lall: We are referring to the time of tendering the resignation. At that time was he given a conduct certificate?

Shri N. M. Ayyar: This was given in reply to a reference from another employer.

Diwan Chaman Lall: This was given subsequently by you to some party who wanted to engage him when they referred to you. Therefore, you gave a direct answer. Now, at the time of his departure he was given a certificate.

Shri M. Gopalakrishnan: Not to my knowledge.

Shri P. S. Rajagopal Naidu: What is the vaguely worded certificate?

Diwan Chaman Lall: It was given. It will be there.

Mr. Chairman: If you don't mind, I will read* only a paragraph from the Report of the Deputy General Manager, D.T.S.

Diwan Chaman Lall: What action was taken on this? A General enquiry was recommended by an officer.

Mr. Chairman: I will read some more, if you don't mind.*

Diwan Chaman Lall: Did the Ministry take any action against Mr. V..... Store Purchase Officer and Mr. T.... (Financial Assistant to the G. M.) in regard to this matter? Was the Ministry aware that the report said that attempts were made to hush it up.

I think it must have been only in the interests of Mr. T..... because Mr. V..... is not there.

Mr. Chairman: Para 5 of the then Deputy General Manager's report* says and this has been quoted by Mr. N.... also (an officer of the Indian Audit Department)

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May I know whether the Ministry of Transport went through this report, and if so, what action was taken.

Shri T. S. Parsuraman: This report was not brought to the notice of the Ministry of Transport.

Mr. Chairman: You forwarded that letter, according to the then Deputy General Manager's opening sentence. He commenced the enquiry on your forwarding the letter. I presume a copy of the report must have been received by the Ministry. The then Deputy General Manager says:

"I have held an enquiry into the allegations set out in the anonymous petition which was sent to the Ministry of Transport."

Shri P. S. Rajagopal Naidu: Even as a Member of the D.R.T.A. were you not aware of this report?

Shri T. S. Parsuraman: As I said, there were very few meetings of the D.R.T.A.

Mr. Chairman: Was it not his duty to send a copy of the report to you?

Shri T. S. Parsuraman: That is in cases where action is necessary on the part of Government.

Mr. Chairman: I want to know if the then Deputy General Manager sent a copy of his report to you.

Shri T. S. Parsuraman: According to my recollection, it was not received, but I will check it up.

*Not printed.

Shri K. K. Basu: Is it not the duty of the Ministry to follow it up?

Shri T. S. Parsuraman: I will have to check up whether the letter was forwarded by the Ministry to the D.R.T.A.

Mr. Chairman: Now, this paragraph that I read is quoted with approval in Mr. N....'s (an Officer of the Audit Department) report a copy of which was sent to you.

Shri T. S. Parsuraman: That too I will have to check up. My Office says that it was not received.

Mr. Chairman: We will check it up here itself from the file which I have. These Officers have used very strong language only because they seem to have felt that everything was stinking and rotten. On the 17th June, 1952 the Accountant General F.R. & S. wrote a letter to Mr. R....Secretary of the D.R.T.A. setting out the various irregularities. The covering letter shows that it is addressed to the Joint Secretary, Ministry of Transport, with Annexures A and B—Annexure A being the report of Mr. A. . . . and Annexure B being the report of Mr. N.... This letter was sent to Mr. C. . . . , then Joint Secretary, Ministry of Transport. He said:

“Special attention of the Government is drawn to paras 1, 2, 9, 12, 13, 14, 15 and 16 and more particularly to the last noted para of the Audit Report appended to the annual accounts. The final orders of Government on the various points raised in the report may be communicated to Audit in due course.”

What action has been taken by the Ministry on this ?

Shri T. S. Parsuraman: I do not recollect having seen this report, but I know that the Joint Secretary had some discussions with the Minister and it was almost immediately thereafter that the Enquiry Committee, to which I made reference before, was appointed. That Enquiry Committee was appointed on the 8th July, 1952.

Shri P. S. Rajagopal Naidu: Of which you were a Member?

Diwan Chaman Lall: Was it brought to your notice or not?

Shri T. S. Parsuraman: No.

Diwan Chaman Lall: You had a double role. You were representing Government on the D.R.T.A. and you were also in the Enquiry Committee. A serious enquiry was held by the Deputy General Manager, D.T.S. and the report was sent to the Ministry, and you now say that you have not seen this report. Do you realise the seriousness of this?

Shri T. S. Parsuraman: I realise that it is serious. I do not recollect having seen it.

Diwan Chaman Lall: Do you mean to say that you did not see it as a member of the D.R.T.A.? On top of that you hold another enquiry, of which you were a member?

Shri T. S. Parsuraman: This Enquiry Committee was not informed of that Report.

