

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

MINISTRY OF SURFACE TRANSPORT

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1993-94**

TENTH LOK SABHA



सत्यमेव जयते

**LOK SABHA SECRETARIAT
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COMPOSITION OF THE COMMITTEE

Corrigenda to the 32nd Report of
Committee on Public Undertakings
(1993-94) on Delhi Transport
Corporation including comparative
Analysis of Transport in Metropo-
litan Cities.

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* Ceased to be a Member of the Committee consequent on his appointment as Minister in the Council of Ministers w.e.f. 17th February, 1994.

** Elected w.e.f. 12.8.1993 vice Shri Sunil Basu Ray ceased to be Member of the Committee w.e.f. 9.7.1993 consequent on his retirement from Rajya Sabha.

*** Ceased to be a Member of the Committee consequent upon the retirement from Rajya

INTRODUCTION

1, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this 32nd Report on Action Taken by Government on the recommendations contained in the 22nd Report of the Committee on Public Undertakings (Tenth Lok Sabha) on Delhi Transport Corporation including comparative analysis of Transport in Metropolitan Cities.

2. The Twenty-Second Report of the Committee on Public Undertakings (1992-93) was presented to Lok Sabha on 30th April, 1993. Replies of the Government to all the recommendations contained in the Report were received on 28th March, 1994. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 21st April, 1994. The Committee also considered and adopted this Report at their sitting held on 21st April, 1994.

3. An analysis of the action taken by Government on the recommendations contained in the 22nd Report (1992-93) of the Committee is given in Appendix VI.

NEW DELHI;
April 22, 1994

Vaisakha 2, 1916 (Saka)

VILAS MUTTEMWAR,
Chairman,
Committee on Public Undertakings.

CHAPTER I

REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Twenty-second Report (Tenth Lok Sabha) of the Committee on Public Undertakings (1992-93) on Delhi Transport Corporation including comparative analysis of Transport in Metropolitan Cities which was presented to Lok Sabha on 30th April, 1993.

2. Action Taken notes have been received from Government in respect of all 27 recommendations contained in the Report. These have been categorised as follows:—

(i) Recommendations/Observations that have been accepted by Government:—

Sl. Nos. 1, 7, 9, 10, 14, 15, 18, 22, 23, and 27.

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:—

Sl. Nos. 13 and 24

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee:—

Sl. Nos. 4, 5, 6, 8, 11, 12, 16, 19 and 21

(iv) Recommendations/Observations in respect of which final replies of Government are still awaited:—

Sl. Nos. 2, 3, 17, 20, 25 and 26.

3. The Committee desire that final replies in respect of recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

4. the Committee will now deal with the action by Government on some of their recommendations:

A. Constitution of Advisory Council

(Recommendation Sl. No. 4, (Para 1.25 to 1.27)

5. The Committee were 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 service, time table amenities to passengers etc. Rules of the Advisory Council required that it should meet atleast once in two months. The Committee were further informed that there was no Advisory Council from January, 1987 to

23rd December, 1991 and the earlier Advisory Council could not continue to discharge its functions till the new Advisory Council was constituted. The Committee were distressed to find that the role of the Advisory Council was negligible and even important decision regarding introduction of 3,000 private buses was not placed before the Advisory Council. The Committee had recommended that the Advisory Council be reconstituted and its meetings held regularly.

6. While forwarding advance copies of the action taken replies, the Ministry simply stated that the Central Government, Ministry of Surface Transport is the appointing authority of the Advisory Council and they issue notification in the official Gazette after ascertaining the views of the DTC. They have further stated that at the time of induction of 3,000 private buses by State Transport Authority, Advisory Council was not in existence.

7. Audit has pointed out that the Advisory Council was reconstituted on 24.12.1991. While State Transport Authority started issuing permits to private operators from September, 1992. Hence it does not seem correct that Advisory Council was not in existence at the time of introduction of 3000 private buses.

8. In this regard while agreeing with the position stated by Audit, the Ministry have stated that the functions of DTC Advisory Council relate to the Corporation only and the matter regarding induction of redline buses by the Government of National Capital Territory of Delhi does not come under the purview of the DTC Advisory Council.

9. The Committee are simply surprised at the reply furnished by the Government with regard to the position of the constitution of the Advisory Council. All along the Ministry have maintained that the Advisory Council was not there at the time of induction of redline buses by the State Transport Authority. It was only when the Audit pointed that the Advisory Council was very much there at that point of time, that the Government have now admitted the fact. The Committee do not understand as to how earlier the Ministry could afford to give a factually wrong information to this August Committee of Parliament. They, therefore, desire that first of all, responsibility should be fixed by the Administrative Ministry on the officials who have misinformed the Committee. The Committee would like to be apprised of the action taken in this regard within a month's time. The Committee also strongly deprecate that the Government have not replied to the specific recommendation of the Committee with regard to the steps taken for reconstitution of the Advisory Council at fixed intervals and for ensuring its regular meetings. The Committee, therefore reiterate that the Government should ensure that the Advisory Council is always reconstituted at regular intervals and meetings are held regularly as prescribed under the Rules.

B. Fleet Strength

Recommendation Sl. Nos. 5 & 6 (Para Nos. 2.43 to 2.51)

10. The Committee had noted with concern that over the years the fleet strength of DTC had never kept pace with increase in population. Even though the Corporation was crippled with economic problems since its inception yet it had never tried to find ways and means to improve the same. The Committee were 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. They had also recommended that the overaged and outlived buses be replaced immediately in order to maintain a sound and healthy transport system in the Capital.

11. In their reply the Ministry have stated that in view of the tight resource position, it has not been possible for DTC to expand its fleet. In the Seventh Five Year Plan document emphasis has been laid on the need for involvement of private sector in passenger transport. In accordance with this, the Corporation had been engaging private buses to operate under DTC under various schemes like AOCC, KM Scheme and "Earn and Keep" Scheme. However, the Motor Vehicles Act, 1988 did not permit DTC to operate private buses on permits obtained by it. In the meantime, STA, Delhi introduced the scheme for 3000 redline buses to ply on city routes *w.e.f.* September, 1992. Another scheme for plying 100 luxury buses under permits issued by STA, Delhi was also introduced *w.e.f.* March, 1992. With this, the total number of buses available to cater to the demands of Delhi commuters is about 6046. In regard to the overaged buses, it has been stated that in the Annual Plan 1994-95 the Ministry has asked for funds for replacing about 1500 overaged buses.

12. The Committee regret to note that the Government's reply is silent about the steps taken to augment the DTC's own fleet strength as well as any time-bound programme for replacement of overaged buses. They have instead highlighted the introduction of red line and luxury buses on the city routes, The Committee, therefore, reiterate that funds should be made available to the Corporation to increase its own fleet strength and replace the over-aged buses in order to cope with the growing traffic needs of the city. DTC on its part should make every effort to plug any loopholes in its functioning in order to be able to strengthen its financial position.

C. Break-down of Buses

Recommendation Sl. No. 8 (Para Nos. 2.53 to 2.55)

13. The Committee had noted that the trips curtailed per day due to breakdown which was 248 in 1988-89 rose to 762.46 trips during 1990-91. They were not satisfied with the reasons advanced by DTC regarding the increasing number of breakdowns from 1988-89 to 1991-92. The Committee

had strongly urged the Corporation to do something meaningful to revamp the organisation, improve fleet utilisation and operational efficiency.

14. In their reply the Ministry have stated that city transport undertaking like DTC is beset with demand/supply constraints as well as the operating environment. The experience of DTC shows that the external factors have strong influence on its performance. Despite these factors and the increase in overaged fleet of the Corporation *i.e.* from 22.30% during 1989-90 to 37.86% at present (July, 1993) the breakdown rate per thousand kms. have come down to 0.55 during 1992-93 as against 0.80 during 1990-91.

15. In this regard, Audit has pointed out that a test check of fleet registers for 9 days in operation in one depot (1st to 10th March, 1993 excluding 8th March, 1993) revealed that only 15 out of 214 cases were reported as breakdowns to the corporate office. Thus records of DTC do not reflect the actual position *vis-a-vis* breakdowns. In this regard the Ministry have stated that as the Audit has not mentioned the particular Depot regarding the test check of fleet registers, no comments can be offered.

16. The Committee are very much perturbed by the revelation of audit that only 15 out of 214 cases (7%) of breakdowns were reported by a particular depot to the corporate office. In the circumstances, the Committee very much doubt the claim made by DTC that the breakdown rate per thousand km. has been brought down from 0.80 during 1990-91 to 0.55 during 1993. This also leads to an inescapable conclusion that much more is desired to be achieved by the Corporation in streamlining its system of maintenance of records. The Committee are also surprised to learn that the Government have failed to furnish comments on the observations made by the Audit on the plea that the latter have not mentioned the name of the particular depot in which a test check was conducted. The Committee are of the firm view, that had the Ministry been really serious they could have easily got the information from the Audit. They take serious note of the fact that the recommendations of the Committee have been taken in a very casual manner and strongly deprecate such an attitude of apathy on the part of the Government and desire that in future full information ought to be furnished to the Committee. While reiterating their earlier recommendations, the Committee desire that all efforts should be made by the Corporation to improve their operational efficiency and to evolve a foolproof system so that a true picture of the functioning of its various depots could be had at a glance.

D. Staff Strength

*Recommendation Sl. No. 10
(Para Nos. 2.59 and 2.60)*

17. The Committee had observed that although the Corporation was allocated manpower far beyond its requirements, no study was conducted to assess the overall manpower requirements. They had desired that a

study be conducted, surplus manpower identified and effective measure taken to reduce the same within realistic period. The Committee had also urged that conscientious effort should be made to productively deploy the surplus manpower, curtail payment of unjustified overtime and increase productivity of manpower.

18. In their reply the Ministry have stated that the position of manpower in various categories of the Corporation was reviewed and 8709 persons were found in excess. Excess was found mostly in the category of conductors. In order to deal with the excess staff, the scheme of voluntary retirement has already been implemented in the Corporation and upto September, 1993 a total number of 3799 employees who applied for retirement voluntarily and found eligible have retired.

19. Audit has observed that at the end of December, 1993 Corporation allowed Voluntary Retirement to 4351 employees. Based on staff norms of 9 men per bus, 2507 conductors were excess at the end of December, 1993. In spite of this excess staff, overtime of Rs. 147.29 lakhs (including Rs. 82.71 lakhs for Gazetted Holidays) was paid to conductors from April to December, 1993. In this regard the Ministry have stated that the Corporation pays overtime only in cases where change over of conductor is not possible, as generally happens on its Inter-state services.

