

**REPORT  
OF  
THE TAXI TRADE ENQUIRY COMMITTEE  
1973**

**REPORT  
OF  
THE TAXI TRADE ENQUIRY COMMITTEE  
1973**

## I N D E X.

		<u>Pages.</u>
INTRODUCTION.	Constitution of the Committee.	1 - 3
Chapter - I	Grant of permit & licences and control on them,	4 - 43
Chapter - II	Concentration of permit and clandestine transfer of permits.	44 - 69
Chapter - III	The economics of Taxi Trade & recommendation on revision of Taxi Trade.	90 - 149
Chapter - IV	" Finance of Taxi "	150 - 160
Chapter - V	" Enforcement of Law "	161 - 172 (C)
Chapter - VI	Development & promotion of Taxi Trade.	173 - 187

## Introduction.

### CONSTITUTION OF THE COMMITTEE.

The Government of Maharashtra appointed a Committee to review certain aspects of the Taxi Trade and to make suitable recommendations to the Government in the matter, by Government Resolution No. MVA-6471/B-951/XII-B of 24th August, 1972 under the Chairmanship of Shri D.R. Khaire with the following members

1. Dr. F.P. Antia, Bombay
2. Dr. W.S. Matkar, M.L.A., Bombay
3. Shri R.K. Mhalgi, M.L.A., Bcona
4. Shri M.H. Baji, Bombay
5. Shri Mohinder Singh, Bombay
6. Shri A.C. Anklesaria, Bombay
7. Director of Transport, Motor Vehicles Department, Maharashtra State, Bombay.

2. The terms of reference of the Committee were as under :

(a) Suggest ways and means :-

- i) to reduce the concentration of permits of taxis in one or more persons.
- ii) to prevent the clandestine transfer of permits in favour of unauthorised persons.
- iii) to encourage owner-driven taxis in the trade so as to curb the practice of permit holders renting out taxis to drivers.
- iv) for regulating increase in the number of permits from time to time.

(b) to suggest the manner in which revision of taxi fares can be linked to operating costs as suggested by the Madhavan Committee.

(c) to study the actual cost structure of operating taxis and whether there is any need for revision of taxi fares and if so, to recommend the same accordingly.

(d) Any other matters relevant to the provision of an efficient service by the taxi trade.

Later, on 10th November, 1972, Shri V.B. Kalange of Poona was added as a member of the Committee. Shri S.S. Tinaikar who was the Director of Transport and later Transport Commissioner, was transferred by Government as Joint Secretary, Food & Civil Supplies Department of Government of Maharashtra, at the end of May 73. Government, however, continued him as Member-Secretary of this Committee.

3. Shri R.K. Mhalgi was unable to attend our meetings after April, 1973 and was not associated with the deliberations which led to the report as now stands. He, however, agrees with this Report.

4. The Committee was required to submit its report within six months of its first meeting. The first meeting of the Committee was held on 27th September, 1972. As the committee issued an elaborate questionnaire to elicit information from the taximen, the users of taxis and other users of road, and further decided to visit a few important cities for interviewing those who had expressed a desire to meet the Committee personally for elaborating their views on the subjects referred to the Committee, the Committee was not able to complete its work within the stipulated time. The Committee, therefore, requested the Government to extend its term, from time to time, till the end of July 1973, and the Government kindly extended the time. The Committee, however, completed its task relating to revision of taxi fares, in the light of its study of the economics of taxi operation, on

27th May 1973, and presented the report to Government. This was necessitated on account of the increase of excise on petrol from 1st March, 1973, and the taxi trade, particularly of Bombay, as well as representatives of the trade on the Committee, pressed for an early decision and recommendation on the matter relating to taxi fares. Since the Committee had, by the third week of May, completed visits to the various cities and had got a fair idea of the trade, it finalised its report on the fare structure of taxis, excluding auto-rickshaws, and submit the report to Government as mentioned earlier.

5. The Committee had with them the representatives of the Taxi Trade who gave fullest measure of cooperation in arriving at unanimous decisions. The committee thanks the large number of members of the public, the Police authorities, the Officers of Motor Vehicles Department and the Regional Transport Authorities who were interviewed by the Committee, for the wealth of information and advice given to the Committee by them.

6. We feel that our recommendations should be generally acceptable to the Taxi Trade. During the term of this Committee we have found that our recommendation about the fare structure of taxis has already been accepted by the Regional Transport Authority of Bombay region. The Government also decided to revoke the directions which they had issued to the State Transport Authority for fixing a certain maximum rate of fares in Bombay, and left it to each Regional Transport Authority to decide the fares. We feel that we have covered all the major matters relating to the taxi trade, and have suggested measures for improvement of the efficiency of its service to the public.

( S.S. Tinaiakar )  
Secretary

( D.R. Khaire )  
Chairman

Chapter I

" Grant of permits & licences & Control on them."

1. We propose to first analyse what constitutes " a permit for plying a taxi ", the authority which grants it, a person who is entitled to get it, and a person who can drive a taxi. Having stated the frame work of the law on this matter, we propose to describe the actual practice followed by the transport authorities and the licensing authorities who grant permits and authorisations respectively to drive public service vehicles. We, thereafter, propose to suggest the remedies for removing some of the major ills that afflict the taxi trade on account of defects in the procedures at present followed in granting the permits or in taking action against the breaches of a permit.

2. The basic law which regulates the grant of a permit is the Motor Vehicles Act, 1939, which is a Central Act, but amendments to which can be made by the State Governments for application within its own jurisdiction, subject to the approval of the Government of India. The legislature of Maharashtra has amended this Act in 1972, only by dispensing with the " judicial experience " which was a basic requirement of the chairman of a Regional or a State Transport Authority. As per the amended Act, as now applicable in this State, a person with " Revenue experience " can be appointed as a Chairman of Regional Transport Authority or a State Transport Authority. In all other respects, the Motor Vehicles Act and amendments as passed by Parliaments are applicable in toto to this State. The Rules under this Act are made by the State Government and do not require to be approved by Central Government. Since a Motor Vehicle is capable of moving wherever there is a road all over the country.

a certain uniformity is imposed by the Government of India on the amendments adopted by various States, so as to facilitate easy movement of transport which is of great importance for promotion of commerce and trade. Any restriction or control on such movement, or on the use of a motor vehicle for business, must necessarily be subject to the fundamental rights guaranteed to a citizen to use a public street or a road. Even though a public street or a road vests in the State, the State holds it as a trustee on behalf of the public, and the members of the public are entitled, as beneficiaries, to use it as a matter of right, subject only to the exercise of similar right possessed by every other citizen. The basic limitations within which the provisions of the Motor Vehicles Act have to be applied are well laid down by their Lordships of the Supreme Court, in *Saghir Ahmed Vs. the State of U.P.* ( A.I.R. 1954 S.C. 728 ( 735 ) = 1955 S.C.R. 707, *Saghir Ahmad V. the State of U.P.* ) The right of a citizen to carry on business in transport vehicles on public pathways cannot be denied to him by the State. He can also carry on the business of transporting passengers with the aid of the vehicles. It is to this carrying on of the trade or business that the guarantee in Art. 19(1)(g) is attracted, and a citizen can legitimately complain, if any legislation takes away or curtails that right any more than is permissible under Cl. (6) of that Article. As their Lordships of the Supreme Court observed, -

" The right of the public to use motor vehicles on the public road cannot, in any sense, be regarded as a right created by the Act. The right exists anterior to any legislation on this subject as an incident of public rights over a highway.