Diwan Chaman Lall: Who were the members of that Enquiry Committee?

Shri T. S. Parsuraman: Shri Shanker Prasad, Chairman, D.R.T.A. was the Chairman of this committee. Shri Jagdish Prasad, Transport Commissioner, U. P. and Shri Sankaran, Deputy Secretary, Finance, besides myself, were he Members.

Diwan Chaman Lall: Why was this Committee not informed of the Report? First of all, it is an incredible thing to me and it must be so to any ordinary person with ordinary common sense.

Mr. Chairman: I am afraid you are not quite correct.

Mr. Parsuraman: I have got a letter of the General Manager, D.T.S. addressed to Mr. B. . . . Examiner of Accounts in the Office of the Accountant General, F.R. & S. I shall read out this letter dated 3-11-52:

“I enclose the report of the Accountant General, F.R. & S. to the Chairman, D.R.T.A. under cover of

his latter dated 10-5-52. You are no doubt aware that the state of the D.T.S. led to the appointment of an enquiry Committee in July last, a copy of whose report has already been forwarded to you.

I also enclose herewith copies of two of the reports. There was a general discussion in one of the recent meetings of the D.R.T.A. and the consensus of opinion was that if each and every irregularity should be enquired into, it would be a waste of money".

This is the view you seem to have taken in the D.R.T.A. You seem to have discussed it and you seem to have thought that it will be a waste of money.

Shri T. S. Parsuraman: I do not recollect and I shall check it up.

Diwan Chaman Lall: This has been marked 'SECRET'.

Mr. Chairman: This is Audit file.

Diwan Chaman Lall: Here is the extract from the report retained by Shri R.... All these reports have been there with Mr. Gopalakrishnan.

How did you, Mr. Lall, come to this conclusion?

Shri B. K. Lall: Basing on the reports I received.

Diwan Chaman Lall: You say that "we are afraid that there was no material to charge them with fraud" etc. Your letter says (He then read the letter.)*

Mr. Chairman: When you took over, did you conduct an independent check with regard to this matter or were you led to this conclusion by the earlier reports?

Shri B. K. Lall: It was only the earlier reports on which I was basing. In fact I went through some of these cases; but when I found that the Police had filed cases, I gave up.

Mr. Chairman: Only one thing I would like to know from the Ministry. The Secretary has heard what has been

going on. There is a letter in September, 1951 making serious allegations copies of which were sent to the Transport Ministry with factual data which has been subsequently proved by enquiry. Now, the then Deputy General Manager's report was only on 10-4-1952. About seven months have elapsed before any action was taken. Could the Transport Ministry explain why this had happened when they had this material before them? Why did they not take urgent steps to have the whole thing enquired into? If the Secretary cannot explain now. He might as well send us a note.

Shri N. M. Ayyar: I will certainly look into the records and see whether the letter was received in the Ministry and if so what action was taken. I will look into the matter and submit a note on the subject.

Diwan Chaman Lall: On the 10th May, 1952 the then Accountant General, F. R. & S. wrote to Mr. Shanker Parsad... and said that he had deputed his Assistant Examiner to conduct special investigation and that there was definitely a suspicion that certain frauds had taken place. Was this fact brought to your notice?

Mr. Chairman: No action was taken till the resignation was accepted.

Shri M. Gopalakrishnan: I may just give some information in this connection to the question put by the Chairman. I recollect that the then Deputy General Manager—this, of course, happened before I joined the Organisation—was appointed by Mr. Shanker Parsad... probably based on the irregularities that were brought to his notice and ever since he was appointed—I believe it was in the last quarter of 1951—he went on making enquiries....

Mr. Chairman: You are speaking from recollection. That is not going to help us.

Diwan Chaman Lall: Mr. Chairman, please ask him "what is your knowledge about these things?" See, these

* Not printed

things are within his knowledge now. He begins to recollect things now. But you could not recollect sometime back about the then Deputy General Manager's report or about the complaints that were received...

Shri M. Gopalakrishnan: I wanted to help the sub-Committee with whatever information I knew.

Mr. Chairman: Have you got anything on factual data supported by documents in your hand? If there is anything, you may submit it to us through Mr. Lall.

Sale of vehicles at abnormally low prices—contd.

Shri P. S. Rajagopal Naidu: Mr. Lall, you say in your report that 9 vehicles have been sold in three lots. Could you give the number of these vehicles?

Shri B. K. Lall: I will check up and furnish this information.

Diwan Chaman Lall: You may give us a note on this.

Shri P. S. Rajagopal Naidu: You had given us the information. Now please give the numbers of those vehicles.

Shri B. K. Lall: Registration numbers?

Shri P. S. Rajagopal Naidu: Yes. The first lot consisted of four vehicles. First give the numbers of these four.