20. The Committee note that as at the end of December, 1993 4351 employees had opted for voluntary retirement under the Voluntary Retirement Scheme. Still the Corporation has an excess of 2507 conductors and in spite of this excess an overtime of Rs. 147.29 lakhs has been paid to the conductors for the period April to December, 1993. The Committee stress that conscientious efforts should be made to productively deploy the surplus manpower, curtail payment of unjustified overtime and increase productivity of manpower. They desire to be apprised of the action taken in this regard at the earliest.

E. Discontinuation of Kilometer Scheme

(Recommendation Sl. No. 11 & 12 Paragraph No. 3.26 to 3.32)

21. The kilometer scheme was introduced in August, 1977 under which DTC kept the revenues but paid a fixed rate per kilometer to the private operators. The conductors were also provided by DTC. After the DTC employees went on a strike from 17 March, 1988, this scheme was discontinued and private buses were allowed to run on their own as also to keep their earnings. The Committee had noted with deep concern that even after the strike period was over, the scheme of allowing the private bus operators to keep their earnings was continued only on the verbal orders of the Ministry. Formal communication was sent only in 1989. From March, 1988 to April, 1989, the discontinuation of the kilometer scheme resulted in a loss of Rs. 23.32 crores. The

Committee had recommended that the case be referred to CBI and the responsibility fixed on the officer concerned who allowed this system to continue only on verbal orders of the Ministry.

22. In their reply, the Ministry have stated that the earn and keep scheme was started due to force of circumstances and to avoid inconvenience to the commuters. There was clear understanding between the Ministry and DTC in all the developments during the strike period, and the earn and keep scheme was allowed to continue on the basis of meeting held by the then Minister of Surface Transport and officers of Ministry and DTC. Thus there may be no need for CBI enquiry as desired by the Committee. The private bus operation has been totally discontinued since 31 May, 1993.

23. The Committee are not at all satisfied with the reply of the Government. They fail to understand how such an important policy decision of continuing with the earn and keep scheme was implemented merely on the basis of understanding between the Ministry and DTC and without any written orders. The Committee, therefore, strongly reiterate their recommendation that the case be referred to CBI and responsibility fixed on the officer concerned who allowed this system to continue only on the verbal orders of the Ministry resulting in huge loss to the Corporation.

F. Removal of 500 Conductors belonging to SC/ST by DTC

(Recommendation Sl. No. 16, Para Nos. 3.41 to 3.44)

24. The Committee had strongly criticised the manner in which 503 Conductors belonging to SC/ST were dismissed. They were unable to comprehend as to why such an important decision was not referred to the Board, rather decision was allowed to be taken by the management itself. They had also urged the Administrative Ministry to fix responsibility about the lapse in not referring this important decision to the Board. The Committee had recommended 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.

25. In their reply, the Ministry have stated that DTC used to recruit Retainer Crew Conductors to be given duty only when there was any vacancy in their regular hierarchy. In 1988 when the DTC employees went on strike the kilometreage Scheme collapsed naturally as its continuance depended upon provision of DTC Conductors. DTC was having excess Conductors after the strike and hence the retainer crew conductors were to be done away with. The process completed on a last come first go basis. 503 R.C. Conductors had thus to be dispensed with as they were no longer to be retained.

26. The Committee regret to note that Government have not taken the recommendation of the Committee in the right spirit. They had recommended that the conductors who were removed from service for no fault of

their should be given priority in recruitment whenever any such recruitment takes place in future. Instead of replying specifically to this recommendation Government have only given justification for doing away with these conductors after the strike. While the Committee do not totally disagree with the Government's contention in regard to the circumstances of removal of these conductors, they would reiterate that at the time of any future recruitment, these persons belonging mainly to SC/ST should be given priority. The Committee also take a serious note of the fact that the reply of the Government is silent on the question of not having referred the matter to the Board first before taking a decision to remove the conductors. Though the Committee had urged upon the Administrative Ministry to fix responsibility in this regard, but it appears no such action has been taken. The Committee therefore strongly deprecate the Ministry for not having taken note of the recommendations of the Committee. They reiterate that the matter be investigated and responsibility fixed immediately under intimation to the Committee.

G. Material Management

(Recommendation Sl. No. 17, Para Nos. 4.35 to 4.37)

27. The Committee had been informed that the Corporation had appointed Cheran Committee as far back as in May, 1982 to study the material management division. The report of the Committee (Cheran 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. The Committee were also informed that as on 31st March, 1989 as many as 953 claims amounting to about Rs. 27.37 lakhs preferred by DTC towards short/rejected supplies were outstanding for recovery. They also found that the Corporation had a number of claims outstanding from its employees who have either retired or against whom claims were not pursued effectively.

28. In their reply, the Ministry have stated that the recommendations of Cheran Committee which were to be implemented have already been implemented. For further revamping the material management and inventory control, a study has been assigned to I.C.W.A.I., New Delhi for suggesting ways and means required therefor.

29. Audit has observed that the Cheran Committee had given 117 recommendations of which 7 have been implemented. Agreement for detailed study on 'Material Management' is yet to be entered into with ICWAI. Audit scrutiny found that Rs. 39.96 lakhs are recoverable from ex-employees as rent, electricity and water as on 31st March, 1993. In respect of excess gratuity paid to the retired employees it was stated by the management that the amount of Rs. 22.43 lakhs was not recoverable from them. No action was taken by the management to fix the responsibility on the persons responsible for overpayment. In this regard the Ministry have stated that claims worth Rs. 42.62 lacs (nor Rs. 39.96 lacs as mentioned by

Audit) are outstanding against ex-employees of DTC and their case is *sub-judice*. The excess gratuity paid to its ex-employees is being recovered from the unpaid dues of such employees lying with DTC. In other cases this amount shall be adjusted against the pension to be paid to them.

30. As pointed by Committee earlier the Material Management and 'Inventory Control System' in DTC still leaves much to be desired. They, therefore, desire that the study in this regard to be carried out by ICWAI should be completed early. The Committee are astonished to know that only 7 out of the 117 recommendations of Cheran Committee have been implemented so far. They desire that in order to revamp the material management these recommendations should be considered for implementation by the Corporation seriously. In regard to non recovery of Rs. 22.43 lakhs paid in excess as gratuity, the Committee recommend that responsibility be fixed and Committee be apprised of the action taken against the defaulting officials at the earliest.

H. Stores & Purchase Department

(Recommendation Sl. No. 19, (Para Nos. 4.39 & 4.40)

31. While dealing with the disposal of material declared as scrap the Committee had *inter-alia* observed that some of the items declared as scrap could be considered as potentially repairable. They had cited a particular case where out of the 10,000 tubes which were to be sold, 1700 were declared as potentially repairable. In this connection, the Committee had also pointed out that while the normal tenure of a person to be posted in Stores & Purchase Department was three years there had been cases where persons had been working in the Stores & Purchase Department for as long as 15 to 20 years.

32. In their reply, the Government have stated that in the Stores & Purchase Department, the staff were normally changed by DTC from one seat to another within a period of three years. However, in certain cases of officers the change was not possible because of availability of limited number of officers as a specific knowledge was required for posting in the Stores & Purchase Department.

33. The Committee are not convinced with the justification given by Government for continued posting of officers in certain cases in the Stores & Purchase Department. They recommend that in order to avoid any chances of malpractices, no officer should be allowed to continue in the Stores & Purchase Department beyond a period of three years.

I. Fitment of Milometers

(Recommendation Sl. No. 21, Para No. 5.16)

34. The Committee were of the opinion that there should be a definite time frame for replacement of milometers. The Chairman of the Corporation had assured the Committee that it would be done within six months.

35. In their reply, the Ministry have stated that out of the effective fleet of 3691 buses, milometers have been fitted in 2443 buses. Necessary action for the remaining buses is being taken. According to audit, milometers were fitted in 65% buses as on 20.1.1994. However, mileage was not being recorded from milometers, but worked out from route length surveyed by the Corporation. In this regard the Ministry have informed that DTC compared Kilometerage calculated from milometers and without milometers, and found that difference between the two was negligible. Meanwhile, DTC is taking action to instal milometers in the remaining 35% buses.

36. The Committee are not happy with the slow pace of fitting of milometers by the Corporation in its buses. It is all the more strange that the mileage is not being recorded from milometers even where they have been fitted thus defeating the very purpose for which they have been fitted. The Committee recommend that in future the mileage should invariably be recorded from milometers in the case of buses where they have been fitted. They recommend also that the milometers in the remaining buses be fitted at the earliest.

J. Rehabilitation of D.T.C.

(Recommendation Sl. No. 25 Para No. 6.38)

37. The Committee had observed that while on the one hand DTC with its depleted strength of operations incurred continued losses on the rupees provided to it, the State Transport Authority had gone ahead with granting permit to 3,000 private operators in the capital. The Committee had expressed the feeling that this would in the near future definitely lead to an extremely chaotic situation in the transport system in Delhi. They had, therefore, recommended that some serious restructuring of DTC be done at the earliest either by way of subsidising the concessions given by the Corporation to different classes of society or enforcing capital restructuring, inventory control, greater accountability by the Corporation's Managerial Cadre and other related aspects.

38. In their reply, the Government have stated that they are finalising a proposal on inter-connected package for rehabilitation of DTC. The package included proposals for grant of subsidy to DTC in respect of various concessions offered by it to different sections of the society, capital restructuring by converting outstanding loans and accumulated interest in the equity capital and adoption of efficiency norms recommended by the Committee, headed by Additional Secretary and Financial Advisor (Surface Transport).

39. The Committee are satisfied to note that at long last the Government seem to have realised the need to do some serious thinking about the rehabilitation of DTC. Had such realisation dawned upon them earlier, and sincere efforts made to provide an efficient, economical and properly coordinated system of public transport to the commuters; the Committee are sure that DTC would not have been in the precarious conditions that it

is today. And perhaps the need for introduction of private operators would not have arisen. However, the Committee now expect the Government and DTC to go ahead with the rehabilitation package with a sense of urgency and take necessary steps to revitalise the Corporation. They would like to be apprised of the action taken in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendations (Sl. No. 1, Para No. 1.18 to 1.20)

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, 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.

The objectives 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.

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 Delhi Transport Corporation had not been fulfilled because they were circumscribed by certain other conditions.

