

**DELHI TRANSPORT CORPORATION
INCLUDING COMPARATIVE ANALYSIS OF
TRANSPORT IN METROPOLITAN CITIES**

MINISTRY OF SURFACE TRANSPORT

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1992-93**

TENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

TWENTY-SECOND REPORT
COMMITTEE ON PUBLIC UNDERTAKINGS
(1992-93)

(TENTH LOK SABHA)

DELHI TRANSPORT CORPORATION
INCLUDING COMPARATIVE ANALYSIS OF
TRANSPORT IN METROPOLITAN CITIES
(MINISTRY OF SURFACE TRANSPORT)



Presented to Lok Sabha on 30.4.1993
Laid in Rajya Sabha on 30.4.1993

LOK SABHA SECRETARIAT
NEW DELHI

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on Delhi Transport Corporation
including comparative analysis
of transport in Metropolitan
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COMMITTEE ON PUBLIC UNDERTAKINGS
(1992-93)

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2. Smt. P.K. Sandhu —*Deputy Secretary*
3. Smt. Revathi Bedi —*Deputy Secretary*

* Ceased to be Member of the Committee consequent on appointment as Minister in Council of Ministers w.e.f. 18th January, 1993.

INTRODUCTION

1. the Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf present this Twenty-second Report on Delhi Transport Corporation including comparative analysis of transport in Metropolitan Cities.

2. The Committee's examination of the subject was mainly based on Report of the Comptroller & Auditor General of India Union Government (Commercial) No. 6 of 1990.

3. The subject was examined by the Committee on Public Undertakings (1991-92). The Committee took evidence of representatives of the Delhi Transport Corporation on 25th March and 28th April, 1992. The Committee on Public Undertakings (1992-93) examined the subject and took evidence of the representatives of Delhi Transport Corporation on 4th, 11th, 22nd and 23rd June, 1992. The Committee also took evidence of representatives of Ministry of Surface Transport and Delhi Administration on 14th July and 4th August, 1992, representatives of BEST, Bombay on 30th September, 1992, representatives of Pallavan Transport Corporation (Madras) and Shri S.C. Vaish, former CMD, Delhi Transport Corporation on 1st October, 1992.

4. The Committee on Public Undertakings (1992-93) considered and adopted the Report at their sitting held on 27th April, 1993.

5. The Committee feel obliged to the Members of the Committee on Public Undertakings (1991-92) for the useful work done by them in taking evidence and sifting information. They would also like to thank the officials of the Lok Sabha Secretariat attached to the Committee on Public Undertakings for their excellent work and assistance rendered to the Committee.

6. The Committee wish to express their thanks to the Ministry of Surface Transport and Delhi Transport Corporation for placing before them the material they wanted in connection with examination of the subject. The Committee also wish to thank in particular the representatives of Ministry of Surface Transport, Delhi Administration, Delhi Transport Corporation, BEST (Bombay) and Pallavan Transport Corporation, Madras and Shri S.C.Vaish (Former CMD, Delhi Transport Corporation), who appeared for evidence and assisted the Committee by placing their considered views before the Committee.

7. The Committee also place on record their appreciation of the assistance rendered by the Comptroller & Auditor General of India.

NEW DELHI;
29th April, 1993

9th Vaisakha, 1915 (Saka)

A. R. ANTULAY,
Chairman,
Committee on Public Undertakings.

CHAPTER I

BACKGROUND ANALYSIS

1.1 Government of India, Ministry of Transport took over local bus services in Delhi in May 1948 when they found that the services offered by earlier licences were inadequate. A Delhi Road Transport Authority was constituted under the Road Transport Corporation Act, 1950. This authority became an undertaking of Municipal Corporation of Delhi by an Act of Parliament in April, 1958.

1.2. On the Recommendations of a working group of Planning Commission which concluded that Delhi Transport as an extension of Municipal Corporation of Delhi had not been functioning efficiently and adequately, resulting in leakage of revenue and very high operation cost, Government of India took over the management of the undertaking by passing the Delhi Road Transport Laws (Amendment) Act in 1971. It took over the assets and liabilities from the erstwhile Delhi Transport Undertaking (DTU) operated by the Municipal Corporation of Delhi till 2nd November, 1971.

Corporate Objective

1.3. In Section 18 read with Delhi Road Transport (Laws Amendment) Act, 1971 and Section 22 of Road Transport Corporation Act, 1950 the following objectives were laid down for the DTC.

- (a) to provide or secure or promote an efficient economical and properly co-ordinated system of Road Transport in the Union Territory of Delhi and any extended area.
- (b) in so doing it shall act on business principles.
- (c) to achieve a high level of operational efficiency.
- (d) to charge fares not exceeding those prescribed by the State under Section 43(1)(i) of the Motor Vehicle Act, 1939
- (e) to attain financial self-sufficiency.

1.4 The Corporation was asked to comment on whether each of the above objectives which have been set forth had been achieved. In this context the CMD, DTC has replied during evidence:—

“Although over 20 years have passed since the DTC has taken over the organisation from DTU, we have been trying to achieve the objectives given. The DTC came into existence in November, 1971 and since then each one parameter like growth in fleet, growth in passenger productivity and on all parameters the DTC has improved.”

1.5 One of the objectives for converting the Corporation from DTU to DTC was to attain financial self-sufficiency. The Committee desired to know how far DTC had achieved self-sufficiency and whether there had been reduction in dependence on subsidy given by the Government. In his reply, the CMD, DTC stated that the Corporation received loans not subsidy. Asked to give details of subsidy given since 1987. . . . he stated:—

“In 1986-87, I was given Rs. 49.33 crores; In 1987-88, Rs. 64 crores; in 1988-89, Rs. 69.31 crores; in 1989-90 Rs. 70.50 crores; and in 1990-91 Rs. 163 crores.”

1.6 The Bureau of Public Enterprises had in 1970 issued instructions that all Public Sector Undertakings should formulate their corporate objectives.

1.7 On being asked whether it is a fact that the statement of objectives and obligations of each public undertakings is to be formulated by the Undertaking with the approval of the Government, the Secretary, Ministry of Surface Transport replied during evidence:—

“There is an instruction of the Bureau of Public Enterprises as it then was, that separate corporate objectives should be framed for each corporation and these have to be got approved by the Government. Unfortunately, there has been a lapse on our part. We would make amends for it and we will have separate corporate objectives framed by the DTC and approved by the Government. These instructions were issued in 1971. But in extenuation, I would like to submit that it is not as if the DTC is without any corporate objectives. They have been set down basically in the Act itself, viz. to provide and promote an efficient, economic and properly co-ordinated system of road transport in the Union Territory and also to see that it performs on business-like principles. Minor details with regard to targets, parameters of efficiency, etc. are set down from year to year and these are passed by the Board of Directors at the time of approval of the Annual Plan. As I submitted, we will have a separate document setting out the corporate objectives.”

1.8 The Secretary, Ministry of Surface Transport stated during evidence:—

“The absence of other documents regarding corporate objective does not mean that DTC does not have corporate objective. We have a Five Year Plan for DTC and also Annual Plan for DTC. The targets are set.”

The witness added:

“What I was submitting is that the formulation of a document called corporate objective has not been done. But that does not

mean that the organisation did not know what to do in the absence of that document."

1.9 When asked how far each of the objective had been fulfilled, the **Secretary, Ministry of Surface Transport** replied:—

"These objectives have not been fulfilled. These objectives are circumscribed by certain other conditions."

He continued:

"It will not be possible to say that the objectives have been fulfilled because it originally started with the objectives of providing transport services within the area of its operation which is Union Territory of Delhi to a level which is satisfactory and to a level which is efficient, but Delhi has always been constrained in its activities because of financial difficulties right from its inception. . . ."

1.10 When asked to indicate whether the Government had the benefit of **similar** undertakings like BEST in Bombay, before setting up of DTC. He said:—

"At that time, I am not sure whether any analysis was made as to what is the experience of BEST and I am also not sure whether it was in existence or not. I am not very sure whether some of the Tamil Nadu corporation which are better than the DTC like Pallavan, were in existence at that time or not. I think BEST was in existence. But whether the experience of BEST was specifically taken into account when deciding to form DTC in Delhi or not I do not know."

Advisory Council

1.11 An Advisory Council of the DTC was constituted to advise the Corporation on matters such as routes on which the services are to be operated, frequencies of services, time table, amenities to passengers etc. The rules require that the Council should meet at least once in two months. However, during the last four year ending 31st March, 1989 only **eight** such meetings of the Council were held. There was no Advisory Council from January 1987 to 23.12.1991. The Advisory Council has been reconstituted with effect from 24.12.1991.

1.12 The constitution of the Advisory Council is as given below:

1. Chairman-cum-Managing Director of the Corporation who acts as the *ex-officio* Chairman of the Council.
2. Two representatives each of Delhi Metropolitan Council and Delhi Municipal Corporation.
3. Heads of Traffic Deptt. and Mechanical Engineering Deptt. of Corporation.
4. Three Members of Parliament.
5. Two representatives of DTC Workers.

6. One Student representative of Jamia Millia University, Delhi.
7. Two representatives of boy students of Delhi University.
8. One representative of girl students from the University to be nominated by the Vice-Chancellor.
9. Two representatives of Central Government Employees.
10. Two representatives of Labour.
11. Chief Welfare Officer, Department of Personnel, Cabinet Secretariat.
12. One representative of Delhi Cantonment Board.
13. One representative of Delhi Police.
14. One representative of Delhi Public Works Department.
15. One representative of Delhi Development Authority.
16. One representative of Directorate of Transport, Delhi.
17. One representative of the NDMC.
18. Ten persons to be nominated by the Central Government.
19. Dean of students welfare, University of Delhi.

1.13 The Committee wanted to know as to who is responsible for calling the meeting of the council. The CMD stated "It is the duty of CMD". The Committee also wanted to know why the Advisory Council was not being constituted regularly. The Chairman and Managing Director stated during evidence:—

"I have the number for 1985-86. There were four meetings called during 1985. Only three meetings could be held. One meeting could not be held due to want of quorum."

He further added:

"Next year, during 1986, two meetings were arranged and both of them were held. Thereafter, the term of the Council expired and no new Committee was constituted."

1.14 When asked, whether Council could continue to discharge its functions till a new Council was formed; The CMD replied 'No'.

1.15 On being further asked whether the Corporation had taken up the matter of constitution of the Council with the Government, the CMD replied:—

"No, there is nothing on record."

1.16 The Committee pointed out that the term of the Council was for three years and it should have been the duty of the CMD to take up the question of constitution of the Council with the Government. This would have avoided most of the problems which the Corporation was faced with.

1.17 The Committee were informed that the Advisory Council was constituted on 24.12.1991. In this connection, CMD was asked whether the question of 3000 private buses being put into operation by STA was ever put before the Advisory Council for their deliberation. The CMD stated:—

“It was not on the record.”

The Committee was also informed that the agenda for the meeting is prepared by the CMD.

1.18 The Committee have been informed that consequent upon the recommendations of a working group of Planning Commission which concluded that Delhi Transport Corporation as an extension of Municipal Corporation of Delhi had not been functioning efficiently and adequately, resulting in leakage of revenue and very high operational cost, the Government of India took over the management of the undertaking by passing the Delhi Road Transport Laws (Amendment) Act in 1971 and the DTC was thus set up in 1971. It also took over the assets and liabilities from the erstwhile Delhi Transport Undertaking (DTU) operated by the Municipal Corporation of Delhi till 2nd November, 1971.

1.19 The objectives of DTC were among other things to provide or secure or promote an efficient economical and properly co-ordinated system of road transport in the Union Territory of Delhi and any extended area, to act on business principles, to achieve a high level of operational efficiency and above all to attain financial self-sufficiency.

1.20 During the course of its examination the Committee desired to know whether any of the above objectives which have been set forth had been achieved. The CMD, DTC had replied that although 20 years had passed since DTC took over from DTU, they have been trying to achieve the objectives given in each of the parameters like growth in fleet, growth in passenger productivity. When the Committee put forth a similar question to the Secretary, Ministry of Surface Transport the latter was however candid in admitting that the objectives as set forth by DTC had not been fulfilled because they were circumscribed by certain other conditions.

1.21 The Committee were also informed that the Bureau of Public Enterprises had in 1970 issued instructions that all Public Sector Undertakings should formulate its Statement of Objectives and Obligations with the approval of the Government. They were further informed by the Secretary, Ministry of Surface Transport that such a Statement of Objectives and Obligations had not been formulated in the case of DTC. The Secretary, DTC admitted that there was a lapse on their part for which they would make amends by having separate corporate objectives framed by the DTC and approved by the Government. He, however, stated that in the absence of other documents regarding corporate objectives it did not mean that DTC does not have any corporate objectives. DTC has a Five Year Plan and also an Annual Plan in which the targets are set. Moreover in the absence of corporate objectives it did not mean that the organisation did not know what was required to be done by them. The Committee had also been

informed that the Government did not take the benefit of similar transport undertakings like BEST in Bombay or Pallavan in Madras while formulating their objectives.

1.22 The Delhi Transport Corporation is the major transport system available to the commuters of Delhi and the adjoining neighbourhood. This organisation came into existence as far back in 1971 *i.e.* over 20 years. The organisation was formed with the sole objective of providing safe, efficient and viable transport system to the commuters of Delhi. The Committee are however dismayed to note that since the set up of the DTC in 1971 the Corporation has been unable to achieve any one of its objectives set forth. To say the least, this smacks of a total lack of concern for the commuters of Delhi. The Secretary, Ministry of Surface Transport has unequivocally admitted that the objectives for which the Corporation was established has not been fulfilled. The Committee have also noted that in each of the parameters in which the objectives have been itemised the performance of Delhi Transport Corporation is abysmal to say the least. Not only that none of the objectives has been fulfilled but also the Corporation has gone from bad to worse. The Committee were informed that DTU was taken over and DTC was established in 1971 to stop the leakage of revenue and the very high operational cost. They, however, find that the situation as it exists in DTC has not improved. The very objective for which DTU was taken over by DTC has not been achieved *i.e.* economic self sufficiency as the Committee reiterated earlier and the losses of DTC have galloped manifold.

1.23 One of the objectives of DTC is to attain financial self-sufficiency. The Committee, however find that as per details furnished to them the amount of subsidy given by the Government since 1987 is 49.33 crores in 1986-87, 64 crores in 1987-88, 69.31 crores in 1988-89, 70.50 crores in 1989-90 and 163 crores in 1990-91 bringing the total amount of subsidy to a whopping 416.04 crores. This is indeed no indication of any direction towards self sufficiency. As against this no subsidy has been provided to the other two major transport Corporations *i.e.* BEST and Pallavan. The Committee note with regret that the Administrative Ministry has also failed miserably in their responsibility to evince sufficient interest in the working, monitoring and guiding for the performance of the Delhi Transport Corporation.

1.24 The Committee find that the financial position of DTC is such that there cannot be any method in which the Transport Corporation would be in a position to attain economic viability. They would, therefore, urge the Administrative Ministry to put all possible efforts in trying to streamline the Corporation's working, revitalise its management cadre, and improve its financial performance by plugging the various shortcomings so identified and try to make the transport a viable one. The Committee are strongly of the opinion that the Corporation has been crippled with lack of proper management, guidance and initiative. While expressing their strong displeasure at the sorry stage of affairs of the Corporation, the Committee would

also urge the Corporation to do some serious and inward rethinking, so that the Corporation could atleast reach towards its goal of economic self sufficiency.

1.25 The Committee have been informed that there was an Advisory Council of DTC constituted to advise the Corporation on matters such as routes on which services are to be operated, frequencies of services, time table amenities to passengers etc. Rules of the Advisory Council require that the Council should meet at least once in two months. However, the Committee were informed that during the last four years ending 31st March, 1989 only 8 meetings were held. Moreover there was no Advisory Council from January, 1987 to 23rd December, 1991. The Advisory Council has been reconstituted from 24.12.1991 and has had two sittings since then. During evidence the Committee had desired to know whether the earlier Council could continue to discharge its functions till a new Advisory Council was reconstituted and they were informed that this was not possible. The Committee were further informed that there was nothing on record regarding taking up the matter of reconstitution of the Council with the Government.

1.26 One of the functions of the Advisory Council is to advise the Corporation on such routes on which services are to be operated etc. On being asked whether the question of introduction of 3,000 private buses being put into operation by STA was ever put before the Advisory Council, the Committee were informed that this was not done.

1.27 The Committee note that the Corporation has a very vast number of representatives from different segments of society who constitute the members of its Advisory Council. However, they are distressed to find that the role of the Advisory Council has been negligible to say the least. Although as per the DTC Act, the Advisory Council is required to discuss on important policy issues they note with concern that the Advisory Council has not been meeting frequently, rather for a period of about nearly four years there has been no Advisory Council at all. This speaks again of a total lack of commitment and concern on the working of the Corporation both by the representatives of the Advisory Council as also by the Administrative Ministry. What has anguished the Committee further is that neither did the CMD take up the matter of reconstitution of the Advisory Council with the Government nor did the Government think it necessary to do so. Had the Advisory Council met regularly most of the burning problems with which the Corporation is being faced with would either have been discussed and hopefully resolved or at least deliberations on such problems could have taken place. The Committee find that even important decision regarding introduction of 3,000 private buses by STA was neither put forward to the Advisory Council for their deliberations and consideration nor did the CMD

or the Government think it important enough to put this agenda before the Advisory Council. They would, therefore, strongly recommend the Ministry and the Corporation to ensure that the Advisory Council is reconstituted and its meetings are held regularly as per requirement as it otherwise negates the very purpose for which the Advisory Council has been set up.

CHAPTER II

OPERATIONAL PERFORMANCE

2.1 As on 31.3.1992 DTC had a fleet of 4372 buses +3 prime movers and was operating on 753 city and 121 Inter-State Routes carrying on an average 42.70 lakh passengers per day.

Fleet Strength

2.2 The Corporation's fleet strength for 1989-90, 1990-91 and 1991-92 as under :—

Particulars	1989-90	1990-91	1991-92
At the beginning of the Yr.	4248	4399	4389+3
Add. during the year	522	103	535+1
Deletion during the year	371	113	553
Strength at the end of yrs	4399	4389+3	4372+3

2.3 When asked what was the fleet position on road the CMD, DTC stated during evidence :

“DTC's own fleet is 3750 and the private fleet is 609.”

He further added :

“The total fleet required as assessed by Planning Commission is 7430 including the private fleet.”

2.4 The Committee wanted to know whether the fleet strength was commensurate with the increase in population. In this connection Secretary, Ministry of Surface Transport stated during evidence :

“Perhaps it was not kept in step with the increase in population.”

2.5 The committee further wished to know what was the productive life of the bus. It was stated that the productive life of the bus was 8 years. When asked how many buses are there whose life was 8 years, the CMD replied :—

“It is 1481.”

Age-wise analysis of Buses

2.6 Particulars as on 31.3.1991	1989-90	1990-91
Age over 8 years	1003	1756
6 to 8 years	1141	1021
4 to 6 years	762	220
2 to 4 years	573	768
Below 2 years	920	627

As many as 1756 out of 4392 buses had, therefore, outlived their productive life by March, 1991.

2.7 When asked how DTC was ensuring passengers safety in outlived buses, the Corporation stated in the written reply, "DTC buses are considered overaged when they complete 8 years of life and 5 lakh km operation. At this stage, if the Corporation decides to continue operation of such buses for various reasons, road worthiness certificate is obtained from the State Transport Authority as applicable to other vehicles of the fleet. Maintaining road worthiness of such vehicles, however, involve additional man-power and other resources. At the time of preparing these vehicles for motor vehicle inspection all aspects of road worthiness including those related to safety to operation are considered and corrective action taken as without such rectifications, road worthiness certificate is not given by STA."

Fleet Utilisation

2.8 The position of fleet utilisation during the last 5 years is as follows:

Particulars	1986-87	1987-88	1988-89	1989-90	1990-91
Average number of vehicles in the fleet during the year	4104	4171	4316	4335	4403
Average number of vehicles on road	3520	3443	3744	3860	3722
Percentage of fleet utilisation	85.77	82.55	86.75	89.04	84.53
Average kilometers per bus per day	221	210	221	233	219

2.9 When asked what were the reasons for decreasing fleet utilisation and shortfall in average number of vehicles on road for the year 1990-91, DTC stated in a written reply :—

- (i) Mandal Commission and other Political Agitations.

- (ii) Restrictions caused because of Gulf War and need for limiting use of diesel.
- (iii) Over-aged fleet; as on 31st March, 1991, 40% of the fleet was over-aged as against 23% as on 31st March, 1990."

2.10 Referring to the targets fixed for Seventh Five Year Plan on fleet strength, the Secretary, Ministry of Surface Transport stated during evidence :

"Sir, in the Plan document, the Working Group had projected that the total requirement of the DTC and private buses under DTC at the end of the Seventh Five Year Plan would be about 10,000 buses but the actual acquisition will be limited by the amount of money that will be given during the entire Seventh Plan. The total resources given to DTC were Rs. 70.37 crores, part of which is required for infrastructure."

2.11 When asked what was the actual strength at the end of the Seventh Five Year Plan, the witness added:

"At the end of the Seventh Five Year Plan, they were able to have a total strength of 4374 buses."

2.12 On being asked what was the actual addition to the fleet during the Seventh Five Year Plan period, the Secretary stated :

"The total fleet strength at the beginning of the Seventh Five Year Plan, that is, at the end of 1984-85, was 4039 and at the end of the Seventh Five Year Plan, that is, 1989-90, it was 4399."

2.13 In respect of the number of private buses, the Secretary stated that during the period, roughly it was about 1200 buses but at the end of the Seventh Five Year Plan it came down to 1000 and odd buses.

2.14 The Committee pointed out that the number of buses had been reduced despite the fact that the population of Delhi had considerably increased. Reacting to the decreasing number of DTC buses the Secretary stated:

"It is true that it has declined. It has declined because the private-bus-operators were running 1200 buses at that time and today it stands at 600. They have withdrawn a considerable number of buses."

The CMD had earlier stated that :

"As on March, 1988, DTC's own buses were 3443 and private buses were 933. In March, 1987, on road DTC buses were 3520 and approximately about 1145 private buses were there as on now DTC's own fleet was 3750 and private fleet 609."

Regarding fixing of targets the witness added :

"This is the projection made by the organisation on the total demand. It is a sort of need-based-figure, not a resource-based figure. Experts do go into the question and come to a finding that for the population projection and for the needs of the public, certain number of buses are required. This is not related to resources. When the resources position becomes stringent, we have to adjust our target to what money is available. That is how the target was fixed. The DTC is one of the Agencies providing transport services. There are private operators who operate under DTC permits; there are private operators who directly get permission from the STA; their number is 450 or so. Further, there are Contract Carriages numbering 4000 which carry commuters from point-to-point. It is a very common sight in the mornings and evenings to see larger number of these buses plying. Whereas, the total demand assessed is for carrying the total commuters in the city. That is how targets have been fixed. DTC is one of the organisation, but a principal organisation providing commuter service."

Operational Efficiency

2.15 The operational efficiency of the Corporation during the last five years was as under:

Particulars	1986-87	1987-88	1988-89	1989-90	1990-91
Number of routes (City & Inter-State)	752	759	825	858	856
Scheduled Kilometres (in lakhs)	3162.24	3199.41	3270.83	3520.61	3452.37.
Gross Kms. operated (in lakhs)	2834.28	2640.01	3017.96	3289.58	2977.82
Missed Kilometres (in lakhs)	327.96	559.40	252.87	231.03	474.55
Operational efficien- cy percentage of Kilometres operated to Schedule Kilometres.	89.63	82.52	92.27	93.44	86.25

2.16 In reply to a question as to what is the action taken or proposed to be taken for missed trips, the Corporation stated in a written reply "the buses damaged during 1990-91 on account of Mandal Commission and other agitation in Delhi have since been repaired. 535 new buses were added to reduce the percentage of over aged buses from 39.98% to

33.85% as on 31.3.1992. For further reducing the percentage of over aged fleet another 290 buses would be added to the fleet shortly.

2.17 When asked whether the Corporation had undertaken any cause wise analysis for both controllable and non-controllable factors regarding sharp decrease in operational efficiency, the Corporation stated that some analysis as given below had been made:

Cancelled Kms. (in lakh)	1990-91
Total	474.55
— Due to want of crew	—139.98
— Due to want of Bus	—135.46
— Due to break down	—13.63
— Due to accident	—1.32
— Due to other reasons	—184.16

2.18 When asked what steps were being taken by the Corporation to improve its fleet utilisation, DTC replied in writing that:

535 new buses have been added to replace overaged buses and further 290 new buses are being added shortly. They also stated that:

"Qualitative checks being carried out at various levels of technical officers and quantitative fulfilment of preventive maintenance activities being monitored every week at the heads of Deptt. meeting. Besides Training programmes are being conducted with the help of chassis manufacturer."

2.19 The Corporation further stated that the constraints being faced by them in effecting improvement were:

- Shortage of funds for procurement of new buses on replacement account leading to overage fleet level at 33.85% as on 31.3.92.
- Inadequate garraging capacity : As against garraging capacity required for 4374 buses garraging capacity available only for 3570 buses causing 25% over crowding in workshop.

Break-Downs

2.20 The bus break down in respect of the Corporation per 10,000 kms. operated by it on city routes ranged between 3.13% and 3.76% for the last four years ended March, 1988. It came down to 0.82 and 0.80 per 10,000 kms. during 1989-90 and 1990-91 respectively.

2.21 However correspondingly the trips curtailed per day due to break downs which was 248 in 1988-89 rose to 762.46 trips during 1990-91. This should have resulted in higher rate per 10,000 kms.

2.22 In reply to a question as to what were the reasons for increase in number of missed trips due to break-downs during 1988-89 and 1990-91

and what measures are being taken by the Corporation to reduce the same, DTC stated in writing :—

1. In mid-March, 1988, DTC employees went on strike paralysing the passenger bus operation of DTC in the city. Though before 31st March 1988 the staff started joining duty and buses were outshedded, it took two months to normalise the operation.
2. The services of a large number of employees including operational bus crew were dispensed with by the Government as a result of DTC employees strike in March, 1988.
3. DTC operated its services with the help of existing staff for 5 to 6 months. In the scorching summer heat the staff performed overtime duties at a stretch. In the work-shops for the same reason there was delay in getting the sick buses attended and the performance on these two counts suffered. Staff was recruited and vacancies filled up and the operational performance normalised.