Shri B. K. Lall: He is just taking up this.

Shri P. S. Rajagopal Naidu: You also say that one chassis does not appear to have been taken over from the ex-G.N.I.T. Co. and hence it is not shown in this list. Wherefrom did you get this vehicle and what is the number of that vehicle? My questions are only

those that arise out of the notes Submitted by you.

Shri B. K. Lall: I will furnish those numbers.

Shri P. S. Rajagopal Naidu: You say that the first lot fetched Rs. 500/- that is, four buses. The second lot fetched only Rs. 100. There were two buses in this lot. The third lot of three buses fetched Rs. 150. In the list of details of vehicles taken over from G.N.I.T. Co. and their disposal, you had indicated that the minimum amount for which any bus was sold was Rs. 90.

Shri B. K. Lall: That is correct. Those were bodies and not the chassis.

Shri P. S. Rajagopal Naidu: I will come to that. You mean to say that the 9 vehicles are not included in the list.

Shri B. K. Lall: I will give you the numbers of those vehicles. It is DLH 8132.

Shri P. S. Rajagopal Naidu: You say it is only body. But here you have not indicated that only body was sold. Such vehicles you have indicated by an asterisk mark. But in this particular case, you have not shown that mark. Will you kindly see page 1 of your statement**?

You see the next page in the same statement. You have indicated by asterisk mark cases where only bodies have been sold. Take for instance No. 45.

Shri B. K. Lall: It is quite likely that while typing this was overlooked. It is only a typing mistake.

Shri P. S. Rajagopal Naidu: Now, please give the numbers of the first four vehicles sold.

Shri B. K. Lall: DLA 5672
DLA 5671
DLA 5675

*Statement showing the details of vehicles taken over from G.N.I.T. Co. and their disposal as furnished by the Ministry of Transport to the P. A. C. on 9-12-54.

Shri P. S. Rajagopal Naidu: This cannot be. The total sum fetched for the first lot of vehicles is only Rs. 500/-. Now No. 135 fetches Rs. 480; No. 136 fetches Rs. 617/-.

Shri B. K. Lall: These are different lots.

Shri P. S. Rajagopal Naidu: How many vehicles have been sold on 28-1-1954?

Shri P. S. Rajagopal Naidu: These 9 vehicles were sold in three lots according to your note.

What about this vehicle DLH 6131, serial No. 135?

Shri B. K. Lall: There is no vehicle in serial No. 135. Only its body had been sold according to the old auction records.

Shri P. S. Rajagopal Naidu: What is the vehicle No. of serial No. 135.

Shri B. K. Lall: Serial No. 135 relates only to the body.

Shri P. S. Rajagopal Naidu: What is the registration number of the vehicle whose body alone was sold?

Shri B. K. Lall: This is a truck chassis from which the body was removed and sold.

Shri P. S. Rajagopal Naidu: Have you given that particular number of the vehicle in this report that is submitted by you?

Shri B. K. Lall: Those are not there.

Shri P. S. Rajagopal Naidu: How is it you had given in this list this item No. 23, DLH 8132 where the body alone was sold?

Shri B. K. Lall: Mr. Gopalakrishnan is bringing to you the original with the signature of the Condemnation Board.

Shri P. S. Rajagopal Naidu: Please give the registration number of the vehicles wherein only bodies were sold.

Shri B. K. Lall: We kept the chassis for our own use. We detached the chassis and sold the body.

Shri P. S. Rajagopal Naidu: You have given the registration numbers of 8 vehicles in this lot of 9. What about the 9th vehicle?

Shri M. Gopalakrishnan: The 9th vehicle might not be belonging to the G.N.I.T. Co.

Shri P. S. Rajagopal Naidu: When was that purchased and what is the number of the vehicle? Please let me know that. I am only concerned with that one vehicle. Also tell me wherefrom it was purchased.

Shri B. K. Lall: I will send you that information. It might be that one of these was purchased by the Government during Departmental operation, because in 1948-49 they bought quite a number of vehicles and some of these were condemned in 1954, because the Chevrolets purchased in 1948 would have completed full 6 years of service in 1954.

Shri P. S. Rajagopal Naidu: Could you give me the number of that vehicle, the origin of that vehicle and from whom it was acquired?

Shri B. K. Lall: I will furnish all that information.

Administrative Expenditure of the D. T. S.—Contd.

Shri P. S. Rajagopal Naidu: Then with regard to the note given by you about the abnormal increase in the administration, you say that the staff on the administration side was increased owing to the recommendations made by the Sub-Committee of which you were a Member. In the note you also say that the Sub-Committee had recommended the creation of several additional posts. Before the recommendation of the Sub-Committee could be implemented, an Enquiry Committee was appointed by the D. R. T. A. in July, 1952 with the prior approval of the Central Government. This Committee submitted its report on 26th July, 1952. As a result of the recommendations of this Committee and the actual needs of the organization

felt subsequently, 15 additional posts of officers were created. Can you kindly point out the relevant portion from that report which is submitted in July, 1952 as to the increase in staff on the administration side? What are those recommendations in this report and in which paragraph do you find them?