Reply of the Government

Factual. However, a city transport undertaking like DTC is beset with demand/supply constraints as well as operating environment. Till recently, DTC was solely responsible for providing mass transportation system^o in Delhi. The experience of DTC shows that the external factors have strong influence on its performance. Particularly, severe in this respect have been the factors like abnormal population growth, very high average load, poor road geometrics, the radial character of the city, frequent occurrence of political and other agitations Delhi

being capital of the country, absence of Mass Rapid Transit System like the Metro Railways etc. as in other metros.

One major impediment in DTC attaining its objectives has been its constantly bad financial position owing mainly to its fare structure which has not kept pace with the rise in cost of inputs. DTC has no equity base of its own and is financed wholly by means of interest bearing capital and ways and means loans, granted by the Government both for its capital requirements and to cover up its cash deficits. Further, DTC has to meet its social obligations by way of offering concessions to various sections of the society and this adds upto its losses. Despite the above mentioned constraints, DTC has improved its productivity over the years, as is brought out in the Table given below:

Growth in bus services and improvement in productivity of DTC (1971-72 over 1992-93).

No. Particulars	1971-72	1992-1993	% increase in 92-93 over 71-72
1. No. of depots	06	036	500
2. Total employees	12,196	39,567	224
3. Total fleet as on last day	01,338	0,3,840	187
4. Average number of buses on road	923	03,665	297
5. Trips operated daily	09,234	40,817	342
6. No. of passengers carried (lac/ day)	8.26	37.49	354
7. Kms. Operated daily (in lakhs)	1.64	07.77	374
8. Passenger Kms.	51.21	506.16	888
9. Daily traffic	01.87	051.09	2.632
10. %age fleet utilisation	69.13	87.60	26.72
11. Kms. per bus per day	177	212	19.77
12. Bus kms. per employee per day	13.4	19.6	46.27
13. Passenger per bus daily	893	1023	14.56
14. Passenger Kms. per bus Kms.	030	065	116.67
15. Passenger Kms. per employee per day	450	1279	184.22
16. Passenger kms. per bus per day	5310	13811	160.09

OVERALL PRODUCTIVITY INDEX

A study conducted by the Central Institute of Road Transport, Pune has revealed that the overall productivity of DTC was the highest among the four major city transport undertakings. The results of the study are reproduced below:

OVERALL PRODUCTIVITY INDEX (1989-90)

(Parameters used to produce 1 crore passenger Kms.)

S. No.	Name of the City	Carrying capacity (No. of seats & standees)	Kms. Operated (in lakhs)	Emplo-yees	Cost of material (Rs. in lakhs)	Product-ivity index
1.	DTC, Delhi	145.00	1.62	20.45	3.04	88.30
2.	Pallavan, Madras	159.93	1.75	20.25	3.57	81.14
3.	BEST, Bombay	229.93	1.83	33.96	4.31	60.79
4.	Calcutta, STC	271.83	1.94	46.65	4.71	51.02

It may be pertinent to mention here that fleet size of DTC is more than double the size of BEST and Pallavan Transport and three times that of Calcutta STC. The bulk of the city commuters; in other cities are carried by the Suburban trains whereas majority of the city passengers of Delhi depend on the bus transport only.

DTC had also won the National Productivity Council Award for the best run city transport undertaking for the years 1987-88 and 1988-89. For the year 1989-90, the Corporation was awarded certificate of merit by the National Productivity council.

In order to improve the 'health' of DTC and to ensure its long term viability the Government are in the process of finalising an inter-connected package for rehabilitation of DTC, based upon the recommendations of the Group of Ministers headed by Union Minister of Finance appointed by the Government.

Comments of the Audit.

From the table given below it would be seen that the efficiency in operation was showing downward trend over the last three years:

	1990-91	1991-92	1992-93	
1	2	3	4	5
1.	Total fleet (last day of the year)	4392	4375	3840
2.	No. of buses on road daily	3722	3750	3665
3.	Trips operated daily	38419	43492	40817
4.	No. of passengers carried daily (lakhs)	43.84	42.70	37.49

1	2	3	4	5
5.	Kms. per bus per day	219	213	212
6.	Kms. per employee per day	19.8	19.6	19.6
7.	Passengers per bus daily	1178	1139	1023

It may also be noted that Kms. operated daily are not calculated on the basis of readings on milometers but worked out from route length surveyed by the Corporation. Thus the data on kilometerage do not necessarily reflect the actual position. Details on calculation of productivity index were not provided to audit.

Further Reply of the Government

It is the conscious decision of the Govt. to gradually reduce the fleet of DTC and keep it pegged at 3500. As such the figures under various parameters like total fleet, number of buses on road daily, trips operated daily and number of passengers carried daily are bound to come down. However, there is no significant reduction in Km per bus per day and Km per employee per day. Further, the introduction of the scheme for 3000 Red line buses has reduced the number of passengers carried per bus by DTC.

As regards the calculation of kilometerage, it is clarified that the Corporation has so far fitted milometers in 65% of its fleet and a survey was also conducted for comparing the actual Kms. and the Kms. calculated by using the milometer. From that survey, it has been noted that there is negligible difference in these calculations. The action regarding fitting of milometers in rest of the buses is under process.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (Sl. No. 7, Para No. 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 3 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.

Reply of the Government

Capacity utilisation of a transport undertaking generally depends upon the age of fleet, availability of crew, system of transportation in the city etc. If DTC is compared with BEST & PTC for fleet utilisation, considering these factors, the position emerges as given below indicates that performance of DTC is not low:—

Year	D.T.C.		BEST		P.T.C.	
	%age fleet utilisation	%age of over aged fleet	%age fleet utilisation	%age of over aged fleet	%age fleet utilisation	%age of over aged fleet
1989-90	89.04	22.80	83.0	16.0	88.9	04.7
1990-91	84.53	39.98	82.0	02.0	86.8	05.4
1991-92	85.71	33.85	89.9	02.1	85.2	13.0
1992-93	87.60	34.86	NA	NA	NA	NA

(As on 31-07-93 DTC overaged fleet is 37.83%).

2. Absenteeism in DTC is higher as compared to BEST & PTC (i.e. DTC 8 to 10%, BEST & PTC 5 to 7%). DTC have been taking steps to treat absenteeism as Leave Without Pay, disciplinary action including dismissal/removal from service, etc. have however been taken by DTC.

3. No other city has so many modes of transport vying with each other for road space. However, other metros are assisted by the Sub-urban Rail Transport System. Further, the following steps have been taken by DTC for improvement in fleet utilisation:—

1. Regional system has been discontinued to streamline the control and supervision of depots at H. Qrs. level which has resulted in curtailment of its administrative cost considerably and the services of staff are utilised at unit and other appropriate levels;
2. Senior officers have been deputed for direct supervision of the depot and incognito checking of buses on line; and
3. Senior officers of the technical wing have also been directed to have surprise checks in night maintenance system of the buses.

Comments of the Audit

Average age of the DTC, BEST and PTC in 1992-93 was 5.7, 7.8 and 5.6 years and the fleet utilisation was 87.6, 92.1 and 85.1 percent respectively. During the year 1992-93, 3178 DTC buses were held up for more than 7 days on account of delays in repairs.

Buses held up for no staff has increased from 1488 in 1990-91 to 1592 in 1991-92 and 1681 in 1992-93. However, review of records from April, 1993 to December, 1993 showed that action was taken against 1390 erring employees and penalties imposed on 951 of them.

Further Reply of the Government

It is pointed out that the efficiency of a RTC depends upon the percentage of the overaged fleet plied by it, which is higher in the case of DTC. This is also brought out by the table given in the Govt's reply.

It is added that buses are held up for more than 7 days because that is the time required for normal maintenance i.e. 8000 kms. docking, 24000 km. docking, Motor Vehicle Inspection and repairs of vehicle including accidents etc. Further, 10% buses are normally held up for preventive maintenance.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (Sl. No. 9, Para Nos. 2.56 to 2.58)

The Committee were informed that in August, 1975 the Union Territory of Delhi had a share of 214 inter-state route permits. Audit stated that by taking over the inter-state operations not only better services would be provided to the passengers but the profits from the inter-state operation would partly offset, the losses in the operation within the city, however, as on 31.3.1991 only 118 routes were being operated by DTC on inter-state 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 inter-state 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 kilometers but the Corporation is operating on 1,38,418 kilometers. DTC is unable to operate on 58,860.5 kilometers.

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.

The Committee are distressed to note that DTC could not operate all the allotted 214 inter-state routes. Out of 214 route 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.

Reply of the Government

DTC has been unable to operate its services on all inter-state routes mainly due to non-availability of buses. However, DTC's main objective is to cater to the needs of the commuters of Union Territory of Delhi. The fleet of DTC remained almost static during the last five years. However, after the induction of Redline buses, DTC has increased its operation on inter-state routes and the number of buses which was 415 during July, 1992 on inter-state has increased to 623 buses during the month of July, 1993. This operation has increased on the routes which are beneficial keeping in view the tax liability in different States. The daily earning on inter-state routes has increased upto Rs. 24 lakhs during Aug., 1993 which was never before in DTC. Further, increase in inter-state operation depends on addition of buses in the fleet and availability of remunerative mileage in other States.

Comments of the Audit

Out of 610 available buses, 541 buses were operating on Inter-State routes in December, 1993. DTC was unable to operate 57000 kms. from its allotted shares on inter-state routes in six states (12/93).

Average fleet, earning per bus per day and consequently total earning on inter-state routes has increased by 117.9% from 1990-91 to Dec. 1993.

Further Reply of the Government

The number of buses plying on inter-state routes in December, 1993 was 543 and not 541 as mentioned by Audit. The reasons for not operating DTC's entire allotted share on inter-state routes have already been explained in the reply of the Government.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (Sl. No. 10, Para Nos. 2.59 to 2.60)

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 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 Corpn. 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 'O' clock in the morning and the last service is early in the morning at 2.30 A.M.

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 casual manner in which DTC and the Ministry have been dealing with the 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.

Reply of the Government

The position of manpower in various categories of the Corporation was reviewed and based on nine men per bus 8709 persons were found in excess. Excess was found mostly in the category of Conductors. The Conductors category became surplus due to the dis-continuance of Kilometerage scheme of private bus operation since 1988 when the DTC employees went on strike, as its continuance depended upon providing Conductors by DTC.

In order to deal with the excess staff, the scheme of Voluntary Retirement has already been implemented in the Corporation and upto September, 1993 a total number of 3799 employees those who applied for retirement voluntarily and found eligible, have been retired giving them the benefits as per the scheme. The scheme is still in operation. The category in which the staff is excess is of Conductors.