2.23 In 1990-91 the city was plagued by Anti-Mandal Commission and other political agitations in September-December, 1990 period. The buses were damaged, set-fire etc. in the mob fury. It was difficult to retrieve the buses in such conditions. Many a times the police escorted the retrieving party. In this abnormal situation, trips missed on account of break-downs, were much more in comparison to the normal condition.

2.24 DTC has also stated in a written reply that it has a proper proforma for making entries in respect of missed trips on account of break-downs, no bus, no staff and other reasons. This proforma is being used since inception of DTC.

Inter-State Routes

2.25 According to Audit Report in August 1975 the Union Territory of Delhi had a share of 214 interstate route permits out of which the Corporation was operating 72 route permits. It was felt that by taking over the interstate operations not only better services would be provided to the passengers but the profits from interstate operation would partly offset the losses in operation within the Union Territory of Delhi. As on 31.3.1991 only 118 routes were being operated by DTC on interstate service.

2.26 Based on reciprocal arrangements with various State Transport Undertakings of neighbouring States, the Corporation is entitled to operate 1.5 km in their territories for every kilometer operated by the respective State Transport Corporation/Department of Delhi.

2.27 During evidence the CMD, DTC admitted that "in August, 1975 the Union Territory of Delhi had a share of 214 inter state routes out of which on 25 routes 72 permits were operating."

2.28 When asked when in 1975 a decision was taken to take over all the routes and why this was not implemented. The CMD, DTC stated, "I have

been within my resources increasing my share on the inter state routes but all the routes I have not been able to take over."

2.29 The Committee were of the opinion that the Corporation should take over these inter-state routes at the earliest so that the losses of the Corporation could be offset to a large extent. In reply the CMD stated during evidence that "My main objective is to operate in Delhi. For the last five years my fleet has not been increased..... I can operate on more routes if I have more buses."

2.30 With regard to the bus fares the CMD stated during evidence that "as far as the interstate routes are concerned, the fares are fixed by each state. We also charge the same fare that is fixed by the concerned state. If you take the two years figures on interstate per one kilometre income it is Rs. 4.72 against Rs.3.78 in the city, in 1989-90 and Rs. 5.25 per kilometre on interstate in 1990-91, as against Rs. 3.97 in the city."

2.31 The committee wished to know when interstate routes are profitable, why was DTC incurring losses; the CMD replied during evidence "If you take the working cost in the interstate, it is surplus. In the city route it is minus Rs. 2.14 and in the interstate route, it is surplus by 53 paise. But when you take the total cost, where interest to Government loan and depreciation is included then on interstate route, I will be loosing 67 paise per kilometre."

2.32 Regarding the fixing of fares in inter state routes the CMD replied during evidence:—

"As far as bilateral agreement is concerned, that does not deal with fare. It is about sharing mileage time table to be run by different States on routes, etc. All these things are decided on the bilateral agreement between the States. But as far as the fares are concerned, again I submit that fares are decided by individual States. they do not consult anybody else in that aspect."

2.33 The committee wanted to know whether the rates in inter-state routes are higher or so, the CMD replied :

"Those rates are higher than what is in Delhi. This is what I have been saying right from the beginning. The other States have different rates."

The witness also added that "I am not the person to fix rates. It is fixed by the States."

2.34 When asked how much profit is earned from interstate operators *vis-a-vis* operators within the Union Territory the CMD replied during evidence :—

"In 1989-90, we earned Rs. 4.72 per kilometre on interstate as against Rs. 3.78 in city. In 1990-91 the earning was Rs. 5.25 on interstate as against Rs. 3.97 in the city per kilometre."

2.35 On a query what was the total entitlement and utilisation for DTC during 1990-91 and what are the estimated losses due to non utilised inter-state routes by DTC, the CMD replied during evidence:—

“The total share of DTC on the interstate routes is 1,97,278.5 kilometres, but the Corporation is operating on 1,38,418 kilometres. DTC is unable to operate on 58,860.5 kilometres, which it can. If the buses are available, it can undertake the remaining routes also.”

2.36 When asked how many buses had been purchased during the last three years and how many of these had been put on the inter-state routes, the CMD replied:

“In 1992, out of 535 buses purchased 93 have been put on inter-state routes; In 1991, out of 103 buses purchased one bus was put on inter-State route. As on date, I have 470 buses on inter-State routes.”

2.37 In reply to a question that due to the shortfall in the inter-state operations, what is the estimated loss to the DTC, the CMD stated during evidence “On the basis of the difference between the revenue on interstate and the revenue on city, the loss is Rs. 1.28 per kilometres.”

Man Management

2.38. The staff position of Drivers, Conductors & Traffic Supervisors of last three years ending 31-8-1992 are as under:

		Prescribed per bus	Actual per bus
1989-90	Drivers	2.50	2.51
	Conductors	2.50	4.05
	Supervisory	0.50	0.51
1990-91	Drivers	2.50	2.49
	Conductors	2.50	3.04
	Supervisory	0.50	0.50
1991-92	Drivers	2.50	2.42
	Conductors	2.50	3.02
	Supervisory	.50	.48

2.59 When asked by the Committee whether the excess staff was employed by DTC, the Corporation in a written reply has stated that as on 30.4.1992, there are 335 employees excess of the norms in the Corporation. The Corporation also stated that the reasons for engagement of excess staff was the Government's directives in 1989 to take back in service all the employees dismissed during the illegal strike of March, 1988.

2.40. In reply to question, what action has been taken by the manage-

ment to keep operational staff to norms so that cost of operation is minimised, DTC in a written reply stated that:

"to minimise the cost of operation, DTC is trying to contain the staff cost by banning the recruitment in whole of the Corporation even against the vacant posts of different categories."

Administrative Staff

2.41 The staff position for 1990-91 was as under:—

	Prescribed per bus	Actual per bus	Overtime paid
1989-90	1.50	1.28	Rs. 8.27 lakhs
1990-91	1.50	1.28	Rs. 7.28 lakhs

2.42 When asked what is the justification for payment of overtime and what steps have been taken to curtail the same, DTC stated in its written reply that:

"It is a fact that DTC is running short by 0.22 ministerial/administrative staff per bus. Therefore, it has become essential to get wherever there is a compulsion. However, it may be noted that in case the corporation recruits the administrative staff to the tune of 0.22, the monthly expenditure will go much higher than the overtime paid at present. Monitoring of overtime is reviewed monthly in the meeting of Head of Depots by the Chairman-cum-MD.

2.43 As on 31st March, 1992 DTC had a fleet of 4372 buses + 3 prime movers and was operating on 753 city and 121 interstate routes carrying on an average of 42.70 lakh passengers per day. The Committee were informed by DTC that the fleet position on road is DTC's own fleet of 3750 buses and 609 private buses. When the Committee wanted to know whether the fleet strength was commensurate with the increase in population the Secretary, Ministry of Surface Transport replied, "perhaps it was not kept in step with the increase in population." They were also informed that the productive life of DTC is 8 years and there are 1481 buses who have completed their productive life.

2.44 They were also informed that DTC buses are considered overaged when they complete 8 years of life and 5 lakh kms operation. At this stage, if the Corporation decides to continue operation of such buses for various reasons road worthiness certificate is obtained from the State Transport Authority.

2.45 As per the Secretary, Ministry of Surface Transport that under the targets fixed for Seventh Five Year Plan the total requirement of the DTC and private buses under DTC would be about 10,000 buses but the actual acquisition would be limited by the amount of money that will be given during the entire Seventh Plan. He also informed that the total fleet

strength at the beginning of the Seventh Five Year Plan, that is at the end of 1984-85 was 4039 and at the end of Seventh Five Year Plan i.e. 1989-90 was 4399.

2.46. Regarding fixing of targets the CMD had stated that when the resource position becomes stringent, they would have to adjust their target according to the money available.

2.47 As on 31st March, 1991, the Corporation had over 40% of its buses which were overaged. The per centage of fleet utilisation was 89.04% and 84.53% and 87.41% during 1989-90, 1990-91 and 1991-92 respectively. As against this, the per centage of fleet utilisation of other two Transport Corporations viz. Pallavan & BEST was 88.9% and 86% respectively. Regarding improvement of fleet utilisation the Corporation had stated that 535 new buses had been added to replace the overaged buses.

2.48 The percentage of fleet utilisation of DTC during 1989-90 and 1990-91 was 89.04 and 84.53 respectively and the average kilometer per bus per day was 233 and 219 respectively. As on August 1992 the fleet utilisation of DTC was 87.41 percent. When asked what were the reasons for decreasing fleet utilisation and shortfall in average number of vehicles on road for the year 1990-91 DTC stated the reasons were, Mandal Commission and other political agitation, restrictions caused because of Gulf War, overage fleet. As on 31st March, 1991, 40% of the fleet was overaged. The representative of Pallavan and BEST informed the Committee that at present their fleet utilisation is 88.9% and 86% respectively. The representative of BEST also stated that, the turnout of the fleet is 93% and no bus is kept out for more than three days. They have got night maintenance system in their depots. They have 20 depots and their major day to day maintenance is carried out in the night shift when the buses come for stabilisation. The result is that in the morning the buses are available. They are introducing a concept of zero defect in depots and it has shown improvement in availability of buses.

2.49 When asked is the city operation adequate to meet the demand, the representative of Pallavan stated, it is just adequate, the representative of BEST replied, according to the requirements we are totally adequate and meeting our city transportation requirements rather eminently.

2.50 The Committee note with concern that over the years the fleet strength of DTC has never kept pace with increase in population. The Secretary, Ministry of Surface Transport was can did in admitting these facts. They also note that though it was proposed in the Seventh Five Year Plan that the total requirement of the DTC and private buses under DTC would be about 10000 buses yet the actual acquisition was limited by the availability of funds. Even though the Corporation has been crippled with economic problems since its inception yet it has never tried to find ways and means to improve the same. The Committee have also been informed that transport system of Madras and Bombay i.e. Pallavan and BEST are adequate to meet the demand of the commuters. On the other hand they

note with concern the woefully inadequate fleet strength of DTC. The Committee are of the opinion that DTC should not only improve its financial health but should also increase its own fleet strength to meet the traffic demand adequately.

2.51 The Committee are particularly concerned regarding the increasing number of overaged buses. At present DTC has a total of 1481 buses which have completed their productive life. The Committee recommend that the overaged and outlived buses be replaced immediately in order to maintain a sound and healthy transport system in the capital which would not only provide better transport facility with passenger safety but also reduce environment pollution.

2.52 The Committee are also distressed to note the low capacity utilisation of buses. They are unhappy to find that no serious efforts had been made either by the Corporation or the Ministry to improve vehicle utilisation. The Committee find in BEST that the turn out of the fleet is 93% and no bus is kept for more than three days. They were also informed that BEST have night maintenance system. The Committee would strongly urge the Corporation to emulate the system of high capacity utilisation of buses followed by BEST and try to learn from the example set forth in improving the capacity utilisation.

2.53 The Committee note that the bus breakdown per 10,000 kms. operated by DTC on city routes ranged between 3.13 and 3.76 for the last four years ended March, 1988. It came down to 0.82 and 0.80 during 1989-90 and 1990-91 respectively. However, the trips curtailed per day due to breakdowns which was 248 in 1988-89 rose to 762.46 trips during 1990-91.

2.54 Regarding the percentage of breakdowns of PTC was roughly one percent. In order to curtail the breakdowns of such nature, PTC has introduced mobile squads. On breakdown the representative of BEST stated that in 1987-88 it was 0.53, for 1988-89 it was 0.55, for 1989-90 it was 0.51, for 1990-91 it was 0.53 and for 1991-92 it was 0.79 percent.

2.55 As about increase in the number of trips as also breakdown during 1988-89 and 1990-91 the Committee were informed that this was because of strike of DTC employees in mid March 1988, dispensed with the services of a large number of employees on account of the strike; the reasons for missed trips in 1990-91, Anti Mandal Commission and other political agitations in September-December 1990 etc. The Committee are not satisfied with the reasons advanced by DTC regarding the increasing number of breakdowns from 1988-89 to 1991-92. Admittedly some of the missed trips, break-downs could have been owing to uncontrollable reasons as put forth by the Corporation. However, an analysis of the statistics as given to the Committee clearly indicate that there have been a substantial increase in the trips curtailed per day due to breakdown from 248 in 1988-89 to 762.46 in 1990-91.

This only strengthens the Committee's belief that the Corporation is trying to shield its non-performance and tardy fleet utilisation under the pretext of other extraneous factors. The Committee would therefore strongly urge the Corporation to do something meaningful to revamp the organisation improve fleet utilisation and operational efficiency.

2.56 The Committee were informed that in August, 1975 the Union Territory of Delhi had a share of 214 Interstate route permits. Audit stated that by taking over the interstate operations not only better services would be provided to the passengers but the profits from the inter-estate operation would partly offset the losses in operation within the city. However, as on 31.3.1991 only 118 routes were being operated by DTC on interstate services. They were further informed that since the main objective of DTC was to operate its services in Delhi it did not pursue in taking over more interstate operations. The profit earned from inter-state operations as against the operations within the Union Territory was Rs. 4.72 per kilometre in 1989-90 as against Rs. 3.78 in city operations. In 1990-91 the earning was Rs. 5.25 on inter-state as against Rs. 3.97 in the city per kilometre. The Committee were also informed that of the total share of DTC on the inter-state routes is 1,97,578.5 kilometres but the Corporation is operating on 1,38,418 kilometres. DTC is unable to operate on 58,860.5 kilometres.

2.57 It was stated by CMD, DTC that in 1992 out of 535 buses purchased 93 have been on inter-state routes. In 1991 out of 103 buses purchased one bus was put on inter-state route. At present DTC has 470 buses on inter-state routes.

2.58 The Committee are distressed to note that DTC could not operate all the allotted 214 inter-state routes. Out of 214 routes permits only 118 inter-state routes are being undertaken. Although the inter-state routes are profitable DTC is unable to provide more buses on them. DTC is also unable to operate in 58,860.5 kms. for its allotted share in inter-state routes, even the administrative Ministry is not taking due care in providing adequate number of buses. During the last two years 1991 and 1992 only 94 buses have been added to the inter-state services. The Committee are unhappy to find that no serious efforts had been made either by the Corporation or the Ministry to provide adequate number of buses in inter-state routes. They recommend that, keeping in view the greater margin of profitability, DTC should give equal importance towards inter-state services by providing adequate number of buses in order to operate in all the allotted routes to them which in result would off set its total losses.

2.59 The Committee find that during 1990-91 against the prescribed number of staff per bus in different categories are, Drivers, prescribed 2.50 actual 2.42, Conductors; prescribed 2.50, actual 3.02 supervisory; prescribed 0.50 actual 0.48. DTC stated that as on 30.4.1992 there are 335 employees excess of norms in the Corporation. The Corporation fulfilled the excess staff by carrying out the Government directives in 1989 to take back in

service all the employees dismissed during the illegal strike on March, 1988. In reply to a question what action has been taken by the management to keep operational staff to norms so that cost of operation is minimised, the Corporation stated that to minimise the cost of operation, DTC is trying to contain the staff cost by banning the recruitment in whole of the Corporation. During 1990-91 the administrative staff position was 1.28 per bus as against the prescribed number per bus 1.50 being the overtime paid Rs. 7.28 lakhs. DTC also stated, it is a fact the DTC is running short by 0.22 administrative staff per bus for which it has become essential to get the overtime. They say in case the Corporation recruits the administrative staff to the tune of 0.22 the monthly expenditure will go much higher than the overtime paid at present. The staff norm for Pallavan is 7.5 per bus, Conductors and drivers per bus are 2.5 each which comes to 5 per bus, in case of BEST for the drivers the target fixed is 2.45 whereas the actual is 2.50. In case of drivers it is 3 and the actual is 3.14. For the administrative staff prescribed is 1.13, actual 1.48. The representative of BEST justified the excess staff as they have one-third of the total fleet as double-deckers. Moreover, their first bus starts at 4 o'clock in the morning and the last service is early in the morning at 2.30 AM.

2.60 The Committee observe that although the Corporation was allocated manpower far beyond its requirements, no study was conducted to assess the overall manpower requirements. They are unhappy to note that there has been high incidence of overtime allowance in administrative staff which amounted to Rs. 7.28 lakh in 1990-91. The Committee are perturbed about the causal manner in which DTC and the Ministry have been dealing with this vital aspect of manpower management. The Committee desire that a study be conducted, surplus manpower identified and effective measures taken to reduce the same within realistic period. The Committee would urge that a conscientious effort should be made to productively deploy the surplus manpower, curtail payment of unjustified overtime and increase productivity of manpower.

CHAPTER III

PRIVATE OPERATIONS

3.1 Besides DTC's own fleet, the Corporation also has a number of Pvt. buses playing under DTC operation. DTC gets STA permits for these buses on the basis of affidavits furnished by them which state that these buses are plying on the k.m. scheme.

3.2 Earlier, the Private buses plying with STA permits under AOCC scheme were charged Rs. 1200/- per month per bus from January, 1974 which was revised to Rs. 1000/- per month in February, 1976. The AOCC Scheme was placed by kilometrage scheme in August, 1974. The Kilometrage scheme was in operation upto March, 1988 during which period the DTC was keeping the revenues but paying fixed rate per kilometer to the Pvt. operators and providing with the conductors. This scheme resulted in a loss of Rs. 29.65 crores during 1985-86 to 1987-88 alone. The kilometrage scheme was discontinued from 17th March, 1988 and the private operators allowed to run the buses on their own and also keep the full earnings for themselves. Additionally the private operators are being compensated by the DTC for use of their buses by the pass holders. The loss worked out in audit during the 3 years ending 31st March, 1991 amounted to Rs. 259.88 lakhs besides loss on account of payment for passes.

3.3 When asked by the Committee what were the reasons the AOCC schemes was not continued after March, 1988, the Corporation stated in a written reply that "Administrative and Operational Control Charges, Schemes (AOCC) as was applicable to the private buses under DTC, was discontinued in the years 1979 due to certain shortcomings observed in the system and thereafter kilometer scheme for the operation of private buses under DTC, was followed and continued upto 16th March, 1988. After the illegal strike of DTC employees from 17th March onwards, private buses were running purely as an adhoc arrangement, This arrangement is still continuing as per the directions of the Ministry."

3.4 The Committee wished to know whether it is a fact that the DTC is getting the private buses permits from STA stating that they are plying under the Km. Scheme. To this, the CMD, DTC replied in affirmative. Asked how the DTC could justify that Private buses were under DTC operation, the CMD, DTC stated during evidence:

"They are under me because they are to report to my time-keeper at the terminals. They are under me because in case they do not report to the time-keeper at the terminal, I impose penalties on them. If there is a public complaint against them. I enquire into that

and then I take action against them. In case they are involved in accident, then I remove them from my operation. And thereafter, they cannot operate on the permit. So, that is why I say, Sir, they are under me."

3.5 The Committee were informed that DTC was formed since there was a failure on the part of DTU to perform its functions. Asked to indicate in this context, what was the total requirement project of DTC for 7th Five Year Plan, and what was the percentage of target achieved, the Secretary Ministry of Transport stated during evidence:

"Sir, in the plan document, the working group had projected that the total requirement of the DTC at the end of the Seventh Five Year Plan would be about 10,400 buses but the actual acquisition will be limited by the amount of money that will be given during the entire Seventh Plan. The total resources given to DTC were Rs. 70.37 crores, part of which is required for infrastructure..."

3.6 Asked what was the actual strength at the end of the 7th Plan and additions if any the Secretary replied:

"At the end of the Seventh Plan, they were able to have a total fleet strength of 4374 buses...The total fleet strength at the beginning of the Seventh Plan i.e. at the end of 1984-85 was 4039 and at the end of 1989-90 was 4339."

On the Number of private buses the Secretary stated:

"During this period roughly it was about 1200 buses at the end of the VII Plan and it came down to 1000 and odd buses."

3.7 The Committee wished to know how the target of 10,400 buses was fixed, whether this was fixed keeping the resources, population in mind, more so when the actual increase in fleet was only 300 and about 1200 private buses. They also wished to know how the Secretary had stated that the corporate objectives were more or less fulfilled.

In reply, the Secretary stated that the limiting factor was money.

This Committee further enquired, if money was the limiting factor, then why was the Corporation not motivated enough to put more Pvt. buses. The Secretary stated that:

"Till the strike in March, 1988, the kilometre scheme was in operation but private operators were leaving the scheme one by one. The reasons was the low rate structure and it was uneconomical for them. They were leaving on their own volition."

3.8 When asked by the Committee what exactly attracted or deterred

private bus operators from DTC operation, the Secretary replied during evidence that the attraction was to get a right to operate on a route and get payment from DTC per kilometer basis. when asked for how long this scheme was in continuation the Secretary replied it was in continuation ever since the kilometer scheme was introduced.

3.9 Asked further why the objectives of DTC could not be achieved and whether Government had undertaken any study to analyse the factors responsible for the decrease in the number of private buses operating under DTC, the Secretary stated:

"The strategy that we adopted during the 7th Five Year Plan was that we should promote private operators to come and operate under the STA terms under the permit of DTC."

Continuing further, the Secretary stated that under Section 66 of the Motor Vehicle Act, it was not possible for DTC to operate under its permit a bus which does not belong to it. Earlier, each of the private buses which used to operate under kilometre scheme did not have a separate permit from STA. They could ply on Delhi routes only on the permit of DTC.

3.10 The Committee wished to know whether it was a fact that despite the strike of March, 1988 after which the private buses were no longer plying under the kilometre scheme, DTC had been swearing on the false affidavit that the buses were plying on the kilometre scheme and it was on this basis that the permits were issued to private operators. The official of the Delhi Administration stated that it was a fact. Asked further whether this practice was permissible under the system, the Secretary admitted during evidence:

"It is strictly not permissible under the law. We have given interpretation of Section 66 of the Motor Vehicle Act, 1988. But, if we say that this is not permissible then 600 buses will today disappear from the total fleet available."

Elaborating further the Secretary stated:

"We have been trying to persuade the Delhi Administration to give additional STA permits. They were saying that unless DTC applies for the permits it is not possible. Only after persistent efforts, it was in July, 1992 that the Delhi Administration had issued the orders for giving the permits."

He added, "We hope finally, the Delhi Administration will see their way to grant STA permits to private operators. We have succeeded to a great extent."

3.11 On 17th March, 1988, the employees of DTC went on strike. In order to minimise the inconvenience to the commuters of Delhi, DTC decided to allow buses from outside Delhi, to ply during the strike period. Private operators were also allowed to operate their buses in Delhi. Prior to this, when the kilometre scheme was in continuance, DTC had its own conductors and the private buses were also being paid a fix rate per

kilometre. However after strike of 1988 the kilometre scheme was discontinued, private operators were allowed to run the buses on their own and also keep the full earnings for themselves.

In addition private operators were being benefitted by the DTC for the use of their buses for pass holders.

3.12 The Committee wished to know why the kilometre scheme did not continue after the period of strike was over. In reply, the Secretary stated during evidence:

"The kilometre scheme was continuing till March, 1988. As you are aware, the kilometre scheme requires the DTC to be present on the private buses in order to collect the fare. At the time of the strike there was no DTC conductor given to the private buses. So, it was not possible to continue the kilometre scheme with the commencement of the strike. Right from the beginning of 1987 it has been the view of the Ministry of Surface Transport that the private operators must be given STA permits."

3.13 The Committee further enquired whether till very recently Delhi Administration had rejected giving of STA permits to private operators. The Secretary replied in the affirmative. To a specific query by the Committee as to who took the decision to issue the permits the Secretary stated that this decision was taken by the Ministry of Surface Transport at the level of Minister. "We have sent a communication to the DTC". The Committee wished to know specifically when the decision was communicated to the DTC because the CMD, DTC had stated during evidence "In the DTC records there is nothing prior to 1989 as to under whose instructions the kilometrage scheme which was discontinued during the strike period." In 1989, a letter was received giving reference to 1988 just after the strike period.

"In this connection, it may be pointed out that as early as 18.6.1988 in the meeting taken by the Minister of State for Surface Transport, the question of asking the private operators to go back to the kilometrage scheme was brought up and it was told that the Government has taken a decision not to revert to the kilometrage scheme and continue with the present arrangement which would later be followed by independent terms to the private operators."

3.14 The Committee wished to know specifically why the Corporation did not revert to the earlier K.M. system after the strike period. They also wished to know who allowed the present system to continue and what were the reasons for the same. In this connection the Secretary stated:

"The system that was introduced during the strike period, namely the abolition of the kilometrage scheme was allowed to be continued, as I mentioned under the orders of the Minister. The formal communication was sent only in 1989."

3.15 The Committee further enquired whether there was any file which communicated the recorded instruction of the Minister. The Secretary

stated "it was recorded in the file by the Joint Secretary concerned who was present in the discussion." The Committee then enquired whether immediately after the decision was taken in the meeting was any communication sent by the Ministry to DTC. In reply, the Secretary stated that:

"Immediately after the meeting, no communication was sent to the DTC. Right from 1987, the Ministry had been telling everyone concerned that we would do away with the KM Scheme."

3.16 Asked whether it was not incumbent upon the Ministry to send a formal communication, the Secretary replied "I would agree with the Chairman that immediately after that we should have sent a formal communication."

Elaborating further the Secretary stated:

"But in extenuation of what has actually happened, let me submit to the Committee that there was a number of meetings including a meeting in February, 1988 whereby we were going to change the pattern and were going to give private operators designated area. On 10.3.1988, we wrote a letter to the Secretary (Transport) Delhi Administration informing, we are planning to clear proposals for STA permitting private operators independent of DTC. Details of the scheme should be worked out by the Delhi Administration."

He added:

"What happened was, the strike determined the timing of the implementation of the decision. It is not as if it was a new decision taken by the Ministry. Secondly, we asked the DTC to find out whether private operators are willing to come back under the KM scheme who have gone on strike in 1988 for increase of remuneration. Their demand for higher remuneration was pending. The DTC Chairman in a letter sent to us in May, 1988 reported that private operators are not willing to revert back to KM scheme. These are the reasons which impelled us to continue with this scheme."