Shri B. K. Lall: I can send you a note on this. Certain posts were recommended.

Shri P. S. Rajagopal Naidu: You had sent this report only this morning.* Please point out the relevant paragraph.

Shri B. K. Lall: We considered that considerable change is required in the supervisory staff.

Shri P. S. Rajagopal Naidu: Page No. 6?

Shri B. K. Lall: Yes. Traffic Department and Administration Section.

Approved by the Delhi Road Transport Authority, our proposals are indicated in Annexure III. We are inclined to think that the Traffic Department should work directly under the general Manager with two Traffic Superintendents in each of the two Depots and two Assistant General Managers, one in charge of Administration and another in charge of inspecting squads, investigation of offences, etc. These four Officers should be interchangeable. The Traffic Superintendent will also supervise traffic survey units. Later on, the number of Depots was increased to 4.

Shri P. S. Rajagopal Naidu: This report says: Two Assistant General Managers, one in charge of Administration in the place of the Administrative Officer. That does not indicate the creation of an additional post in the place of an Administrative Officer. This report suggests that there should be an Assistant General Manager.

Shri B. K. Lall: Yes. There was no Administrative Officer before and they suggested that he should be

designated as Assistant General Manager.

Shri P. S. Rajagopal Naidu: It is stated here: "We are inclined to think that the Traffic Department should work directly under the General Manager with two Traffic Superintendents in each of the two Depots and two Assistant General Manager, one in charge of administration,— that is, in place of the Administrative Officer,—and another in charge of the inspecting squads, inspection of offences, etc."

Shri B. K. Lall: Quite right.

Shri P. S. Rajagopal Naidu: Even then it comes only to 4 Officers. What about the other 11 Officers?

Shri B. K. Lall: I will just give you that. We appointed 15 new Officers and I will explain the justification. Assistant General Manager (Administration); Secretary to General Manager, this post was created to render general and secretarial assistance to the General Manager. An Officer in charge of training school. This was something new. We never had one before. This is to impart training to candidates, drivers and conductors, and to give refresher courses to the operational staff. Then Assistant Engineers to have a better grip on our maintenance which was lacking before. It was decided that we should have good qualified engineers in charge of each depot.

Shri P. S. Rajagopal Naidu: How many of them do you have now?

Shri B. K. Lall: At the moment, we have got four Assistant Engineers. Now there are three depots. In each there is one Assistant Engineer. One Assistant Engineer has been posted in the Stores to check and inspect the goods which are coming in. Previously there was nobody to check the goods. Now proper inspection is being carried out.

*This was handed over by the General Manager D.T.S. to members of the sub-committee at the sitting held in the forenoon.

Shri P. S. Rajagopal Naidu: Are these Assistant Engineers fresh from college or did they have any experience?

Shri B. K. Lall: They came out of their colleges. We picked them up. We advertised for these posts in the papers; we picked them and interviewed them. We chose the best who had good qualifications, for instance, from the Victoria Jubilee Institute in Bombay where they have done five years' training and then have spent another six months in practical training with B.E.S.T. Bombay or any other Workshop. First we kept them as Apprentice Officers on a salary of Rs. 100 per month for a period of six months. Later on, we promoted them in the grade of 200-400.

Shri P. S. Rajagopal Naidu: That means they are fresh from the College and they were given sufficient training. That is all. There was no previous experience except that they underwent training in B.E.S.T. or someother Workshop.

Shri B. K. Lall: Quite right.

Shri K. K. Basu: They underwent a certain period of apprenticeship?

Shri B. K. Lall: They did during their training period, because whenever they pass any degree course, they have got to spend six months apprenticeship in a workshop.

Shri K. K. Basu: That is before they get their degree.

Shri B. K. Lall: It is part of their training.

Shri K. K. Basu: Apart from that, did they work in any other Workshop after their training?

Shri B. K. Lall: No.

Mr. Chairman: Mr. Lall, from the figures you have given, only three posts have been recommended by the Enquiry Committee. Please see the chart you have submitted. There are Head of the Administration Department, Head of the Traffic Department and one Secretary to give secretarial

assistance to the General Manager. These are the only three posts which have been recommended by the Enquiry Committee appointed in July, 1952. All other posts seem to have been created later on.

Shri B. K. Lall: Later on they were created with the approval of the Delhi Road Transport Authority and the sanction of the Central Government.

Mr. Chairman: They have approved of these?