The State only controls and regulates it for the purpose of ensuring safety, peace, health and good morals of the public. Once the position is accepted that a member of the public is entitled to ply motor vehicles on the public road as an incident of his right of passage over a highway, the question is really immaterial whether he plies a vehicle for pleasure or pastime or for the purpose of trade and business. The nature of the right in respect to the highway is not in any way affected thereby and it cannot be said that the user of a public road for purposes of trade is an extra ordinary or special use of the highway which can be acquired only under special sanction from the State." Further, we may point out that article 301 of our Constitution lays down that " trade, commerce and intercourse throughout the territory of India shall be free," subject only to restrictions which Parliament may by law impose in the public interest; but, the legislative powers of the Union and of the States are restricted with regard to trade and commerce by article 303 of the Constitution.

3. It is important to bear this background of Motor Vehicles Act in order to appreciate its basic limitations. The Motor Vehicles Act provides for constitution of semijudicial Tribunals for considering and deciding all questions relating to grant or refusal of permission to use a vehicle for business or trade. These tribunals are called Regional Transport Authority or State Transport Authority according as the jurisdiction of the Tribunal is a Region or a State. The independence of these Tribunals or Authorities is ensured by keeping them away from any executive interference, and by subjecting them to superintendence of only the High Court of the territory within which they function.

under Article 227 of the constitution. Rules of natural justice apply to every procedure they follow and every decision they take. No executive authority, including the State Government, can issue any directive or even a suggestion as to how or to whom a particular permit should be granted, or even as to whether any permit should be granted. The authority of the State Government to issue any direction is limited to giving directions on broad policy matters, under Section 43 of Motor Vehicles Act, in the larger interest of trade, maintenance of road system, and effective coordination of rail and road transport; similarly, under section 63 of the same Act, the State Government lays down the number of permits that can be issued on interstate routes. Before these directions are issued, adequate opportunity has to be given to all the interested persons for representation against the proposed action of the Government, and the Government must take into consideration these representations before giving directions. Government decisions are liable to be challenged before the High Court. Thus, the decisions of the transport authorities granting or refusing to grant a permit are liable to be reviewed by the Court and set aside if they are unreasonable, arbitrary or discriminatory. But on the other hand, the applicant has no absolute right to get a permit, and it is within the discretion of the authorities to grant or to refuse one in conformity with the elaborate procedure and criteria laid down by the provisions of the Motor Vehicles Act, and Rules under that Act. The grant or refusal of a permit, therefore, is a quasi-judicial matter, and the permit granting authority cannot bring in extraneous consideration such as a social or economic

philosophy which may not be in conformity with the rights and guarantees given by the constitution to a citizen. The ultimate criterion by which the decision of a Transport Authority has to be defended is that it ensures " safety, peace, health and good morals of the public " as the Supreme Court observed in the case referred to in para 2 ante. Since the provisions of the Motor Vehicles Law have been a subject matter of numerous pronouncements by High Courts of various States as well as by Supreme Court, we have, for our guidance, well established principles for judging what constitutes reasonable restrictions. In regard to the permit granted for using a vehicle for hire.

4. A taxi is a " public service vehicle " and falls under the broad category of a " transport vehicle." It differs from the other public service vehicles, such as a passenger bus, in that its seating capacity cannot exceed six passengers excluding the driver. Further, it has to be hired as a whole by only one party or one person, who is exclusively in charge of that vehicle for its use, and the driver is supposed to only drive the vehicle subject to the restrictions imposed by the law relating to traffic, carrying of goods, etc. In technical terminology, it is described as " a Motor Cab " under section 2 (15) of the Motor Vehicles Act, and this term includes not only a taxi, which is a car on hire, but also a rickshaw which may carry two or more passengers, and all other similar vehicles which can carry not more than six passengers excluding the driver. In common parlance, we distinguish between " a taxi " and " an autorickshaw ", both of which, under the Motor Vehicle Act, are motor cabs. However, the Bombay Motor Vehicles Rules, framed by the State Government in conformity with the provisions

of the motor vehicles Act, make a further division between motor cabs, viz., those which ply on meters, and those which are not required to have meters fitted on them and are called luxury or tourist cabs, vide Rule 129 of B.M.V. Rules. We are concerned with motor cabs which are required to be fitted with taxi meters, and which are painted black on the lower part of the body and yellow on the hood under Rule 139. These metered cabs have a right to park at public stands, notified under Rule 129 under B.M.V. Rules, in order to solicit passengers, and have, further, a limited or specified region or area within which they are authorised to ply.

5. Since a cab is a public service vehicle which can be hired by any person, it is required to be covered by a permit. This is really a licence in as much as it purports to impose appropriate conditions for the conduct of the business within the terms and conditions laid down by the law and without violating or encroaching on the fundamental rights of a citizen.

6. A permit is granted by a transport authority having jurisdiction over a specified region, and is valid for that region except when its validity is extended to other regions on the basis of a reciprocal arrangement with the other transport authority. A metered cab is restricted in its operation to its region only. The main considerations on which grant of a permit for a metered cab is dependent are . :

- 1) that there is a need of such a vehicle by the public,
- 2) to prevent excessive growth or increase of such vehicles, so as to avoid uneconomic operation, and resultant unfair competition amongst themselves.

Prevention of uneconomic competition amongst owners of motor

vehicles is one of the objectives on which even the State Government can issue a direction to the transport authority. The existing contract carriage permit holders as well as the local authority and also the police authority have a right of representation that no more contract carriage permits may be issued as the existing contract carriages are sufficient for or in excess of the need of the area within which the vehicle, for which a permit is sought, is proposed to be plied. Those who object to the grant of a permit have a right of hearing in the presence of other persons likely to be affected by the grant or refusal of the permit, and further, if the application is refused, the refusal must be given in writing with reasons. The permit, so obtained in respect of a particular vehicle, is personal to the person who obtains it and is valid only for that particular vehicle so long as the vehicle is with the permit holder. Neither the vehicle nor the permit can be transferred without permission of the permit granting authority, and if they are so transferred, the transferee does not get any right to ply the vehicle in the manner authorised by the permit.

7. Once the need of a certain number of metered cabs for a specific area is established, the next question is of selecting a particular applicant who has the necessary type of vehicle and capacity to satisfy the established need and render a satisfactory service to the public. In choosing the most appropriate applicant, the Transport Authority is expected to discharge the trust entrusted to it by the society of selecting only that person who has adequate sense of social responsibility required for carrying citizens at all hours of day and night. Among the various relevant matters which may weigh

in favour of selecting an applicant are, as pronounced by different High Courts, previous convictions and antecedents of an applicant and his operational efficiency, his residence at a place in which he is supposed to operate, capacity to operate economically, and so on. It has also been held that grant of a permit purely on the grounds that an applicant is a Harijan or a political sufferer, and so on, is arbitrary or improper. Any policy of selecting the applicant from amongst a group of applicants, or rejecting an application or class of applications, even if there is no contender, must be defensible as reasonable before a judicial tribunal, in appeal.