3.17 The Committee also enquired whether it was a fact that Delhi Administration under the Chairmanship of the then Lieutenant Governor passed a resolution which was supported by the full Metropolitan Council that the Private buses should be allowed to be under the control of DTC and if this was so, how was it that now 3000 private buses are proposed to be given STA permits by the Delhi Administration. In reply the Chief Secretary, Delhi Administration stated during evidence:

"Sir, the situation that we were forced to face was that the DTC fleet was depleted over the years. And as the Hon'ble Member was mentioning, the population of Delhi and the total number of the commuters and their requirements are increasing. We were advised by the Ministry of Surface Transport and the DTC that for their own financial and commercial reasons, they have no intention of ensuring

any substantial increase in the strength of their fleet. Now, what is the local administration expected to do in the circumstances? We have to find the most viable means of filling the gap and meeting the customers' requirements to the best extent possible. We are aware of the pitfalls of introducing private buses on the road. At the same time, given certain circumstances which were inexorably driving us in that direction—we are aware that we have been left with no option—and we have taken the conscious decision of introducing private buses. But we have also taken into account certain safeguards that will be necessary for protecting on the one hand, the commercial interests of the DTC, and on the other, the safety on the road. As for the commercial interests of the DTC, we have provided that routes will be operated jointly by the DTC and by the private buses. If we had gone in favour of exclusive routes, then the tendency would have been for the private operators, to go only for remunerative routes and the non-remunerative routes offering lower remuneration would have fallen to the lot of the DTC. It would have hurt their commercial interests; it would have disabled them further from replacing their ageing fleet. We have tried to safeguard the commercial interests and the financial health of the DTC by providing that introduction of private buses will be on a route sharing basis. On every route, we have said that 60 per cent of the timings will be allocated to the DTC and 40 per cent will be allocated to the private operators. It is, of course, a different chapter as to how the route allocation amongst the selected private operators is going to take place. But here, I am on the subject of joint sharing of the routes and the safety on the roads. There is a historical evidence that whenever private vehicles have operated under the tutelage of the DTC either on kilometre basis or on cash and carry basis, the road accidents are high as compared to the DTC. DTC needs to be complimented for their safety records. In fact, I am sure, that they have an all India record of low incidence of accidents amongst all the public sector transport undertakings. Therefore, the private operators are first suffering in comparison to an undertaking which has a proud record of low accidents."

The witness added:

"When a vehicle operate under the control of DTC, which is a commercial organisation in itself, then their disciplinary control on that vehicle is not as strict or as extensive as possible, when the discipline is enforced by a Statutory Authority. This time, we are not going to place the vehicles under the control of the DTC. We are going to jointly operate them under the direct supervision of the State Transport Authority. And this is the system. Whenever the private vehicles are allowed to operate alongwith Government vehicles on an inter city or city routes, they operate under the control of the statutory authority which is the State Transport Authority."

3.18 Asked further by the Chairman whether taking everything into consideration why were private operators being allowed to operate and in

Madras or Bombay there were no private bus operators, Chief Secretary replied during evidence that:

"The submission which I was making was, the DTC has not been granted the fare levels to which it was entitled in terms of current costs of operation. They had been enabled to increase their fleet by expansion as well as by replacement of the old vehicles, there is no good reason as to why we should have introduced private vehicles on the roads of Delhi."

He continued:

"The commuters are not expected to pay for the inefficiency of the system. In fact, it is expected to improve its efficiency every day of its operation. Its level of performance has to be reflected in the cost of operation, and it is transferred to the customer. It happens in every industry, even in private industry. If you compare the Indian industries with the industries abroad, what happens is that India Industry is much below. So, this is inherent in any costing of a service. Whatever inefficiency is there, of the DTC, at the same time, it is entitled to recover its legitimate cost, for improving its efficiency. What was happening in the last few years was that the fare levels were artificially low.

On the other hand, Government of India was not willing to extend budgetary support to the DTC for keeping its fleet alive. So, the option that was left with us at local level was to fill the gap by bringing private buses."

3.19 The Committee wished to know how the Delhi Administration would be able to ensure that they had control over the private buses and what was the strength by way of manpower which Delhi Administration had with it. In reply, Chief Secretary, Delhi Administration stated during evidence:

"I was trying to explain that the types of control exercised towards DTC and private buses are different in nature. They are a commercial organisation and their staff is supposed to find out whether the vehicle is running on time or not and whether there is any revenue leakage. Whether there is leakage of revenue or not is not going to bother me. As far as I am concerned, there are two angles, First is the commuters' angle as to whether the vehicle is running as per the allotted time or not. This is one type of supervision which I will have to exercise. The other angle is equally important, that is, whether they are violating any traffic rules or not. There are two types of enforcement staff. The first type of staff is the traffic police which is looking after the operation of buses so that DTC and private buses do not jeopardise public safety. We have also sent a proposal to the Ministry of Home Affairs for increasing the traffic enforcement staff in a big way. Similarly the staff of the STA will look after the Motor

Vehicles Act including the time schedule. We have a work force of 129 people which is proposed to be supplemented by 334 people. So, in all, we will have about 500 people in the transport department front and a big army of traffic staff on the police front which will ensure enforcement of traffic laws and Motor Vehicles Act."

He continued:

"The enforcement staff will do the checking. There are mobile squads, stationary squads at certain nodal points and various other methods for carrying out checking. It is not at all difficult to know when a schedule is missed and whose bus is missed. STA has the authority to cancel the permits of the erring private operators and also to punish them accordingly."

3.20 The Committee pointed out that the introduction of 3000 buses by STA would create a chaotic situation. The Committee wanted also to know about the accountability of those buses. In reply the CMD, DTC stated during evidence:

".....the permits for 3000 buses were advertised because the Government was not in a position to give money to buy these 3000 buses."

3.21 When asked what steps had been taken by DTC to see that they could be responsible for their action to some authority, the CMD replied:

"In 1988, I gave five different alternatives to the Government to increase the number of buses through the induction of private buses to increase the availability of buses for the commuters in Delhi. The question of these 3000 buses as to whom they will be responsible was considered by the Government and by the Delhi Administration both. I am not the authority; government is the authority."

He added:

"I attended the meetings with the Lt. Governor in which this matter was discussed. I attended the meeting with the Hon'ble Minister when this matter was discussed. I attended a number of meetings which had taken place in the Ministry regarding these 3000 buses."

3.22 On being asked, what steps DTC had taken keeping in view the new permits to 3000 private operators and their accountability and responsibility, the Corporation stated in the written answer; "DTC is seriously concerned for running of 3000 buses in the city without adequate control and supervision. This was expressed in the meeting with the Lt. Governor of Delhi."

3.23 The Committee wished to know, whether the Advisory Council was in existence when the Government advertised for introduction of 3000 private buses, the Corporation stated in a written reply, "The Government constituted DTC Advisory Council and Notification was issued on 24.12.1991 and the copy of Notification was received in the office of the DTC on 30.12.1991. Delhi Administration released advertisement inviting

applications for 3000 private bus permits for city routes in the local newspapers on 1.1.1992.

3.24 When the Committee asked, whether it was in the purview of Advisory Council to discuss the matters of the issue of 3000 permits by STA if yes, and whether it ever discussed in the meeting of the Advisory Council, DTC replied in the written note, "No; grant of stage carriage permits by STA, Delhi Administration to private buses does not fall within the purview of the functioning of the DTC Advisory Council as listed in para 11 of DTC (Advisory Council) Rule 1973."

3.25 The Committee further enquired whether as the Chairman of Advisory Council, the Chairman DTC took up the matter of 3000 private operator with the Secretary, STA. In their written reply, the DTC stated, "No, the scheme of issuing 3000 state carriage permits by STA, (Delhi Administration) has been compiled by Delhi Administration and the approval of the Government of India, Ministry of Surface Transport has been obtained by them."

3.26 The Committee have been informed that the DTC has a number of private buses plying under its operation and gets permits for these buses on the basis of affidavits furnished by it to STA stating that private buses are plying on kilometreage scheme. The Committee were also informed that earlier, when the private buses were plying under the AOCC Scheme they were charged Rs. 1,200/-per month per bus from January, 1974 later revised to Rs. 1,000/-per month in February, 1976. This scheme was replaced by kilometreage scheme in August, 1979 which was in operation upto March, 1988 till which period DTC kept the revenues but paid a fix rate per kilometre. During kilometre scheme the Corporation also provided the private bus with their own conductors. From 17th March, 1988 the kilometreage scheme was discontinued and private buses were allowed to run on their own as also keep their earnings. Besides DTC was also compensating the private operators by paying for use of DTC passes. During the three years ending March, 1991 the loss, as a result of this scheme worked out to Rs. 259.88 lakhs besides loss on account of payment of passes.

3.27 During evidence, the Committee were informed that the total fleet requirement of DTC for the 7th Five Year Plan as estimated by the working group was about 10,400 buses. But the actual acquisition would, however, be limited by the amount of money that was to be given during the entire 7th Plan. They were also informed that at the end of the 7th Plan the Corporation had a total fleet strength of 4,374 buses.

Moreover, the strategy adopted during the 7th Five Year Plan was that the Government should promote private operators to come and operate under STA terms under the permit of DTC because Ministry was unable to provide the required number of fleet strength.

3.28 The Committee were informed that on 17th March, 1988 the employees of DTC went on strike. In order to minimise the inconvenience to the commuters of Delhi DTC decided to allow the bus from outside Delhi to ply during the strike period. The private buses were also allowed to operate. For the strike period to March, 1988 private buses were allowed to run with their own conductors and also keep the full earning for themselves. This scheme is presently in continuation.

3.29 The Committee had also been informed that as early as 18.6.1988 in the meeting taken by the Minister of Surface Transport the question of asking the private operators to go back to the kilometreage scheme was brought up and it was decided that Government would not revert to the kilometre scheme but would continue with the present arrangement.

There were no recorded instructions or communication in the Corporation's records prior to 1989 whether the kilometre scheme should continue or not. The Committee were informed that it was allowed to be continued under the oral orders of the Minister and formal communication was sent only in 1989.

3.30 During evidence the Committee wished to know how the Ministry would be able to ensure that with the recent introduction of 3000 private buses for which licences have been given the transport facilities would improve rather than become more chaotic. The Chief Secretary, Delhi Administration had informed the Committee that it was a fully conscious decision, whereby it was decided to introduce these 3000 new private buses. Regarding disciplinary control the Chief Secretary had added that with the introduction of these 3000 private buses the disciplinary control would not be with the DTC but with the State Transport Authority which would be a statutory authority. The Chief Secretary has also elaborated that they would be enforcing strict supervision by their enforcement mobile squads and various other methods so as to ensure that the private buses do maintain their accountability.

3.31 It is a matter of great concern to the Committee that such important policy decision about transport system which is to run for the commuters of Delhi were not looked into either by the Corporation or by the Administrative Ministry or by the State Transport Authority. That the Administrative Ministry has been shifting various schemes or rather juggling the schemes as and when it suits their will is a clear pointer to the fact that neither the Ministry nor the Corporation have the interest of the commuters at heart. Were this so then definitely the Administrative Ministry would have done some serious & meaningful rethinking or at least it would have formulated an action plan to ensure whether the present system of transport as it exists in the Union Territory of Delhi is satisfactory or not. This total lack of indifference or apathy on the part of the Administrative Ministry is also evident in the Committee analysis of the various kinds of schemes which are continuing to operate in Delhi. The Committee have noted that the AOCC Scheme which was earlier in operation also resulted in loss to the

Corporation and the kilometreage scheme also brought about continued loss to the Corporation. The Committee are indeed surprised to find that the private operators had to give a fixed rate per kilometre to the Corporation after the strike was over. The CMD, without any justifiable grounds allowed the Corporation rather to compensate the private bus operators for operating in the Union Territory of Delhi and by allowing the private bus operators to continue with their earning.

3.32 The Committee note with deep concern that even after the strike period was over this Scheme was allowed to continue. The Committee would like to place on record that they had to hold a number of meetings only to find out under whose orders or otherwise this kilometreage scheme continued to operate even after the strike period was over. Neither the Corporation nor the Administrative Ministry was able to give any satisfactory reply in this regard. The Committee are indeed extremely perturbed by the admission of the Administrative Ministry and the Corporation that the kilometreage scheme continued to operate only on the verbal orders of the Ministry. From 16th March, 1988 to May, 1989, the discontinuation of the Kilometre Scheme resulted in a loss (upto January, 1989 as pointed out in C&AG's Report) of an amount of Rs. 2332 lakhs. The Committee would like that this case may be referred to CBI and they may be informed accordingly the findings of CBI enquiry. Responsibility should also be fixed on the officer concerned who allowed this system to continue only on verbal orders of the Ministry. That such an important decision which would have far-reaching consequences on the financial burden of the Corporation was not taken only strengthens the Committee's belief of the lackadaisical and lethargic functioning of the Corporation. Things has come to such an extent that the Government were left with no other option but to introduce private buses for which the Government is now trying to give justification.

3.33 The Committee are not satisfied with the reply given by the Ministry and the State Transport Authority that it was necessary to introduce private bus operators in Delhi owing to the fact that the Corporation's fleet strength was unable to cope with the demands of the commuters. While it is an inescapable fact that the Corporation's bus was indeed woefully inadequate however, the fault lies not with the Corporation so much as the Administrative Ministry which did not allow the Corporation to increase its fleet strength upto the desired requirements. The Committee would solely blame and hold the Administrative Ministry responsible for letting things come to such a sorry state of affairs in which there was no other alternative but to go in for private bus operations. The Administrative Ministry which is to exercise control and authority over the Corporation has by its total lack of proper policy and planning only created mismanagement over these years. By enforcing proper control it could have definitely ensured that there would have been no need for these private operators.

3.34 The Committee have come to this inescapable conclusion that the introducing of these 3,000 private buses in Delhi is definitely going to bring about a chaotic transport situation. Indeed the Secretary and the Ministry had also very clearly indicated during evidence that the responsibility of operation of these private buses rests only with the State Transport Authority and the Chief Secretary has also clarified during evidence that they would be a statutory authority which would exercise administrative control over the private bus operators. The Committee are not convinced as to how it would be possible for the State Transport Authority to exercise full and adequate control over private bus operators.

3.35 A shocking admission made before the Committee is that the Corporation has in all these years been furnishing a false affidavit to the STA that the private bus operators are plying on kilometreage scheme. The Committee would, therefore, recommend that responsibility in this regard be fixed at the earliest. They further recommend that this kind of affidavit should be done away immediately and action taken in this regard be informed to them.

3.36 The Committee strongly urge that the Government should look into the reasons for the mounting loss of the Corporation and also the existing system of transport and if it finds that the most viable of the system is the kilometreage system in which the private bus operators continue to pay a fixed rate per kilometre to the Corporation then the Ministry should decide to revert back to this scheme as early as possible.

Removal of 500 conductors belonging to SC/ST by DTC

3.37 After the DTC strike in March 1988, when the Corporation continued with the system of allowing private buses to ply with their own conductors, around 2900 conductors became surplus for the Corporation. Of the 2900 conductors, 503 conductors were on daily wages of which 483 were from SC category. These Retainer Crew daily wage conductors, were appointed between the period from November, 1985 to August, 1987.

3.38 In a note submitted by the Corporation, the Corporation stated that the recruitment was against the general category since the quota of SC/ST was already filled. During the course of their training, their daily rate earnings were Rs. 18.50 per day and they were trained for a period of 2 months.

Between march, 1988 to July 1988 the services of 503 conductors, which included 20 from the general category were dispensed with.

3.39 The Corporation stated that DTC has a sanctioned strength of 9 men per bus, of which 2.5 are conductors against each bus. As and when the fleet position goes down the conductors become surplus. In the instant case, the buses of private operators were withdrawn from the administrative control of DTC and switched to 'Earn & Keep Scheme' thereafter the DTC had a surplus of 2900 conductors.

The Corporation was left with no option but to dispense with the services of surplus staff. According to rules it was not possible to terminate or remove the confirmed employees, therefore, the daily wages were dispensed with, while strictly following the formula of last come first go.

3.40 Asked during evidence, if the Corporation ever considered the alternative of deploying the unskilled manpower elsewhere and whether the decision to terminate these employees was placed before the Board, the Chairman, DTC replied that there was nothing in record about this. He further replied that Government of India could have asked the Corporation not to terminate these employees. He reiterated that the decision to terminate was taken by the Management at the level of the Chairman, and General Manager, and it was not referred to the Board. The orders of discharge were issued at the depot level by the authority competent to appoint conductors.

3.41 The Committee have been informed that from November, 1985 to August, 1987 i.e. a period of about 2 years, 503 Retainer Crew Daily Wage Conductors were appointed. They were being paid an average income of Rs. 400 or so per month during this period. The Committee have also been informed that these daily Wage conductors belonged mainly to SC/ST and continued to be daily wage workers till 1988.

3.42 Prior to March 1988 strike, the Corporation used to deploy their own conductors even for private bus operations. However, after March, 1988 the private bus operators now had their own conductors manning their bus. Subsequently, the services of 2900 conductors became surplus to the Management. Since the 503 conductors were the last in their recruitment list, the Corporation terminated their services and the remaining 2400 were given other duties. The decision to terminate was taken by the Management and it was not reported to the Board.

3.43 The Committee express their strong displeasure at the way in which the services of such a large number of employees belonging to the SC/ST were summarily dispensed with. In the first instance, to state that these employees were considered surplus is itself an anomaly. As the Committee has commented elsewhere; the March, 1988 strike was illegal and the measures resorted to by the Corporation to break the strike was also a temporary one. After the strike period, the Corporation was duty bound to resort to its earlier KM Scheme. It did not do so and because of its own tardiness is not reverting to the status quo, these conductors were considered as surplus.

The Committee reiterate that it was not the conductors who were surplus, but the Corporation's reluctance to revert to its earlier scheme, which left them with no other option but to dismiss these employees.

3.44 The Committee strongly criticise the manner in which these employees were dismissed. They are unable to comprehend as to why such an important decision was not referred to the Board, rather the decision

was allowed to be taken by the Management itself. They would urge the Administrative Ministry to fix responsibility about the lapse in not referring this important decision to the Board.

The Committee recommend that in future these 500 conductors who were removed from service for no fault of their during the strike period may be recruited when any such recruitment takes place on priority basis.

CHAPTER IV

MATERIAL MANAGEMENT AND INVENTORY CONTROL

4.1 The DTC appointed a Committee (Cheran Committee) in May 1982 to study the material management division. The Committee listed out various issues including delays ranging from 55 to 398 days in the processing of indents from the time those were raised by the Material Control Section to the final placement of Purchase Orders. Such delays resulted in changes in prices apart from local purchases made by the various depots which ranged from Rs. 7.47 lakhs to Rs. 42.96 lakhs during 1984-85 to 1988-89. The Cheran Committee Report has not so far been placed before the DTC Board.

When the Committee asked why has the Cheran Committee Report not been placed before the Board, the CMD did not give any satisfactory reply.

4.2 The Committee pointed out that in 1987-88 during investigation it was found that duplicate Lifebuoy Soaps were being supplied to DTC. In reply the CMD stated during evidence:

"the Minister visited one of the depots and picked up a sample of Lifebuoy."

He added:

"He visited one of depots, picked up a sample of Lifebuoy in 1985-86 and said it was not original Lifebuoy. The entire lot was picked up from there, brought to the office and then it was sent to Hindustan Lever which said that these were not bogus. These were supplied by the Hindustan Lever itself. Cost was placed under suspension and he was put on duty with full wages."

4.3 The Committee also pointed out that the value of shortage/excesses of spares detected as a result of physical verification during the last five years from 1984-85 to 1988-89 was the order of Rs. 5.95 lakhs and Rs. 3.47 lakhs respectively. When the Committee asked whether, there was, at any time, shortages in the stores material, and how the theft and pilferage was detected without reconciliation, the CMD replied during evidence:

"There is a system by which we have arrived at this figure."

4.4 On being asked whether any responsibility has been fixed for this, the witness added:

"This has not been done. We will start this."

4.5 As on 31st March, 1989, 953 claims amounting to Rs. 27.37 lakhs preferred by the DTC towards short/rejected supply were outstanding for recovery. Some of the claims were outstanding for many years even though full payment was made to the suppliers.

4.6 When asked what is the latest position of year-wise and store-wise outstandings, the Corporation stated in a written note:

S.No.	As On	No. of pending claims	Amount (Rs.)
1.	31.3.1990	1008	28.88 lakhs
2.	31.3.1991	936	32.87 lakhs
3.	31.3.1992	1057	37.55 lakhs

Referring to claims the CMD, DTC stated during evidence;

“When we receive the supply, a committee of three officers inspects that supply and where they do not pass a supply, the claim starts.”

He further added:

“Amount has to be paid otherwise supply will not come. We get the supply through the ASRTU's rate contract. They not only supply to us but also to all STUs. The guarantee is that he will not run away. In a number of cases where the suppliers had not settled our case in a reasonable time, we have got their rate contract suspended through the ASRTU.”

The witness continued saying:

“Order is placed on a Company. The company supplies the order after receiving the payment. We buy only through such companies which are under ASRTU's rate contract. When the supply comes, then a committee of three officers, which changes every week inspects the supplies, where they find that the material supplied is not satisfactory or it is not as per specification they reject it. Once it is rejected by the Committee, claim starts and the firm is informed to take the material back and to supply the right quality material or to refund the money.”

4.7 When the Committee asked why are the claims not pursued vigorously, more so when the Corporation's financial position is not sound, the Corporation stated in a written note:

“Claims are regularly pursued with the various suppliers and during 1991-92 claims amounting to Rs.54.92 lakh have been settled by the Corporation as against Rs. 21 lakhs each in 1989-90 and 1990-91.”

4.8 In reply to a question as what steps are being taken by the DTC to rectify this system, DTC stated in writing:

"The Corporation is working out the modalities to avoid procurement from the firms who have failed to settle outstanding claims. The matter is also reported to ASRTU for withholding their award of rate contract to the firm till such time they settle the claims of DTC."

The Committee pointed out that as regards accounts recoverable from employees also, the Corporation had not been pursuing the cases effectively as per the following instance:

"An amount of Rs. 33847/- recoverable from an Ex-Chief Mechanical Engineer was not recovered although all his dues were paid to him at the time of retirement (August, 1983). A civil suit for recovery of dues were rejected by Court in 1988. The amount may have to be written off." In reply the CMD stated during evidence:

"Shri Ranjan when he retired in August, 1983 pending telephone bills to the amount of 53,823.75 were raised against him. Gratuity and provident fund had already been released to him. The total amount with us was Rs.4,615 and Rs. 15,938.62 towards leave encashment. So we deducted this amount and the balance came to Rs. 33,847.13. Now for this, we gave a notice to him. When we gave a notice he went to the Court. We simply gave a legal notice saying that he should return Rs. 33,847.13. He went to the Court and the Court said that during his service period, he has officiated on senior positions and all that and the DTC did not make the payments. So not only this amount was not recovered but we had to pay Rs. 55,296.00 to him including the legal costs."

4.10 It was reported that a new medical scheme introduced with effect from 1st May, 1984 on a trial basis for a period of six months initially was however, operated without the two crucial conditions that were to be included as per the directions of the Board viz. a ceiling on the monthly expenditure which an employees could incur (to be fixed by the Chairman) and secondly reference to the Medical Officer of the Corporation for his scrutiny of all the bills beyond that ceiling. The scheme without the two essential conditions continued to operate on periodical extension basis upto 20th January, 1986 when a modified scheme was put into effect stipulating, inter alia a monetary ceiling of Rs. 1200 per employee per year.

Due to non adherence of the two conditions mentioned above, the medical expenditure during 1984-85 jumped from Rs. 73.24 lakhs to 915.92 lakhs i.e. an increase of 1150.57 per cent over the previous year even though the total number of employees increased only by 5.70 per cent i.e. by 2199. On being asked why was the scheme without the two essential conditions allowed to operate on periodical extension basis upto 20th January, 1986, the Corporation stated in a written note:

"The records do not divulge as to why the scheme was allowed to operate on periodically extension basis upto 20th January, 1986 without the two essential conditions mentioned in Board Resolution No. 26/84 (January, 1984) namely, (i) a ceiling on the monthly expenditure which an employee could incur (to be fixed by the Chairman); and (ii) reference to the Medical Officer of the Corporation for his scrutiny of all the bills beyond that ceiling. However, it was not proper to operate the scheme without following directions of Board."

4.11 When the Committee asked who was the Chairman at that time the CMD, stated during evidence: "Shri Prem Kumar was the Chairman at that time." On being asked: why no action to fix responsibility has been taken so far by Management and what steps have been taken by DTC to avoid repetition of such failures DTC stated in a written note:

"Responsibility has been fixed on the following three senior officers of the Corporation.

1. Sh. T.D. Gupta, Ex. Addl. Gen. Manager
2. Sh. S.A. Baree, Ex. Chief Accounts Officer
3. Sh. Same Chand, Ex. Sr. Administrative Officer

A proper Medical Scheme has been framed with the approval of the Ministry with adequate checks and counter checks to avoid any misuse."

The CMD, DTC also stated during evidence:

"Shri T.D. Gupta's service were terminated. Shri Baree left the service in 1989. He was allowed to take voluntary retirement. And Shri Same Chand was chargesheeted. His case is still with the CVC. He has since retired in 1990."

Disposal of Scrap

4.12 As on 31.3.91 the position of scrapped DTC buses is as given below:—

	1988-89	1989-90	1990-91
Central store	577	577	577
Central store	210	136	288
C.W.S. I	238	364	165
	1025	1077	1030

4.13 When the Committee wanted to know how many scrap buses are there with DTC, the CMD replied during evidence

"Sir, as on date, I have 1185 scrap buses. As far as 577 buses are concerned, I was asked by the Chairman to take it up with the Managing Director of MSTC. I had written to him saying that within three months they should dispose them of. These are the old

buses which are with us since 1985. As regards other 456 buses, court order is not to sale them. We are taking up this issue with the Court. After my taking over I had initiated this. They want a superdari bus instead of my old bus, which is useless. I have four thousand fleet. They can have superdari of any bus instead of that particular bus because that is not required. We met the Registrar twice. They are considering and they will be discussing this with the Sessions Court because of these superdari buses, we had put a tender, which is being opened in July."

4.14 On being asked what is the system to declare a part tube or tyre as scrap, the CMD replied during evidence:

"There are different committees. The Committee is fixed but the members of the Committee keep on changing; they inspect the material which goes for repairs and the material which cannot be repaired is declared as scrap."

4.15 On being asked if physical verification regarding location, date of disposal etc. of 1030 buses scrapped been done and when were the buses declared obsolete and when disposed, the Corporation stated in a written reply:

"Physical verification of 1030 buses declared scrap has been done. 577 buses could not be disposed off on account of pending dispute and the matter has been taken up with the Metal Scrap Trading Corporation for early settlement. 223 buses have been sold in 1991-92, remaining awaiting disposal."