As far as payment of overtime to Administrative staff is concerned, it was because of shortage of staff in the ministerial category by 0.22 men per bus. It is, however, clarified that in case DTC appoints this number of staff then the wage bill will be much higher than the payment of overtime. The Corporation is monitoring the payment of overtime. It is being paid in case of work of urgent/time bound nature and for specific knowledge required to perform the work.

Comments of the Audit

At the end of December, 1993 Corporation allowed Voluntary Retirement to 4351 employees Proposal regarding reduction in staffing norms from 9 men per bus to 8 men per bus was stated to be under consideration. Based on staff norms of 9 men per bus 2507 conductors were excess at the end of December, 1993. In spite of this excess staff overtime of Rs. 64.58 lakhs & Rs. 82.71 lakhs for Gazetted Holiday was paid to conductors from April to December, 1993.

Further reply of the Government

As regards payment of overtime to Conductors, it is clarified that the Corporation pays overtime only in cases where change-over of conductor is not possible, as generally happens on its Inter-state services.

(M/o Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Comments of the Committee

(Pl. see paragraph No. 20 of Chapter I of the Report).

Recommendation (Sl. No. 14, Para No. 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 State Transport Authority 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.

Reply of the Government

As already communicated to the Committee, DTC used to submit an application and not an affidavit to the State Transport Authority for getting permits for private buses as these private operators were under the control of DTC. The operation of private buses under 'earning and keep arrangement' or 'Kilometerage Scheme' was under the control of DTC.

This system has been discontinued with effect from 31st May, 1993 and the private operators are now plying on 'Suvidha Sewa Scheme' of State Transport Authority.

Comments of the Audit

Corporation was making applications to State Transport Authority for issue of Stage Carriage Permits stating that the buses were under DTC on Km. Scheme where as these were operating under earn & Keep arrangement from 17.3.1988 to 31.5.1993.

Management stated (Feb. 1994) that it is not justified to fix-up the responsibility because Government had taken a decision not to revert to the K.M. scheme and continue with the present arrangement.

Further Reply of the Government

The position has already been stated in the reply of the Govt. and it has no further comments to offer.

(M/o Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

(Recommendation, Sl. No. 15, Para No. 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 kilometerage system in which the private bus operators continue to pay a fixed rate per kilometer to the Corporation then the Ministry should decide to revert back to this scheme as early as possible.

Reply of the Government

The reasons for mounting losses & steps taken by the Corporation are indicated below:—

Reasons for mounting losses:—

Uneconomic fare structure, overaged fleet requiring higher maintenance cost, pass concessions given to the various segments of society. Heavy burden of interest on loan given by the Government and rising cost of labour and material in-put, etc.

However the following steps are proposed to be taken to reduce its losses:—

1. Reduction in staffing norms to 8 men per bus from present 9 men per bus.
2. Rationalisation of DTC fleet to 3500 buses.
3. Withdrawal of DTC buses from loss making routes.
4. Conversion of outstanding loans into equity capital.
5. Commercial development of DTC lands.
6. Reimbursement by Govt. of the losses on account of concessional passes.
7. Periodical fare revision in accordance with increase in input costs.

Meanwhile, it has been decided not to revert to the KM Scheme as it is violative of the provisions of the M.V. Act, 1988. Further, the buses plying under the 'Earn and Keep' scheme have now (w.e.f. 1.6.93) started plying under permits issued by STA, Delhi under its 'Suvidha Scheme'.

(M/o Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (Sl. No. 18, Para No. 4.38)

The Committee find that a new medical scheme started in May, 1984 on a trail 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 lakhs in 1985-86 i.e. an increase of 1150.57 percent over the previous year even though the Corporations 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.

Reply of the Government

The Medical Scheme was discontinued by DTC and responsibility was fixed on the following three senior Officers of the Corporation viz. Shri T.D. Gupta, Ex-Addl. General Manager, Shri S.A. Barea, Ex-Chief Accounts Officer and Shri Same Chand, Ex-Senior Administrative Officer.

Comments of the Audit

The Medical scheme has been discontinued. Records relating to action taken against the officers held responsible for the Scheme was not made available.

Further Reply of the Government

No comments on the observation of the Audit can be offered at this stage. However, DTC is being directed to make available in future all the documents to Audit, as and when demanded.

(M/o Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (Sl. No. 22, Para No. 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 kilometers, 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 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 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.

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 large 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.

Reply of the Government

DTC has taken a number of steps such as fitment of speed governors (i.e. 40 K.M. per hour in Delhi), engagement of behavioural scientists to expose accident prone drivers, periodical services of yoga experts to the drivers by rotation in the training School of the Corporation etc. This has helped in bringing down the accident rate from 1.49 per lac k.m. during

1988-89 to 0.85 per lac k.m. during 1992-93. DTC's accident rate is much lower than that of other major SRTCs like BEST and PTC as is brought out by the following table:—

Accident rate per lakh kms.

Year	DTC DELHI	BEST BOMBAY	PTC MADRAS
1	2	3	4
1988-89	1.49	6.36	3.25
1989-90	1.21	1.85	3.20
1	2	3	4
1990-91	1.03	2.14	3.25
1991-92	0.95	N.A.	N.A.

As far as the medical check-up is concerned, DTC has undertaken during the last year 1992-93, medical check-up of all the drivers of the Corporation. Similarly, when the driver reaches the age of 55 years, he has to go for medical check-up before allowing him the duty in the Corporation.

Regarding action against the drivers causing fatal accidents, DTC has a system to deal light with the accidents and a road-safety cell is already working in the Corporation. The Concerned Officer/official has to rush to the accident spot to investigate the cause for accidents and provide the medical assistance for the injured person(s). After the preliminary investigations, action is taken against the driver if at fault, as per the rules of the Corporation. The various penalties imposed based on the investigation report include termination/dismissal from service, stoppage of increment, warning, recovery of damages etc.

Meanwhile, the Government have issued instructions to the Government of National Capital Territory of Delhi to take stringent action against drivers driving rashly and negligently and violating the traffic rules/regulations.

(Ministry of Surface Transport O.M.No. RT-120192893-TAG dated, 28.3.1994)

Recommendation (Sl. No. 23, Para Nos. 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 and material input, concessions given to the students and 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 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.84,932.94 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 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 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 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.

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, inturn have a cascading effect over the losses being incurred by the Corporation.

Reply of the Government

The Government set up a Committee under AS & FA (Surface Transport) for suggesting measures for capital restructuring of DTC. The Committee have recommended some efficiency norms which have been accepted by the Government. These are:—

1. Staffing norm of 8 men per bus.
2. 90% fleet utilisation by end of VIII Plan
3. Vehicle utilisation to be improved to 220 kms. per bus daily.
4. Improvement in diesel consumption from 3.80 kmpl. to 3.85 kmpl by the end of VIII Plan.
5. Improvement in tyre life from 112805 to 127000 by end of VIII Plan.
6. Cost per KM on stores and spares be pegged at 56 paise.
7. Reduction in inventory holding levels have also been suggested.

a3.50 Meanwhile, DTC has assigned a study to ICWAI to suggest measures for revamping material management and inventory control.

DTC have also introduced VRS on the standard terms of DPE to rationalise its staff structure by reducing the surplus staff. By 30-9-1993, 3799 employees of DTC have availed of Voluntary Retirement bringing down the staff ratio to 9.43 men per bus.

In addition to above, the Govt. is finalising an inter-connected package for rehabilitation of DTC in order to make the corporation self-sufficient and ensure its long term viability.

Comments of the Audit

Refer further observation to recommendation Nos.1,3 and 17.

Further reply of the Government

The position has already been clarified in the Government's comments given under the Audit's observation made against the respective recommendations mentioned above by the Audit.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28th March, 1994)

Recommendation (Sl. No.27, Para No 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 Paliawan 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 bases on evidence given by the representatives of the Corporation.

During the course of their evidence on the basis of information given on the various parameters 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 parameters which they have analysed is indeed extremely laudatory.

They would like to enumerate some of the major areas in which the Committee have 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 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 breakdown 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 breakdown was as high as 3.76 in 1988. However, what has impressed the Committee most in respect of 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 Rs.1/- for an 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 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 Rs.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 offset its mounting losses. It would be in the interest of the Corporation if it under took 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.

Reply of the Government

DTC is circumscribed by certain conditions like very high average load, poor road geometric, radial character of the city, absence of Mass Transit System, higher overaged fleet, abnormal population growth and frequent occurrence of political and other agitations being capital of the country which is not in case of BEST and PTC. In spite of this, the Corporation has been striving to improve its productivity and the performance of the Corporation was judged as best run city transport undertaking by National Productivity Council and Award was given to DTC for the same consecutively for two years *i.e.* 1987-88 and 1988-89. The Corporation was also awarded certificate of merit by the National Productivity Council for the year 1989-90.

In order to make the Corporation viable, the Government is finalising an inter-connected package for rehabilitation of DTC. The package would be implemented after the approval of the Cabinet. Meanwhile, for revamping the material management and inventory control, a study has been assigned to the ICWAI, New Delhi for suggesting ways and means for overall improvement in Stores and Purchase Department. DTC expects the study would be completed in two month's time.

Comments of the Audit

Refer further observation to recommendations Nos. 3, 17 & 25.

Further reply of Government

The Position has already been clarified in Government's comments given under Audit's observations made against the respective recommendations mentioned above by the Audit.

(Ministry of Surface Transport's O.M. No. RT-120192893-TAG dated 28th March, 1994).

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation (Sl. No. 13, Para No. 3.33 and 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 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.

Reply of the Government

It may be stated that the scheme provides that the buses shall be driven by drivers having a Heavy Motor Vehicles (HMV) driving licence and Public Service Vehicle Batch (PSV) but the regulation has to be done by the law enforcing agencies on the roads. Delhi Traffic Police is charged with the responsibility of regulation of traffic. It is also entrusted with the responsibility of checking unauthorised persons driving the vehicle (Section 180), driving the vehicle in contravention of Section 34 (Section 181), driving at excessive speed (Section 183) and dangerous driving (Section 184) of the Motor Vehicles Act.

Government has been regularly reviewing the operation of red line buses and instructions have been issued to the State Transport Authority and Delhi Police to take stringent action against all cases of route violations, violations to permit conditions and traffic rules. It has been directed that the licence of the drivers involved in fatal accident should immediately be cancelled and the progress of enforcement is being reviewed by Government on weekly basis.

(Ministry of Surface Transport O.M. No. RT-120192893-TAG
dated 28.3.1994)

Recommendation (Sl. No. 24, Para No. 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 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 licence 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.