8. A substantive or regular permit once granted is valid for a minimum period of three years and a maximum period of five years, while a temporary permit has validity for a maximum period, at a time, of four months. Thus, while granting a permit for this duration, the capacity of the permit holder to operate continuously and satisfactorily through this period must be taken into consideration. There are further duties imposed on the permit holder by S.M.V. Rules, such as disinfection of cab every two months ( Rule 117 ); maintenance of detailed record of the use and details of journey as may be laid down by the Transport Authority ( Rule 121 ); notifying change of address ( Rule 122 ); safe custody and proper disposal of lost property found in his cab ( Rule 132 ); proper maintenance of meter ( Rule 232 ). etc.

9. A public service vehicle such as a taxi must be driven only by a person who has not only a driving licence for driving a light motor vehicle or a car or a heavy motor vehicle, but has also an authorisation to drive a public service vehicle

viz., taxi. While the licence is granted under the Motor Vehicles Act by the licensing authority, viz., Regional Transport Officer, and has validity all over the country, the authorisation is granted by the licensing authority under the authority of a Regional Transport Authority and, strictly speaking, has validity only in the State. The person who intends to get an authorisation to drive a transport vehicle or a cab, must be not less than 20 years of age and must have two years experience in driving any motor vehicle other than a motor cycle, except where the State Government has exempted any vehicle or class of vehicles on the ground that it can be driven without danger to the public safety without this additional experience. We understand that autorickshaw is authorised to be driven without such additional two years' experience. An application for a driving licence must be granted, unless a person is not physically fit, or has no skill in driving, or is disqualified on the ground of age being less than the minimum prescribed, or on the ground of disqualification for a specific period on account of his being a habitual criminal or a habitual drunkard and so on. The licensing authority is competent to make enquiries to establish the identity of the applicant for a licence for driving a transport vehicle the application is required to be accompanied by a medical certificate in the prescribed form, as well as three clear copies of recent photograph of the applicant. As aforesaid, after obtaining a driving licence permitting him to drive a car, and if he is not less than 20 years of age and further if he has two years of experience in driving a vehicle other than motor cycle, a person can apply for an authorisation to drive a public service vehicle. An "authorisation" to drive

a public service vehicle is granted after verification of antecedents of the applicant, after reverification of his driving skill by subjecting him to a driving test again, and after satisfying that " the applicant is fit in all respects and is a proper person for driving a taxi." In Greater Bombay, Poona and Nagpur, a further test is taken of his topographical knowledge of that area and his ability to speak in Marathi fluently, and in the case of Greater Bombay working knowledge of Hindi is also tested. For the purpose of assessing this knowledge of and fluency in Marathi, his academic education in Marathi and for the purpose of judging the knowledge of topographic features of the City, the period of residence in that city are given special weightage. The authorisation once obtained, is not required to be periodically renewed, and is valid so long as the licence is valid. The authorisation is entered on the license itself, and for all practical purposes forms an intrinsic part of driving license.

10. The Motor Vehicles Act gives, by Section 21 (2)(aa), ample power to the State Government to make rules providing for " the minimum qualifications of persons, to whom licences do drive transport vehicles are issued, the time within which such qualifications are to be acquired by persons holding immediately before the commencement of the Motor Vehicles ( Amendment ) Act, 1969, licences to drive transport vehicles and the duties, functions and conduct of such persons." This provision has been added in the latest amendment of the Motor Vehicle Act, and the Rules are being drafted, we are told, to enforce the new provisions. At present no qualifications other than those mentioned above are required to get P.S.V. authorisation. That is to say, a person who may be illiterate, uneducated is not disqualified to be a taxi driver.



11. So far as the duties and the conduct of a driver of a cab are concerned, as many as 34 instructions or rules are laid down by Rule 26 of B.M.V. Rules. The Rules are fairly comprehensive and provide for not only the clean and tidy up-keep of the vehicle but also civil and orderly behaviour and tidy and clean appearance of the cab driver, the manner in which he shall engage or disengage the passengers, and so on.

12. Once this licence and authorisation are given to a person, they cannot be revoked except on the ground of a disease or a disability of the licensee of such a nature as to prevent him from driving safely a public service vehicle. A person with dangerous habits or even habitual criminal record cannot be permanently or indefinitely deprived of his licence or authorisation. Section 16 of M.V. Act - empowers a transport authority to declare a person disqualified, for a specified period only, from holding or obtaining a licence to drive any transport vehicle or a transport vehicle of a particular class or description. Further, before a disqualification for a specific period is imposed, the applicant or the licensee has to be given a reasonable opportunity to defend himself by a show-cause notice. Here also any order must stand the test of judicial propriety, and its norm has only to be <sup>to</sup> maintained "safety, peace, health and good morals of the public."

13. The permit granting authority, for a metered cab, is the Regional Transport Authority. In this State it is a single member authority and Divisional Commissioners of Revenue Divisions are appointed as Regional Transport Authorities of their respective Revenue Divisions each of which constitutes a "region" under the Motor Vehicles Act, except in the case of

Greater Bombay limits, which, under the Motor Vehicles Act, is required to be constituted into a separate region, as it is a Presidency town. The R.T.O. is the Executive Officer of this Authority and is also its Secretary. The meetings of this Authority are held by advance notice to those whose applications or representations would be considered by the Regional Transport Authority in that meeting, and its decisions are recorded after hearing the concerned parties. Permit granted by each R.T.A. for a metered taxi cab is valid only in the Region of that R.T.A. However, it seems that all the R.T.As have mutually agreed that temporary permits could be given by each R.T.A. to a vehicle of its region for plying into other regions of the State, under Section 62 of M.V. Act, to meet a particular temporary need or for the conveyance of passengers on special occasions, such as to and from fairs and religious gatherings, subject, however, to the condition that such permit is not valid for more than 7 days. Normally, the metered taxis are expected to ply only in their respective regions by charging fares as recorded in the meters.

14. We have stated broadly the frame work of the law within which the permit and the authorisation to drive a taxi are to be granted by a Regional Transport Authority. It is with reference to the principles set out above that the decisions of the licence and permit granting authorities are judged or challenged by the concerned persons. From the foregoing, it will be at once evident that strictly speaking there is nothing specifically laid down in the Motor Vehicles Act which compels grant of a permit for a metered cab to only that person who is having a public service vehicle authorisation.

However, in this State, as in many other States, it has been made a necessary pre-condition; from this follows the consequential policy of only one permit per individual for one taxi. Since the taxi is supposed to be driven by the permit holder himself, for majority of the period of its operation, there is naturally a scramble for getting a license to drive a taxi, i.e., P.S.V. authorisation. We were told by the R.T.O., Bombay, that about 40,000 authorisations for Greater Bombay region have been issued so far, and the number increases by about 4,000 every year, while the number of taxis, in Bombay, is increasing by about 1,200 every year. Since there is no time limit for receipt of so many applications, many of which come right at the beginning of the year, and since there is inevitable time taken for verification of the antecedents of the applicants by the police, it takes anywhere between a few months to a year before an applicant can hope to get a P.S.V. authorisation. In order to help maintenance of a serial order, the applications are received only by registered post, and intimation of date of interview is also given by post. This ensures indirect verification of the address of the applicant. Many persons, including drivers of Government vehicles, or of vehicles of public sector undertakings, appear to be holding P.S.V. authorisations, as it is an asset to fall back upon at any time, including during leave and vacation period, when additional income could be raised by driving a taxi. Since the refusal of a P.S.V. authorisation, only on the ground that a person is already employed, would not be tenable, we do not see how obtaining of such an authorisation can be normally prevented if he fulfils all the qualifications and requirements. A

person may claim that he wants to hold the said authorisation but does not want to make use of the same for the time being. It is not relevant, at the time of grant of such an authorisation, to consider whether any more persons with such an authorisation are required. For all practical purposes, for grant of a public service vehicle authorisation, the only consideration is whether a person, who has applied for it, is in all respects fit to drive a taxi cab. Generally, a taxi has to be driven in a day of 24 hours, in at least two shifts, by two people for its full utilisation and it would be impossible to eliminate the system of giving the taxi on hire for some hours for its operation. In Bombay, for instance, there are about 17,000 taxis, of which at least 15,000 taxis may be on the roads during the day time. 40,000 drivers including the permit holders, who hold authorisation to drive a cab, cannot be regarded as an unreasonably large number, but the rate of growth of 4,000 every year, as against increase of taxis by about 1,200 every year, appears abnormally high.