4.16 During evidence the Committee wished to know whether it was a fact that some of the units declared as scrap could be considered as potentially repairable, the CMD, DTC stated during evidence that:

"The fact is that 10,000 tubes were to be sold on our own. A team of three officers started checking them. Central Stores Officers were sent to see whether this scrap can be checked or whether the whole scrap had to be sold. Out of them they found 1700 tubes which were potentially repairable. They were not new ones. On our own we took out those items and they were not sold. It is common knowledge that we sell scrap etc. We do a random check that whatever has been brought to the scrap is really scrap or not".

4.17 Asked by the Committee what is a normal tenure of a person to be posted in Stores and Purchase Department, the CMD, DTC replied:—

"In normal course it should be three years."

The Committee then enquired whether there was any person who had been working in Stores and Purchase Cell for 15 to 20 years. The CMD, DTC replied in the affirmative during evidence:

4.18 The Committee further wished to know what was the Government's

policy with regard to transfer. The CMD, DTC replied during evidence, "On an average, an officer on one posting should not be there for more than three years."

4.19 The Committee asked who was in charge of scrap, the CMD, DTC replied during evidence,

"It is under the Deputy Chief General Manager (Stores & Purchase). His name is Mr. Bhatia."

The Committee then referred to the Audit Para 12.8 of the Audit Report which reads as:

"Audit attempted scrutiny of records and physical verification and found that neither the Stores Department nor the Workshop maintain any account of the buses lying for disposal. As per the list supplied by the Management in September, 1989 there was a shortage of 256 scrap buses. The Management provided a revised list of scrap buses in April, 1990. On reconciliation, it came to the notice of the Audit that the shortage of 35 buses continue to exist....."

4.20 The Committee pointed out that in audit report it is mentioned that there is delay in disposal of scrap bus. They wanted to know what is the present position on this regard and whether the shortage of buses in store is reconciled. They also pointed out that, as per the C & AG report neither the Stores Department nor the Workshop maintain any account of the buses lying for disposal. In this regard, the CMD, DTC stated that, "We are maintaining the record for the last five years. We have sold 1218 buses."

He added:

"There is no shortage and this is reconciled with the Audit. With the Audit we have reconciled the figures. There is no shortage as on date."

4.21 When asked how much money the Corporation got after disposing the buses, the CMD, DTC stated during evidence.

"Rs. 25,000 to Rs. 30,000 per bus and 223 buses have been disposed."

Performance of Central Workshop

4.22 According to Audit the Corporation had two Central Workshops for major repairs, reconditioning, overhauling on engines etc. and retreading of tyres. For day to day repairs every depot had a Workshop of its own.

4.23 Central Workshop-I was initially established with a capacity to undertake repair of 1200 vehicles which could be maximised to 1500 vehicles. Central Workshop-II was commissioned in September, 1983 to undertake repair of 3000 buses. Neither the installed capacity could be fully utilised nor even the low targets fixed achieved resulting in high under utilisation of resources.

4.24 When asked whether any norms for labour productivity were fixed for various shops, DTC have stated in its written reply that "No specific labour productivity norms for various shops in the two Central Workshops have been fixed in view of varying quantum of work load for various components of the assembly as also the assembly itself. However, DTC at present has only 1.90 men per bus on roll as against 2.5 men per bus recommended by A.S.R.T.U."

4.25 The updated position of overhauling of assemblies at CWS-II for the year 1988-89, 1989-90 and 1990-91 is as given below:

Particulars			1988-89		1989-90		1990-91	
			Target	Actual	Target	Actual	Target	Actual
Major Overhauling of Engines			2922	2474	2642	2475	2959	2218
Gear Boxes			3737	3381	3490	4068	4243	3182
Axles			2826	1440	1729	1764	2071	1464
Alternators			—	831	5855	4732	7616	5764
Retreading of Tyres			47764	27725	41780	36327	38798	36640

4.26 When asked what was the criteria for fixing targets DTC stated in a written reply, "targets for overhauling of various assemblies are fixed on the basis of the life achieved for those assemblies in the past and are requirement based and not production based. The deviation from the targets is a normal process and not an exception. In view of various quantum of repairs required in various aggregates of the vehicles."

4.27 With regard to capacity utilisation of Central Workshop the Committee pointed out, that DTC has more than four thousand fleet of vehicles whereas the capacity of the two Workshops is only for three thousand fleet. When asked whether the Corporation is facing any difficulty in repairing its fleet, the CMD, replied during evidence:

"Total capacity for both the Workshops is 3000, whereas I have 4,400 buses. My facilities are already over stretched as far as this body building is concerned. We have analysed this and found that it is cheaper to get the body outside than to build it inside. Once we create that infrastructure, we must feed that infrastructure. The money received by me is not on a regular basis to buy number of buses. So, I can create that much of facility for body building. I do not want this. In case I have the employees then this will be an extra burden on me."

Elaborating further, the CMD said:

"As far as the DTC is concerned, it is not a production unit. It is a service unit. At the moment, I am not feeling any hardship because of less capacity, the reason being that if I have to do the same kind of job in the same quantum at all shops—Engines reconditioning shop, gear box shop etc. In the Central Workshop, even then the difficulty arises. What happens is, sometimes, the requirement increases on engines. So, I shift the man-power from other shops and utilise it in the Engine Shop. Sometimes, there may be requirement for the gear box shop. So, I shift the man-power to that place. Therefore, at the moment, it is not so. But, in times to come, I have to increase the capacity."

4.28 When asked how many buses can be attended at a time; the CMD, DTC replied during evidence:

"The parking capacity in the two Central Workshops is 45. Parking capacity in the depots is 3570."

4.29 On being asked what are the procedures followed by the Corporation to ensure full utilisation of Central Workshops, DTC stated in a written reply:

"In view of capacity short-fall at the Central Workshops, close planning, monitoring and distribution of work in various work centres was organised. Production targets monthwise were based on requirements rather than capacity available. Efforts were made to achieve this requirement based targets for meeting the shortfall in demand for 4375 buses.

The above efforts led to improved equipment and labour utilisation—in some cases over straining of these resources. A few activities were also shifted to the depots to make good of the capacity shortfalls. Additional capacity was generated for repair and retreading of tyres."

4.30 According to audit Central Workshop-II which was to be completed within 21 months of award of civil contract i.e. by July, 1982 was not completed by the contractor and the contract was terminated in October, 1983. Corporation carried out works to the extent of Rs. 29.44 lakhs. Corporation incurred an extra expenditure of Rs. 27.11 lakhs. No recovery of cost of works done departmentally (Rs. 9.10 lakhs) was made. Government stated (August 1990) that claims against the contractor have been referred to Arbitration.

4.31 On being asked what action was taken by the Management to avoid such recurrence, the Corporation stated in the written reply:—

"Expenditure over/below the estimated cost does take place in all big works. In the note which was made a base for observations of audit, abandoned works have been shown to the extent of 6.12 lakhs as

against Rs. 29.4 lakhs taken by the audit and after adjustment of this amount, figures of Rs. 27.11 lakhs would come down to Rs. 3.79 lakhs only. $(206+6.12+9.10 - 217.43=3.79)$. The figures of 3.79 lakhs is the increase in the cost of project. No over payment has been made.

After failure of the contractor, the remaining works are carried out at the risk & cost of the contractor. Thus, the extra cost involved in doing departmental works is recoverable from the contractor and the matter is being contested in the arbitration."

4.32 The Committee wished to know whether it would have been more economical to get maintenance of buses done through private agencies. In reply the representative of DTC stated during evidence:—

"We have two tier system regarding maintenance. The first tier of maintenance constitutes periodical preventive maintenance which includes daily servicing after 8,000 kms. servicing and maintenance; 24,000 kms. service after six months service and then motor vehicles inspection periodically. These activities of periodical maintenance are carried out in the depot workshops. We have 36 depots workshops where these activities are carried out. Almost 10 per cent of the fleets are taken care of in these workshops. Therefore, they also have to undertake the break down, repairs, road call attention and replacement of various units, like vehicle aggregates. Whenever any vehicle aggregate becomes unfit for further operation, then that vehicle will be removed and immediately replaced with a reconditioned one. We have two Central Workshops which are meant to undertake the reconditioning of these assemblies. These assemblies get generated every day depending what kilometres that we have. At present, our capacity is 3,000 but requirements is 4400 vehicles. How do we meet that? Some of the activities we have transferred to the depot workshops which should be undertaken there and probably and when we develop adequate capacity, we will transfer back to the Central Workshops. Over-strengthening of capital of operating tyre plants for 365 days in a year shift has been achieved by us. Nowhere in the world such a thing has been achieved. That is what the manufacturers say. We are now going to enter the Guinness Book of Records with this achievement. On the other aspects of maintenance, repairs and so on of assemblies, as I submitted we are redeploying our resources. The requirement itself, in some cases is a little less."

He further added:—

"The other aspect which I am holding back is this. Due to non-availability of critical spares in the market, due to non-availability of bearings easily and the fuel injection equipment which are supplied by only one firm in the country—if the said firm have their own production constraints and we are not able to get the same—if they are not available, then also we may face difficulty. What we are trying to

do is that everytime the vehicles do not normally remain off the road for want of assemblies."

4.33 On being asked what was the total number of persons who were employed in the workshop skilled and unskilled, the CMD replied during evidence:—

"The total number is 8,705. About 1000 are unskilled and the remaining are skilled."

4.34 The Committee pointed out that there was a shortage of Crank Shafts to the value of Rs. 32 lakhs and whether any responsibility had been fixed for the shortage. In reply the Chairman and Managing Director, DTC stated during evidence:

"The responsibility was fixed on two officers. One was Shri D.M. Zalpari, Works Manager and the other one was Shri I.R. Kakkar, Controller of Stores and Purchase. Both of them were censured; both of them have retired."

He added:

"In 1988-89 both of them have retired. They retired in the same post as Works Manager and Controller of Stores and Purchase."

4.35 The Committee have been informed that the Corporation appointed Cheran Committee as far back as in May, 1982 to study the material management division. The Report of the Committee listed out delays ranging from as varied a time span of 55 days to 398 days in processing of indents raised by material-control section to the final placement of purchase orders. These delays not only resulted in charges in final prices for the impending purchase orders but also compelled the Corporation to make local purchases ranging between Rs. 7.47 lakhs and Rs. 42.96 lakhs during the period from 1984-85 to 1988-89. The Committee were also informed that this report has not been placed before the Board so far.

4.36 Some of the glaring cases of mis-appropriation reported to the Committee by the Corporation are peculiar examples of duplicate Lifebuoy soaps, which the Committee have been informed was noticed only when the Minister concerned happened to visit one of the depots and picked up a sample of Lifebuoy. Subsequently, when the samples were sent to the company concerned for verification it was found that soaps were original. The Committee have also informed that as on 31st March, 1989 as many as 953 claims amounting to about 27.37 lakhs preferred by DTC towards short/rejected supplies were outstanding for recovery. Such bad and doubtful debts continued for a number of years when the Corporation is not able to recover much of the amount. When the Committee wished to know what was the system followed by the Corporation in retrieving such bad and doubtful debts and whether such schemes were being pursued vigorously, the Corporation replied that they were forced to make the payment to the

company concerned in order to receive the supplies and when the material supplied is not satisfactory or as per specifications the same is rejected and the claims starts. They were also informed by the Corporation that they do pursue claims vigorously and an amount of Rs. 54.92 lakhs has been settled by the Corporation during 1991-92.

4.37 The Committee also find that the Corporation has a number of claims outstanding from its employees who have either retired or against whom claims were not pursued effectively. A case is of the Ex-Chief Mechanical Engineer where an amount of Rs. 33847/- was not recovered from him although all dues were paid to him at the time of his retirement and subsequently the amount had to be written off.

4.38 The Committee find that a new medical scheme started in May, 1984 on a trial basis initially for a period of six months continued to operate in the Corporation without two crucial conditions that were initially to be included as per direction of the Board namely ceiling on the monthly expenditure which an employee could incur and secondly reference to the medical officer of the Corporation for his scrutiny of all the bills beyond the ceiling. As a result of non-adherence of the two conditions, the Committee were informed that medical expenditure which was Rs. 73.24 lakhs during the year 1984-85 jumped to Rs. 915.92 lakh in 1985-86 i.e. an increase of 1150.57 percent over the previous year even though the Corporation's total number of employees increased by only 5.70 percent. The Committee were also informed that at present the scheme has been discontinued and responsibility on the officers fixed.

4.39 With regard to the position of scrapped DTC buses the Committee have been informed that as on 1990-91 there were total of 1030 scrapped buses lying in the Corporation. Some of these buses were lying in the Corporation since as far back as 1985.

4.40 The Committee wished to know during evidence, what was the system by which any part of tube or tyre is declared as a scrap by the Corporation. They were informed that the Corporation has different Committees, members of which keep on changing. Members inspect the material which goes for repairs and the material which cannot be repaired is declared as scrap. The Committee were also informed that some of the units declared as scrap could be considered as potentially repairable as for example 10,000 tubes which were to be sold and about 1700 of them were declared as potentially repairable. The Committee were further informed that the normal tendency of a person to be posted in the Stores and Purchases Department is three years. However, there had been cases where persons had been working in the Stores & Purchases Deptt. for as long as 15 to 20 years.

4.41 According to the Corporation there are two Central Workshops incharge of major repairs, re-conditioning, over-hauling of engines, retreading of tyres etc. For day-to-day repairs every depot has a workshop of its own. Central Workshop I which was initially established with a capacity to

undertake 1200 vehicles. Central Workshop II commissioned in 1983 could undertake a repair of 3000 buses. The Committee wished to know whether with regard to capacity utilisation of Central Workshop the Corporation was facing any difficulty in repairing its fleet, the CMD had replied during evidence that although DTC had a fleet of more than 4400 buses, the capacity of two workshops is only 3000. Therefore, they were finding it extremely difficult to keep their buses repaired. Further on an analysis undertaken by the Corporation they had found that it was cheaper to get the body built from outside rather than from the Central Workshop.

4.42 With regard to fixing of targets also the Committee were informed that non-achievement of targets is a normal process and not an exception since the targets for overhauling of various assemblies are fixed on the basis of life achieved for those assemblies and it is requirement based and not production based.

4.43 The Committee were also informed by audit that Central Workshop II which was to be completed within 21 months of award of Civil Contract i.e. by July, 1982 was not completed by the contractor and contract was terminated in October, 1988. Corporation carried out works to the extent of Rs. 9.10 lakhs departmentally and abandoned works to the extent of Rs. 29.44 lakhs. The Corporation incurred an extra expenditure of Rs. 27.11 lakhs. No recovery of extra expenditure of Rs. 27.11 lakhs and for recovery of cost of works done departmentally (Rs. 9.10 lakhs) was made. Moreover in order to avoid such recurrence, the Corporation stated that, in the note which was made a base for observations of audit, abandoned works have been shown to the extent of 6.12 lakhs as against Rs. 29.44 lakhs taken by the audit and after adjustment of this amount figure of Rs. 27.11 lakhs would come down to Rs. 3.79 lakhs only. The figure of Rs. 3.79 lakhs is the increase in the cost involved in doing departmental works is recoverable from the contractor and the matter is being contested in the arbitration. It is reported that the total number of skilled and unskilled employees in the Central Workshops is 8705 of which about 1,000 is unskilled. The Committee are distressed that the working of the Corporation in each of the above aspects as stated above have been dismal to say the least. The Committee have come to an un-erring conclusion that the fault lies not in the reasons as stated by the Corporation alone but in a number of other factors also such as poor or almost no inventory control, mismanagement of stores and purchases, misappropriation of funds, lack of moral responsibility of the officers incharge of the Departments and a general feeling by the Corporation to let things lie as they are. In almost all the departments relating to inventory control and material management as have been examined by the Committee, they have found a total lack of coordination and control. The Corporation has set up numerous Committees to examine its material management division time and again. However, no action seems to have been taken on the recommendations set-forth by the Committee as is indicated from the Cheran Committee Report which was

not placed before the Board and for which the Corporation could not give any satisfactory reply. Again committees were set up by the Corporation to examine such all those items as are declared as scrap, however despite such committees as many as 1700 tubes out of total number of 10,000 tubes have been found to be potentially repairable. This is only a sample check undertaken by the Corporation. The Committee is sure that there may be numerous other instances in which scrap "can be considered as potentially repairable."

4.44 The Committee have also found that the performance of the two Central Workshops I & II leave much to be desired. The Chairman of the Corporation has himself admitted that he finds it much more economical to get the Chairs repaired from outside rather than to build it in the Central Workshops. The capacity utilisation of Central Workshops has never been stretched to its full limit. The number of employees also is as high as 8705, of which about 1000 are unskilled workers. Given the large number of infrastructure of both Central Workshops the Committee would have expected that atleast body building repairs and maintenance should be utilised to the maximum. However, they find it to be contrary.

4.45 As stated in the preceeding paragraphs, the Committee are therefore of the firm opinion that the fault in the Corporation's low performance lies in these grey areas which need to be revitalised. The Committee would strongly emphasise that the Corporation should do inward thinking to ensure that it has a tighter reign over inventory control, material management, scrap, bad and doubtful debts etc. It is only when such areas are strengthened can the Corporation expect a return on investment and subsequent financial improvement in its performance. By merely crying over the fact that it has a low fare structure the Corporation is strengthening the Committee's belief that it does not wish to identify the other main reasons for its continued losses, that is gross mis-management and misuse of the Corporation's funds.

4.46 The Committee recommend the Corporation to look into these and other related matters at the earliest. While it agrees that perhaps the low fare structure could be one of the reasons for losses by the Corporation, nevertheless the Corporation should also realise that there is a great deal left to be desired in the material management section. They also recommend that the under utilisation of resources, should be made good use of and persons serving in such departments should be made to bear full responsibility for any subsequent losses that may come about as a result of poor and lackadaisical supervision.

CHAPTER V

ACCIDENTS

5.1 The number of DTC buses which met with accidents during 1989-90 and 1990-91 were 3979 and 3065 respectively. Of this 376 buses were on interstate operations.

5.2 According to a Press Report in Indian Express dated 10.12.1991, Delhi is the only metropolitan City in the country where the highest number of road accidents deaths were reported in 1990 (1570) followed by Bangalore 562 and Madras 507. On being asked what measures are being taken by the Corporation to ensure that the rate of accidents comes to a substantial decline, DTC stated in the written reply:

Although the accident rate involving DTC buses has been kept well in check, the following steps have been taken in the recent past to further reduce the accident rates:

- a) Speed Governors have been fitted in all the DTC buses to restrict the speed in the Union Territory of Delhi to 40 KM per hour on full loading.
- b) The services of a Behavioural Scientist were engaged to expose 210 accident-prone drivers and based on this experiment, the services of the Behavioural Scientist will be engaged at periodic intervals.
- c) The services of a Yoga Expert are also being utilised and our results show that the fatigue element has been contained to a great extent.
- d) Refresher Courses are being organised in the In-house Training School of DTC for the crew and a cycle has been so planned that all the drivers will be covered at least once in a calendar year.

Fatal Accidents

5.3 The number of fatal accidents and number of persons killed in city, interstate operation of DTC during 1989-90 and 1990-91 were as under:—

Year	No. of Fatal Accidents		No. of deaths	
	City	Inter-state	City	Inter+State
1989-90	159	41	163	60
1990-91	168	30	176	39

5.4 When asked what action has been taken to minimise the accidents and damage to buses, DTC stated in the written reply:—

To minimise accidents, three prong approaches are being adopted by the Corporation:—

- (i) Extensive and repeated training;
- (ii) Deterrent action against the defaulting staff;
- (iii) (a) Speed reduction through deration of F.I. Pump Assembly.
(b) Fitting of speed limiting brackets on vehicles.
(c) Procurement of brake and steering systems item from vehicle manufacturers & original equipment suppliers to ensure quality of spares.

5.5 On being asked how many drivers were punished/removed from service for causing fatal accidents the Corporation replied in the written form:—

1475 drivers have been punished in the year 1989-90 and 870 drivers in the year 1990-91 for causing accidents including the fatal accidents. These figures include 757 drivers removed from service in 1989-90 and 1990-91 respectively.

5.6 When asked out of the number of fatal accidents how many relate to private bus operators and what action has been taken against them; DTC stated:—

The number of fatal accidents involving DTC and Private buses under DTC, are given below:

Year	No. of fatal accidents of DTC		P.O. buses
	City	Inter-state	
1989-90	159	41	44
1990-91	168	30	35

In accordance with the agreement entered into between the DTC and the owners of the private buses, agreement of the following private buses, was terminated on account of causing fatal accidents:—

*Year	Agreement terminated on account of being responsible for causing fatal accident
1989	44
1990	20

The number of terminations in 1990-91, is low as some private operators filed writ in Delhi High Court. The Hon'ble Delhi High Court directed the Government to reconsider the matter. The Government *vide* their letter No. RT—12019/98/91—TAG dated 3.9.1990 directed the Corporation to

decide fatal accident matters on the following basis:

- (i) In case of first fatal accident;
- (ii) In case of second fatal accident;
- (iii) In case of third fatal accident, agreement will be terminated.

5.7 These orders were further reviewed by the Ministry and in accordance with the fresh orders issued *vide* letter No. RT—12024/7/91—TAG dated 8.1.1992, the following action is being taken in case of fatal accidents involving private buses:—

- (a) On the first involvement of a private bus in a fatal accident, to the private operator would be asked to pay a fine of Rs. 5,000/-. He would also be asked to remove the driver of the private bus if it is found on preliminary enquiry that the driver was responsible for the accident;
- (b) In the event of involvement of the same bus in a second fatal accident, a fine of Rs. 10,000/- would be imposed and the operation of the bus suspended for 15 days. Action against the driver would be same as in (a) above;
- (c) On a subsequent and third fatal accident involving of the same bus, a fine of Rs. 15,000/- and suspension of operation of bus involved in the accident for three months would be imposed. If it is the same driver involved then action would be taken to cancel his driving licence also.

Drivers involved in Accidents

5.8 The total number of drivers involved in accidents during the year 1985-86 (3496 out of 10338) increased during 1986-87 (3572 out of 10380) but decreased during the year 1987-88 (2884 out of 8865). This number again increased during the year 1988-89 (3670 out of 10194).

5.9 It has been noticed that there has been a steady increase in the percentage of drivers involved in accidents during 4 years starting from 1985 to 1989 except for the year 1987-88 when there was a marginal decrease.

5.10 When asked what are the reasons for this increase of accidents, the Corporation stated in the written reply:

“Reasons for the increase in involvements of drivers in accidents from 1985-86 to 1986-87 again between 1987-88 and 1988-89, have been analysed. The pattern of accident rate, has been studied and it has been found that whenever there is an induction of new drivers, the number of drivers’ involvement in accidents, increase. In the year 1986, 415 in 1987, 230 in 1988, 2743 and 1989, 765 drivers were

recruited. As and when there was heavier induction, the larger number of these drivers, were found to be involved in accidents. Each case has been investigated and deterrant action is taken against the erring drivers."

The audit has pointed out that:

"The drivers under private operated buses were not under the control of the Corporation. No action had, therefore, been taken in this regard by the Corporation. The Corporation, however, had not stipulated in the agreement any periodical medical examination of such drivers to ensure their suitability."

5.11 On being asked why the agreement with the operators did not contain clause for periodical medical check up in order to ensure safety of commuters, the Corporation stated in the written reply:—

"It is statutory obligation that a licence would be issued to a person who is found medically fit by the medical practitioner and the applicant to the licence has to produce a medical certificate of fitness in Form—'C' with his photograph affixed bearing the signature & seal of the Medical Practitioner.

In item—6 of the agreement entered into by DTC and owner of private bus it has been made conditional that the driver shall possess a valid licence for driving heavy vehicle with PSV endorsement as per Motor Vehicle Act, 1988.

Since periodical medical check-up of a driver is not a statutory obligation, this did not form a part of the agreement."

It is reported by Audit that:

"No system was evolved for periodical medical examination of the Corporation's own drivers to check up their vision/colour blindness, physical fitness etc., as per laid down standards to prevent driving by accident prone drivers. On an enquiry by audit whether any analysis of accidents was made to ascertain how many were avoidable, the number of accidents caused due to negligence drunken driving or night blindness of drivers etc., it was stated by the Management that only vision was checked at the age of 55. On further enquiry about the routine periodical medical test it was stated (September 1990) that a scheme was under process to check eye sight of drivers periodically after every three years."

On being asked why no system was ever evolved to carry out periodical medical check up of drivers, DTC stated in the written reply:—

"Since in-service periodical medical check-up of a driver is not a statutory obligation, DTC is resorting to the practice of exposing all the drivers who attain the age of 55 years to a comprehensive

vision test. However, in case of any infirmity observed at any time during the service, the drivers are referred to the DTC Medical Board.

DTC is also approaching voluntary organisation like Automobile Association of Upper India to hold Eye-Camp on a long term basis."

The Committee wanted to know, has the scheme to check the eye vision of the drivers been introduced and if so what was the frequency of this check up. The Corporation stated in written reply:—

"The Corporation is contemplating introduction of a scheme to check the eye-sight of the drivers periodically after every three years."

5.14 During evidence, the Committee were informed that most of the Corporation buses were plying without milometers. Asked what were the reasons for not having the milometers in the buses and how many such buses are there, the CMD DTC replied during evidence:—

"30 per cent of buses have got milometers and the rest of 70 per cent do not have."

He added:

"New vehicles are fitted with milometers. We do not replace the milometers once they are not in use because of the cost consideration."

The Committee then wished to know the approximate cost of replacement of one milometer?

The CMD replied during evidence:—

"If we provide replacement to 70 per cent of the vehicles, it will take about Rs. 8 to 10 lakhs."

5.15 The Committee then enquired whether it was not a fact that if the buses are fitted with milometers, there were less chances of pilferage of fuel? The CMD replied in the affirmative:—

"It is true. But in our case, we have got pilferage proof cap."

5.16 The Committee were of the opinion that there should be a definite time-frame for replacement of milometers. The Chairman assured the Committee during evidence that it would be done within six months.

5.17 The Committee were informed that Delhi is the only Metropolitan city in the country where the highest number of road accident deaths were reported in 1990 (1570) followed by Bangalore 562 and Madras 507. In case of Pallavan the accident rate is three per one lakh Kilometres. It was also reported that the average speed of PTC is 18 kms. being the maximum speed 50 kms. Regarding accident per one lakh kilometres, the representative of BEST stated for 1989-90 it is 0.18, for 1990-91 it is 0.17 and for 1991-92 it is 0.14. For DTC accident per one lakh kms. is 0.89.