Reply of the Government

The private bus transport workers are already covered under the Labour Laws so far as their working conditions are concerned. Further the hours of duty for the Drivers are prescribed in the Motor Vehicles Act and they are bound to follow these rules. The Rules of the Road Regulations prescribed under the Central Motor Vehicles Rules, 1989 are applicable to the private buses and their enforcement is the responsibility of the Police. The Enforcement staff of the Transport Department are also responsible to enforce the conditions of Permit.

(Ministry of Surface Transport O.M. No. RT-120192893-TAG
dated 28th March, 1994.)

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 4, Para Nos. 1.25 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 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.

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 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.

Reply of the Government

The Central Government, Ministry of Surface Transport is the appointment authority of the Advisory Council and they issue notification in the official gazette after ascertaining the views of the DTC. Advisory Council was reconstituted on 24-12-1991. At the time of induction of 3,000 private buses by State Transport Authority, Advisory Council was not in existence. The Scheme of 3000 Stage Carriage permits to private operators was introduced mainly to cater to the increasing demands of Delhi's Commuters when DTC's own fleet was not able to be augmented due to inadequate plan funds which has not been enough to replace its overaged buses fully.

Comments of the Audit

Advisory Council was reconstituted on 24-12-1991 while State Transport Authority started issuing permits to private operators from September, 1992: Hence it does not seem correct that Advisory Council was not in existence at the time of introduction of 3000 private buses.

Further Reply of Government

The position stated by Audit is correct. However, functions of DTC Advisory Council relate to the Corporation only and the matter regarding induction of redline buses by the Govt. of National Capital Territory of Delhi does not come under the purview of the DTC Advisory Council. (Ministry of Surface Transport O.M. No. RT—120192893—TAG dated 28-3-1994)

Comments of the Committee

(Please see Paragraph No. 9 of the Chapter I of the Report)

Recommendation (Sl. No. 5, Para Nos. 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 inter-state 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 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 lacs 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, 1994, 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 Corporation 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 over-aged 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%. 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 representatives of Pallavan and BEST informed the Committee that at present their fleet utilisation is 88.9% and 86% respectively. The representatives 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 10,000 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 way 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 also increase its own fleet strength to meet the traffic demand adequately.

Reply of the Government

Till recently the Public Transport system in Delhi was depending mainly on DTC whereas its fleet was inadequate to meet the requirements of the commuters of Delhi. DTC has no equity base of its own and the Govt. provides capital loans to DTC for the expansion and replacement of its fleet. In view of the tight resource position, it has not been possible for DTC to expand its fleet. The fleet position of DTC during the period from 1981-82 to 1992-93 can be seen at Appendix-II.

In the Seventh Five Year Plan document, emphasis has been laid on the need for involvement of private sector in passenger transport. While discussing the Annual Plan 1989-90, Planning Commission had noted that there was an urgent need for increasing private bus operation to supplement the buses of DTC so as to provide increased passenger satisfaction.

In accordance with this, the Corporation had been engaging private buses to operate under DTC under various schemes like AOCC, KM scheme and "Earn and Keep" scheme. However, the Motor Vehicles Act, 1988 did not permit DTC to operate private buses on permits obtained by it. Private buses have ceased to operate under DTC w.e.f. 31.5.93. 578 buses which were plying under the "earn and keep" scheme have started operating under STA, Delhi under its "Suvidha Services".

In the meantime, STA Delhi introduced the scheme for 3000 red line buses to ply on city routes w.e.f. September, 92. So far 2273 buses have

been granted permits. Another scheme for plying of 100 Luxury buses under permits issued by STA, Delhi was also introduced w.e.f. August, 92 with this, the total number of buses available to cater to the demands of Delhi Commuters is about 6046.

Comments of the Audit

There is no fresh proposal for augmentation of fleet of DTC as on 31.12.1993. In fact, the interconnected package for rehabilitation of DTC seeks to peg down the fleet to 3500 buses.

Further Reply of the Government

The Audit has stated the factual position, which needs no comments. With regard to COPU's observation regarding overaged buses, it may be clarified that DTC buses are considered overaged when they complete 8 years of life and/or lakh Kms. operation.

(Ministry of Surface Transport O.M. NO. RT-12019/2893-TAG, dated 28.3.1994.)

Comments of the Committee

(Pl. see paragraph No. 12 of Chapter I of the report)

Recommendation (Sl. No. 6, Paragraph No. 2.51)

The Committee are particularly concerned regarding the increasing number of over-aged buses. At present D.T.C. 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.

Reply of the Government

As on 30th June, 1993 there were 1252 overaged buses out of total fleet of 3679. As part of the inter-connected package proposed for rehabilitation of DTC, it has been decided to peg down DTC fleet to 3500 buses. The overaged buses of DTC, will be scrapped in a phased manner. However, replacement of overaged buses will depend upon provision of adequate plan funds. Ministry of Surface Transport has been projecting its funds requirements in the Five Year Plans and Annual Plans. But the Planning Commission has been providing allocation much below the requirement projected by the Ministry. For the year 1993-94 against a projection of Rs. 30 crores, the Planning Commission has provided only Rs. 10 crores. In the Annual Plan 1994-95 the Ministry has asked for funds for replacing about 1500 overaged buses.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994.)

Comments of the Committee

(Pl. see paragraph No. 12 of Chapter of the report)

Recommendation (Sl. No. 8, Para Nos. 2.53 to 2.55)

The Committee note that the bus break down 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 0.90 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.

Regarding the percentage of breakdowns of PTC was roughly one per cent. In order to curtail the breakdowns of such nature, PTC has introduced mobile squads. On breakdowns 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 per cent.

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 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 breakdown 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 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.

Reply of the Government

City Transport Undertaking like DTC is beset with demand/Supply Constraints as well as the operating environment. The experience of DTC shows that the external factors have strong influence of its performance. Particularly, severe in this respect have been the factors like abnormal population growth, very high average load, poor road geometrics, the radial character of the city frequent occurrence of political and other agitations being capital of the country, absence of Mass Transit System like the Metro Railways etc. as in other Metros.

Despite the above factors and the increase in the overaged fleet of the

Corporation i.e. from 22.30% during 1989-90 to 37.86% at present (July, 1993), efforts are being made by which the Corporation is at par or above other State Transport Undertakings like BEST & PTC on different physical parameters. A statement showing the physical performance of Metropolitan transport undertakings for the last 3 years, is given at Appendix III

The breakdown rate per 10,000 k.m. further shows decreasing trend in DTC—

1990-91	0.80
1991-92	0.62
1992-93	0.55

Comments of the Audit

Breakdown rate per 10,000 kms. reduced from 0.80 in 1990-91 to 0.55 in 1992-93. Fleet utilisation has improved to 87.6% in 1992-93 as compared to 84.5% in 1990-91. This was, however, less than BEST, Bombay which was 92.1 in 1992-93. Vehicle utilisation of DTC (185.6) was less than that the BEST, Bombay (195.8) and PTC Madras (196.7) kms. per bus per day in 1992-93. The average age of the DTC fleet (5.7 years) was almost equal to PTC Madras (5.6 years), but much less than that the BEST, Bombay (7.8 years) in 1992-93.

The position on breakdown rate per 10,000 km. and fleet utilisation has improved during the year. The comparable positions of PTC and BEST is shown below:—

		1990-91	1992-93
Breakdown rate	(DTC)	0.8	0.55
Fleet utilisation (%)	DTC	84.5	87.6
	BEST	82.0	92.1
	PTC	86.8	85.1
Vehicle utilisation Kms/ per bus per day.		185.3	185.6
	DTC	171.4	195.8
	BEST	197.2	196.9
	PTC		

It was also seen that average age of DTC fleet is (5.7 year) less than that of BEST (7.8 year) in 1992-93.

A test check of fleet registers for 9 days operation in one depot (1st to 10th March, 1993) excluding 8th March, 1993 revealed that only 15 out of 214 cases were reported as breakdowns to the corporate office.

Thus records of DTC do not reflect the actual position *vis-a-vis* breakdowns.

Further Reply of the Government

DTC has clarified that it maintains proper records for various parameters as per the prevailing practice. However, as Audit has not mentioned the particular Depot regarding the test check of fleet registers, no comments can be offered.

(M/o Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Comments of the Committee

(Pl. see Paragraph No. 16 of Chapter I of the Report)

Recommendation (Sl. No. 11 Para Nos. 3.26 to 3.31)

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.

During evidence, the Committee were informed that the total fleet strength 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 permits 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 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 earnings 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 kilometerage scheme was brought up and it was decided that Government would not revert to the kilometer 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 kilometer 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 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 the 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 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 kilometerage 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 kilometer 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.

Reply of the Government

As stated in reply to recommendation No. 10 the kilometrage scheme of private bus operation under DTC was discontinued as a result of the DTC employees' strike in March, 1988, as its continuance depended upon DTC providing conductors. Thereafter the private buses were running under the "Earn and keep" scheme under which the private operators were to run their buses on routes and timings prescribed by DTC, but the earnings were retained by the private operators. For honouring DTC passes compensation was also paid to private operators. The Motor Vehicles act, 1988 which came into force from 1.7.1989 contains provisions against private buses running under permits obtained by DTC. The opinion of the Law Ministry as also obtained in this regard which stated that DTC cannot run private buses on permits obtained by it. The private bus operation was totally discontinued since 31.5.1993.

In accordance with the assessment made by the Working Group on Seventh and Eighth Five Year Plans the Ministry has been projecting the requirement of buses for DTC through its Annual Plans to the Planning Commission. Not only that funds to the extent required for replacement and addition of DTC Buses was not being sanctioned by Planning Commission, but also the Planning Commission has been advocating that the additional requirement of buses in Delhi should come from the private sector.

In the scenario Ministry of Surface Transport was thus left with no alterative but to ask the Govt. of National Capital Territory of Delhi to grant stage carriage permits liberally to the private operators in accordance with the provisions of M.V. Act, 1988. The scheme of 3000 stage Carriage Permits was introduced in Delhi against this background.

To regulate the operation of private buses, conditions have been laid by S.T.A. in the permits stipulating that these buses should ply on routes assigned, and according to the time schedule prescribed. They are also bound by the provisions of the M.V. Act and Rules regarding driving licenses, fitness certificate, driving hours for drivers, observance of Rules of the Road Regulation etc. The Enforcement staff of the Transport Department of Govt. of National Capital Territory of Delhi and the Delhi Police are observing the operation of these buses.