15. So far as the passenger, who has engaged a taxi is concerned, it is the cab driver - whether he is a permit holder or not - who is in charge of rendering the public service, and on his conduct with the passengers and skill in driving the cab, that the image of the taximan is framed. It is, therefore, of urgent importance that while granting a public service vehicle authorisation a thorough test in driving is taken, and careful scrutiny of the applicant is made to ensure that he is fit in all respects to drive a metered cab. We are surprised to find that the rule as it stands today, does not require that a taxi cab driver should be literate. Strictly.

speaking the only special requirements seem to be that in Bombay and Poona, an applicant for driving a taxi must know the topography of the city and be fluent in Marathi, and further in the case of Greater Bombay have some working knowledge of Hindi. We consider this as totally inadequate to qualify a man to be entrusted with a motor cab in the most crowded city in the country viz. Bombay, and also with the lives and property of its citizens. A large number of instructions are issued by the police, from time to time, regulating the movement of traffic by intimating the public and the motorists by notices through newspapers. Further, it is not only the symbols and road-signs, which regulate the traffic of motorists in Bombay, but there are instructions painted on boards installed at road corners suggesting the lanes by which the different types of vehicle should proceed, or tracks for different destinations or suggesting closure of exits during certain hours of the day, and so on. These instructions are generally in Devnagari script as also in Roman script in Bombay. The Motor Vehicles Law itself lays down a number of duties of a driver of a motor cab and the transport authority under Rule 121 lays down the manner in which detailed record of use and details of journey have to be maintained by each permit holder which clearly imply that a cab driver would be able to discharge them better if he is a literate person. There seems to be no doubt that many taximen are not thoroughly conversent with the rules which regulate the plying of vehicles on a public street. This is undoubtedly one of the major reasons behind the universal complaint we receive about the rough manner of driving of taxis by the taximen as also of their behaviour

with the passengers and the public. Since the P.S.V. authorisation can be granted under the rules, vide Rule 4(6) of B.M.V. Rules, only on satisfaction that the applicant is a "fit and proper person to be charged with safe carriage of the passenger and property," and the law itself imposes on him probably the largest number of obligations than on a driver of any other type of a vehicle, we strongly recommend that the grant of a public service vehicle authorisation to drive a taxi by a licensing authority acting under the authority of R.T.A., should be the result of a very thorough test of applicants. This test should cover the knowledge of the applicant on various points including those mentioned above in regard to the safe and careful driving, the provisions of motor vehicle law and the Bombay Police Act which cast obligations on him in regard to the maintenance of the vehicle and observance of traffic regulations, his duties as a cab driver to the public, and so on. The Department could prepare a small booklet on all these matters as a guide to the applicants for P.S.V. authorisation. At present the driving test of an applicant taken for authorisation does not appear to be more rigorous than that of an applicant for a driving license, and the second test appears to be purely nominal. We were not shown any specific higher standards of driving which are clearly laid down and understood by all the Inspectors who take such tests. An elaborate set of instructions or points for testing, amplifying those included in the third Schedule of M.V. Act, as well as those provided by Police Act will have to be laid down for very strict enforcement. The third Schedule which lays down points of Test of Competence to drive, describe

very broadly what are the main skills or actions of a person who appears for a test in driving for the purpose of getting a driving license. But it gives considerable scope to the inspecting officer as well as to the driver to demonstrate his skill in taking " an appropriate course with proper caution giving appropriate signals " while overtaking, or in demonstrating " general control of the vehicle by confident steering and smooth gear changing and braking as and when necessary " " giving appropriate signals at appropriate times " and soon. Good driving habits can be easily noticed within a few minutes of a test, and only if the inspecting and testing officers understand them and enforce them rigorously at test when a driving test for issue of a public service vehicle authorisation or generally for granting a transport license or license for a paid employee is concerned that we will find improvement in the present situation. The test should be taken only by highly specialised inspectors with reference to all the subtleties of driving and observance of traffic regulations and for a sufficient length of time varying from half an hour to one hour, through crowded streets. Adequate number of such specialised inspectors must be provided to cope up with the work.

16. At present the applicants for P.S.V. Authorisation are interviewed by an inspector or Asstt. R.T.O. mainly for topographical knowledge of the applicant. This interview must be thorough, and aimed at finding out whether the applicant knows thoroughly all the rules and regulations that regulate plying of a cab. Since the applicant intends to enter into a kind of public service of a highly specialised

nature, it is the responsibility of the licensing authority to thoroughly verify whether he is equipped to discharge that service satisfactorily. We recommend that this verification be done, at least in Bombay & Poona, by a board consisting of members drawn from the Transport Department, Police Department, and automobile organisations like W.I.A.A. <sup>and taxi trade.</sup> It would be perfectly within the provisions of the Motor Vehicles Law to appoint such a licensing authority viz. a Board, acting under the authority of a Regional Transport Authority " under Rule 4(1) and (5) of B.M.V. Rules, and section 21 J(2)(a) of B.M.V. Act. We do not conceive of any other single important measure by which entry in taxi trade of only thoroughly qualified persons will be ensured, and passengers assured of a reasonably courteous and satisfactory public service. Indeed, that a reform in this direction is found necessary all over the country is evident from the fact that the Motor Vehicles Act has been recently amended, in 1969, in order to enable the State Governments to make rules laying down " the minimum qualifications of persons to whom licenses to drive transport vehicles are issued, the time within which such qualifications are to be acquired by persons holding immediately before the commencement of the Motor Vehicles ( Amendment ) Act, 1969, licenses to drive transport vehicles, and the duties, functions and conduct of such persons " - vide Sec. 21(2) <sup>(a)</sup> of M.V. Act. The Parliament obviously desires that not only the new entrants be subjected to the requirements of qualifications but the existing drivers should also be compelled to acquire them within a specified time. It is obvious that these qualifications necessarily refer not only to mere



driving skill with reference to which he is entitled to get a driving license, but also to such other educational, technical and social qualifications which are essential for driving a public service vehicle in the interest of " safety, peace, health and good morals of the public." A certificate by the Board can be statutorily made a precondition of grant of authorisation to drive a taxi. This will amply repay in ensuring that this important public service is handled only by people who are thoroughly screened. We may add that in comparatively much less important public service vehicles, viz. a stage carriage or a contract carriage bus, operated by the public sector undertakings, such a test or interview is enjoined. We are of the firm opinion that the existing practice of granting P.S.V. authorisation almost to every person, has inducted into this business a number of people who may not be otherwise fit to render the public service.