Shri B. K. Lall: Yes. There were certain posts like the Labour Officer. There were statutory obligations, because in an Industrial organisation where the number of employees is between 500 and 2000, there should be a Labour Officer. If the number is over 2,000, there should be two Labour Officers. In fact, there is a proposal to appoint a second Labour Officer.

Shri K. K. Basu: So this matter was discussed with the D. R. T. A.?

Shri B. K. Lall: All these posts are, sanctioned, advertised and approved by the D. R. T. A. and actually a Standing Committee of the D. R. T. A. interviews the candidates.

Mr. Chairman: Miss Radha Bai, is it correct that you were in the Labour Department?

Miss Radha Bai: It is correct.

Diwan Chaman Lall: You have got a Publicity Officer?

Shri B. K. Lall: Yes.

Diwan Chaman Lall: What is he paid?

Shri B. K. Lall: Rs. 200 to Rs. 380.

Diwan Chaman Lall: Is that necessary?

Shri B. K. Lall: Yes. I will explain the reason why I went to the D.R.T.A. and requested them to create the post of a Publicity Officer. The D.R.T.A. was getting the revenue of a

lakh and a quarter or a lakh and a half from Publicity. This was the first time we tapped this source of revenue and to keep all records and to keep a liaison with the sole concessionaire, it was necessary that we should have some officer who would be doing this work. This post was approved by the D. R. T. A. and the sanction was obtained.

Diwan Chaman Lall: What were his duties?

Shri B. K. Lall: He has to maintain the statistics of the out-shedding and keep liaison with the publicity people.

Diwan Chaman Lall: Out-shedding?

Shri B. K. Lall: There are certain conditions in the Agreement. If the number of vehicles is 190, *pro rata* adjustment will be made when the space is given. Of course, some officer should be there to keep track of that.

Diwan Chaman Lall: Will not a clerk be sufficient? In the Government office one Clerk has to make 18 entries in the course of a day.

Shri B. K. Lall: Not only this. There is so much work to do. For every advertisement which appears in our buses, whoever advertises it, the agreement has got to be scrutinised by us.

Revenue from Advertisement

Shri K. K. Basu: Do they advertise directly or through publicity organisations?

Shri B. K. Lall: They give their advertisement through the Delhi Publicity Corporation, who are our sole concessionaire. We have to record the address of the parties concerned.

Diwan Chaman Lall: It is not every day that you get advertisement.

Shri B. K. Lall: There are 280 buses on the road and advertisement for all the different spaces in each. Bus has to be checked.

Shri K. K. Basu: But this work can be done through the agency.

Shri B. K. Lall: There should be somebody to scrutinise all the agreements. I was looking at it from the business point of view. Previously we did not have this income. Now when we get this extra income, we are spending only Rs. 4,000/- for proper maintenance of records.

Diwan Chaman Lall: Do you mean to say that you are getting this income because you appointed a man on Rs. 280 pay?

Shri B. K. Lall: I did not say that.

Diwan Chaman Lall: Then you will go on increasing the staff.

Shri B. K. Lall: If I go on increasing the staff, there will again be confusion.

Shri K. K. Basu: Why not you get it done through the agency?

Shri B. K. Lall: He does all the press-notes all the hand-bills and all the advertisements for the D. R. T. A. We spend, on an average, about Rs. 7,000 for advertisement in the newspapers.

Diwan Chaman Lall: What for?

Shri K. K. Basu: What do you advertise? Only the change of timetable, I suppose.

Shri B. K. Lall: Change of timetables, hand-bills, printing of timetables and advertisements.

Shri K. K. Basu: Hand-bills concerning what?

Shri B. K. Lall: All the posts are advertised. For instance, when any dignitary is visiting Delhi, special bus arrangements will have to be made and that has to be advertised. If there are any changes in routes the public

should know about it at least two days in advance. So that has also to be advertised.

Diwan Chaman Lall: Could it not be done by the Office which is preparing the schedules? Why should you have an officer and pay Rs. 4,000 per annum for advertising in the papers.

Shri B. K. Lall: I will look into the possibility of making a reduction. But the pay is not very much. It is only Rs. 200 which an Assistant gets in the Government of India.

Diwan Chaman Lall: If it is even two annas it is something to worry about these days till you are in a position to mop up revenues which are your due. It is unnecessary to go on accumulating expenditure which can be avoided.

Mr. Chairman: Mr. Abbhi, was this matter considered from the financial points of view—the increase in staff?

Shri R. G. Abbhi: I came into the picture in September, 1954. I don't think it has come up since then.

Reduction in administrative Expenditure—contd.