The existing system of transport in the Union Territory of Delhi is at satisfactory of Delhi is at satisfactory level as is evident from the following:—

- (a) waiting period has been reduced from more than 30 minutes to 5-10 minutes.
- (b) The congestion in the buses is considerably reduced thereby making the journey of commuters comfortable.
- (c) The pollution level in the city has gone down by 15% due to decreased use of personalised modes of transport, especially two wheelers, the petrol consumption has also gone down.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994.)

Comments of the Committee

(Pl. see Paragraph No. 23 of Chapter I of the Report)

Recommendation (Sl. No. 12, Para No. 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 kilometerage 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 kilometerage scheme continued to operate only on the verbal orders of the Ministry From 16th March, 1988 to May, 1989, the discontinuation of the kilometer 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 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.

Reply of the Government

As stated in reply to recommendations 10 & 11 the private bus operation under DTC was brought under the 'Earn and Keep' scheme when there was strike in DTC in 1988. Since DTC employees were on Strike Conductors could not be provided to private buses running under kilometerage scheme.

The earn and keep scheme started since there was thus the force of circumstances and to avoid inconvenience to the commuters.

There was clear understanding between the Ministry & DTC in all the developments during the strike period, and the earn and keep scheme was allowed to continue on the basis of meeting held by the then Minister (SFT) and Officers of Ministry and DTC. Thus there may be no need for a CBI enquiry as desired by the Committee.

Comments of the Audit

No action has been taken by DTC on this recommendation.

Further replay of Government

In view of the reply of the Govt. no specific action is required to be taken by DTC on the recommendation of the Committee.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994).

Comments of the Committee

(Pl. see paragragah No. 23 of Chapter I of the Report).

Recommendation Sl. No. 16 Para No. 3.41 to 3.44

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.

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.

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.

Reply of the Government

Under the Kilometerage scheme DTC used to provide conductors to private buses. To ensure that there was no scarcity of conductors at any time DTC used to be recruit Retainer Crew Conductors to be given duty only when there was any vacancy in their regular hierarchy. As stated earlier in 1988 when the DTC employees went on strike the Kilometerage scheme collapsed naturally as its continuance depended upon provision of DTC conductors. DTC was having excess conductors after the strike and hence the retainer crew conductors were to be done away with. The process completed on a last come first go basis. 503 R.C. conductors had thus to be dispensed with as they were no longer to be retained.

Comments of the Audit

At the end of December 1993, 2507 conductors were in excess of the sanctioned norms. No fresh conductors were recruited after the strike of March, 1988.

Responsibility for not referring this decision to the Board was not fixed as recommended by the COPU.

Further Reply of the Government

This was not necessary in view of the position already stated by the Government.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994).

Comments of the Committee

(Pl. see paragraph No. 26 of chapter I of the Report).

Recommendation (Sl. No. 19, Paragraph Nos. 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 posted in the Stores and Purchase Department is three years. However, there had been cases where persons had been working in the Stores and Purchase Department for as long as 15 to 20 years.

Reply of the Government

Out of 1030 buses, only 5 buses are pending to be scrapped which have already been included in the tender which has been opened on 27.8.1993 by DTC and are being processed further.

Regarding inspection of tyres and tubes at the time of declaring material as scrapped in case of tyres, a Committee consisting of one Senior Manager (Technical) and two Managers (Mechanical) inspect all tyres thoroughly and after inspection, they declare the tyres scrapped. Regarding scrapped tubes, these are examined 100% by Depot Asstt. Engineers and also checked by a Board of Officers before scrapping & delivery to the scrap-yard. Other material is also checked similarly before declared scrapped.

Regarding posting of persons in the Stores and Purchase Deptt. the staff are normally changed by DTC from one seat to another within a period of three years. However, in certain cases of Officers, the change is not possible because of availability of limited number of Officers as a specific knowledge is required for posting in the Stores and Purchase Department.

Comments of the Audit

All the 1030 buses scrapped till 1990-91 have been disposed off in as on August, 1993.

At the end of December, 1993 only 54 scrapped vehicles were lying in the Corporation out of which 51 were scrapped in the year 1993.

Position regarding periodicity of posting in the same section was not made available to audit.

Further Reply of the Government

It has been informed by DTC that they had furnished the requisite information to the Resident Audit Officer (vide their letter No. ST/Adm./CCPU/94/1232 dated 3.2.1994.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994.)

Comments of the Committee

(Pl. see paragraph No. 33 of chapter I of the Report).

Recommendation (Sl. No. 21, Paragraph No. 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.

Reply of the Government

Latest position of fitment of Milometers indicated below:-

	Effective Fleet	Fitted with Milometers	Percentage
City	3401	2194	64.51%
Inter-State	0290	0249	85.86%
	3691	2443	66.19%

Necessary action for the remaining buses is being taken. Routes are also being surveyed to find out whether there is any material difference in the existing length as per way-bill and length measured through Milometers.

Comments of the Audit

The Chairman DTC assured the COPU that Milometers in the buses will be replaced within six months. As per latest information (20.1.1994) milometers were fitted in 65% buses.

However mileage is not being recorded from milometers, but worked out from route length surveyed by the Corporation.

Further Reply of the Government

It has been informed by DTC that it compared kilometerage calculated from milometers and without milometers, and found that difference between the two was negligible. Meanwhile, DTC is taking action to instal milometers in the remaining 35% buses.

(Ministry of Surface Transport O.M. NO. RT-12019/28/93-TAG dated 28th March, 1994).

Comments of the Committee

(Pl. see Pargaraph No. 36 of Chapter I of the Report).

CHAPTER V

RECOMMENDATION IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendations (Sl. No. 2, Para. Nos. 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 that 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 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.

Reply of the Government

An exercise is on for finalisation of the Corporate Plan of DTC in consultation with DPE & Planning Commission. Soon after the changes as proposed by DPE & Planning Commission are carried out, the Government would ratify the Corporate Plan of DTC.

It remains a fact that the objectives for which DTC was set up have not been fully achieved. However, the Government have been continuously striving to improve its performance. A Committee was set up under the Chairmanship of AS&FA (SFT) for capital restructuring of DTC. The Committee has since submitted its report containing recommendations for improving the self-sufficiency of the Corporation. These recommendations, which can be seen at Annexure-I have been accepted by MOST and are included in the Inter-connected package for the Rehabilitation of DTC. A Cabinet Note in this regard is being finalised for the approval of the Cabinet. Some of the proposals included in this package are:—

1. Reduction in staffing norms to 8 men per bus from the present 9 men per bus;
2. Rationalisation of DTC fleet to 3500 buses;
3. Withdrawal of DTC buses from loss making routes;
4. Conversion of outstanding loans into equity capital;
5. Commercial Development of DTC lands; and
6. Reimbursement by Government of the losses on account of concessional passes.

In the meantime, DTC has also taken the following steps to bring down its cost of operations and consequently reduce its losses:—

1. Reduction in fuel consumption;
2. Cost reduction by improved use of tyres, tubes and flaps;
3. Reduction in consumption of spares and inventory control;
4. Reduction in manpower by introducing VRS on standard terms of DPE (2,199 employees have been granted volunteer retirement till 30.9.93).
5. Ban on recruitment in all categories of staff;
6. Checking of leakage of revenue;
7. Routes rationalisation; and

8. Break down and accident rates have been brought down considerably.

DTC has also increased operation of its inter-state services which have been economically more viable.

Meanwhile, the Government is also considering a proposal to revise the fare structure since after the fare revision in December, 1991 the costs of inputs, and wages of employees have increased enormously.

Comments of the Audit

The Corporation has yet to finalise its corporate plan.

Inter connected package for the rehabilitation of DTC is yet to be finalised by the Government.

As regards the steps taken by DTC comparative position is given below:

	1991-92	1992-93
1. Losses (Rs. in crores)	203.82	245.28
per KM(Paise)	698.85	703.13
2. Fuel Consumption (KMPL)	3.80	3.79
Cost per KM (Paise)	139.33	155.34
3. Cost of Tyres & Tubes Per KM (Paise)	29.96	33.72
(b) Tyre Life (in lakhs KMs.)	1.13	1.15
4. (i) Manpower (Per KM-Paise)	489	536
ii) KM per employee per day.	19.6	19.6
5. Inter-state operation (Kms. in lakhs)	2844.19	3448.94

It can be seen from the above table that losses have increased over the years. There has been no improvement in fuel consumption or in manpower Management and there is a marginal improvement in tyre life.

Regarding route rationalisation, 111 buses which were giving EPK from 4.00 to 6.37 were held up from 4/93 to 12/93 due to non-availability of buses while 129 buses which were giving low EPK ranging from Rs. 1.56 to Rs. 3.00 were in operation.

Although DTC has expanded its inter-state operations, the Corporation was not able to operate 57000 Kms from its allotted share in 6 States (12/93)

Further reply of the Government

The Government are finalising the Corporate Plan of DTC and also the Inter-connected package for the rehabilitation of DTC.

As regards the performance of DTC under the parameters mentioned by

Audit it is stated that the increase in losses is mainly attributable to the increase in cost of inputs which is not covered adequately by the fare structure of DTC. The Government is considering a proposal to revise the uneconomical fare structure of DTC.

Incidentally, the losses per Km. for 1992-93 are 865.22 paise and not 703.13 paise as mentioned by Audit.

The slight reduction in Fuel consumption (Km. PL) during 1992-93 was mainly due to the overaged fleet of DTC. This is however, being closely monitored by DTC and it has increased to 3.81 KMPL during 1993-94.

The increase in cost of tyres and tubes is due to price hike, and that of manpower cost is due to increase in wage Bill.

It may be pointed out that increase in tyre life over a one year period is of about 2000 Kms. which is a considerable improvement.

Further, Audit's statement that 111 buses were held up due to non-availability of buses is not clear and hence, no comments can be offered. However, it is understood that EPK decreased due to non-availability of new buses.

Regarding inter-state operations, it may be mentioned that the allotted Kms could not be utilised because of shortage of fleet. However, the major portion of these unutilised Kms pertain to the State of Haryana, where the operation of DTC is relatively less profitable. Further, the figures for inter-State operations by DTC during 1991-92 and 1992-93 are 479 lakh kms. and 495.72 lakh kms respectively and not as stated by Audit.

(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendations (Sl. No. 3, Para Nos. 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 corporation *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 revitalise its management cadre, and improve its

financial performance by plugging the various short-comings so identified and try to make the transport 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 state 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.

Reply of the Government

DTC has not been able to generate internal resources or attain financial self-sufficiency due to its recurring losses.