17. Another important requirement is the educational qualification. We have described in the preceding para how literacy is necessary for discharging the responsibility by a taxi driver, by conforming to numerous traffic rules and regulations. We were told that taximen are required to maintain a log book in which are entered details about journeys undertaken every day, name of the driver etc. We find that the Motor Vehicles Rules require that a conductor of a stage carriage must possess the qualification of having passed fourth standard examination or an equivalent or a higher examination, vide Rule 33 (iv) of B.M.V. Rules. We therefore, urge that a minimum educational qualification must be enjoined on the applicants for P.S.V. Authorisation. Since primary education has been made

compulsory in the State and is freely available, and since the Government is spending such a huge amount for making the population literate by opening night classes, if necessary, it should not be difficult for any person to be literate if he has led his life with any degree of regularity and discipline, and regards himself as responsible enough to be a public service vehicle driver. To begin with, education upto seventh standard could be regarded as minimum necessary for qualifying a person to be a taxi driver, and persons possessing higher qualifications should get the authorisation earlier. We have no doubt that this educational qualification would still provide to this trade adequate number of entrants, and instead of the present ratio of four drivers against every additional taxi, there will be a more reasonable ratio that could be established. We are aware that this qualification may be resisted as too harsh by a large number of illiterate persons who are apparently already entrenched in the taxi trade, and a sudden introduction of a fairly high degree of literacy would be a qualification which probably most of them may not be able to fulfil or acquire. Fairness and practicability demand that the existing Authorisation holders are exempted from fulfilling this requirement; but those who are not old, say below the age of fifty could be made to be literate in the course of a year, and tested for their literacy before continued to hold the authorisation.

18. We further find that the antecedents of an applicant are verified by the police only with reference to the criminal record of the applicant in the town where the applicant has given his present address. It is necessary that,

since under the Motor Vehicles Law, the antecedents of an applicant can disqualify him for a specific period for obtaining a licence, that the applicant is made to declare in the application form itself full particulars about his past convictions, if any. We find that in the application form provided by Sec. 7(2), for licence to drive a motor vehicle, there is already a provision asking the applicant the question whether any licence held by him was endorsed. This question is relevant only if the applicant had already held a license, and was convicted of offences under Motor Vehicles Act. The application for obtaining a public service vehicle authorisation does not make any mention of his criminal antecedents, though inquiry into the applicant's - " character and antecedents " is laid down by Rule 4(5) of B.M.V. Rules. Thus, a person who might have been " a habitual criminal or a habitual drunkard " and can be disqualified on that ground from obtaining a license for a reasonable period, under section 15(1) of M.V. Act, or a person who may have been convicted of serious offences against life and property of citizens or against the State, and, therefore, may be unworthy of the trust to drive a public service vehicle, may yet get a P.S.V. authorisation, if the police station within whose area his present address falls is not in possession of his criminal antecedents. At present no obligation is cast on the applicant to declare his antecedents, though even at a later stage long after a license to drive a taxi is granted, the licensing authority is not precluded from suspending or revoking the license if it is found that the licensee was disqualified to obtain the license. It is

however, necessary to cast a specific obligation on the applicant to disclose his antecedents. We feel that the application form for P.S.V. Authorisation needs to be amended so as to include a declaration by the applicant as to whether he was at any time convicted by Court for any Offences, and, if he was, to furnish particulars of the convictions.

19. It has been a common experience of the enforcement authorities that very often the driver of a taxi is not traced at the address recorded with the licensing authority. The law requires that on change of address the licensee must inform the new address to the licensing authority, but this requirement is observed in its breach. The establishment of the identity of the applicant as well as satisfaction of the licensing authority that the applicant is not disqualified for holding or obtaining a driving license are important considerations on the basis of which application for a driving license is considered under rule 5 of B.M.V. Rules. In the case of an applicant for authorisation to drive a taxi, the licensing authority has to make inquiries into his character and antecedents to find if he is "a fit & proper person," under Rule 4 of B.M.V. Rules. One of the important ways in which this could be ensured is by requiring the applicant to produce testimonials of good conduct and character issued by J.P. or Gazetted Officers of Government or persons of established repute that may be classified by Government. The Board, which we have proposed for granting a certificate or authorisation, could verify the genuineness of the testimonial by independent reference to the issuing authority, and this testimonial could be required to be furnished afresh

at the time of renewal of license to drive a public service vehicle. Further, since identifiable address of a person is important, rent receipts of the place of residence etc. may also be examined to find out the genuine residence of a person. Further, even though domicile certificate cannot be demanded as a condition or a qualification for holding a taxi driving license, duration of stay and awareness of local practices can be relevant and important basis for testing an applicant's fitness to undertake driving a taxi, or later to become a permit holder. Further, we feel that an initial deposit of say Rs. 200/- could also be obtained from a P.S.V. authorisation holder, with a provision that the said amount or a part of it could be confiscated as a penalty for misbehaviour which may have been established before a competent authority. Such a provision normally exists as a part of licences issued under various other acts, and it could certainly be added on the licence or authorisation to drive a public service vehicle. We find that Madhavan Committee also had recommended a similar measure to be adopted at the time of grant of a taxi permit. These measures, to our mind, will ensure that, at least in the future, only persons with good background, social responsibility and certain minimum educational qualification and having a stake in the business are entrusted with driving of taxis, and later are qualified to be permit holders.

20. As regards the grant of taxi permits, we support as sound and reasonable, the existing policy of grant of a metered cab permit only for one vehicle per person, as well as its grant to a person who is holding a P.S.V. authorisation. A metered taxi is a public service vehicle of a

peculiar type and it is expected to render highly personalised and individual service to the passengers or group of passengers which may have engaged it. Further, unlike other types of cabs, such as tourists or luxury cabs, a metered cab is available at the way side on public stands, and can be engaged by any person walking along, while a luxury or tourist cab cannot be offered for hire except by contacting the permit holder at the specified offices. The driver of a metered cab, therefore, is fully responsible for offering the vehicle on contract and fulfilling the terms of contract. We have also pointed out elsewhere that while in a stage carriage bus, which also renders public service, a number of passengers occupy the bus at different stages or stops, on a specified route at specified hours which provides a reasonable measure of safety or security to passengers travelling together, and are controlled by a conductor, a taxi, on the other hand, is engaged as a whole, may be by one person or a group of persons not exceeding four in the case of metered cabs, who are entirely incharge of the movement of the vehicle thereafter subject to the laws regulating traffic. The relationship between a cabman and passengers is, therefore, more intimate, and the passenger and the taxi driver need more mutual understanding and adjustment than in the case of other types of public service vehicles. The basic responsibility and obligations arising from the permit, when the vehicle may be engaged by different passengers, as many as twenty-five times in the course of a day, from various public stands, can be discharged reasonably well only if the permit holder is himself at the wheel, contracting the passengers and carrying them on contract during the major portion of the day. It