5.18 It is also informed that the number of total accidents and number of persons killed in city during last three years are for 1989-90, 159 for 1990-91, 168 and 1991-92, 213. The Committee are distressed to note that the number of total accidents have been increased in the city. Rash and negligent driving and error of judgement of the drivers were the major factor for increasing number of accidents. A large number of drivers caused accident every year. The Committee are unhappy to find that the termination in 1990-91 is low as compared to other years as some private operators filed writ in Delhi High Court and the Court had directed the Government to reconsider the matter. The Committee urge that stern and serious action should be taken against the drivers causing fatal accidents. Guilty drivers should immediately be suspended and enquiry conducted against them. Speed of DTC buses as well as private buses is to be limited. So also traffic rules are to be followed strictly.

5.19 The Committee note that there has been a steady increase in the percentage of drivers involved in accidents during 4 years starting from 1985 to 1989 except for the year 1987-88 where there was a marginal decrease. DTC have stated that the reason for increase in accidents is due to increase in induction of new drivers; when there was heavier induction, the larger number of these drivers were found to be involved in accidents. The audit has pointed out that, the drivers in private operated buses were not under the control of the Corporation. No action, had, therefore been taken in this regard by the Corporation. The Corporation, however, had not stipulated in the agreement any periodical medical examination of such drivers to ensure their suitability. The Committee found that large number of drivers involved in accidents nevertheless discloses weaknesses in the licensing procedures, recruitment tests and in service training for drivers. The driving standard of the DTC cannot be said to be satisfactory. This raises the basic question of reliability of driving tests and the need to upgrade and standardise the tests.

5.20 The Committee recommend that there should be a periodical Medical Check up of the Corporation drivers about their vision/colour blindness, physical fitness etc. as per the recognised standards. They also recommend that it should be mandatory to have periodical check ups of drivers about their driving efficiency and knowledge of Traffic/Driving rules.

CHAPTER VI

CAPITAL STRUCTURE & FINANCIAL PERFORMANCE

6.1 Government has provided the capital to DTC in the shape of loans on which interest was being charged at rates fixed from time to time and in case of no payment of principal and interest, penal interest was payable. In October, 1987, as a result of restructuring of capital, Govt. sanctioned a subsidy of Rs. 713.20 crores by waiver of ways and means loans, outstanding interest and of differential interest. After granting of subsidy of Rs. 713.20 crores, the accumulated losses which were of the order of Rs. 942.30 crores were reduced to Rs. 229.19 crores in 1987-88. The accumulated losses rose to 645.51 as on 31st March, 1991 again in the next three years.

6.2 As on 31.3.1991, the capital Structure is as given below:—

	(Rs. in lakhs)
(a) Amount released by Govt. of India as capital loan and ways and means loans	85,260.08
(b) Amount refunded before formation of the Corporation	278.10
(c) Amount written off as a result of restructuring	27,727.40
(d) Amount outstanding as on 31st March, 1991	57,262.90

The Corporation had neither repaid the principal nor interest due since its formation in 1971.

6.3 When asked what steps were taken by the Management to examine the capital structure of DTC, the Corporation stated in a written reply:—

“On the request of DTC for writing off the accumulated losses amount to Rs. 699.51 crores, upto 1985—87, Government restructured the capital base in 1986-87 giving partial relief to the Corporation. Thereafter, the Corporation informed the Government that this partial restructuring will not recreate a healthy capital base for the DTC and projection of losses to be incurred was also furnished.

Again the matter has been taken up with the Ministry of restructuring the capital base of DTC.

Internal Committee of Ministry of Surface Transport is actively considering the issue.”

6.4 Asked further by the Committee why DTC was incurring losses whereas private operators were running on profit, the Corporation stated in a written note that the main reasons were:—

- (i) Un-economic fare structure
- (ii) Rising cost of labour & Material input.
- (iii) Concessions given to the students & weaker sections of the society through concessional passes.
- (iv) Heavy interest burden on the loans advanced to DTC.

6.5 The Corporation further stated that it was aware that the Private Operators were earning profit. However, no comparison of DTC Operation with POs could be made because of the following:

- (i) The Private Operators are basically single bus/double bus owners with practically incurring no overhead and administrative cost and they do not follow any of the labour laws/Act/ Rules as applicable to the Public Sector Undertaking like DTC.
- (ii) The Private Operators do not have the garraging facility nor have workshop facility on a scale and to the extent organised by DTC. They park their buses on the road since whereas DTC has to incur very high expenditure on Deptt./Central Workshop.
- (iii) The Pvt. Operators operate their buses on City routes of their choice whereas rural routes and semi-urban routes are operated by DTC as a measures of social obligation incurring higher operational cost than P.O. buses.
- (iv) Further, DTC has higher staffing norms, higher pay & allowances and compare to Pvt. Operators' staff which add to DTC losses.
- (v) The interest charges per KM (Paise) are very high in DTC because on account of non-generation of internal resources, DTC is not in position to pay the loans or interest thereon as such the Government levies a penal rate of interest due thereon. The present rate of interest on ways & means loan is as under:

Normal Rate	18%
Penal Rate	20.75%

6.6 Regarding profit/loss on city as well as inter-state operations the DTC stated in note:

"DTC besides city operation also operates its buses on Inter-state routes in neighbouring States of Haryana, Punjab, UP, MP, Hima chal Pradesh etc. The same fare fixed by other States on Inter-state routes is charged by DTC which is normally higher as compared to City Operation. Further the cost element on Inter-state routes is lower as compared to City Operation. Because average kilometer per bus daily as compared to City Operation, is more, because of this very reason, DTC is making working profit excluding interest & depreciation charges on Inter-state operation whereas in city operation DTC is incurring working and total loss because of the following reasons:

(i) Un-economic fare structure

(ii) Concessions given to the students & weaker sections of the society through concessional passes

6.7 The Committee wanted to know the cause-wise analysis to find out the reasons for such losses; in reply DTC stated in writing:

“DTC had done cause-wise analysis to find out the reasons for losses which were identified as under:

(a) Un-economic low fare structure of DTC, even after the recent hike in fares implemented with effect from 28.12.1991, the working expenditure will remain uncovered to the extent of 20%.

(b) Rising cost of labour and material and other input.

The widening gap between income and expenditure is explained by the following table:

Items	1971	1991%age increased in 1991 over 1971	
1. HSD-for 1000 Ltrs. (In Rs.)	772	5788	650%
2. Tyres, Tubes & Flaps(In Rs.)	939	6332	574%
3. Lubricants (Per Ltrs. in Rs.)	2.68	26.89	903%
4. Labour Cost (Rs. in lakhs)	510.33	15752.87	2987%
5. Depreciation (Rs. in lakhs)	46.39	1431.06	2985%
6. Interest (Rs. in lakhs)	276.21	6994.66	2432%

(c) Concessions given to students and weaker sections of the Society.

The financial implications of concessions given to students and weaker sections of the society are estimated as Rs. 22 crores per annum.

(d) Heavy interest burden on loans advanced etc.

The interest burden alone constituted about 44% of the net loss of DTC in the year 1990-91 which has increased to more than 50% in the year 1991-92.

Loss by DTC

6.8 According to a statement provided by the Corporation, the losses of DTC from 1971-72 to 1990-91.

Year	Net loss during the year (Rs. in lakhs)	Accumulated losses (Rs. in lakhs)
Pre-corporation Period (upto 2.11.71)		1,522.45
1971-72	163.16	1,685.61
1972-73	535.32	2,220.93
1973-74	623.10	2,844.03
1974-75	1,007.39	3,941.42
1975-76	1,242.99	5,184.41
1976-77	1,040.04	6,224.45
1977-78	1,617.24	7,841.69
1978-79	1,748.97	9,590.66
1979-80	1,770.61	11,361.27
1980-81	4,465.78	15,827.05
1981-82	4,892.29	20,719.34
1982-83	7,348.20	28,068.17
1983-84	10,111.60	38,179.77
1984-85	14,079.08	52,258.85
1985-86	17,692.02	69,950.87
1986-87	16,399.55	86,350.42
1987-88	7,888.49	22,918.87*
1988-89	9,899.32	32,818.19
1989-90	11,984.56	44,802.75
1990-91	19,748.35	64,551.10

*Loss was reduced by Rs.71,320.04 lakhs due to grant of subsidy by waiving of loans and interest.

6.9 Asked during evidence by the Committee why the losses which were in 1979-80 around 17 crores had gone up to 44 crores in 1980-81, and whether the Corporation had specifically identified the reasons for the increase in losses, the Chairman of the Corporation replied during evidence:

"As far as the material cost, which includes tyres, tubes, stores etc., is concerned in 1979-80 it was Rs. 1509.11 lakhs and it increased to Rs. 2193.34 lakhs in 1980-81. In 1978-79 it was Rs. 1225.89 lakhs. The second major item of expenditure is the labour cost which was 1885.43 lakhs in 1979-80 and it rose to 2460.67 lakhs. In 1978-79 it was 1658.99 lakhs."

He also added:

"In 1978-79, the cost of the material was 1225.89 lakhs, in 1979-80 it was 1509 lakhs and in 1980-81 it was 2193.34 lakhs."

6.10 Asked by the Committee what were the number of buses proportionately which had increased, the Chairman of the Corporation replied during evidence:

"In 1977-78, it was 1762, in 1978-79 it was 1958 and in 1980-81 it became 2113."

6.11 The Committee then pointed out to a Report of High Power Committee constituted by Government of India in 1988 regarding the comparative analysis of Transport Corporations. In the Report a comparison had been made between PTC and DTC. For a fleet of 4077 in 1986-87 DTC have employed a strength of 41000 giving a ratio of 10 employees per bus. On the other hand PTC with a fleet of 2262 buses have employed a strength of a little over 19000. The DTC incurred a loss of Rs. 164 crores in 1986-87 as against the amount of Rs. 5.69 crores by the PTC.

In this connection, the Chairman of the Corporation replied during evidence:—

"The comparative operational data for 1990-91 for DTC, BEST and PTC are given..... The revenue traffic earning of DTC is Rs. 4.12, of BEST it is Rs. 10.96 and pf PTC it is Rs. 6.75. The difference is due to the differential in the fare.

He continued:

"When you see the total you will kindly notice the reason. The total cost is inclusive of interest charges. I have to pay interest on the loans. My cost is Rs. 2.35 per kilometre. For Bombay it is 22.3 paise per kilometre and it is 39.6 paise for Madras.

6.12 The Committee, however, again wished to enquire whether the fare structure was the only reason for the significant increase in DTC's losses or whether there were any reason which the Corporation had identified or was unable to identify. Moreover, the loan that is given by the Central Government to DTC had also very often been written off as e.g. in 1986-87 the loss of 86,350.52 lakhs was substantially reduced to 22,918.87 lakhs by way of waiving of 71,320.04 lakhs as loans and interests.

6.13 Asked by the Committee whether the Corporation was charging any money from the private operators for using their bus terminals in order to off-set some of their losses, the Chairman of the Corporation replied during evidence:

"Yes, Sir, 250 rupees per bus per month from 1st March, 1992."

Continuing further the Chairman stated:

"The Board passed this Resolution to collect this money from them because they use our bus terminals. It was decided on 26th of February, 1992."

6.14 Asked by the Committee why this decision was not taken earlier, the Chairman replied:—

"The fact is that the Delhi Administration introduced a scheme whereby they called the application for 3000 buses from the general public. These buses would use our terminals and stops. Since I have to maintain those terminals and bus stops we decided to collect this money."

6.15 Asked by the Committee whether it was not a fact that DTC was making some payment to the private operators in the past and if so, what was the amount paid to them then and the amount paid to them now, the Chairman, replied during evidence:

"During the strike period it was Rs. 200 per bus per day. Thereafter it was Rs. 86.50 per day per bus."

6.16 Asked by the Committee whether they continue to make any payment to the private bus operators, the Chairman replied during evidence:—

"The Board decided not to pay this money on 26.2.1992 itself."

Fare Structure

6.17 Asked by the Committee whether Corporation had thought of any plan so that the losses could be reduced and time frame had been worked out so that the Government need not contribute anything to DTC, the Corporation stated:

"To bring down the huge losses being incurred by the Corporation, the Management is contemplating the following steps for improving the revenue position of DTC and reduce the expenditure. For improving the revenue, following steps are proposed:

- a) (i) Realistic fare structure.
- (ii) Re-structuring of the capital base of DTC by waiving off entire accumulated loans/losses.
- (iii) Reimbursement of concession given to different sections of society by the Government.
- (1) Economic fare structure based on accepted norms of performance.
- (2) In case (a) is not acceptable to the Government, it should make good the difference between the economic fares and the actual fares allowed to the DTC as a subsidy."

6.18 Asked further by the Committee that if even after the hundred per cent increase in fare, the fare structure was not realistic, the Chairman, DTC replied during evidence:—

"There is one hundred per cent increase in the fare of the daily ticket, and 50 per cent increase in monthly and quarterly tickets. In

addition, DTC gives concessions to students and resettlement colonies, which costs about Rs. 22 crore. Yesterday I explained that in 1992-93, we are expecting a loss of about Rs. 30 crore...I requested the Government that I may either be allowed not to give any concessions or the Government may subsidise the Concession amounting to Rs. 22 crore, instead of giving loans. Government is considering subsidising. Therefore the loss will be only Rs. 8 crore."

He Continued:

"Along with fair restructuring, we are also asking for the restructuring the capital base of the DTC. In 1990-91, of the total loss, 40 per cent was the interest component and this has now increased to more than 50 per cent in 1991-92."

6.19 Asked by the Committee what, in the Corporation's view, considered a realistic fare structure, the Chairman replied during evidence:

"The fares were increased with effect from 28 December, 1991. After 1986, this is the first revision. In 1990-91 before the fare rise the working loss was Rs.113 crore. The fare was increased in December which means that in that financial year, for three months only the fare rise was effected. Even with this three months' increased fares, the loss was reduced from Rs. 113 crore to Rs. 83 crore. Thus, there is a reduction of Rs. 30 crore in the losses."

6.20 Asked further by the Committee what was the total percentage of concessions granted to various sections of the community, the Chairman stated:—

"It comes to 15 per cent of the total income of fares that is around Rs. 22 crores."

6.21 The Committee wished to know that if this amount is to be subsidised, what would be the net losses of the Corporation, the Chairman replied that:

"Then it would be Rs. 8 crore."

6.22 Asked about the Government's reaction in considering the above matter, the Chairman's reply was that the Government is favourably considering it.

6.23 The Committee then wished to know whether the losses of the Corporation could not be reduced if their over-head expenditure was minimised. In this context they desired that the total amount by way of interest component of loan taken from Govt. of India be given. The Chairman stated that during 1991-92 the interest component has increased

to 103 crores. The total amount of loans given by the Government was Rs. 277 crores and Rs. 334 crores is the interest.

6.24 However, the Committee was also informed that in the loans given by the Government and for the interest accrued an amount of Rs. 611 crores was granted by Government of India as waiver of loans.

6.25 Asked by the Committee whether the loans was written off or converted into the equity, the Chairman replied during evidence:—

“It was written off.”

The Chairman continued further:—

“I would not have taken the loans, if I had the same fares that of other cities, because from 1971 to 1991, we did not raise it much, whereas in Bombay and Madras, sometimes even twice in a year, they have raised the fares. Despite all the weaknesses, the Bombay fares are even double than what my increased fares are.”

6.26 Asked by the Committee to give a break up of the fare loss and the working loss, the Chairman stated during evidence:

“In 1986-87, it was Rs. 38.62 crores. In 1987-88, it was Rs. 45.95 crores; in 1988-89 it was 52.20 crores; in 1989-90 it was Rs. 56.86 crores; in 1990-91, it was Rs. 113.22 crores and in 1991-92 it was Rs. 83 crores.”

Elaborating further he said:

“Actually what is the loss? It is the difference between the earning and the expenditure. Earning is not in my hands; but expenditure is in my hands. For expenditure, you can blame me for my inefficiency or my efficiency.”

He continued:

“Even upto 48 kms., the maximum I can charge is Rs. 3, whereas they charge Rs. 5.75 and on limited buses they charge Rs. 6.75.”

6.27 Asked by the Committee whether the Corporation could earn profit on the buses and out of that could buy new buses, the Chairman replied:—

“Sir, I am in this line for the last 30 years and no State Transport runs in profit even with high fares like the Bombay because the stress is so much on city transport. Manpower requirement is much larger and as far as transport is concerned, it is a Labour intensive industry where the labour cost is very high. Therefore, I do not think it is possible to make profit out of it.”

6.28 The Committee then wished to know what sort of system the Corporation would prefer so that there would be no losses whether they would prefer the system as is prevalent in Bombay or Madras. The Chariman then replied:

“You give the Bombay fares and I will have no loss.”

6.29 The Committee have been informed that an amount of Rs. 85, 268.08 lakhs had been released by the Government of India as capital loan and ways and means to the Corporation till 31.3.1991. Of this an amount of Rs. 57, 262.98 lakhs remains outstanding with the Corporation as on 31.3.1991. The Committee were also informed that the Corporation had neither repaid the principle nor the interest due since its formation in 1971.

6.30 The Committee wished to know the cost wise analysis undertaken by the Corporation to find out the reasons for continued losses. They were informed that the reasons for the losses were un-economic fare structure, rising cost of labour & material input, concessions given to the students & weaker sections of the society through issue of passes and heavy interest burden on the loans advanced etc.

6.31 As per information given to the Committee the interest burden of the Corporation alone constituted about 44% of the net loss of DTC in the year 1990-91 which has increased to more than 50% in the year 1991-92. With regard to the concessions given to the students and weaker sections of the society were estimated as Rs. 22 crores per annum.

6.32 The Committee desired to know the total progressive losses of the Corporation as on August, 1992. They were informed that the accumulated loss was Rs. 84932.94 lakhs.

6.33 The Committee had also pointed out during its examination that the Corporation is incurring losses whereas Private Operators are running on profits. They were informed by the Corporation the reasons for the profit earned by the private buses was that they did not have heavy overheads and administrative cost to incur nor did they follow any of the labour laws/Acts or rules as applicable to DTC. The private operators do not have garaging facility and also they do not have any workshop, they always prefer to ply on economic routes. In this connection the Committee enquired from the Corporation whether they were charging any money from the private operators for using the bus terminals in order to off-set the losses. In reply the Corporation stated that they have been charging Rs. 250 per bus per month from 1st March, 1992.

6.34 When asked by the Committee whether after the recent hike in fare structure which was almost 100% increase, the Corporation would be able to bring down its losses, the Committee were informed that with the recent increase in fare structure there would be a reduction of 30 crores in their losses. Moreover, if the amount of concessions i.e. 22 crores is subordinated by the Government the losses of the Corporation would definitely come down to 8 crores. The Committee were informed that the Government was probably inclined towards this matter.

6.35 The mounting losses of DTC since its inception is a matter of deep concern to the Committee. While the Committee have noted that over the years the amount of loan released by the Government of India has been

increasing steadily there has also been a corresponding accumulation of losses being incurred by the Corporation. In fact as on August, 1992 the accumulated loss of DTC stood at alarming amount of Rs. 849.32 crores and the net loss was as high as 203.81 crores. The Committee are also appalled to note that since inception neither the Corporation repaid the principal nor interest due to the Government. Rather it has been extending its begging bowl every year to the Government of India for financing its working. Again it is significant that despite the Government's pumping subsidy into the Corporation every year the progressive loans of the Corporation has continued to increase leaps and bounds.

6.36 The Committee are not satisfied with the reply given by the Corporation that the reason for such losses is due to the unrealistic fare structure, accumulated losses, repayment of interest etc. The Committee have elsewhere commented that the Corporation is trying to find shelter in crying over what it terms as unrealistic fare structure to be the sole reason for its mounting losses. As the Committee has commented elsewhere the Corporation needs to do some serious revamping of its material management, inventory control, man management divisions and strengthen the same so that its high expenses and administrative costs can be drastically curtailed which, will, in turn have a cascading effect over the losses being incurred by the Corporation.

6.37 The Committee are also distressed to note that Delhi Administration has allowed private bus operators to continue to run without making it compulsory for them to observe the minimum labour law as are applicable to the Corporation. If as the Corporation states they have no control over the private operators then the chaotic conditions prevalent because of the running of these private operators in the Union Territory of Delhi will definitely have to be controlled at least by State Transport Authorities. They would, therefore, strongly urge the State Transport Authorities to treat the private bus operators equally with the DTC in regard to enforcement of labour laws, fix duty hours, rash and negligent driving for which private operators are more prone to. Given the fact that 3000 private operators have been given licences to operate at the route of the Union Territory of Delhi it becomes more imperative that the State Transport Authorities impose immediate and effective control over these private operators.

6.38 While on the one hand DTC with its depleted strength of its operations incurred continued losses on the routes provided to it, the STA had gone ahead in its granting permit to 3000 private operators with little or no control over their performance. The Committee strongly feel that this will, in the near future definitely lead to an extremely chaotic situation in the present transport system in Delhi. They would, therefore, again reiterate that if the Government intends to bring about any serious restructuring of the present transport system they would do well to enforce control over the performance of the Corporation over which presumably they have control and check to enforce with the losses do not magnify at

such an alarming rate, before taking on the problem of private bus operation which the Committee assure is going to be the cause of great concern in the near future. They would, therefore, recommend, at the earliest, that some serious restructuring of the Corporation be done either by way of subsidising the concessions given by the Corporation to the different classes of Society or enforcing capital restructure, inventory control, greater accountability by the Corporation's managerial Cadre and other related aspects.

CHAPTER VII

PROMOTION/VIGILANCE CASES AGAINST DTC STAFF & OFFICERS

7.1 During the course of evidence the Committee wished to know the number of class I DTC officials in respect of whom guilt was established any penalty recommended by CVC/CBI since 1980 and against whom there were charges of corruption/vigilance cases levelled and in how many such cases these have been referred either to CBI or departmental enquiry held. The Committee also wished to know whether any of the officers against whom such charges have been levelled were given promotion despite *prima-facie* evidence of corruption against them.

7.2 In this connection, the Committee were informed that from 1980 till present there have been 21 class I officers against whom corruption or departmental enquiry is pending. Further the Committee also enquired whether against those people against whom corruption charges have been levelled after investigations both by CBI and also by the Vigilance any punishment or proceedings are initiated against them. They also wished to know whether after the finding of Central Vigilance Commission any officer had been given promotion.

7.3 In this regard the Chairman of the Corporation stated during evidence that if there is a CVC case pending no officer can be given promotion and no officer has been given any promotion when Central Vigilance Commission case is pending. With regard to the fact whether any CBI case is pending against any officer in the DTC, the Chairman replied during evidence "No Sir, as on date there is no CBI case pending against any officer in DTC but vigilance cases are there and enquiries are being conducted".

7.4 The Committee have also been informed that there were some officers against whom the Board Resolution was passed to the effect that they should be demoted. Asked who were the officers against whom such resolutions were passed the CMD, DTC replied during evidence:

"One officer was Shri A.K. Sharma at that time working as DGM (Personel) and another was Shri L.C. Goyal. His substantive post was Secretary (Board)."

7.5 The Committee wished to know whether the Resolution was served on Shri Goyal and was implemented. In this connection former Chairman of DTC replied in a note to the Committee that the order could not be served on Shri L.C. Goyal as he was on Casual Leave and it could not be implemented because of the Stay Order of the Court. Asked by the Committee did Shri L.C. Goyal moved to Court, they were informed that

on 18.1.90 Shri Goyal moved to the Court and on 19.1.90 the Court directed and gave an interim Stay Order. The second order of the Court directing to reconsider the probation period of Shri Goyal was issued on 19.3.90.

In this connection Committee wished to know that unless and until the resolution was formed how could any member manage to get a copy of the same. In a note given to the Committee regarding details of this case as per findings of the Investigation Officer, the resolution was passed in the Board's meeting of 17.1.1990 deciding for reversion of two officers and issue of the order on 17th January, 90 itself. The reversion orders in respect of the two officers were accordingly issued on 17.1.1990 only. However, the two officers moved to the High Court alongwith copies of the original resolution No. 11/90 (in respect of Shri A.K. Sharma) and resolution No. 9/90 (in respect of Shri L.C. Goyal) on 18.1.1990. The two officers remained on casual leave for 2½ days w.e.f. 17.1.90. The documents were highly confidential in the nature and it was a delinquency on their part to obtain copies thereof by dubious means. Since the concerned file passed through different officials of the Secy. DTC Board office as well as that of PLD, responsibility of any particular official could not be established during investigation. On the basis of the findings of the Investigating Officer, the CMD approved the following action in respect of the case:

(I) Suitable action against S/Shri A.K. Sharma and L.C. Goyal.

(II) Advise to all concerned in the office of Secy., DTC Board.

7.7 The case was subsequently referred to CVC for advice. the CVC advice was received on 10.10.90 recommending following line of action:

(I) Recordable 'Warning' to S/Shri L.C. Goyal and A.K. Sharma.

(II) Streamlining the procedure of maintaining official records and for having better system of accountability.

The matter against the two officers was referred to C.G.M. (HQ) on 23.11.90. The two officers were issued 'Warning' vide letter dated 18.4.1991.

The matter regarding CVC advice relating to streamlining the procedure for maintenance of official record and for having better system of accountability was referred to C.G.M. (HQ).

C.G.M. (HQ)/Secy., DTC Board has replied vide his memo No. SB/6/92/113 dated 26.5.1992 as under:

(i) How so ever may be urgency of the matter placed before the Board, the original note of approved Board's Resolution or a photocopy thereof would not be parted by this office. It will be a part of the Secretary, DTC Board's office record.

As in all other cases, the Board's Resolutions will be sent to the concerned departments on the regular format and there will be no deviation from this practice.

- (ii) It was decided that all Board's resolutions will be considered has confidential nature.

7.8 Asked by the Committee what was the present position of Shri Goyal, the former Chairman replied during evidence "Mr. L.C. Goyal was a Stenographer but he is G.M. now."

He added, "I am informed that he is incharge of traffic, personnel and administration." Referring to CBI remarks on Shri L.C. Goyal, the former CMD, DTC stated during evidence:

"The advice of the CBI in 1985 was that it had recommended to take notice of his misconduct and not to engage Mr. Goyal in any position of sensitive nature and requiring responsibility and trust and that his conduct should be watched."

7.9 Giving details about Shri L.C. Goyal's Postings in the Deptt., the Corpn. in a note stated that Sh. L.C. Goyal joined DTC on deputation for one year from Delhi Administration on 30.7.80. He was absorbed as Secretary to GM on 30.7.81. He was promoted as Administrative Officer on 3.3.84. He was promoted as Executive Officer (SAO) w.e.f. 13.11.87. Finally he was promoted as Secretary to DTC Board on 20.1.89.