Its fare structure has been the lowest among all metropolitan transport undertakings. Even the fare revision effected in 1991 after a span of six years did not fully offset the working losses. DTC, thus confronted with a static fare structure which did not even meet its cost of operations was faced with the following insurmountable problems:—

1. Lack of funds for replacement of its very old buses which have become prone to frequent break downs resulting in unreliable services and dis-satisfaction among the public, despite increasing cost of operations;
2. Increasing cost of inputs like fuel, tyre, flaps and stores etc., and wage bills which are beyond the control of DTC;
3. Concessions given to students, physically handicapped, journalists, freedom fighters and resettlement colonies and so on which are not reimbursed by Government;
4. Running of buses on uneconomic routes as a matter of social obligation;
5. Running "U" specials and school charter buses considering the larger interests of students community and educational institutions.

In order to make DTC self sufficient, Government had appointed a Group of Ministers headed by Finance Minister to consider an Action Plan submitted by the Ministry of Surface Transport to rehabilitate DTC. Based upon the recommendations of the Group of Ministers an inter connected package for rehabilitation of DTC is under active consideration of Government. With a view to generate its own resources a proposal for commercial utilisation of DTC depots is also being considered by Government.

Comments of the Audit

Fare structure of DTC is not lowest among all Metropolitan Transport Undertakings as claimed in the reply. As per information provided by Management the comparative position of fare structure of DTC and PTC Madras is given below:

Distance in Kms.	DTC Delhi (Paise)	PTC Madras (Paise)
upto 6	100	70-90
7-16	200	100-200
17-40	300	210-300
41-46	300	325

It can be seen from the above that upto 40 Kms. the fare structure of DTC is equal to or higher than that of PTC Madras. Inter connected package for rehabilitation of DTC is yet to be finalized by the Govt. Concessions given to Students etc. contribute to only 10% of the total losses incurred by the Corporation during the year 1992-93. Proposal regarding commercial utilisation of DTC Depots for generating own resources is also pending with the Government.

Further Reply of the Government

The following table would indicate that the fare structure of DTC is lowest:—

(In Rupees)

Kilometres	BEST	Pallavan	DTC
0—3	1.00	0.7 to 1.00	1.00
3—6	1.50	1.0 to 1.60	1.00
6—9	2.00	1.60 to 2.10	2.00
9—12	2.50	2.10 to 2.40	2.00
12—16	2.75	2.40 to 2.80	2.00
16—24	3.75	2.80 to 3.50	3.00
24—32	4.75	3.50 to 4.30	3.00
32—40	5.75	4.30 to 5.10	3.00

No further comments in view of the facts given in the reply of the Government.

(M/O Surface Transport O.M. No. RT-12019/28/93-TAG dated 28.3.1994)

Recommendation (S. No. 17, Para Nos. 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 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 Rs. 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 and same is rejected and 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 pursued effectively. A case is of the Ex-Chief Mechanical Engineer where an amount of Rs. 33,847/- 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.

Reply of the Government

The Cheran Committee which was appointed by the DTC submitted its report to the Chairman, DTC. The recommendations which were to be implemented have already been implemented and a statement to this effect is at Annexure-IV.

For further revamping the material management and inventory control, a study has been assigned to I.C.W.A.I., New Delhi for suggesting ways and means required therefor. They are expected to finalise their report in two month's time.

DTC maintains partywise details of pending claims, which are regularly being pursued by DTC with the parties concerned. The yearwise position of claims settled so far is indicated below:—

<i>Year</i>	<i>Claim settled</i>
1989-90	Rs. 21.00 lacs
1990-91	Rs. 21.00 lacs
1991-92	Rs. 54.92 lacs
1992-93	Rs. 48.00 lacs

Comments of the Audit

The Cheran Committee had given 117 recommendations of which 7 have been implemented. File regarding review of the recommendations by the management (acceptance/rejection of recommendation) was not made available.

Agreement for detailed study on 'Material Management' is yet to be entered into with ICWAI.

As on 31.3.93 claims for Rs. 45.42 lakhs towards short or rejected supply were outstanding of which claims for Rs. 12.67 lakhs were older than 3 years.

Information on claims from employees was not made available. However, audit scrutiny found that Rs. 39.96 lakhs are recoverable from Ex-employee or rent, electricity and water charges alone as on 31st March 93.

In respect of excess gratuity paid to the retired employees it was stated by the management that an amount of Rs. 22.43 lakhs was not recoverable from them. No action was taken by the Management to fix the responsibility on the persons responsible for this overpayment.

Further Reply of the Government

It is informed by DTC that duplicate copies of relevant papers of the said file were shown to the Resident Audit Officer.

As regards the 'Material Management' study to be conducted by ICWAI, DTC has sent the agreement papers for legal vetting and will be signed soon. ICWAI have already conducted the preliminary study.

Since 31.3.93, DTC has cleared a number of outstanding claims towards short or rejected supply and now, claims worth Rs. 21 lakhs (Approx.) are outstanding, of which, claims for Rs. 10 lakhs (Approx.) are older than 3 years.

As regards claims from employees, the details are given in the Annual Balance sheet prepared by DTC. The claims from employees, the details are given in the Annual Balance sheet prepared by DTC. The claims worth Rs. 42.62 lakhs (not Rs. 39.96 lakhs as mentioned by Audit) are outstanding against ex-employees of DTC who are residing in Rana Pratap Bagh and Hari Nagar Colonies. Their case is sub-judice.

The excess gratuity paid to its Ex-employees is being recovered from the unpaid dues of such employees, lying with DTC. In other cases this amount shall be adjusted against the pension to be paid to them.

[Ministry of Surface Transport O.M. No. RT—12019/28/93—TAG dated 28.3.1994]

Comments of the Committee

(Pl. see paragraph No. 30 of Chapter I of the Report)

Recommendations (S. No. 20, Para Nos. 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 400 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. 19.10 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 Rs. 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 each of the above aspects as stated above have been dismal to say the least. The Committee have come to an unerring 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 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 co-ordination 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 Committees as 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 Workshop 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 numbers of infrastructure of both Central workshops the Committee would have expected that at least body building repairs and maintenance should be utilised to the maximum. However, they find it to be contrary. As stated in the proceeding 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, Materials 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.

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 many come about as a result of poor and lackadaisical supervision.

Reply of the Government

For revamping of Material Management & Inventory Control system of the Corporation, a Study has been assigned to Institute of Costs & Works Accountants of India, New Delhi for studying the entire gamut of Material Management and Inventory Control and for suggesting ways and means as required therefor. They are expected to finalise their report in about two month's time.

Comments of the Audit

Agreement with ICWAI for detailed study of Material Management on inventory control has not yet been signed.

Further Reply of the Government

The terms & conditions for the detailed study on 'Material Management' to be conducted by ICWAI have been finalised & DTC have sent the agreement papers for legal vetting before formal agreement is signed.

(Ministry of Surface Transport's O.M. No. RT. 12019/28/93—TAG dated 28.3.1994)

Recommendations (S. No. 25, Para No. 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.

Reply of the Government

The Government is finalising a proposal on inter-connected package for rehabilitation of DTC. The proposal contained in the package include, proposal for grant of subsidy to DTC in respect of various concessions offered by it to different sections of the society, capital restructuring by converting the outstanding loans and accumulated interest to equity capital and adoption of efficiency norms recommended by the Committee headed by AS&FA (SFT).

(Ministry of Surface Transport O.M. No. RT—12012/28/93—TAG
dated 28th March, 1994)

Comments of the Audit

Inter connected package for rehabilitation of DTC is yet to be finalised by the Government. Hence no comments.

Comments of the Committee

(Pl. see paragraph No. 39 of Chapter I of the Report)

Recommendations (Sl. No. 26, Para Nos. 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 document 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 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 18-04-1991.

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 misconduct 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 the case of direct recruitment of two officers for the post of Deputy 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 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 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 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-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.

Reply of the Government

The action taken on the cases, which were pending/mentioned in the report/recommendations of the COPU is given below:—

1. All the cases against Shri P. Dutta, which were under investigation have either been closed or necessary action has been taken by the competent authority. Meanwhile, Shri P. Dutta, Ex-C.G.M. (Tr.) has been granted voluntary retirement by the Corporation under its Voluntary Retirement Scheme.

2. The case of Shri L.C. Goyal regarding his promotion to the post of Secretary, DTC Board has been investigated by the Vigilance Department and the report has been referred to the CVC for advice. As far as his other promotions are concerned, he was given promotion by following the laid down procedure and by the competent authority.

3. So far as Shri A.K. Sharma, Dy. C.G.M. (Tr.) is concerned, two cases of major penalties are under process in DTC.

Comments of the Audit

Case referred in the recommendation against Shri P. Dutta was finally closed on 25-5-1993 by imposing penalty of 'Censure'.

Case of Shri L.C. Goyal could not be verified as the relevant record was stated to be lying with C.V.C.

In the case of Shri A.K. Sharma in one case CV Officer has recommended a major penalty and the case is being processed.

Another case regarding leakage of Board Resolution in which major penalty stated to be recommended by CVC is pending with CVC and records were not made available.

Further Reply of the Government

No comments in view of the facts given in the reply of the Government.
(Ministry of Surface Transport O.M. No. RT-12019/28/93-TAG/dated
28th March, 1994).

NEW DELHI;
April 22, 1994

V...sakha 2, 1916 (S)

VILAS MUTTEMWAR,
*Chairman,
Committee on Public Undertakings*

APPENDIX I

Extracts from the Report submitted by the Committee headed by Additional Secretary & F.A. (SFT).

(Vide Reply to recommendation No. 2 in Chapter V of the Report)

CONCLUSION AND RECOMMENDATIONS

1. Although all attempts were made by the authorities concerned to improve the efficiency as well as the quality of bus services over a period of time, financial constraints, however, have restricted the provision of an adequate bus service to the citizens of Delhi. The time has come when it becomes necessary to accept the principle of market economy as the main operative principle unless it is necessary for protecting the poorest in the society.
2. The major problem of DTC, despite its good physical performance is its continuing losses caused by:—
 - (a) An uneconomic low fare structure.
 - (b) Accounting losses in the shape of depreciation and interest charges which is not recovered through the fare.
 - (c) Inbuilt subsidies in the shape of concessional rate of passes for students and weaker sections of the society.
3. In order to improve the financial health of DTC, it is imperative to have an economic fare structure. In addition, there is a need for automatic linkage of tariff to cost of various inputs.
4. Since the rate of interest for ways and means loans and refundable capital loan is quite high, MOST should provide equity capital to improve the financial health of DTC. All the accumulated losses of DTC as on 31-3-1993 to the extent of estimated Rs. 1600.16 crores should be converted to equity.
5. In the event of the suggestion to index the tariff structure to the cost of operation not materialising, the difference between the economic fare and the fare which DTC is allowed to charge should be given as non-recoverable financial assistance.
6. It will be quite fair and logical that the agencies responsible for the sections for which welfare measures have been introduced and implemented should reimburse the cost involved in such concessions to the DTC.
7. By enacting necessary amendments through Parliament, DTC may be converted into a limited company by March, 1993.