is difficult to see how a permit holder, who has the legal responsibility to own the vehicle and to ensure fulfilment of conditions of that permit, can be regarded as fulfilling all the duties and functions of a permit holder in relation to the innumerable passengers that may be contracting his taxi, if he is away from his vehicle as well as passengers who use his taxi, and is unaware, except possibly at the end of the day, as to where the vehicle moved, and whom it carried at different hours, and for what purpose. Such a use of a taxi by a permit holder virtually amounts to transfer of a permit and conferring on a taxi driver all the advantages of a permit. We, therefore, support the basic policy of granting a permit only to a person who holds a public service vehicle authorisation, and further granting only one permit for one vehicle per each such person, as being in full conformity with the nature of a permit granted for a metered cab. We are informed that in Bombay an application for a permit is entertained only after one year from the date of grant of P.S.V. authorisation to that applicant, but that it is not verified whether the applicant did drive a taxi during that period. It is thus quite possible, in the existing policy followed in Bombay region, that a person may possess a P.S.V. authorisation, and then after a year thereafter, obtain a permit, and would have never driven a taxi even for a day. It appears that one year's interim period between obtaining a P.S.V. authorisation and applying for a permit was initially provided as a kind of probation period for a taxi driver to enter the trade, prove his merit by a clean record, get accustomed to the requirement of the business, and prove himself worthy of a permit. This

procedure is sound, and we recommend that no permit should be granted, generally speaking, except to those who can prove their personal experience of driving a taxi in the specific area for which a permit is sought, for a period of at least one year. This period could be reduced suitably, as it is already reduced, we are told, in the case of ex-servicemen with good record; we recommend a similar relaxation or reduction in favour of educated or highly qualified applicants who may prove their genuine desire to enter this trade. If this inquiry is made, viz. experience of the applicant as a driver of a taxi, and due weightage given to the length of years of such experience in granting a permit to an applicant, the system of grant of permit for one cab only per holder of a P.S.V. authorisation may fulfil its objective.

21. Our enquiry with some other States reveals that most of them are following the system of granting permit for one vehicle only to a licensee. In Calcutta, owner drivers are preferred in the allotment of taxi permits; but the maximum vehicles that any single operator can have is three, which may consist of a combination of stage carriage or taxi or anyone of its kind. In Mysore State also, taxi licenses are issued on priority basis to owner drivers, though there is no rule that licenses will only be given to owner drivers. In Tamilnadu, at present many taxi drivers do not own the vehicles, but are hired by the owners who purchase the vehicles on payment of high rates of interest. Government of Tamilnadu has announced that they propose to bring taxi service under own your taxi scheme by providing to taxi drivers loan on easy repayment terms through the Tamilnadu Tourism Development Corporation. A taxi drivers cooperative



Society is functioning in the City wherein those drivers desirous of owning their vehicles become members. We have found that in all advanced countries this has been the general practice, and it has been accepted that combines or firms, or similar organisations, owning a number of vehicles and hiring them out to drivers who really are thereafter entrusted with all the responsibilities of rendering a public service vehicle, is not a sound practice and creates innumerable problems. We have appended to this chapter <sup>II (P-81)</sup> the information gathered by the Indian Roads and Transport Development Association, Bombay Branch, on our specific request, from various countries, about the practice followed in those countries in regard to the number of cabs allowed to be held by one permit holder.

22. On the other hand, we have also found that it would be an unreasonable restriction to debar totally and permanently even a honest hard working permit holder to expand his trade and undertake to ply an additional taxi. We have found that generally a taxi could be driven by two people at different times and many taximen seem to be giving taxis to drivers at least on certain days, though such entrusting of a taxi to a driver, it was stated before us, brings about the deterioration of a vehicle at a faster rate. No good taxi permit holder, who is serious about his business, entrusts his vehicle to an unknown driver. We, however, visualise the possibility of a taximan driving two vehicles owned by him at different times or on different days and keeping a control not only on the mechanical condition of his vehicle but also on the manner in which service is offered to the public. We, therefore, recommend that a maximum of two taxis may be allowed to a

taximan-cum-permit holder, who by his long experience in that trade and good antecedents, as well as sound economic resources, proves worthy of obtaining another public service vehicle permit. We, therefore, do not subscribe to the recommendation of Madhavan Committee that Government should permit fleet operators, who may have large financial resources, to enter this trade, only on the ground that they have financial resources, but may not be present to control the engagements and disengagements of the taxis by their drivers throughout the period the taxis ply on the road. We recommend that cooperatives which enjoin on the members to drive the taxis themselves may be the only organised owner that may be permitted to own more than one taxi. Such cooperatives have run auto-rickshaws in Kolhapur, Nagpur and a few other cities.

23. In order to ensure that the taximan himself normally drives his vehicle and does not rent it out and become only a renter, we may impose a condition of permit that the vehicle should be driven by the permit holder himself during the major period of its operations, except when he is physically disabled to do so or the permit granting authority has exempted him from so engaging himself for a specific period for specific reasons to be stated in writing. This exemption will be available to minors or widows of the permit holders, as also to those permit holders who are physically disabled after they obtained permits. A provision may have to be made in the motor vehicle rules which may clothe the permit granting authority with this power.

24. The renewal of permits should not be automatic. A thorough record of the past service rendered by the applicant.

with particular reference to his driving record and financial resources, may be scrutinized carefully. At present it is almost a routine matter that permit once granted is renewed, on application for its renewal, from time to time. A detailed proforma could be laid down as guidelines for points of enquiry with reference to which the suitability of the applicant to continue to ply a public service vehicle could be judged. The time of renewal could be a time of reverification of the performance of the permit holder, and a time for weeding out undesirable taximen who may have not rendered any service to the public, or who may have clandestinely transferred the permit, or who, by repeated endorsements on their licenses, have proved unworthy to be entrusted with the responsibility to render a public service of running a taxi. It is now laid down by decisions of various High Courts that decrease or increase in the operational efficiency of the applicant, history sheet of the applicant and his clean record, regularity in payment of taxes, are the relevant considerations for deciding the grant or renewal of a permit. ( Vide page 137 of AIR. 1st 1972 edition of Motor Vehicles Act, commentary under Section 47. )

25. The committee has been asked to suggest the limit to the number of permits that should be granted in each region. We find that generally in this State in different regions the permit system is open, and no limit has been imposed on the number of permits that are granted in a region by its transport authority. We are informed that the same open system of permit prevails in capital cities of other States' like Madras. We, however, find that

last year the regional transport authority of Poona and Aurangabad, on representation by the organisations of autorickshaw operators, have stopped granting any more permits on the ground that there is no scope for any more autorickshaw cabs at these places. We find that the main basis of reaching this conclusion was the representation of the existing cab owners, and that independent evidence about the extent of need of additional permits was not available. We would like to point out that by exercising unilateral pressure in preventing the entry of any additional cabs, the organisations may corner this trade in order to further increase their business. Any representation, therefore that may be made under Section 50 of M.V. Act that the existing contract carriages are sufficient for " or in excess of the needs of the region or any area within the region " should be very thoroughly scrutinised with reference to any evidence that may be produced. Generally, the policy should be to permit an appropriate person to be permit holder at any time except where a large scale surrender of permits, on the ground of uneconomic operation or falling demand from the public, clearly establishes that there is no more need of any additional contract carriage. The universal complaint which we heard viz., that cabmen including autorickshaw drivers, refuse to ply in certain direction or at certain hours or for certain distances and apparently feel assured that they will get passengers of their choice, is a sure indication that it is the cabmen, and not the passengers, who control the trade today. We, therefore, strongly urge that there should not be artificial or arbitrary control on the number of permits that are issued from the time to

time, and any objection to the grant of a additional permit should be subjected to strictest proof of adequacy or sufficiency of the existing number of permits. It may, however, be desirable that sudden fluctuations by grant of too many permits on one date or within a specified limited time is avoided, as it may disrupt the balance of trade, as for instance it happened at Poona. We gathered that a few hundred permits for autorickshaws were given within a short time of a few months. This creates the problems of obtaining the vehicles at a short notice, which again raises their value in the market to a high premium since they are a controlled commodity and are not easily or freely available in the market. A sudden increase, further, has a direct impact on the earnings of those already in the trade, which are suddenly reduced. Such a fluctuation is harmful to any business. It would, therefore, be a sound practice to ensure that the release of permits <sup>has</sup> have some regularity and relation to the growth of the city, its commerce and mobility of labour and population. In order that a choice in selecting a permit holder is available, and, further, in order to ensure a steady and regular growth of cabs, a transport authority may fix the number of permits that would be issued in a year, at the beginning of that year, with reference to the number already issued on an average in the preceding two or three years, and a marginal increase provided on the basis of the past rate of growth. The availability of vehicles is also an important limiting factor, since the production of the motor vehicles is fully controlled and the number of cars produced in the country seems to be almost constant, inspite of increasing demand.