Shri P. S. Rajagopal Naidu: The administrative expenditure was about two lakhs three thousand rupees in 1950-51, two lakhs four thousand rupees in 1951-52, two lakhs seventy six thousand in 1952-53, three lakhs ninety-two thousand rupees in 1953-54 and four lakhs ninety-eight thousand rupees in 1954-55. So, from 1950-51 to 1954-55 the increase is nearly by three lakhs rupees, whereas on the operational side the increase between the years 1950-51 and 1954-55—Rs. 13,45,000 to Rs. 19,99,000—is not much. How do you account for that? What is the reason for this disproportionate increase? Whereas on the operational side the increase is only by about 50 per cent, on the administrative side the increase is near by of 250 per cent. Did you examine that? It is only with reference to that I wanted you to submit a note. But in your note you did not touch that point.

Mr. Chairman: We want you to explore the possibilities of reducing expenditure on the administrative side by reducing overhead costs. If you will kindly prepare a note, we shall be thankful.

Shri R. G. Abbhi: I will do that.

Diwan Chaman Lall: The Subcommittee want your co-operation in doing this particular thing. As Mr. Naidu has pointed out, there is a tremendous increase in the expenditure on the administrative side.

Shri P. S. Rajagopal Naidu: Whereas on the operational side the increase is 50 per cent, on the administrative side it is 250 per cent in the course of four years.

Shri B. K. Lall: I do not know how far that is correct. But to Administration Account is debited all the head office staff, particularly for maintenance, stores.

Shri P. S. Rajagopal Naidu: What do you mean by saying "I do not know how far that is correct". My statement was based on your report.

Shri B. K. Lall: What we have done is—I do not know whether it is correct even—we have merged the salaries of the Stores Department and the Accounts Department to the expenditure on the Administrative Side.

Diwan Chaman Lall: Before that they were not included in Administrative Expenditure?

Shri B. K. Lall: Actually the Administration should be the General Manager, the Assistant General Manager (Administration) and the Administrative staff. But now we are including even the entire Accounts Department with 37 clerks and the Stores Department to our Administrative Expenditure.

Shri P. S. Rajagopal Naidu: If all these things are included, the figure comes to two lakhs and odd rupees for

the year 1950-51 for the Administrative side and also for the stores side. But in the year 1954-55 there is much more expenditure.

What is your explanation for that?

Shri B. K. Lall: In 1950-51, so far as I recollect, there were hardly nine Officers and today we have about 25 Officers. Now there has been considerable expansion of the D. R. T. A. We have got an Executive Engineer and his wing for the construction of buildings though it is on an elementary phase. But it is necessary that either we get it done by the CPWD or we do it departmentally. Now we have one Medical Officer. That is a welfare affair. He was not there before.

Diwan Chaman Lall: The sub-Committee are not satisfied that there is justification for this tremendous increase and they, therefore, want you to look at it from that point of view and till you are not in a position to mop up all the revenue, which you are not mopping up at the present moment, you have to reduce your expenditure.

Shri P. S. Rajagopal Naidu: Particularly in view of the imposition of tax on diesel oil you will have to spend four or five lakhs more.

Shri B. K. Lall: It will be about three lakhs.

Shri P. S. Rajagopal Naidu: They are going to impose four annas per gallon. According to your figures, you had consumed Rs. 15,21,000 worth of petrol and other lubricants in the year 1954-55. On the same basis, you have got to pay nearly 25 per cent more, that is, 25 per cent of 15 lakhs in future.

Mr. Chairman: If you put on the road all the buses that are lying idle in the depot, if you plug all the loopholes for leakage and if you mop up

all sources of revenue, then it would be a success.

Diwan Chaman Lall: It can be done.

Tyre—Retreading Plant

Mr. Chairman: What is the break-up for tyres and tubes? What amount do you spend on retreading?

Diwan Chaman Lall: Till you have your own Retreading Plant.

Mr. Chairman: At Bhakra-Nangal we found they were retreading their own tyres.

Shri B. K. Lall: The Bombay Transport are doing their own retreading. At one time, I was very keen to start retreading. But up till now I have not given much thought because the first thing necessary is a building. It is not possible to have re-treading without a building. The equipment does not cost much.

Diwan Chaman Lall: In Sadar Bazar, I found, tiny little shops are doing retreading. In Bhakra also we saw that they do it with two sheds. They had nothing very much. Overnight you can construct those sheds for this purpose. You will kindly send us a note on when you will take up this matter.

Shri B. K. Lall: I have got all the information. I will furnish it just now. We are retreading on an average, 100 sets.

Mr. Chairman: Costing?

Shri B. K. Lall: It costs Rs. 127/- on an average.

Shri P. S. Rajagopal Naidu: That is, 25 per cent of the value of the tyres.

Shri B. K. Lall: Yes. The retreading work is entrusted to a firm here.

Diwan Chaman Lall: Surely you can do it much cheaper yourself.