8. In order to further improve the performance of DTC, the following efficiency norms need to be closely monitored:

- (i) Staffing norm of 8.0 per bus to be achieved by 31st March, 1993. The scope for further reduction of staff ratio to be reviewed by 31-3-1995.
- (ii) 90% fleet utilisation be achieved by the end of 8th Plan.
- (iii) Vehicle utilisation be improved to 220 Kms. per bus daily.
- (iv) The diesel consumption in KMPL terms be improved from existing 3.80 to 3.85 by the end of 8th Plan.
- (v) The tyre life be improved from existing 112805 to 127000 by the end of 8th Plan.
- (vi) The cost per Km. on stores and spares item be pegged at 56 paise.
- (vii) The inventory holding level are suggested as follows:
 - (a) HSD, Lubricants and Petrol — 7 days
 - (b) Tyres, tubes and flaps — 30 days
 - (c) Retreading Material — 30 days
 - (d) Batteries — 90 days
 - (e) Stores and spare parts — 90 days

The above norms suggested for Inventory Management will be jointly reviewed by DTC and MOST after 31-3-1995.

9. It is essential that proper costing systems are developed in the DTC with the help of Cost/Chartered Accountants. In addition, there should be close monitoring of efficiency norms both at the Ministry level as also within DTC.

APPENDIX II

Fleet position of DTC from 1981-82 to 1992-93

(Vide Reply to recommendation No. 5 in Chapter IV of the Report)

Year	Total fleet as on the last day of the year
1981-82	3184
1982-83	4044
1983-84	4135
1984-85	4039
1985-86	4033
1986-87	4077
1987-88	4353
1988-89	4248
1989-90	4399
1990-91	4392
1991-92	4375
1992-93	3840

APPENDIX III

Performance of Metropolitan Transport Undertakings (Vide Reply to recommendation No. 8 in Chapter IV of the Report)

Particulars	Unit	D.T.C. (DELHI)			BEST (BOMBAY)			P.T.C. (MADRAS)		
		90-91	91-92	92-93	90-91	91-92	92-93	90-91	91-92	92-93
Physical Performance										
1. Average fleet held	No	4,403	4,375	4,184	2,612	2,835	N.A.	2,310	2,325	N.A.
2. Average age of fleet	Years	6.3	5.9	6.2	6.4	6.8	N.A.	5.0	5.8	N.A.
3. %age of overaged buses	%age	40.0	33.8	34.0	2.0	2.1	N.A.	5.4	13.0	N.A.
4. Fleet Utilisation	%age	84.5	85.7	87.6	82.0	89.9	N.A.	86.8	85.2	N.A.
5. Vehicle Utilisation	KM/ Bus/ Day	185.3	182.1	185.6	171.4	180.4	N.A.	197.2	194.5	N.A.
6. Staff per bus	No.	9.4	9.3	10.3	11.2	11.2	N.A.	8.0	8.5	N.A.
7. Load factor	%age	100.8	101.8	84.0	74.0	68.0	N.A.	88.2	89.5	N.A.
8. Diesel Consumption	KMPL	3.80	3.80	3.79	2.92	3.10	N.A.	3.50	3.59	N.A.
Financial Performance										
1. Revenue per Km.	Paise	434	528	670	1,079	1,276	N.A.	676	799	N.A.
2. Cost per Km.	Paise	975	1,219	1,535	1,205	1,355	N.A.	769	850	N.A.
3. Net loss per Km.	Paise	(-)541	(-)691	(-)865	(-)126	(-)079	N.A.	(-)193	(-)51	N.A.

Particulars	Unit	D.T.C. (DELHI)			BEST (BOMBAY)			P.T.C. (MADRAS)		
		90-91	91-92	92-93	90-91	91-92	92-93	90-91	91-92	92-93
Cost Structure										
1. Staff Cost	Paise/ KM.	604	979	356	458	537	N.A.	393	446	N.A.
2. Fuel & Lubricant	"	134	156	173	142	158	N.A.	152	170	N.A.
3. Tyres and Tubes	"	41	44	45	47	44	N.A.	26	42	N.A.
4. Spare and Material	"	44	63	48	48	45	N.A.	46	51	N.A.
5. Interest	"	239	355	622	77	88	N.A.	40	43	N.A.
6. Depreciation	"	48	51	53	155	152	N.A.	57	36	N.A.
7. Taxes	"	30	343		62	67	N.A.	19	20	N.A.
8. Others	"	35	373	59	216	264	N.A.	36	42	N.A.

APPENDIX IV

Major recommendations of Cheran Committee & implementation thereof
(Vide Reply to recommendation No. 17 of the Chapter V of the Report)

6.33 Arising out of the above recommendations, the minimum stock level would account for one month and maximum 4 months. However, in respect of A items, it is suggested that the minimum and maximum could be 1 and 4 respectively, for B items 2 and 6 and for C items 4 and 12. The above suggestion would involve delivery schedules monthly, bi-monthly, quarterly or annual in respect of A, B & C items. Depending on the closeness of the supplier and reliability in schedules could be altered.

Already implemented with modifications to keep inventory minimum.

6.40 So far as demurrages are concerned, the clearing agent should be held responsible for every demurrage paid or if the way bill was cleared late, such person within the Corporation should be held responsible. There is no possibility for payment of demurrage when way bills which are cleared by the Corporation are handed over, on the same day or the next day to the clearing agent and he takes normally about 5 to 50 days to clear the materials. By the same token claims should also be made against the firms when materials are not really despatched on the date mentioned in the way bill. The concerned companies should be called upon to explain as to the reason for any delays beyond 3 days. Alternatively it is advisable to fix up responsibility on one officer in the Stores Deptt. to verify with the transporters as to whether the materials have reached Delhi and when retire documents so that the funds of the Company can be better utilised. The clearing agent should also produce documentary evidence for having presented the documents daily with the transporters for non delivery of materials. This alone will help in filling a claim with the supplier. Every case of demurrage may be examined carefully and in depth at a higher level then the person who handle these documents.

Being done departmentally and no clearing agent appointed.

6.45 Central Stores

As already detailed immediate action may have to be taken to store new items and reconditioned items separately. This would involve additional man power and space. This may appear to be initially costly. Still it is strongly recommended that the present Central Stores be immediately bifurcated to store the new parts and reconditioned parts separately. All partly worn out serviceable, unserviceable parts should be received only in the Recondition Stores.

Already being implemented.

6.46 Recondition Stores may be located adjoining the Central Stores, but without any internal connections.

Already being implemented.

6.1 Since material planning is divided into two phases—first to assess quantity required and secondly to decide the sources of supplies, internal lead time and circulation of documents and files is almost doubled. In order to minimise the internal lead time, it is recommended that an integrated purchase proposal be made indicating therein the past stock on hand, back order quantity, adjustments for the internal and external lead time, validity of ASRTU rate contract, other technical issues involved like over-size or standard fitment, etc., list of sources of supply, classification of various supplies and suppliers, suggested allocation, etc.—*Vide* proforma in Annex. R-1. Also refer para 6-87.

Already implemented.

6.4 Since a suggestion has been made (para 6.45) to separate the new part store and reconditioned parts store, the Bincard in the new parts store in the Central Stores may be modified to give more informations. In all the Bincards and Kardex ABC classification, maximum and minimum level and re-ordered level should be indicated.

Already implemented.

APPENDIX V

Minutes of 31st sitting of Committee on Public Undertakings held on 21.4.94.

The Committee sat from 15.45 hrs. to 16.20 hrs.

PRESENT

Shri Vilas Muttemwar — *Chairman*

MEMBERS

2. Shri Basudeb Acharia
3. Shri Chetan P. S. Chauhan
4. Shri Ramesh Chennithala
5. Shri Guman Mal Lodha
6. Shri Pius Tirkey
7. Shri Virendra Singh
8. Shri M.A. Baby
9. Shri R.K. Dhawan
10. Shri Pravat Kumar Samantaray

SECRETARIAT

1. Shri G.L. Batra,—*Additional Secretary*
2. Smt. P.K. Sandhu,—*Deputy Secretary*
3. Shri P.K. Grover,—*Under Secretary*
4. Shri R.S. Sharma,—*Assistant Director*

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL

1. Shri C.K. Joseph—*Dy. Comptroller & Auditor General (Commercial) cum Chairman, Audit Board*
2. Shri B.B. Manocha—*Director (Commercial)*

2. Thereafter, the Committee considered and adopted the draft report as approved by the Action Taken Sub-Committee on Action Taken by Government on the recommendations contained in Twenty Second Report of the Committee on Public Undertakings (1992-93) on Delhi Transport Corporation including comparative analysis of Transport in Metropolitan cities.

3.

4. The Committee authorised the Chairman to finalise the Reports on the basis of factual verification by the Ministry/Undertaking concerned and audit (in respect of report mentioned in paras 1 and 2) and to present the same to Parliament.

The Committee then adjourned.

APPENDIX VI

Analysis of the Action Taken by Government on the recommendations contained in the 22nd Report of the Committee on Public Undertakings (Tenth Lok Sabha) on Delhi Transport Corporation including comparative analysis of transport in metropolitan cities.

(Vide Para 3 of Introduction)

I. Total number of recommendations	27	
II. Recommendations that have been accepted by the Government (<i>vide</i> recommendations at Sl. Nos. 1, 7, 9, 10, 14, 15, 18, 22, 23 and 27)	10	
Percentage to total		37.04
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> recommendations at Sl. Nos. 13 and 24)	2	
Percentage to total		7.41
IV. Recommendations in respect of which reply of Government have not been accepted by the Committee (<i>vide</i> recommendations at Sl. No. 4-6, 8, 11, 12, 16, 19 and 21)	9	
Percentage to total		33.33
V. Recommendations in respect of which final replies of Government are still awaited (<i>vide</i> recommendations at Sl. Nos. 2, 3, 17, 20, 25 and 26)	6	
Percentage to total		22.22