Application for grant of a contract carriage permit can be made at any time under section 57 (1) of M.V. Act, and representation against grant of any additional contract carriage permit can also be made at any time, as provided by Sec. 50 of M.V. Act. It would be a sound practice to consider grant of new permits, and pool together all the applications received once a quarter, so that it should be possible to make a selection from the applicants, as also increase the number with a certain regularity in frequency.

26. The validity of a cab permit in regard to the area is another important issue on which the committee received various views. A cab permit, as every other permit, is valid for only the area of the regional transport authority which granted it, unless it is a tourist vehicle, or the various transport authorities have mutually agreed to extension of area for which the vehicle can ply on the permit, or thirdly the permit holder approaches another R.T.A., for countersignature on the permit, vide Sec. 63 of M.V. Act & Rule 83 of B.M.V. Rules. In our State, luxury or tourist cabs which do not ply on meter, and which can be hired by only contacting the permit holder at his office or similar other place and which has to conform to certain higher standards of design and comfort, vide Rule 129 of B.M.V. Rules, are given permits having area of operation of the entire State. The metered cabs, on the other hand, can ply only within the region, and if on special occasions it is engaged to move out of the region, it must take a temporary permit for a specific journey which cannot extend beyond seven days, as per mutual concurrence of all the R.T.As of this State. It may further be added that under

Sec. 123 (2) of M.V. Act, a motor vehicle can be used without a permit " in an emergency, for the conveyance of persons suffering from sickness or injury or for the transport of materials for repair or of food or materials to relieve distress or of medical supplies for a like purpose, provided that the person using the vehicle reports such use to the Regional Transport Authority within seven days." The permit of a metered cab is thus normally restricted to the region of the permit granting authority. The region, however, is an administrative contrivance or arrangement and may not represent a commercially united area for the purpose of transport. Thus, for instance, Greater Bombay area, which is the region of Bombay for a permit, is getting extended, for commercial and industrial purpose, into a metropolitan region spread over the neighbouring Talukas of Thana District; similarly, southern portion of Ratnagiri district, which is a part of Thana Region, has closer commercial and, therefore, transport and communications link with Kolhapur District, which is in Poona region. So far as passenger traffic is concerned, each such areas of frequent mobility and dependence need to be identified, and free movement of adequate number of public service vehicles including taxis, between such areas ensured. If the need of metered cabs is established, their permits should be either countersigned or extended for that neighbouring area. It appears prima facie strange that while a metered cab of Poona can ply over the entire Poona region which has a stretch of over two hundred miles upto Kolhapur and Sholapur in the south where it touches Mysore State, a Bombay taxi cannot cross Mulund and enter the adjoining

Thana industrial area or Thana City. The taxi trade of Bombay has urged that the taxis of Bombay should be authorised to ply in the Thana industrial belt.

27. The extension of area of permit of Bombay taxis to the industrial belt of Thana District, presents a different set of problems. These taxis must continue to be metered taxis and ply only on meters. It is necessary that the fares in the industrial belt of Thana, where these taxis will be plying, must be the same as that which applies <sup>to</sup> taxis in Bombay. Further, it is likely that the Thana taximen also may demand a reciprocal extension of permit to Bombay region. We are, however, not sure as to whether many Bombay taximen or taximen from Thana would like to ply in the extended area, as we havenot received any suggestion from taximen from Thana about their desire to ply in Bombay. Further, for plying in Bombay, the taximen of Thana will have to get an endorsement on their authorisation of having satisfied the R.T.C. Bombay about their knowledge of topographical feature and of Hindi language as well as capacity to speak fluently in Marathi. Above all, we have found that generally a taximan likes to ply as near as possible to the place of his residence, or where the taxi is parked at night time, in order to save empty return journey at the end of the day. This is undoubtedly one of the many reasons why the taximan refuses to ply in certain direction, particularly at late hours. Thus, the taxi engaged at V.T. would not be taken by its driver to Thana, unless it is a Thana taxi wanting to return home. Effort could be made on an experimental basis, of permitting taxis which have the address of owners at the north end of Greater Bombay to ply



on Thana Belapur road or Thana - Bhiwandi - Kalayan road or Ghodbunder road; similarly Thana taxis could be allowed to enter Bombay up to Dadar Railway Station, since taxis plying all over Bombay beyond that point would be readily available from that terminal point. Specific stands for such taxis, which are entitled to ply from Bombay to parts of Thana industrial area, and conversely from Thana industrial area to Bombay, could be erected, where the passengers and taximen could easily find each other for mutual benefit. We are aware that CIECC have started a service of stage carriages plying on a loop route proceeding from Dadar to Thana - Belapur industrial belt across Thana Creek Bridge, and proceeding further to Thana and back to Dadar. This service is highly patronised and is fulfilling a growing need. On the other hand, the luxury or tourist cabs satisfy primarily the need of managerial class of industrial and commercial sectors, who can afford to pay about Rs. 80/- a day for such taxis. In between these two public service vehicles, a metered cab may possibly serve the need of the remaining section of society. In order to identify easily such metered taxis, they may be painted with specific letters or marks, easily visible from the front and the rear, showing that this vehicle can be engaged for plying between Thana industrial area and Bombay.

28. Similarly, it seems that about fifty and more metered cabs are plying regularly on temporary permits, valid for about four days at a time, between Bombay and Poona which route spreads over three regions viz. Bombay, Thana and Poona. Bombay-Poona journey is not charged as per meter,

on Thana Belapur road or Thana - Bhiwandi - Kalayan road or Ghodbunder road; similarly Thana taxis could be allowed to enter Bombay up to Dadar Railway Station, since taxis plying all over Bombay beyond that point would be readily available from that terminal point. Specific stands for such taxis, which are entitled to ply from Bombay to parts of Thana industrial area, and conversely from Thana industrial area to Bombay, could be erected, where the passengers and taximen could easily find each other for mutual benefit. We are aware that CIECC have started a service of stage carriages plying on a loop route proceeding from Dadar to Thana - Belapur industrial belt across Thana Creek Bridge, and proceeding further to Thana and back to Dadar. This service is highly patronised and is fulfilling a growing need. On the other hand, the luxury or tourist cabs satisfy primarily the need of managerial class of industrial and commercial sectors, who can afford to pay about Rs. 80/- a day for such taxis. In between these two public service vehicles, a metered cab may possibly serve the need of the remaining section of society. In order to identify easily such metered taxis, they may be painted with specific letters or marks, easily visible from the front and the rear, showing that this vehicle can be engaged for plying between Thana industrial area and Bombay.