Shri B. K. Lall: If we have the plant and building and all that we can do. Otherwise, it is no use....

Diwan Chaman Lall: Don't think that it is a big plant. It is a very simple thing. The Public Accounts

Committee have seen it at Bhakra and other places. That is a step in the direction of expansion. We would not mind any kind of expansion.

Shri B. K. Lall: I will try.

Irregularities Committed by the Ex-Stores Officer—contd.

Diwan Chaman Lall: Before you go to the next question, I want to ask one or two questions. Is it a fact that this Mr. T..... was receiving Rs. 275/- per mensem and then he was taken on Rs. 800/-? Do you know that?

Shri T. S. Parsuraman: He was an Officer lent by the Audit Department.

Diwan Chaman Lall: He was originally in the Supplies & Disposals where he was getting Rs. 275/- according to the anonymous letter. Is it not so?

Shri T. S. Parsuraman: This will be looked into.

Diwan Chaman Lall: The conclusion is of course probable, and other people would like to draw it. Why was it that when specific mention is made in the then Deputy General Manager's report, no action has been taken against him? Then, in regard to Mr. V....., he had a small job in a Workshop and he was suddenly raised to the Stores Officers's job. Posters and letters, even before this anonymous letter, were sent and circulated. These certainly must have come within the knowledge of the D.R.T.A.

Mr. Chairman: That letter was addressed to the Chairman!

Diwan Chaman Lall: Posters were put up. Specific charges against these two officers proved to be absolutely correct—involving Mr. V..... and Mr. T..... Perhaps you will look into this matter again and see what further action is called for now.

Shri K. K. Basu: What was the result of the three-man Enquiry Committee? They must have given some kind of recommendations about re-organisation. Have all their recommendations been accepted or some have not been accepted?

Shri T. S. Parsuraman: Practically all of them have been accepted. The recommendations relating to the re-constitution of the D.R.T.A. which needed legislation were not accepted.

Shri K. K. Basu: What could be done departmentally for the improvement of the D.R.T.A. has been done?

Shri T. S. Parsuraman: Yes.

Motor Vehicles Insurance Fund

Shri P. S. Rajagopal Naidu: In the case of this Motor Vehicles Insurance Fund, why is it that in the year 1955-56 there is a large amount shown on the debit side? In the year 1954-55, on the debit side it only shows Rs. 107, but in the year 1955-56, it is Rs. 21,979/-. Why is that difference?

Shri M. Gopalakrishnan: One big claim filed by the widow of a person who was killed in an accident, amounting to about Rs. 13,000/- and odd was paid.

Shri P. S. Rajagopal Naidu: Who settled the amount of claim?

Shri B. K. Lall: The D.R.T.A. gave its decision in the matter.

Shri P. S. Rajagopal Naidu: Was the claim made to the D.R.T.A. by the widow?

Shri Lall: She claimed Rs. 75,000/- and the case was in the Court and it was decided by the D.R.T.A. that it should be compromised outside.

Shri P. S. Rajagopal Naidu: So, the claim was settled outside court.

Diwan Chaman Lall: A rare case of encouraging widows!

Shri P. S. Rajagopal Naidu: With regard to this depreciation that was worked out, I presume it was on the mileage. The total life of the vehicle is taken at 1,25,000 in the case of Petrol buses and at 2,50,000 in the case of diesel buses. Suppose there is replacement of parts due to some accident and enormous amount is

spent on the vehicle, how do you calculate depreciation? Do you still calculate on the mileage performed?

Shri B. K. Lall: This is debited to revenue because after all this is running expenses. For instance. If we keep these vehicles on the road, we have got a Depreciation Fund of 0-3-3 per mile and in our depreciation fund the current year comes to Rs. twenty one lakhs. This is only for the depreciation of the vehicle. This figure varies from year to year depending upon the mileage done.

Shri P. S. Rajagopal Naidu: I am not referring to this ordinary replacement of parts—replacement of worn out tyres and such other things. Suppose, there is an accident, the radiator is gone, you have to replace the radiator which will cost you roughly about Rs. 2,000/- How do you calculate depreciation in such a case?

Shri B. K. Lall: This is debited to Revenue.

Shri P. S. Rajagopal Naidu: Suppose it is not debited to Revenue but debited to Capital, what is the result? This is done in other concerns.

Shri B. K. Lall: This is not done. It will not be correct to do it.

Shri P. S. Rajagopal Naidu: Don't you think it is better?

Shri B. K. Lall: In all the nationalised undertakings, it is not done. No nationalised concern is doing this. Private operators may perhaps be doing it.

Shri P. S. Rajagopal Naidu: Do the private operators do this? Suppose it is added on to capital, you have to provide more amount for depreciation?