7.10 When asked by the Committee why Shri L.C. Goyal continued to hold a sensitive post despite the advice of the CBI in 1985 that he was not to engage in any position of sensitive nature requiring responsibility and trust and that his conduct should be watched, the ex-Chairman, DTC replied during evidence:

"The advice of the CBI of 1985 had come pertaining to a case of 1982. When I joined the DTC in August, 1987, he was already the Executive Secretary to the Chairman. I found that there was no occasion for him to change his conduct. His post was such a crucial post because the Chairman is not available in office he is sometimes on the road and sometimes in the Ministry. So, this man has to hold the Chairman's office during his absence."

7.11 Asked further by the Committee how Shri L.C. Goyal managed to get the photostat copy of the resolution which had not yet been confirmed and whether any responsibility was fixed in this regard, the ex-Chairman continued during evidence:

"On 19th when the matter was sent to Vigilance, the Vigilance replied that since file had already passed through a lot many hands it would not be possible to fix any responsibility. The findings of the Vigilance were sent to CVC since both the officers concerned were gazetted. They also desired that warnings be made against both the officers."

7.12 During evidence the Committee had also found out that Shri L.C. Goyal did not have the required qualification to hold the post of Secretary

to Chairman and inspite of this he continued to hold the same. In reply the ex-Chairman^{fr}, DTC stated during evidence:

"In the Eighties, when we took up the promotion of staff, it was found that a number of staff recruited in early sixties were not fulfilling the qualifications that have been later prescribed for promotion to various posts, because in the Sixties, DTC was very small and recruitment was at a very much lower level. It was not possible to take a blanket decision not to promote those who do not fulfil the academic or technical degree qualifications. Moreover, those men recruited in Sixties have 20 to 25 years experience and their expertise and experience in many areas was adequate for the promotion posts as well. When we used to sit down for promotion, there used to be a DPC, which was not internal to the DTC, but which comprised an officer of Additional Commissioner's level from the Transport Department. As the names came up, we used to take a conscious decision for relaxation of qualifications for 20 people at a time. It was not a pick and choose for a particular individual."

7.13 Asked by the Committee whether it was a fact that in its resolution passed by the Board (Resolution No. 81/90) it was decided that the appointment of Shri L.C. Goyal was null and void. If so, despite this why did the officer continue to get promotion. In reply, the Chairman^{fr} stated during evidence :

"In January, 1990, there was a Resolution of the Board against which Mr. Goyal went to the High Court and the High Court directed that you have done it on the direction of the Ministry, this is not correct, the Board should decide on its own.....the Board again met in March, 1990."

7.14 Asked by the Committee what was the decision taken by the Board when it met in March 1990, the Chairman stated :

"The decision of the Board was that this officer needed two relaxations, one of educational qualification and other of experience. He was short of experience by two months."

He continued further :

"When he was promoted in January, 1989, the Board had given him relaxation on educational qualification along with 19 other people. But, at that time, the Board did not give him relaxation on experience. When the High Court remitted the matter to the Board in March, 1990, the Board found that he had the educational relaxation but he did not have the relaxation on experience. He was short by two months."

7.15 The Committee then wished to know whether it was a fact that there was any relaxation in educational qualifications of Shri L.C. Goyal. In a written note the Committee were informed that Shri L.C. Goyal was B.A. from Delhi University who was promoted as Secretary, DTC Board with effect from 20.1.89 after getting relaxation from DTC Board in the matter of qualification, as the essential qualification for the post of Secretary, DTC Board was a Master's Degree in Art/Science or Commerce and adequate administrative experience of at least 10 years in a responsible capacity and desirable as a Degree in Law. Shri L.C. Goyal

worked out as Secretary to G.M. on deputation with effect from 23.7.76 to 22.7.77 and again from 30.7.80 he was taken on deputation from Delhi Administration as Secretary to G.M. Thus till 20.1.89 that is his date of promotion as Secretary, DTC Board his administrative experience work was for 9 years and 6 months. He was, therefore, lacking in administrative experience for a period of six months at the time in which they were considered for the post of Secretary, DTC Board. The Committee were informed that the relaxation of the academic qualification or other qualification as desirable was not taken and it is now a matter of future investigation.

7.16 Regarding the case of another senior officers of the Corporation Shri P. Dutta the Committee were informed that at present, the post of the Officer is Chief General Manager (Traffic) which was his substantive post. Besides, the officer was also looking after the work of Private Bus Operation, Disciplinary Cell, Traffic Cell at Headquarters, Central Checking Cell, Central Complaint Cell, Traffic Statistical Cell, Work of Secretary DTC Board, R & I Section and PLD Group-I.

7.17 The relevant dates of his promotion in DTC were also furnished to the Committee. They are given below :—

- (i) Promoted as Dy. General Manager on 26.5.1986.
- (ii) Confirmed as Dy. General on 26.5.1987 by letter No. PLD-I(68)/87/5115 dated 5.6.1987.
- (iii) Promoted as General Manager on 23.8.1989 by letter No. PLD-I(272)/89/5543 dated 23.8.1989.
- (iv) Confirmed as General Manager on 23.8.1990 by letter No. PLD-I(272)/90/4417 dated 23.8.1990.

7.18 Asked by the Committee whether there was any CBI or CVC case pending against Shri P. Dutta when he was promoted and confirmed, the Corporation stated in a written note that there was no CBI case pending against Shri P. Dutta when he was confirmed as General Manager on 23.8.1990. However, the then Vigilance Officer of DTC as the Investigating Officer had observed as follows:

“Shri P. Dutta can be held *prima-facie* responsible for keeping the CMD in dark and tempering with the orders of CMD by making subsequent inter polation in his own noting to cover up his misdoings thus resorted to intellectual dishonesty. He also ignored seeking relaxation of age in case of direct recruitment of Class-II post while looking after the portfolio of GM(HQ) and subsequently while association as one of the members of the Selection Committee for the post of Dy. Vigilance Officer.”

7.19 On this then CVO had recommended as follows:—

“Since both Dy. Vigilance Officer are already doing their job with satisfaction rules may be got relaxed to regularise their appointment. However, as regards discrepancies in the procedure,

necessary action as deemed proper in the matter may be taken against responsible persons."

7.20 On this the then Chairman (Shri S.C. Vaish) had recorded the following order:—

"The recommendation for approving Selection Committee is not in isolation. It is in continuation of office note seen by me before recording approval. Any apprehension is mis-conceived.

I find that Sr. Vigilance Officer was a member of the Selection Committee. The entire record was before the Selection Committee. Sr. V.C. should have raised the points, being pointed out by Vigilance Department now, at the time of selection to enable me to reconsider the issue from a different perspective.

The case of relaxation of age in the appointment of two Dy. Vigilance Officers, in the Corporation came up before the DTC Board. The Board examined the various aspects involved in the issue and gave ex-post facto approval for relaxation of age of these two officers. The irregularities against the officers and staff as summarised in the note of Vigilance Officers veers round the issue of not obtaining the relaxation in the case of these two Dy. VCs at the time of their appointment.

In view of the Board Resolution, the case merits closure. The Vigilance procedure of taking no action be followed.

The matter was referred to the CVC by letter No. VS-III(I)/1288/2075 dated 3rd July, 1990 recommending closure of the case. Since such a recommendation had been sent to the CVC, the then Chairman (Mr. K.A. Chandrasekharan) had confirmed Shri Dutta as General Manager on 23.8.1990. Subsequently, the CVC did not accept the recommendation for closure of the case and recommended major penalty against Shri A.K. Sharma and minor penalty against Shri P. Dutta."

7.21 Asked by the Committee whether the name of Shri Dutta was sent to Public Enterprises Selection Board for consideration as Chairman, DTC and if so, whether the fact that there was CBI and Vigilance case pending against him was mentioned to PESB. The Committee were informed in a written note that:—

"The Secretariat of the Public Enterprises Selection Board called for the names of three officers namely S/Shri R.R. Singh, P. Dutta and P.S. Rana for consideration for the post of the Chairman, DTC (copy of the letter enclosed at annex-B). The names were sent on 29.6.1990 and on that date there was no CBI case pending against Shri P. Dutta and only a reference was pending before the CVC, as mentioned above, recommending the closure of the case and hence no mention was made of it."

7.22 The Committee have been informed that from 1980 till present there have been 21 Class I Officers against whom departmental enquiry or corruption charges were pending. In this connection, the Committee had desired to know whether against those officers found guilty of corruption, after investigation by CBI or CVC or Vigilance any punishment proceedings or departmental action was initiated. The Committee also wished to know whether the Corporation had promoted any officers found *prima-facie* guilty of corruption or other charges. In reply, they were informed by the Chairman of the Corporation that no officer was given promotion when either a CVC case or CBI case was pending. They were informed that as on date no CBI case was pending against officers but vigilance cases were pending and enquiries were being conducted.

7.23 The Committee had been given a long list of officers against whom corruption charges or departmental enquiries initiated.

7.24 One of the case relates to the Secretary DTC Board, Shri L.C. Goyal. The Committee were informed that the DTC Board passed a resolution to the effect that the above officer alongwith another officer was to be demoted. However, the order against Shri Goyal could not be served because both the officers managed to get a stay order from the court the next day on which the order was to be implemented. Moreover, the two officers also continued to be on casual leave for a period of 2½ days. They were also informed that the documents were highly confidential in nature and it was a serious act of delinquency on their part to obtain the copies of the Board's resolution through dubious means. On the basis of findings of the investigation officers the then CMD, DTC approved the following action in respect of the two Officers.

Suitable action against S/Shri A.K. Sharma and L.C. Goyal.

7.25 The Committee were also informed that the case was subsequently referred to CVC for advice and CVC advice was received with the following recommendations:—

- (i) Recordable "Warning" to Shri L.C. Goyal and Shri A.K. Sharma and to streamline the procedure and maintaining the official records for having better system accountability.
- (ii) The officers were subsequently issued warning on 18.4.1991.

7.26 The present position of Shri Goyal was that he was General Manager incharge of Traffic, Personnel and Administration. In 1985 the CBI had directed the Board to take note of Shri Goyal's mis-conduct and not to engage him in any position of sensitive nature requiring responsibility and trust and that his conduct should be watched.

7.27 The Committee find that the requisite qualification for the post of Secretary to Chairman was that the Officer should have a minimum of 10 years experience and he should be a post-graduate. However, Shri Goyal was neither a post-graduate nor did he have the required experience. In fact

he was short of administrative experience of 6 months at the time in which he was considered for the post of Secretary, DTC Board. The Committee were also informed that no relaxation had been obtained by the Board either with regard to academic qualification or administrative experience.

7.28 Another Officer whom the Committee have examined is the present Chief General Manager (Traffic), Shri P. Dutta who, besides looking after traffic was also looking after the work of Private Bus Operation, Disciplinary Cell, Traffic Cell at Headquarters, Central Checking Cell, Central Complaint Cell, Traffic Statistical Cell, work of Secretary DTC Board, R&I Section and PLD Group-I. The Committee were informed that the then Vigilance Officer of the DTC as Investigating Officer had observed that Shri Dutta had ignored seeking relaxation of age in case of direct recruitment of two officers for the post of Dy. Vigilance Officers while he was looking after the port folio of General Manager Headquarters. The Vigilance Officer had also indicated that Shri Dutta was to held *prima facie* responsible for keeping the CMD in dark and tampering with the orders of the CMD by making subsequent interpolation in his own noting to cover up his misdoings.

7.29 The Committee have found that the name of Shri P. Dutta was sent to the PESB for consideration as Chairman, DTC alongwith the names of two officers Shri R.R. Singh and Shri P.S. Rana. PESB was not informed that at any point of time vigilance or CBI case was pending against Shri Dutta.

7.30 The shocking state of affairs of the Corporation and the gross misconduct of so many senior officers in the Corporation has distressed the Committee immensely. When asked pointedly by the Committee whether any CBI or CVC case was pending against any of the officers for whom promotion was being contemplated the Committee were informed that this was not so. However, subsequently during examination the Committee found that even if at the time of promotion there have not been any CVC or CBI case pending, yet in the previous years there have been instances where the conduct of these officers have been referred to either CBI or the CVC. The Committee does not appreciate such hair splitting on this important issue. It is obvious what the Committee wish to examine is the spirit in which these promotions have been made, that is the officers concerned were given promotions which were not due to them. Going by the track record of these officers as given to the Committee they have come to the inescapable conclusion that there is something basically wrong in the working of the Corporation. That both the Administrative Ministry and the Corporation have allowed two senior officers against whom *prima facie* there have been serious charges of lack of integrity to be promoted only smacks of gross indifference on their part. It is a case of things which have become bad to continue to become worse. The Committee are also amazed at the equanimity with which the Former Chairman of the Corporation has deposed before the Committee in stating that he found nothing wrong in

allowing Shri Goyal to continue to hold a post of sensitive nature despite the CBI orders against the same. That the CBI were very right in their judgement of the officer is equally borne by the fact that he (Shri L.C. Goyal) and another officer managed to get a copy of the DTC Board resolution in which they were to be demoted and subsequently get a stay order from the court thereby disallowing the Board from implementing the resolution. As if this was not enough the Committee are dismayed to note that Shri Goyal was allowed to continue as G.M. To add further to the already existing corruption charges against Shri Goyal, the Committee find that Shri Goyal did not even possess the necessary qualification or administrative experience required to become Secretary, DTC Board.

The Committee are further dismayed to note that the officer against whom *prima-facie* responsibility has been fixed for actively conniving one of the Member of the Selection Committee in selection of a Dy. Vigilance Officer and against whom investigating officer had also observed that he had resorted to intellectual dishonesty still continues to hold the important post of Chief General Manager (Traffic) besides other related important posts. The Committee fail to understand what are the compelling reasons which made the Corporation to continue with this officer. They are not convinced with the reasons given by the Corporation that neither this officer nor the earlier officer against whom the Committee had commented did not give any reasons for the Corporation to consider their removal.

CHAPTER VIII

COMPARATIVE ANALYSIS OF TRANSPORT IN METROPOLITAN CITIES

8.1 In connection with examination of Delhi Transport Corporation including comparative analysis of transport in metropolitan cities the Committee on Public Undertakings, besides taking evidence of the representatives of DTC, took evidence of the representatives of Transport Organisations of two other metropolies like Pallavan Transport Corporation, Madras and Bombay Electric Supply and Transport, Bombay. In course of examination the representatives of PTC and BEST have given valuable information regarding performance of their organisation to the Committee which have been enumerated in the following heads:

- (a) Operational performance
- (b) Average life of Bus
- (c) Fleet utilisation
- (d) Breakdowns
- (e) Interstate operation
- (f) Man Management and staff norm
- (g) Accidents
- (h) Financial performance

(a) Operational Performance

8.2 The Committee were informed that Pallavan Transport have 499 City routes and Best have 338 routes. Regarding fleet strength, the AGM, PTC stated during evidence, that, the fleet strength of PTC at present is 2362 and all are single Decker. The fleet strength of Best is 3031.

Regarding the increase in the fleet strength during the last five years the General Manager BEST stated during evidence, in 1987-88 we had a fleet of 2457 buses. In 1988-89, there was no increase, in 1990-91 the strength was 2712. In 1991-92, it was 3009 and upto September, 1992 it is 3031.

In a written note, PTC stated that in 1987-88 their fleet strength was 2100 in 1988-89—2202, in 1989-90—2298, in 1990-91—2296 and 1991-92—2353.

(b) Average life of bus

8.3 Regarding average life of bus, the General Manager, BEST stated during evidence:

“Today the average life of the fleet is 6—12 years. Out of 3031 buses 160 buses just covered a life of 15 years or 10 lakh km; eighty-three single deckers have covered 15 years or 10 lakh km. The total average life of the fleet is 6—12 years.

We have a fixed policy for scrapping of buses; for single deckers 15

years or 10 lakh km. whereas for double-deckers it is 15 years or 7.5 lakh km. whichever is earlier. Moreover, out of these 3031.83 buses have covered the kilometres and the age and 160 double-deckers also are in the same position. They are required to be scrapped.

About 20 per cent of the buses are in the age of 12 to 15 years. Their total kilometres are yet to be covered. The other remaining buses of the fleet are less than 12 years old and the average life is 6—12 years."

(c) Fleet Utilisation

8.4 Regarding fleet utilisation the representative of Pallavan Transport stated that at present the fleet utilisation is 88.9%. The representative of BEST stated during evidence:—

"As per the statistics provided the average fleet utilisation is 86 per cent. In 1989-90 our fleet utilisation was 83.03%, in 1990-91 it was 82.08 per cent, in 1991-92 it was 89.72 per cent and in July 1992 it is 96.2 per cent.

I am also mentioning the vehicle utilisation. In 1989-90 it was 202.4 km. per day; in 1990-91 it was 208.9 km. per day; in 1991-92 it was 200.1 km per day and in July 1992 it is 213.8 km per day."

Regarding fleet utilisation the representative of BEST stated during evidence:—

"Today the turnout of the fleet is 97 per cent. And no bus is kept out for more than three days. This has improved the availability of buses on roads. We have got night maintenance system in our depots. We have 20 depots and our major day to day maintenance is carried out in the night shift when the buses come for stabilisation. The result is that in the morning the buses are available. Whatever defects are there, they are rectified and the turn out improves to 97 per cent positively. That is why our average comes to 96 per cent everyday."

The witness added:—

"In order to improve the fleet utilisation, we have constituted a Research and Development Cell and also posted an Officer in the rank of Traffic Manager, who is a middle level officer in the cell. Not only a survey on quarterly basis is carried out but also report from the Field Officers and from the Depot Officers about the requirement of the buses for the next quarter is obtained. Visual survey is also carried out during day time and wherever rush is there, we will put in the bus in that place. Our bus utilisation figure has gone up from 202 in 1989-90 to 213.8 in the month of July, 1992. The buses are better utilised during the noon rush period. Wherever necessary we are utilising the bus during noon hours also. The buses could not be turned out earlier because of the defects.

We are introducing a concept of zero defects in depots and it has shown improvement in availability of buses. It may not be absolutely successful but it is a step which taken into consideration by the Depot Officers in competition with other depots.

8.5 When asked whether the city operation was adequate to meet the demand, the Addl. G.M. Pallavan replied during evidence:

"It is just adequate. 87% are utilising by PTC since there is no other mode of transportation."

The General Manager of BEST also replied during evidence that "according to the requirements we are totally adequate and meeting our city's transportation requirements rather eminently."

He further added:

"In 1990-91 we had started 31 new routes. In 1991-92 we had started 42 fresh routes, with the introduction of these new routes, so far as the commuters are concerned, adequate facilities have been added to such areas where city transport or public transport was not available. To cite an example, in the hutment areas or in Jhugi-Jhopri areas bus system was not existing they had to depend on scooters and other modes of transport. We have introduced number of routes in those areas including midi-buses (midi-buses) because long bus, which is conventional bus, could not operate in these areas. We have introduced in the last two years about 52 mini-buses. They are run by us, they are not run by private operators at all."

(d) Breakdown

8.6 Regarding percentage of breakdown, the AGM, PTC replied,

"It is one percent roughly. We have got a mobile squad. Breakdown depends upon the psychology of the drivers also. About 50% of the breakdowns are because of their psychological behaviour. About 150 buses breakdown every day including in the depot and on the roads. If the drivers feel tired, they declare it as a breakdown and the time-keeper is also not technically qualified."

8.7 On being asked how the PTC could detect such cases of breakdown where the drivers feel tired. The witness replied:

"We do detect and we have taken action on them also. We transfer them from one depot to the other."

8.8 Regarding breakdown the General Manager, BEST stated that

"In 1987-88 it was 0.53, for 1988-89 it was 0.55 for 1989-90 it was 0.51, for 1990-91 it was 0.53 and for 1991-92 it was 0.79 per cent."

(e) Interstate Operation

8.9 Unlike DTC, Pallavan Transport as well as BEST do not have interstate operations.

On being asked "should the inter-state operation be also given to you,

the AGM PTC replied:

It is better to have it in the same Corporation with two divisions.
 "The Interstate operations is under separate organisation."

(f) Man Management and Staff Norm

8.10 The AGM, Pallavan Transport stated, that the staff norm is 7.5 per bus. Conductors and drivers per bus are 2.5 each which comes to 5 per bus.

8.11 Regarding Man-Power productivity, the witness from BEST stated during evidence:

"The staff required for the workshop and maintenance purposes our target is 1.50 whereas actually it is 1.53 In the case of drivers, the target fixed is 2.45 whereas actual is 2.50. In the case of conductors it is 3 and the actual is 3.14 about average traffic per hour, our target is 3. We have also worked out from the study the target about staff required for administration is 1.13, actual 1.48. Our staff requirement for buses is generally more because one-third of the total fleet is double-deckers. 807 double-deckers are there, that means 807 additional conductors are required to be provided.

The second thing is our first bus starts at 4 O'clock in the morning and the last service is early in the morning at 2.30 a.m. Generally for 16-17 hours our bus is on the roads. That is why our requirement is slightly more as compared to others."

(g) Accident

8.12 Regarding accident rates, the AGM, PTC stated.

"It is three per one lakh kilometres"

He added,

"The average speed of PTC bus is 18 kilometers. We have restricted the maximum speed to 50 Kms. The accidents are due to over hanging and not because of driver's fault."

8.13 When asked what are the accident per one lakh kilometres, the representative of BEST replied during evidence:

"For 1987-88 it is 0.64; for 1988-89 it is 0.63; for 1989-90 it is 0.18 (it has come down); for 1990-91 it is 0.17 and for 1991-92 it is 0.14."

(h) Financial Performance

8.14 Regarding financial performance the AGM, PTC stated during evidence:—

"We are one of the beneficiary under World Bank Scheme, Tamil Nadu Urban Development Project study our economic viability. Recently they have agreed to find one procurement of 400 buses. Each bus costs approximately Rs. 4 lakhs. It comes to around Rs. 16 crores."

8.15 On being asked how much subsidy you have got, the representative of PTC replied:

"It is Rs. 14.88 crores for the year 1991-92 as against the total for the revenue of Rs. 114 crores. It is nearly 10 per cent."

Regarding increase of fare, the representative of PTC stated,

"fare was increased in 1987, then in 1989 and another in 1991."

8.16 On being asked what is the percentage of fare increase the witness, PTC replied:

"It is around 30%."

When asked what is the fare that you are charging the witness (PTC) replied:

"For the first stage, it is 70 paise, then 80 paise, 90 paise, Re. 1.00 Rs. 1.25, Rs. 1.50, Rs. 1.75, Rs. 2.00; then Rs. 2.10, Rs. 2.20, Rs. 2.30 etc. This is for every two km. stage."

8.17 Regarding the kilometre wise fare, the representative of BEST stated during evidence:

"For the first 2.5 kms. it is Re. wise for ordinary bus and Rs. 1.25 for limited bus, upto 4 kms., it is Rs. 1.50 for ordinary bus and Rs. 1.75 for limited bus, upto 6 kms. it is Rs. 2.00 and Rs. 2.50, upto 10 kms. it is Rs. 2.50 and Rs. 3.00 upto 14 kms., Rs. 3.00 and Rs. 3.50, upto 18 kms. it is Rs. 3.50 and Rs. 4.25, upto 22 kms. it is Rs. 4.00 and Rs. 5.00, upto 28 kms. it is 4.50 and Rs. 5.50 and upto 34 kms. it is Rs. 5.00 and Rs. 6.00."

8.18 When asked what is the profit of Pallavan Transport the witness replied during evidence:

"at present we are making Rs. 2. crores loss before depreciation and other things."

On being asked have you ever made any profit, the witness added, "during 1985-86 we have got profit. Every third year, we have got wage settlement 57% of the total expenditure goes by way of salaries and wages of the employees. We are also giving concessions for the students, blind persons and cancer patients. Freedom fighters are also getting concession."

8.19 Regarding loss/profit the representative of BEST stated during evidence: We have been running into losses from 1984-85.

The working loss for the whole undertaking from 1987-88 is as under:

Year	Transport	Electric Supply	Whole Undertaking
1987-88	3591	+2788	—803
1988-89	4238	+2500	—1738
1989-90	4844	+2889	—1955
1990-91	4885	+3011	—1874
1991-92	3856	+2184	—1672

"The total from 1987-88 to 1991-92 is Rs. 133.73 crores. In 1990-91, it was Rs. 30 crores. In 1991-92, it was Rs. 21 crores.

For the last two years, we have revised our bus fare on an informal

discussion with my staff. I understand in the month on July, we had almost broke-even but this recent petrol price hike has again put additional expenditure of Rs. 16 crores to Rs. 17 crores."

8.20 The representative of Pallavan Transport state that "Revenue per kilometre is Rs. 8/- and cost per km. is Rs. 8.53. In case of BEST the revenue per kilometre (paise) during 1990-91 and 1991-92 was 1019.20 and 1205.55 and cost per km (paise) for the same period was 1395.54 and 1489.29."

8.21 In order to get a comparative picture of transport in metropolitan cities, the Committee had decided to take up an analysis of two other major transport corporations like Pallavan Transport Corporation, Madras and Bombay electric Supply Transport, Bombay. The Committee were informed by the representatives of the two Corporations on various aspects relating to transport *vis-a-vis* the performance of DTC. While the Committee has restricted its analysis more towards arriving at a comparative picture of the working of these transport organisations they have also tried to arrive at concrete conclusions based on evidence given by the representatives of the Corporation.

8.22 During the course of their evidence on the basis of information given on the various parametres of study undertaken by the Committee, the Committee have come to this un-erring conclusion that the performance of both the organisations in almost all the parametres which they have analysed is indeed extremely laudatory.

They would like to enumerate some of the major areas in which the Committee have been found that the Delhi Trasnpot Corporation needs to learn from the two other major metropolitan corporations.

8.23 With regard to fleet utilisation the Committee were informed that in respect of BEST the turn out of fleet is as high as 93%. No bus is kept out for more than three days. BEST has also night maintenance system so that all buses are made available for the morning shift and whatever defects are there are rectified which makes their turn-over average as high as about 97%. The Committee were also informed that BEST has a Research and Development Cell which carries surveys on a quarterly basis to analyses the percentage of fleet utilisation required and accordingly improvements are undertaken.

8.24 With regard to the PTC the Committee were informed that their present fleet utilisation was around 88.9%. They also replied that their fleet was just adequate to meet city operations. None of the two corporations has private bus operators ply on their road. As against this, the fleet, utilisation of DTC in August 1982 was only 87.41%. Again the Committee has pointed out earlier that this low fleet utilisation was hardly adequate to meet the city operation

8.25 Regarding percentage of breakdowns also, the Committee note that in PTC its is about 1% and BEST it is on an average of 0.99%. With regard to DTC the percentage of breakdowns was as high as 3.76 in 1988. However, what has impressed the Committee most in respect to these other metropolitan operations has been the strong dedication to duty and Committed officers which is responsible largely for the average low losses as incurred by these corporations. As per information provided to the Committee the representative of BEST stated that they had increased their fares in 1987, 1989 and 1991. The percentage of fare increased was around 30%. The minimum fare charged is Re. 1 for an ordinary bus, for Rs. 1.25 for limited bus upto 4 kms. and a maximum is Rs. 5 and Rs. 600 upto 35 kms.

8.26 Regarding the amount of loss/profit made the representation of BEST added that their working loss upto 1991-92 was around 21 crores. Till the month of July, they were almost break-even but with the increase in petrol prices their net loss was now worked to around 17 crores.

The representatives of PTC stated that they were one of the beneficiaries under the World Bank scheme and till 1991-92 they had got about 14.88 crores. With regard to the profit/loss incurred by the corporation the Committee were informed that at present their loss was around 2 crores before depreciation. In fact during 1985-86 they did get some profit. Like DTC they also gave concessions to students, handicapped persons, freedom fighters etc.

8.27 Again with regard to the revenue earned per km. the Committee were informed that with regard to PTC the cost per km. was Rs. 8.53 and revenue earned was Rs. 8 while BEST the cost per km. was Rs. 14.89 and revenue earned was 12.05. The comparative study of the cost per km. and the revenue earned for DTC shown Rs. 9.75 and Rs. 4.34 respectively.

8.28 The various statistics as given above only strengthen the Committee's belief that there is a great deal of negligence in the working of the DTC. While similar transport corporations in the other two metropolitan cities are able to function in a firm or effective manner given the same constraints with which DTC is faced with. This also gives credence to the Committee's belief that besides uneconomic fare structure the Corporation needs to tighten its inventory control rather and there are other related areas which the Corporation has to strengthen to off-set its mounting losses. It would be in the interest of the Corporation if it undertook a study of the working of the BEST and Pallavan in order to see how these corporations have managed to run in an efficient manner in the cities transport operations.

NEW DELHI;
April 29, 1993

A.R. ANTULAY
Chairman

APPENDIX

Statement of Conclusions/Recommendations of the Committee on Public Undertakings contained in the Report

S. No.	Reference to Para No. in the Report	Conclusions/Recommendations
1	2	3
1	1.18 to 1.20	<p>The Committee have been informed that consequent upon the recommendations of a working group of Planning Commission which concluded that Delhi Transport Corporation as an extension of Municipal Corporation of Delhi had not been functioning efficiently and adequately, resulting in leakage of revenue and very high operational cost, the Government of India took over the management of the undertaking by passing the Delhi Road Transport Laws (Amendment) Act in 1971 and the DTC was thus set up in 1971. It also took over the assets and liabilities from the erstwhile Delhi Transport Undertaking (DTU) operated by the Municipal Corporation of Delhi till 2nd November, 1971.</p> <p>The objective of DTC were among other things to provide or secure or promote an efficient economical and properly coordinated system of road transport in, the Union Territory of Delhi and any extended areas, to act on business principles, to achieve a high level of operational efficiency and above all to attain financial self-sufficiency.</p> <p>During the course of its examination the Committee desired to know whether any of the above objectives which have been set forth had been achieved. The CMD, DTC had replied that although 20 years had passed since DTC took over from DTU, they have been trying to achieve the objectives given in each of the parameters like growth in fleet, growth in passenger productivity. When the Committee put forth a similar question to the Secretary, Ministry of Surface Transport the latter was however candid in admitted that the</p>

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objectives as set forth by DTC had not been fulfilled because they were circumscribed by certain other conditions.

- 2 1.21 and 1.22 The Committee were also informed that the Bureau of Public Enterprises had in 1970 issued instructions that all public sector Undertakings should formulate its Statement of objectives and Obligations with the approval of the Government. They were further informed by the Secretary, Ministry of Surface Transport that such a Statement of Objectives and Obligations had not been formulated in the case of DTC. The Secretary, DTC admitted that there was a lapse on their part for which they would make amends by having separate corporate objectives framed by the DTC and approved by the Government. He, However, stated that in the absence of other documents regarding corporate objectives it did not mean that DTC does not have any corporate objectives. DTC has a Five Year Plan and also an annual plan in which the targets are set. Moreover in the absence of corporate objectives it did not mean that the organisation did not know what was required to be done by them. The Committee had also been informed that the Government did not take the benefit of similar transport undertakings like BEST in Bombay or Pallavan in Madras while formulating their objectives.

The Delhi Transport Corporation is the major transport system available to the commuters of Delhi and the adjoining neighbourhood. This organisation came into existence as far back in 1971 i.e. over 20 years. The organisation was formed with the sole objective of providing safe, efficient and viable transport system to the commuters of Delhi. The Committee are however dismayed to note that since the set up of the DTC in 1971 the Corporation has been unable to achieve any one of its objectives set forth. To say the least, this smacks of a total lack of concern for the commuters of Delhi. the Secretary, Ministry of Surface Transport has unequivocally admitted that the objectives

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for which the Corporation was established has not been fulfilled. The Committee have also noted that in each of the parameters in which the objectives have been itemised the performance of Delhi Transport Corporation is abysmal to say the least. Not only that none of the objectives has been fulfilled but also the Corporation has gone from bad to worse. The Committee were informed that DTU was taken over and the DTC was established in 1971 to stop the leakage of revenue and the very high operational cost. They, however, find that the situation as it exists in DTC has not improved. The very objective for which DTU was taken over by DTC has not been achieved i.e. Economic self sufficiency as the Committee reiterated earlier and the losses of DTC have galloped manifold.

- 3 1.23 and 1.24 One of the objectives of DTC is to attain financial self sufficiency. The Committee, however find that as per details furnished to them the amount of subsidy given by the Government since 1987 is 49.33 crores, in 1986-87 64 crores in 1987-88 69.31 crores, in 1988-89, 70.50 crores in 1989-90 and 163 crores in 1990-91 bringing the total amount of subsidy to a whopping 416.04 crores. This is indeed no indication of any direction towards self sufficiency. As against this, no subsidy has been provided to the other two major transport Corporations i.e. BEST and Pallavan. The Committee note with regret that the Administrative Ministry has also failed miserably in their responsibility to evince sufficient interest in the working, monitoring and guiding for the performance of the Delhi Transport Corporation.

The Committee find that the financial position of DTC is such that there cannot be any method in which the Transport Corporation would be in a position to attain economic viability. They would, therefore, urge the Administrative Ministry to put all possible efforts in trying to streamline the Corporation's working.

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revitalise its management cadre, and improve its financial performance by plugging the various shortcomings so identified and try to make the transport a viable one. The Committee are strongly of the opinion that the Corporation has been crippled with lack of proper management, guidance, and initiative. While expressing their strong displeasure at the sorry stage of affairs of the Corporation, the Committee would also urge the Corporation to do some serious and inward rethinking, so that the Corporation could at least reach towards its goal of economic self sufficiency.

- 4 P.25 to 1.27 The Committee have been informed that there was an Advisory Council of DTC constituted to advise the Corporation on matters such as routes on which services are to be operated, frequencies of services, time table amenities to passenger etc. Rules of the Advisory Council require that the Council should meet at least once in two months. However, the Committee were informed that during the last four years ending 31st March, 1989 only 8 meetings were held. Moreover there was no Advisory Council from January, 1987 to 23rd December, 1991. The Advisory Council has been reconstituted from 24.12.1991 and has had two sittings since then. During evidence the Committee had desired to know whether the earlier Council could continue to discharge its functions till a new Advisory Council was reconstituted and they were informed that this was not possible. The Committee were further informed that there was nothing on record regarding taking up the matter of reconstitution of the Council with the Government.

One of the functions of the Advisory Council is to advise the Corporation on such routes on which services are to be operated etc. On being asked whether the question of introduction of 3,000 private buses being put into operation by STA was ever put before the Advisory Council, the Committee were informed that this was not done.

The Committee note that the Corporation has a very vast number of representatives for different segments of

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society who constitute the members of its Advisory Council. However, they are distressed to find that the role of the Advisory Council has been negligible to say the least. Although as per the DTC Act, the Advisory Council is required to discuss on important policy issues, they note with concern that the Advisory Council has not been meeting frequently, rather for a period of about nearly four years there has been no Advisory Council at all. This speaks again of a total lack of commitment and concern on the working of the Corporation both by the representatives of the Advisory Council as also by the Administrative Ministry. What has anguished the Committee further is that neither did the CMD take up the matter of reconstitution of the Advisory Council with the Government nor did the Government think it necessary to do so. Had the Advisory Council met regularly most of the burning problems with which the Corporation is being faced with would either have been discussed and hopefully resolved or at least deliberations on such problems could have taken place. The Committee find that even important decision regarding introduction of 3,000 private buses by STA was neither put forward to the Advisory Council for their deliberations and consideration nor did the CMD or the Government think it important enough to put this agenda before the Advisory Council. They would, therefore, strongly recommend the Ministry and the Corporation to ensure that the Advisory Council is reconstituted and its meetings are held regularly as per requirement as it otherwise negates the very purpose for which the Advisory Council has been set up.

- 5 2.43 to 2.50 As on 31st March, 1992 DTC had a fleet of 4372 buses+3 prime movers and was operating on 753 city and 121 interstate routes carrying on an average of 42.70 lakh passengers per day.

The Committee was informed by DTC that the fleet position on road is DTC's own fleet of 3750 buses and 609 private buses. when the Committee wanted to know whether the fleet strength was commensurate with the

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increase in population the Secretary, Ministry of Surface Transport replies, "perhaps it was not kept in step with the increase in population." They were also informed that the productive life of DTC is 8 years and there are 1481 buses who have completed their productive life.

They were also informed that DTC buses are considered overaged when they complete 8 years of life and 5 kms operation. At this stage, if the Corporation decides to continue operation of such buses for various reasons road worthiness certificate is obtained from the State Transport Authority.

As per the Secretary, Ministry of Surface Transport under the targets fixed for Seventh Five Year Plan the total requirement of the DTC and private buses under DTC would be about 10,000 buses but the actual acquisition would be limited by the amount of money that will be given during the entire Seventh Plan. He also informed that the total fleet strength at the beginning of the Seventh Five Year Plan, that is at the end of 1984-85 was 4039 and at the end of Seventh Five Year Plan i.e. 1989-90 was 4399.

Regarding fixing of targets the CMD had stated that when the resource position becomes stringent, they would have to adjust their target according to the money available.

As on 31st March, 1991, the Corporation had over 40% of its buses which were overaged. The % of fleet utilisation was 89.04%, 84.53%, and 87.41% during 1989-90, 1990-91 and 1991-92 respectively. As against this, the % of fleet utilisation of other two Transport Corporations viz. Pallavan & BEST was 88.9% and 86% respectively. Regarding improvement of fleet utilisation the Corporation had stated that 535 new buses had been added to replace the overaged buses.

The percentage of fleet utilisation of DTC during 1989-90 and 1990-91 was 89.04 and 84.53 respectively and the average kilometers per bus per day was 233 and 219 respectively. As on August 1992 the fleet utilisation of DTC was 87.41 percent. When asked what were the

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reasons for decreasing fleet utilisation and shortfall in average number of vehicles on road for the year 1990-91 DTC stated the reasons were, Mandal Commission and other political agitation, restrictions caused because of Gulf War, overage fleet. As on 31st March, 1991, 40% of the fleet was overaged. The representative of Pallavan and BEST informed the Committee that at present their fleet utilisation is 88.9% and 86% respectively. The representative of BEST also stated that, the turnout of the fleet is 93% and no bus is kept out for more than three days. They have got night maintenance system in their depots. They have 20 depots and their major day to day maintenance is carried out in the night shift when the buses come for stabilisation. The result is that in the morning the buses are available. They are introducing a concept of zero defect in depots and it has shown improvement in availability of buses.

When asked is the city operation adequate to meet the demand, the representative of Pallavan stated, it is just adequate, the representative of BEST replied, according to the requirements we are totally adequate and meeting our city transportation requirements rather eminently.

The Committee note with concern that over the years the fleet strength of DTC has never kept pace with increase in population. The Secretary, Ministry of Surface Transport was candid in admitting these facts. They also note that though it was proposed in the Seventh Five year Plan that the total requirement of the DTC and private buses under DTC would be about 10000 buses yet the actual acquisition was limited by the availability of funds. Even though the Corporation has been crippled with economic problems since its inception yet it has never tried to find ways and means to improve the same. The Committee have also been informed that the transport system of Madras and Bombay i.e. Pallavan and BEST are adequate to meet the demand of the Commuters. On the other hand they note with concern the woefully inadequate fleet strength of DTC. The Committee are of the opinion that DTC should not only improve its financial health but should

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		also increase its own fleet strength to meet the traffic demand adequately.
6	2.51	The Committee are particularly concerned regarding the increasing number of overaged buses. At present DTC has a total of 1481 buses which have completed their productive life. The Committee recommend that the overaged and outlived buses be replaced immediately in order to maintain a sound and healthy transport system in the capital which would not only provide better transport facility with passenger safety but also reduce environment pollution.
7	2.52	The Committee are also distressed to note the low capacity utilisation of buses. They are unhappy to find that no serious efforts had been made either by the Corporation or the Ministry to improve vehicle utilisation. The Committee find in BEST that the turn out of the fleet is 93% and no bus is kept out for more than three days. They were also informed that BEST have night maintenance system. The Committee would strongly urge the Corporation to emulate the system of high capacity utilisation of buses followed by BEST and try to learn from the example set forth in improving the capacity utilisation.
8	2.53 to 2.55	<p>The Committee note that the bus breakdown per 10,000 kms. operated by DTC on city routes ranged between 3.13 and 3.76 for the last four years ended March, 1988. It came down to 0.82 and 0.80 during 1989-90 and 1990-91 respectively. However the trips curtailed per day due to breakdowns which was 248 in 1988-89 rose to 762.46 trips during 1990-91.</p> <p>Regarding the percentage of breakdowns of PTC was roughly one percent. In order to curtail the breakdowns of such nature, PTC has introduced mobile squads. On breakdown the representative of BEST stated that in 1987-88 it was 0.53, for 1988-89 it was 0.55, for 1989-90 it was 0.51 for 1990-91 it was 0.53 and for 1991-92 it was 0.79 percent.</p> <p>As about increase in the number of trips as also breakdown during 1988-89 and 1990-91 the Committee</p>

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were informed that this was because of strike of DTC employee in mid March 1988, dispensed with the services of a large number of employee on account of the strike; the reasons for missed trips in 1990-91, anti-Mandal Commission and other political agitations in September-December 1990 etc. The Committee are not satisfied with the reasons advanced by DTC regarding the increasing number of breakdowns from 1988-89 to 1991-92. Admittedly some of the missed trips, breakdowns could have been owing to uncontrollable reasons as put forth by the Corporation. However, an analysis of the statistics as given to the Committee clearly indicate that there have been a substantial increase in the trips curtailed per day due to breakdowns from 148 in 1988-89 to 762.46 in 1990-91.

This only strengthens the Committee's belief that the Corporation is trying to shield its non-performance and tardy fleet utilisation under the pretext of other extraneous factors. The Committee would therefore strongly urge the Corporation to do something meaningful to revamp the organisation improve fleet utilisation and operational efficiency.

- 9 2.56 The Committee were informed that in August, 1975
 to the Union Territory of Delhi had a share of 214
 2.58 interstate route permits. Audit stated that by taking
 over the interstate operations not only better services
 would be provided to the passengers but the profits
 from the interstate operation would partly offset, the
 losses in operation within the city. however, as on
 31.3.1991 only 118 routes were being operated by DTC
 on interstate services. They were further informed that
 since the main objective of DTC was to operate its
 services in Delhi it did not pursue in taking over more
 interstate operations. The profit earned from interstate
 operations as against the operations within the union
 territory was Rs. 4.72 per kilometre in 1989-90 as
 against Rs.3.78 in city operations. In 1990-91 the
 earning was Rs. 5.25 on interstate as against Rs. 3.97 in
 the city per kilometre. The Committee were also
 informed that of the total share of DTC on the

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interstate routes is 1,97,578.5 kilometres but the Corporation is operating on 1,38,418 kilometres. DTC is unable to operate on 58,860.5 kilometres.

It was stated by CMD, DTC that in 1992 out of 535 buses purchased 93 have been on inter-state routes. In 1991 out of 103 buses a purchased one bus was put on inter-state route. At present DTC has 470 buses on inter-state routes.

The Committee are distressed to note that DTC could not operate all the allotted 214 inter-state routes. Out of 214 routes permits only 118 inter-state routes are being undertaken. Although the inter-state routes are profitable DTC is unable to provide more buses on them. DTC is also unable to operate in 58,860.5 kms. for its allotted share in inter-state routes. Even the administrative Ministry is not taking due care in providing adequate number of buses. During the last two years 1991 and 1992 only 94 buses have been added to the inter-state service. The Committee are unhappy to find that no serious efforts had been made either by the Corporation or the Ministry to provide adequate number of buses in inter-state routes. They recommend that, keeping in view the greater margin of profitability, DTC should give equal importance towards inter-state services by providing adequate number of buses in order to operate in all the allotted routes to them which in result would off set its total losses.

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The Committee find that during 1990-91 against the prescribed number of staff per bus in different categories are, Drivers, prescribed 2.50 actual 2.42, Conductors; prescribed 2.50, actual 3.02 supervisory; prescribed 0.50 actual 0.48. DTC stated that as on 30.4.1992 there are 335 employees excess of the norms in the Corporation. The Corporation fulfilled the excess staff by carrying out the Government directives in 1989 to take back in service all the employees dismissed during the illegal strike of March, 1988. In reply to a question what action has been taken by the

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Management to keep operational staff to norms so that cost of operation is minimised, the Corporation stated that to minimise the cost of operation, DTC is trying to contain the staff cost by banning the recruitment in whole of the Corporation. During 1990-91 the administrative staff position was 1.28 per bus as against the prescribed number per bus 1.50 being the overtime paid Rs. 7.28 lakhs. DTC also stated, it is a fact that DTC is running short by 0.22 administrative staff per bus for which it has become essential to get the overtime. They say in case the Corporation recruits the administrative staff to the tune of 0.22 the monthly expenditure will go much higher than the overtime paid at present. The staff norm for Pallavan is 7.5 per bus, Conductors and Drivers per bus are 2.5 each which comes to 5 per bus. In case of BEST for the drivers the target fixed is 2.45 where as the actual is 2.50. In case of drivers it is 3 and the actual is 3.14. For the administrative staff prescribed is 1.13, actual 1.48. The representative of BEST justified the excess staff as they have one-third of the total fleet as double-deckers. Moreover their first bus starts at '0 clock in the morning and the last service is early in the morning at 2.30 AM.

The Committee observe that although the Corporation was allocated manpower far beyond its requirements, no study was conducted to assess the overall manpower requirements. They are unhappy to note that there has been high incidence of overtime allowance in administrative staff which amounted to Rs. 728 lakh in 1990-91. The Committee are perturbed about the casual manner in which DTC and the Ministry have been dealing with this vital aspect of manpower management. The Committee desire that a study be conducted, surplus manpower identified and effective measures taken to reduce the same within realistic period. The Committee would urge that a conscientious effort should be made to productively deploy the surplus manpower, curtail payment of unjustified overtime and increase productivity of manpower.

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11.	3.26 to 3.31	<p>The Committee have been informed that the DTC has a number of private buses plying under its operation and gets permits for these buses on the basis of affidavits furnished by it to STA stating that private buses are plying on kilometerage scheme. The Committee were also informed that earlier, when the private buses were plying under the AOCC Scheme they were charged Rs. 1,200/- per month per bus from January, 1974 later revised to Rs. 1,000/- per month in February, 1976. This scheme was replaced by kilometerage scheme in August, 1979 which was in operation upto March, 1988 till which period DTC kept the revenues but paid a fix rate per kilometer. During kilometer scheme the Corporation also provided the private bus with their own conductors. From 17th March, 1988 the kilometerage scheme was discontinued and private buses were allowed to run on their own as also keep their earnings. Besides DTC was also compensating the private operators by paying for use of DTC passes. During the three years ending March, 1991 the loss, as a result of this scheme worked out to Rs. 259.88 lakhs besides loss on account of payment of passes.</p>

During evidence, the Committee were informed that the total fleet requirement of DTC for the 7th Five Year Plan as estimated by the working group was about 10,400 buses But the actual acquisition would, however, be limited by the amount of money that was to be given during the entire 7th Plan. They were also informed that at the end of the 7th Plan the Corporation had a total fleet strength of 4,374 buses.

Moreover, the strategy adopted during the 7th Five Year Plan was that the Government should promote private operators to come and operate under STA terms under the permit of DTC because Ministry was unable to provide the required number of fleet strength.

The Committee were informed that on 17th March, 1988 the employees of DTC went on strike. In order to minimise the inconvenience to the commuters of Delhi DTC decided to allow the bus from outside Delhi to ply

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during the strike period. The private buses were also allowed to operate. For the strike period to March, 1988 private buses were allowed to run with their own conductors and also keep the full earning for themselves. This scheme is presently in continuation.

The Committee had also been informed that as early as 18.6.1988 in the meeting taken by the Minister of Surface Transport the question of asking the private operators to go back to the kilometrage scheme was brought up and it was decided that Government would not revert to the kilometre scheme but would continue with the present arrangement.

There were no recorded instructions or communication in the Corporation's records prior to 1989 whether the kilometre scheme should continue or not. The Committee were informed that it was allowed to be continued under the oral orders of the Minister and formal communication was sent only in 1989.

During evidence the Committee wished to know how the Ministry would be able to ensure that with the recent introduction of 3000 private buses for which licences have been given the transport facilities would improve rather than become more chaotic. The Chief Secretary, Delhi Administration had informed the Committee that it was a fully conscious decision, whereby it was decided to introduce these 3000 new private buses. Regarding disciplinary control the Chief Secretary had added that with the introduction of these 3000 private buses the disciplinary control would not be with the DTC but with the State Transport Authority which would be a statutory authority. The Chief Secretary has also elaborated that they would be enforcing strict supervision by their enforcement mobile squads and various other methods so as to ensure that the private buses do maintain their accountability.

It is a matter of great concern to the Committee that such important policy decision about transport system which is to run for the commuters of Delhi were not looked into either by the Corporation or by the

Administrative Ministry or by the State Transport Authority. That the Administrative Ministry has been shifting various schemes or rather juggling the schemes as and when it suits their will is a clear pointer to the fact that neither the Ministry nor the Corporation have the interest of the commuters at heart. Were this so then definitely the Administrative Ministry would have done some serious & meaningful rethinking or at least it would have formulated an action plan to ensure whether the present system of transport as it exists in the Union, Territory of Delhi is satisfactory or not. This total lack of indifference or apathy on the part of the Administrative Ministry is also evident in the Committee analysis of the various kinds of schemes which are continuing to operate in Delhi. The Committee have noted that the AOCC Scheme which was earlier in operation also resulted in loss to the Corporation and the kilometreage scheme also brought about continued loss to the Corporation. The Committee are indeed surprised to find that the private operators had to give a fixed rate per kilometre to the Corporation after the strike was over. The CMD, without any justifiable grounds allowed the Corporation rather to compensate the private bus operators for operating in the Union Territory of Delhi and by allowing the private bus operators to continue with their earning.

12. 3.32 The Committee note with deep concern that even after the strike period was over this Scheme was allowed to continue. The Committee would like to place on record that they had to hold a number of meetings only to find out under whose orders or otherwise this kilometreage scheme continued to operate even after the strike period was over. Neither the Corporation nor the Administrative Ministry was able to give any satisfactory reply in this regard. The Committee are indeed extremely perturbed by the admission of the Administrative Ministry and the Corporation that the kilometreage scheme continued to operate only on the verbal orders of the Ministry. From 16th March, 1988

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to May, 1989, the discontinuation of the Kilometre Scheme resulted in a loss (upto January, 1989 as pointed out in C&AG's Report) of an amount of Rs. 2332 lakhs. The Committee would like that this case may be referred to CBI and they may be informed accordingly the findings of CBI enquiry. Responsibility should also be fixed on the officer concerned who allowed this system to continue only on verbal orders of the Ministry. That such an important decision which would have far-reaching consequences on the financial burden of the Corporation was not taken only strengthens the Committee's belief of the lackadaisical and lethargic functioning of the Corporation. Things has come to such an extent that the Government were left with no other option but to introduce private buses for with the Government is now trying to give justification.

13. 3.33 & 3.34 The Committee are not satisfied with the reply given by the Ministry and the State Transport Authority that it was necessary to introduce private bus operators in Delhi owing to the fact that the Corporation's fleet strength was unable to cope with the demands of the commuters. While it is an inescapable fact that the Corporation's bus was indeed woefully inadequate however, the fault lies not with the Corporation so much as the Administrative Ministry which did not allow the Corporation to increase its fleet strength upto the desired requirements. The Committee would solely blame and hold the Administrative Ministry responsible for letting things come to such a sorry state of affairs in which there was no other alternative but to go in for private bus operations. The Administrative Ministry which is to exercise control and authority over the Corporation has by its total lack of proper policy and planning only created mismanagement over these years. By enforcing proper control it could have definitely ensured that there would have been no need for these private operators.

The Committee have come to this inescapable conclusion that the introducing of these 3,000 private buses in Delhi is definitely going to bring about a chaotic transport situation. Indeed the Secretary and the

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		<p>Ministry had also very clearly indicated during evidence that the responsibility of operation of these private buses rests only with the State Transport Authority and the Chief Secretary has also clarified during evidence that they would be a statutory authority which would exercise administrative control over the private bus operators. The Committee are not convinced as to how it would be possible for the State Transport Authority to exercise full and adequate control over private bus operators.</p>
14.	3.35	<p>A shocking admission made before the Committee is that the Corporation has in all these years been furnishing a false affidavit to the STA that the private bus operators are plying on Kilometerage scheme. The Committee would, therefore, recommend that responsibility in this regard be fixed at the earliest. They further recommend that this kind of affidavit should be done away immediately and action taken in this regard be informed to them.</p>
15.	3.36	<p>The Committee strongly urge that the Government should look into the reasons for the mounting loss of the Corporation and also the existing system of transport and if it finds that the most viable of the system is the kilometerage system in which the private bus operators continue to pay a fixed rate per kilometre to the Corporation then the Ministry should decide to revert back to this scheme as early as possible.</p>
16.	3.41 to 3.44	<p>The Committee have been informed that from November, 1985 to August, 1987 i.e. a period of about 2 years, 503 Retainer Crew Daily Wage Conductors were appointed. They were being paid an average income of Rs. 400 or so per month during this period. The Committee have also been informed that these daily Wage Conductors belonged mainly to SC/ST and continued to be daily wage workers till 1988.</p> <p>Prior to March 1988 strike, the Corporation used to deploy their own conductors even for private bus operations. However, after March, 1988 the private bus operators now had their own conductors manning their</p>

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bus. Subsequently, the services of 2900 conductors became surplus to the Management. Since the 503 conductors were the last in their recruitment list, the Corporation terminated their services and the remaining 2400 were given other duties. The decision to terminate was taken by the Management and it was not reported to the Board.