Shri B. K. Lall: Then we will show more profit.

Shri P. S. Rajagopal Naidu: On the depreciation side it will show wrong figures.

Shri B. K. Lall: That will be dabbling with the figures. We may spend Rs. 5 lakhs on heavy spares. If that is debited to capital side, then Rs. 5 lakhs will be surplus and we will be declaring more profit.

Mr. Chairman: Nationalised insurance will be extended to motor vehicles also. Then we will have book adjustments.

Shri B. K. Lall: We have got our own Insurance Fund. We do not go to other parties for insurance. We have got Rs. 2,33,906 in the Insurance Fund.

Mr. Chairman: I suppose there are no more points. I believe we have thoroughly and exhaustively gone into this matter.

Diwan Chaman Lall: Who is Mr. S.....

Shri B. K. Lall: He is a Store Keeper in Vinay Nagar Depot. There were certain cases according to these old files and I handed those cases some time ago to the Assistant General Manager, Administration to open up investigation. There were certain cases where I found that the figures had been tampered with and over-written. So, we asked for his explanation and the file has not come back to me.

Diwan Chaman Lall: He has been specifically mentioned. What is the latest position?

Shri P. D. Mehta: The latest position is that we called for the explanation of Store Keeper. In his reply, he had raised certain questions regarding the procedure that was prevalent at that time, instead of giving a straight reply to the charges which were made against him. I was not aware of that procedure and so I sent the case to the Stores Officer to let me know the procedure at that time, and his comments on the points raised by Store Keeper. The cases are still with the Stores Officer. He said that he has been able to collect some material

on most of the points raised by Store Keeper but he has not been able to get all the relevant papers.

Diwan Chaman Lall: When there are serious allegations against this particular individual, is it not better to hold an enquiry?

Shri P. D. Mehta: We can take this action, but we wanted to get his preliminary explanation first.

Diwan Chaman Lall: Perhaps he does not want to give his explanation!

Shri P. D. Mehta: We are trying to get these points which have been raised by him clarified.

Diwan Chaman Lall: When did you first start this?

Shri P. D. Mehta: It was handed over to me on 17th September, 1955, and was passed on the same day to the A.S.O. who resubmitted it on 8th October, 1955, with his recommendations for taking departmental action. Then I issued the first Memo calling for his explanation on 21st October, 1955.

Diwan Chaman Lall: Who was handling this case before?

Shri P. D. Mehta: The case was either with the Chief Accounts Officer or with the Stores Officer.

Diwan Chaman Lall: Where was this case before? How long had it been there?

Shri M. Gopalakrishnan: This case relating to Mr. the Store Keeper was being handled by the General Manager. The C.A.O.* wanted that the investigations should be carried out and it was entrusted to the Stores Officer in the first instance. The Stores Officer wanted to give it to the Assistant General Manager, Administration as he said he had too much work. The files were held in the safe custody of the C.A.O.* till he left.

Diwan Chaman Lall: How long have these papers been lying in safe custody?

Shri M. Gopalakrishnan: He repeatedly mentioned that these investigations had to be carried out. I myself pointed out that unless these cases were pursued and settled, audit would not close the items which were outstanding.

Diwan Chaman Lall: It is not on your prompting that Audit made their suggestions. Audit had already put it on record that they wanted that a weekly statement should be sent to them until the case was finally decided. Tell me when were these papers put away in safe custody originally? How long were they lying in safe custody—one year or two years?

Shri M. Gopalakrishnan: I am not in a position to say exactly.

Diwan Chaman Lall: You may tell us roughly.

Shri M. Gopalakrishnan: The then C.A.O. was pointing out to the General Manager that these cases which were outstanding in the Audit Report should be settled.

Diwan Chaman Lall: Give us approximately how long ago the cases originated and how long they were with the C.A.O.

Shri M. Gopalakrishnan: The cases were pending for the last two to two and a half years, approximately but not with the C.A.O.

Diwan Chaman Lall: Are we correct in saying that immediate action could have been taken? You go on delaying these matters. You demoralise every man working in this organisation. The concern cannot be running like this. Either take immediate action when action is needed or just give it up.

Shri P. D. Mehta: We will take immediate action.

Mr. Chairman: Shall we close? Thank you very much, gentlemen.

*Chief Accounts Officer.

31 March, 1958]

MINUTES OF EVIDENCE

[D.R.T.A.

Diwan Chaman Lall: Thank you, Mr. Chairman, for all the trouble that you have taken and we should also thank the Audit for the co-operation from their side.

Mr. Chairman: Kindly send us all the notes as promised by you

Diwan Chaman Lall: As quickly as you can.

Chairman: I must thank all my colleagues for their help.

The sub-committee then adjourned sine-die.

*Chief Accounts Officer.