The Committee express their strong displeasure at the way in which the services of such a large number of employees belonging to the SC/ST were summarily dispensed with. In the first instance, to state that these employees were considered surplus is itself an anomaly. As the Committee has commented elsewhere; the March, 1988 strike was illegal and the measures resorted to by the Corporation to break the strike was also a temporary one. After the strike period, the Corporation was duty bound to resort to its earlier KM Scheme. It did not do so and because of its own tardiness in not reverting to the *status quo*, these conductors were considered as surplus.

The Committee reiterate that it was not the conductors who were surplus, but the Corporation's reluctance to revert to its earlier scheme, which left them with no other option but to dismiss these employees.

The Committee strongly criticise the manner in which these employees were dismissed. They are unable to comprehend as to why such an important decision was not referred to the Board, rather the decision was allowed to be taken by the Management itself. They would urge the Administrative Ministry to fix responsibility about the lapse in not referring this important decision to the Board.

The Committee recommend that in future these 500 conductors who were removed from service for no fault of their during the strike period may be recruited when any such recruitment takes place on priority basis.

17. 4.35 to 4.37 The Committee have been informed that the Corporation appointed Cheran Committee as far back

as in May, 1982 to study the material management division. The Report of the Committee listed out delays ranging from as varied a time span of 55 days to 398 days in processing of indents raised by material-control section to the final placement of purchase orders. These delays not only resulted in charges in final prices for the impending purchase orders but also compelled the Corporation to make local purchases ranging between Rs. 7.47 lakhs and Rs. 42.96 lakhs during the period from 1984-85 to 1988-89. The Committee were also informed that this report has not been placed before the Board so far some of the glaring cases of misappropriation reported to the Committee by the Corporation are peculiar examples of duplicate Lifebuoy soaps, which the Committee have been informed was noticed only when the Minister concerned happened to visit one of the depots and picked up a sample of Lifebuoy. Subsequently, when the samples were sent to the company concerned for verification it was found that soaps were original. The Committee have also informed that as on 31st March, 1989 as many as 953 claims amounting to about 27.37 lakhs preferred by DTC towards short/rejected supplies were outstanding for recovery. Such bad and doubtful debts continued for a number of years when the Corporation is not able to recover much of the amount. When the Committee wished to know what was the system followed by the Corporation in retrieving such bad and doubtful debts and whether such schemes were being pursued vigorously, the Corporation replied that they were forced to make the payment to the company concerned in order to receive the supplies and when the material supplied is not satisfactory or as per specifications the same is rejected and the claims starts. They were also informed by the Corporation that they do pursue claims vigorously and an amount of Rs. 54.92 lakhs has been settled by the Corporation during 1991-92.

The Committee also find that the Corporation has a number of claims outstanding from its employees who have either retired or against whom claims were not

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pursued effectively. A case is of the Ex-Chief Mechanical Engineer where an amount of Rs. 33847/- was not recovered from him although all dues were paid to him at the time of his retirement and subsequently the amount had to be written off.

18. 4.38 The Committee find that a new medical scheme started in May, 1984 on a trial basis initially for a period of six months continued to operate in the Corporation without two crucial conditions that were initially to be included as per direction of the Board namely ceiling on the monthly expenditure which an employee could incur and secondly reference to the medical officer of the Corporation for his scrutiny of all the bills beyond the ceiling. As a result of non-adherence of the two conditions, the Committee were informed that medical expenditure which was Rs. 73.24 lakhs during the year 1984-85 jumped to Rs. 915.92 lakh in 1985-86 i.e. an increase of 1150.57 per cent over the previous year even though the Corporations total number of employees increased by only 5.70 per cent. The Committee were also informed that at present the scheme has been discontinued and responsibility on the officers fixed.

19. 4.39 to 4.40 With regard to the position of scrapped DTC buses the Committee have been informed that as on 1990-91 there were total of 1030 scrapped buses lying in the corporation. Some of these buses were lying in the Corporation since as far back as 1985.

The Committee wished to know during evidence, what was the system by which any part of tube or tyre is declared as a scrap by the Corporation. They were informed that the Corporation has different committees, members of which keep on changing. Members inspect the material which goes for repairs and the material which cannot be repaired is declared as scrap. The Committee were also informed that some of the units declared as scrap could be considered as potentially repairable as for example 10,000 tubes which were to be sold and about 1700 of them were declared as potentially repairable. The Committee were further informed that the normal tendency of a person to be

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posted in the Stores and purchases Department is three years. However, there had been cases where persons had been working in the Stores & Purchase Deptt. for as long as 15 to 20 years.

20. 4.41 to 4.46 According to the Corporation there are two Central Workshops incharge of major repairs, re-conditioning, over-hauling of engines, retreading of tyres etc. For day-to-day repairs every depot has a workshop of its own. Central Workshop I which was initially established with a capacity to undertake 1200 vehicles. Central Workshop II commissioned in 1983 could undertake a repair of 3000 buses. The Committee wished to know whether with regard to capacity utilisation of Central Workshop the Corporation was facing any difficulty in repairing its fleet, the CMD had replied during evidence that although DTC had a fleet of more than 4400 buses, the capacity of two workshops is only 3000. Therefore, they were finding it extremely difficult to keep their buses repaired. Further on an analysis undertaken by the Corporation they had found that it was cheaper to get the body built from outside rather than from the Central Workshop.

With regard to fixing of targets also the Committee were informed that non-achievement of targets is a normal process and not an exception since the targets for over-hauling of various assemblies are fixed on the basis of life achieved for those assemblies and it is requirement based and not production based.

The Committee were also informed by audit that Central Workshop II which was to be completed within 21 months of award of Civil Contract i.e. by July, 1982 was not completed by the contractor and contract was terminated in October, 1988. Corporation carried out works to the extent of Rs. 9.10 lakhs departmentally and abandoned works to the extent of Rs. 29.44 lakhs. The Corporation incurred an extra expenditure of Rs. 27.11 lakhs. No recovery of extra expenditure of Rs. 27.11 lakhs and for recovery of cost of works done departmentally (Rs. 9.10 lakhs) was made. Moreover in order to avoid such recurrence, the Corporation stated

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that, in the note which was made a base for observations of audit, abandoned works have been shown to the extent of 6.12 lakhs as against Rs. 29.44 lakhs taken by the audit and after adjustment of this amount figures of Rs. 27.11 lakhs would come down to Rs. 3.79 lakhs only. The figure of Rs. 3.79 lakhs is the increase in the cost involved in doing departmental works is recoverable from the contractor and the matter is being contested in the arbitration. It is reported that the total number of skilled and unskilled employees in the Central Workshops is 8705 of which about 1,000 is unskilled. The Committee are distressed that the working of the Corporation in each of the above aspects as stated above have been dismal to say the least. The Committee have come to an un-erring conclusion that the fault lies not in the reasons as stated by the Corporation alone but in a number of other factors also such as poor or almost no inventory control, mismanagement of stores & purchases, mis-appropriation of funds, lack of moral responsibility of the officers incharge of the Departments and a general feeling by the Corporation to let things lie as they are. In almost all the departments relating to inventory control and material management as have been examined by the Committee, they have found a total lack of coordination and control. The Corporation has set up numerous committees to examine its material management division time and again. However, no action seems to have been taken on the recommendations set-forth by the Committee as is indicated from the Cheran Committee Report which was not placed before the Board and for which the Corporation could not give any satisfactory reply. Again committees were set up by the Corporation to examine such all those items as are declared as scrap, however despite such committees as many as 1700 tubes out of total number of 10,000 tubes have been found to be potentially repairable. This is only a sample check undertaken by the Corporation. The Committee is sure that there may be numerous other instances in which scrap "can be considered as potentially repairable."

The Committee have also found that the performance

of the two Central Workshops I & II leave much to be desired. The Chairman of the Corporation has himself admitted that he finds it much more economical to get the Chairs repaired from outside rather than to build it in the Central Workshops. The capacity utilisation of Central Workshops has never been stretched to its full limit. The number of employees also is as high as 8705, of which about 1000 are un-skilled workers. Given the large number of infrastructure of both central workshops the Committee would have expected that atleast body building repairs and maintenance should be utilised to the maximum. However, they find it to be contrary. As stated in the preceeding paragraphs, the Committee are therefore of the firm opinion that the fault in the Corporation's low performance lies in these grey areas which need to be revitalised. The Committee would strongly emphasise that the Corporation should do inward thinking to ensure that it has a tighter reign over inventory control, material management, scrap, bad and doubtful debts etc. It is only when such areas are strengthened can the Corporation expect a return on investment and subsequent financial improvement in its performance. By merely crying over the fact that it has a low fare structure the Corporation is strengthening the Committee's belief that it does not wish to identify the other main reasons for its continued losses, that is gross mis-management and misuse of the Corporation's funds.

- 4.46 The Committee recommend the Corporation to look into these and other related matters at the earliest. While it agrees that perhaps the low fare structure could be one of the reasons for losses by the Corporation, nevertheless the Corporation should also realise that there is a great deal left to be desired in the material management section. They also recommend that the under utilisation of resources, should be made good use of and persons serving in such departments should be made to bear full responsibility for any subsequent losses that may come about as a result of poor and lackadaisical supervision.

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21. 5.16 The Committee were of the opinion that there should be definite time-frame for replacement of milometers. The Chariman assured the Committee during evidencee that it would be done within six months.

22 5.17 to 5.20 The Committee were informed that Delhi is the only Metropolitan city in the country where the highest number of road accidents deaths were reported in 1990 (1570) followed by Bangalore 562 and Madras 507. In case of Pallavan the accident rate is three per one lakh kilometres. It was also reported that the average speed of PTC is 18 kms. being the maximum speed 50 kms. Regarding accident per one lakh kilometres, the representative of BEST sated for 1989-90 it is 0.18, for 1990-91 it is 0.17 and for 1991-92 it is 1.14. For DTC accident per one lakh kms. is 0.89.

It is also informed that the number of total accidents and number of persons killed in city during last three years are for 1989-90, 159 for 1990-91, 168 and 1991-92, 213. The Committee are distressed to note that the number of total accidents have been incresẽd in the city. Rash and negligent driving and error of judgement of the drivers were the major factor for increasing number of accidents. A large number of drivers caused accident every year. The Committee are unhappy to find that the termination in 1990-91 is low as compared to other years as some private operators filed writ in Delhi High Court and the Court had directed the Government to reconsider the matter. The Committee urge that stern and serious action should be taken against the drivers causing fatal accidents. Guilty drivers should immediately be suspended and enquiry conducted against them. Speed of DTC buses as well as private buses is to be limited. So also traffic rules are to be followed strictly.

The Committee note that there has been a steady increase in the percentage of drivers involved in accidents during 4 years starting from 1985 to 1989 except for the year 1987-88 where there was a marginal decrease. DTC have stated that the reason for increase

in accidents due to increase in induction of new drivers; when there was heavier induction, the larger number of these drivers were found to be involved in accidents. The audit has pointed out that, the drivers in private operated buses were not under the control of the Corporation. No action, had therefore been taken in this regard by the Corporation, the Corporation, however, had not stipulated in the agreement any periodical medical examination of such drivers to ensure their suitability. The Committee found that large number of drivers involved in accidents nevertheless discloses weaknesses in the licensing procedures, recruitment test and in service training for drivers. The driving standard of the DTC cannot be said to be satisfactory. This raises the basic question of reliability of driving tests and the need to upgrade and standardise the tests.

The Committee recommend that there should be a periodical Medical Check up of the Corporation drivers about their vision/colour blindness, physical fitness etc. as per the recognised standards. They also recommend that it should be mandatory to have periodical check ups of drivers about their driving efficiency and knowledge of Traffic/Driving rules.

23. 6.29 to 6.36 The Committee have been informed that an amount of Rs. 85,268.08 lakhs had been released by the Government of India as capital loan and ways and means to the Corporation till 31.3.1991. Of this an amount of Rs. 57,262.98 lakhs remains outstanding with the Corporation as on 31.3.1991. The Committee were also informed that the Corporation had neither repaid the principal nor the interest due since its formation in 1971.

The Committee wished to know the cost-wise analysis undertaken by the Corporation to find out the reasons for continued losses. They were informed that the reasons for the losses were un-economic fare structure, rising cost of labour & material input, concessions given to the students & weaker sections of the society through issue of passes and heavy interest burden on the loans advanced etc.

As per information given to the Committee the

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interest burden of the Corporation alone constituted about 44% of the net loss of DTC in the year 1990-91 which has increased to more than 50% in the year 1991-92. With regard to the concessions given to the students and weaker sections of the society were estimated as Rs. 22 crores per annum.

The Committee desired to know the total progressive losses of the Corporation as on August, 1992. They were informed that the accumulated loss was Rs. 84932.94 lakhs.

The Committee had also pointed out during its examination that the Corporation is incurring losses whereas Private Operators are running on profits. They were informed by the Corporation the reasons for the profit earned by the private buses was that they did not have heavy overheads and administrative cost to incur nor did they follow any of the labour laws/Acts or rules as applicable to DTC. The private operators do not have garraging facility and also they do not have any workshop, they always prefer to ply on economic routes. In this connection the Committee enquired from the Corporation whether they were charging any money from the private operators for using the bus terminals in order to off-set the losses. In reply the Corporation had stated that they are charging Rs. 250 per bus per month from 1st March, 1992.

When asked by the Committee whether after the recent hike in fare structure which was almost 100% increase, the Corporation would be able to bring down its losses, the Committee were informed that with the recent increase in fare structure there would be a reduction of 30 crores in their losses. Moreover, if the amount of concessions i. e. 22 crores is subsidised by the Government the losses of the Corporation would definitely come down to 8 crores. The Committee were informed that the Government was probably inclined towards this matter.

The mounting losses of DTC since its inception is a matter of deep concern to the Committee. While the

Committee have noted that over the years the amount of loan released by the Government of India has been increasing steadily there has also been a corresponding accumulation of losses being incurred by the Corporation. In fact as on August, 1992 the accumulated loss of DTC stood at alarming amount of Rs. 849.32 crores and the net loss was as high as 203.81 crores. The Committee are also appealed to note that since inception neither the Corporation repaid the principal nor interest due to the Government. Rather it has been extending its begging bowl every year to the Government of India for financing its working. Again it is significant that despite the Government's pumping subsidy into the Corporation every year the progressive loans of the Corporation has continued to increase leaps and bounds.

The Committee are not satisfied with the reply given by the Corporation that the reason for such losses is due to the unrealistic fare structure, accumulated losses, repayment of interest etc. The Committee have elsewhere commented that the Corporation is trying to find shelter in crying over what it terms as unrealistic fare structure to be the sole reason for its mounting losses. As the Committee has commented elsewhere the Corporation needs to do some serious revamping of its material, management inventory control, man management divisions and strengthen the same so that its high expenses and administrative costs can be drastically curtailed which, will, in turn have a cascading effect over the losses being incurred by the Corporation.

24. 6.37

The Committee are also distressed to note that Delhi Administration has allowed private bus operators to continue to run without making it compulsory for them to observe the minimum labour law as are applicable to Transport Authorities. If as the Corporation states they have no control over the private operators then the chaotic conditions prevalent because of the running of these private operators in the Union Territory of Delhi will definitely have to be controlled at least by State Transport Authorities. They would, therefore, strongly

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urge the State Transport Authorities to treat the private bus operators equally with the DTC in regard to enforcement of labour laws fix duty hours, rash and negligent driving for which private operators are more prone to. Given the fact that 3000 private operators have been given licences to operate at he route of the Union Territory of Delhi it becomes more imperative that the State Transport Authorities impose immediate and effective control over these private operators.

25. 6.38

While on the one hand DTC with its depleted strength of its operations incurred continued losses on the routes provided to it, the STA had gone ahead in its granting permit to 3000 private operators with little or no control over their performance. The Committee strongly feel that this will, in the near future definitely lead to an extremely chaotic situation in the present transport system in Delhi. They would, therefore, again reiterate that if the Government intends to bring about any serious restructuring of the present transport system they would do well to enforce control over the performance of the Corporation over which presumably they have control and check to enforce with the losses do not mangify at such an alarming rate, before taking on the problem of private bus operation which the Committee assure is going to be the cause of great concern in the near future. They would, therefore, reconimed, at the earliest, that some serious restructuring of the Corporation be done either by way of subsidising the concessions given by the Corporation to the different classes of Society or enforcing capital restrucuture, inventory control, greater accountability by the Corporation's managerial Cadre and other related aspects.

26. 7.22 to 7.30 The Committee have been informed that from 1980 till present there have been 21 Class I Officers against whom departmental enquiry or corruption charges were pending. In this connection, the Committee had desired to know whether against those officers found guilty of corruption, after investigation by CBI or CVC or Vigilance any punishment proceedings or departmental

action was initiated. The Committee also wished to know whether the Corporation had promoted any officers found *prima-facie* guilty of corruption or other charges. In reply, they were informed by the Chairman of the Corporation that no officer was given promotion when either a CVC case or CBI case was pending. They were informed that as on date no CBI case was pending against officers but vigilance cases were pending and enquiries were being conducted.

The Committee had been given a long list of officers against whom corruption charges or departmental enquiries initiated.

One of the case relates to the Secretary, DTC Board, Shri L.C. Goyal. The Committee were informed that the DTC Board passed a resolution to the effect that the above officer alongwith another officer was to be demoted. However, the order against Shri Goyal could not be served because both the officers managed to get a stay order from the court the next day on which the order was to be implemented. Moreover, the two officers also continued to be on casual leave for a period of 2½ days. They were also informed that the documents were highly confidential in nature and it was a serious act of delinquency on their part to obtain the copies of the Board's resolution through dubious means. On the basis of findings of the investigation officers the then CMD, DTC approved the following action in respect of the two Officers.

Suitable action against S Shri A.K. Sharma and L.C. Goyal.

The Committee were also informed that the case was subsequently referred to CVC for advice and CVC advice was received with the following recommendations:—

(i) Recordable "Warning" to Shri L.C. Goyal and Shri A.K. Sharma and to streamline the procedure and maintaining the official records for having better system accountability.

(ii) The officers were subsequently issued warning on 18.4.1991.

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The present position of Shri Goyal was that he was General Manager incharge of Traffic, Personnel and Administration. In 1985 the CBI had directed the Board to take note of Shri Goyal's mis-conduct and not to engage him in any position of sensitive nature requiring responsibility and trust and that his conduct should be watched.

The Committee find that the requisite qualification for the post of Secretary to Chairman was that the Officer should have a minimum of 10 years experience and he should be a post-graduate. However, Shri Goyal was neither a post-graduate nor did he have the required experience. In fact he was short of administrative experience of 6 months at the time in which he was considered for the post of Secretary, DTC Board. The Committee were also informed that no relaxation had been obtained by the Board either with regard to academic qualification or administrative experience.

Another Officer whom the Committee have examined is the present Chief General Manager (Traffic), Shri P. Dutta who, besides looking after traffic was also looking after the work of Private Bus Operation, Disciplinary Cell, Traffic Cell at Headquarters, Central Checking Cell, Central Complaint Cell, Traffic Statistical Cell, work of Secretary DTC Board, R & I Section and PLD Group-I. The Committee were informed that the then Vigilance Officer of the DTC as Investigating Officer had observed that Shri Dutta had ignored seeking relaxation of age in case of direct recruitment of two officers for the post of Dy. Vigilance Officers while he was looking after the portfolio of General Manager headquarters. The Vigilance Officer had also indicated that Shri Dutta was to held *prima-facie* responsible for keeping the CMD in dark and tampering with the orders of the CMD by making subsequent interpolation in his own noting to cover up his misdoings.

The Committee have found that the name of Shri P. Dutta was sent to the PESB for consideration as

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Chairman, DTC alongwith the names of two officers Shri R.R. Singh and Shri P.S. Rana. PESB was not informed that at any point of time vigilance or CBI case was pending against Shri Dutta.

The shocking state of affairs of the Corporation and the gross mis-conduct of so many senior officers in the Corporation has distressed the Committee immensely. When asked pointedly by the Committee whether any CBI or CVC case was pending against any of the officers for whom promotion was being contemplated, the Committee were informed that this was not so. However, subsequently during examination the Committee found that even if at the time of promotion there have not been any CVC or CBI case pending, yet in the previous years there have been instances where the conduct of these officers have been referred to either CBI or the CVC. The Committee does not appreciate such hair splitting on this important issue. It is obvious what the Committee wishes to examine is the spirit in which these promotions have been made, that is the officers concerned were given promotions which were not due to them. Going by the track record of these officers as given to the Committee they have come to the inescapable conclusion that there is something basically wrong in the working of the Corporation. That both the Administrative Ministry and the Corporation has allowed two senior officers against whom *prima facie* there have been serious charges of lack of integrity to be promoted only smacks of gross indifference on their part. It is a case of things which have become bad to continue to become worse. The Committee are also amazed at the equanimity with which the former Chairman of the Corporation has deposed before the Committee in stating that he found nothing wrong in allowing Shri Goyal to continue to hold a post of sensitive nature despite the CBI orders against the same. That the CBI were very right in their judgement of the officer is equally borne by the fact that he (Shri L.C. Goyal) and another officer managed to get a copy of the DTC Board resolution in which they were to be demoted and subsequently get a stay order from

the court thereby disallowing the Board from implementing the resolution. As if this was not enough the Committee are dismayed to note that Shri Goyal was allowed to continue as G.M. To add further to the already existing corruption charges against Shri Goyal, the Committee find that Shri Goyal did not even possess the necessary qualification or administrative experience required to become Secretary, DTC Board.

The Committee are further dismayed to note that the officer against whom *prima-vacie* responsibility has been fixed for actively conniving one of the Member of the Selection Committee in selection of a Dy. Vigilance Officer and against whom investigating officer had also observed that he had resorted to intellectual dishonesty still continues to hold the important post of Chief General Manager (Traffic) besides other related important posts. The Committee fail to understand what are the compelling reasons which made the Corporation to continue with this officer. They are not convinced with the reasons given by the Corporation that neither this officer nor the earlier officer against whom the Committee had commented did not give any reasons for the Corporation to consider their removal.

27. 8.21 to 8.28 In order to get a comparative picture of transport in metropolitan cities, the Committee had decided to take up an analysis of two other major transport corporations like Pallavan Transport Corporation, Madras and Bombay Electric Supply Transport, Bombay. The Committee were informed by the representatives of the two Corporations on various aspects relating to transport *vis-a-vis* the performance of DTC. While the Committee has restricted its analysis more towards arriving at a comparative picture of the working of these transport organisations they have also tried to arrive at concrete conclusions based on evidence given by the representatives of the Corporation.

During the course of their evidence on the basis of information given on the various parametres of study undertaken by the Committee, the Committee have come to this un-erring conclusion that the performance

of both the organisations in almost all the parametres which they have analysed is indeed extremely laudatory.

They would like to enumerate some of the major areas in which the Committee have been found that the Delhi Transport Corporation needs to learn from the two other major metropolitan corporations.

With regard to fleet utilisation the Committee were informed that in respect of BEST the turn out of fleet is as high as 93%. No bus is kept out for more than three days. BEST has also night maintenance system so that all buses are made available for the morning shift and what ever defects are there are rectified which makes their turn-over average as high as about 97%. The Committee were also informed that BEST has a Research and Development Cell which carries surveys on a quarterly basis to analyses the percentage of fleet utilisation required and accordingly improvements are undertaken.

With regard to the PTC the Committee were informed that their present fleet utilisation was around 88.9%. They also replied that their fleet was just adequate to meet city operations. None of the two corporations has private bus operators ply on their road. As against this, the fleet utilisation of DTC in August, 1982 was only 87.41%. Again the Committee has pointed out earlier that this low fleet utilisation was hardly adequate to meet the city operation requirements.

Regarding percentage of breakdowns also, the Committee note that in PTC, it is about 1% and BEST it is on an average of 0.99%. With regard to DTC the percentage of breakdowns was as high as 3.76 in 1988. However, what has impressed the Committee most in respect to these other metropolitan operations has been the strong dedication to duty and committed officers which is responsible largely for the average low losses as incurred by these corporations. As per information provided to the Committee the representative of BEST stated that they had increased their fares in 1987, 1989 and 1991. The percentage of fare increased was around 30%. The minimum fare charged is Re. 1 for an

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ordinary bus, for Rs. 1.25 for limited bus upto 4 kms. and a maximum is Rs. 5 and Rs. 6 upto 35 kms.

Regarding the amount of loss/profit made the representative of BEST added that their working loss upto 1991-92 was around 21 crores. Till the month of July, they were almost break-even but with the increase in petrol prices their net loss was now worked to around 17 crores.

The representatives of PTC stated that they were one of the beneficiaries under the World Bank scheme and till 1991-92 they had got about 14.88 crores. With regard to the profit/loss incurred by the corporation the Committee were informed that at present their loss was around 2 crores before depreciation. In fact during 1985-86 they did get some profit. Like DTC they also gave concessions to students, handicapped persons, freedom fighters etc

Again with regard to the revenue earned per km. the Committee informed that with regard to PTC the cost per km. was Rs. 8.53 and revenue earned was Rs. 8 while BEST the cost per km. was Rs. 14.89 and revenue earned was 12.05. The comparative study of the cost per km. and the revenue earned for DTC shown Rs. 9.75 and Rs. 4.34 respectively.

The various statistics as given above only strengthen the Committee's belief that there is a great deal of negligence in the working of the DTC. While similar transport corporations in the other two metropolitan cities are able to function in a firm or effective manner given the same constraints with which DTC is faced with. This also give credence to the Committee's belief that besides un-economic fare structure the Corporation needs to tighten its inventory control rather and there are other related area which the Corporation has to strengthen to off-set its mounting losses. It would be in the interest of the Corporation if it undertook a study of the working of the BEST and Pallavan in order to see how these corporations have managed to run in an efficient manner in the cities transport operations.