28. Similarly, it seems that about fifty and more metered cabs are plying regularly on temporary permits, valid for about four days at a time, between Bombay and Poona which route spreads over three regions viz. Bombay, Thana and Poona. Bombay-Poona journey is not charged as per meter,

but on a charge of Rs. 80/- per journey each way. Bombay-Poona taxi service is supervised by the representatives of the taxi trade at Bombay and at Poona, as we were informed, and from the experience of a few members of the committee, has been rendering highly satisfactory service to the public. There is a specific stand at Bombay at Khodadad Circle, near Dadar Railway Station where taxis of Poona, which arrive at Bombay from Poona with passengers, with temporary permits, issued by R.T.C. Poona as well as taxis of Bombay holding temporary permits granted by R.T.C. Bombay for going to Poona, line up on the basis of the time of their reporting to a Controller appointed by Taxi Trade Bombay, who maintains a register of the taxis which line up in a queue for going to Poona. The passengers, intending to go to Poona by taxi, approach this Controller, who issues to them a fare-ticket, and further records the particulars of the taxi which carries them to the Poona. Any taxi plying without queuing at the stand and without ticket of passengers issued by Bombay Controller is treated as having violated the discipline and is dealt with suitably by the R.T.C. Similar arrangements are made at Poona Railway Station which is the terminal point for Bombay taxis. As these stands are controlled all over 24 hours by the Taxi Trade by appointment of staff for the purpose, a service charge of Rs. 1/- is collected, for which an official receipt is issued. It was represented that similar organised taxi service between Bombay and Nasik or between Poona and Kolhapur may be started. It may be observed that the basis of efficiency of Bombay-Poona taxi service lies in the self imposed discipline by taximan to queue up at the appropriate stands and accept the passengers introduced at this place

but on a charge of Rs. 80/- per journey each way. Bombay-Poona taxi service is supervised by the representatives of the taxi trade at Bombay and at Poona, as we were informed, and from the experience of a few members of the committee, has been rendering highly satisfactory service to the public. There is a specific stand at Bombay at Khodadad Circle, near Eadar Railway Station where taxis of Poona, which arrive at Bombay from Poona with passengers, with temporary permits, issued by R.T.C. Poona as well as taxis of Bombay holding temporary permits granted by R.T.C. Bombay for going to Poona, line up on the basis of the time of their reporting to a Controller appointed by Taxi Trade Bombay, who maintains a register of the taxis which line up in a queue for going to Poona. The passengers, intending to go to Poona by taxi, approach this Controller, who issues to them a fare-ticket, and further records the particulars of the taxi which carries them to the Poona. Any taxi plying without queuing at the stand and without ticket of passengers issued by Bombay Controller is treated as having violated the discipline and is dealt with suitably by the R.T.C. Similar arrangements are made at Poona Railway Station which is the terminal point for Bombay taxis. As these stands are controlled all over 24 hours by the Taxi Trade by appointment of staff for the purpose, a service charge of Rs. 1/- is collected, for which an official receipt is issued. It was represented that similar organised taxi service between Bombay and Nasik or between Poona and Kolhapur may be started. It may be observed that the basis of efficiency of Bombay-Poona taxi service lies in the self imposed discipline by taximan to queue up at the appropriate stands and accept the passengers introduced at this place

only by their Controller. If similar arrangements can be made at Nasik and Kolhapur, we recommended that similar service also be started on these routes, to begin with on a small scale, and expanded in the course of time. It may, however, be noted that sooner or later the existing temporary permits will have to be replaced by substantive permits, and since these taxis do not ply on meter but ply on specific routes and from specific stands only, and at specific fares, they may have to be regulated by a special set of conditions of permit.

29. One other important matter, to which we would like to refer in this chapter, relates to the rivalry or competition between taxis, i.e. cars plying on hire on the one hand, and autorickshaws or tempos on the other. The carrying capacity of autorickshaw in Western Maharashtra is two adults and one child, excluding the driver; while in Nagpur region as many as four passengers can be carried in the same type of vehicle but with slight modification in sitting arrangements. The three wheeler tempo has been recently added to the list of taxis, though the vehicle appears to be primarily designed for carriage of goods. It is used as a cab in Nagpur and Aurangabad regions, and has a seating capacity varying from 4 to 5 passengers. It may be noted that the three-wheeler tempo, which is an enlarged design of a autorickshaw, is rather an unstable vehicle for carriage of passengers with speed, and was found to be generally much overloaded by R.T.A. Aurangabad, who seems to have discouraged this kind of vehicle, as it was found generally plying in that region for movement from Aurangabad city to out lying

villages as a stage carriage. Since the number of passengers carried by a tempo is more or less the same as that carried by a taxi, even though the former is a far less comfortable and more risky type of vehicle, and further since the fares of tempo are lower than that of taxi, undue competition was found between such vehicles and taxis, which gave rise to unfair practices. Thus, for instance, about 30 taxis in Aurangabad which are old imported models of the 4th decade of the Century, but continue to ply on the outskirts of Aurangabad without meters, in a highly unsatisfactory manner, compete with the tempos in over-loading and plying in a hazardous manner over the Mofussil roads. We found that where even the number of passengers carried in autorickshaw was in excess of two adults, as in Nagpur region, the taxis met with a stiff competition and their number has remained almost static if not actually decreased. There has been an occasional demand by public, which seems to be spring up particularly when taxi-men in Bombay resort to strike or demand an increase in fare, that there should be autorickshaws permitted to ply on hire particularly in the suburban areas of Bombay. Poona has the largest number of autorickshaws in Maharashtra, and the rate of their growth is phenomenal, while the number of taxis there is almost static. The same situation prevails in Kolhapur and to a certain extent in Aurangabad which are fast developing areas of this State. Autorickshaws seem indeed to stifle the increase of taxis. ( see - P- 12-2 )

30. We have observed the great traffic congestion and retardation of vehicular speed in general by autorickshaws in central parts of Poona which has narrow roads by modern

standard. An autorickshaw is basically a slow moving vehicle and can be safely driven only where fast moving vehicles and particularly heavy vehicles, whether buses or trucks, are not plying along with it. In Poona city where the mode of transport is predominantly by cycles or scooters, the autorickshaw, at one time at any rate, fitted into the pattern of vehicular traffic. But with the rise in the number of buses and trucks, and particularly of double decker articulated type of buses, a great danger is already faced by passengers travelling in autorickshaw in the central parts of Poona City. It is particularly dangerous to travel in the autorickshaw on a National Highways out side the city limits. We are told that there are one or two autorickshaws, permitted to ply since some years ago in the suburbs of Bombay, and that the traffic advisory committee of the police department as well as the State Transport Authority, Maharashtra State, have unambiguously expressed their opinion against permitting autorickshaws in Greater Bombay limits on the ground of safety and mobility of traffic. We are entirely in agreement with this opinion, as Bombay probably is the only metropolitan area of this country, where the number of vehicles in the category of scooter, motor-cycle etc. is proportionately smallest, and in the absence of such slow moving vehicles like cycles or autorickshaws or scooters, the pace of traffic is comparatively satisfactory.

31. We would like to mention that a large number of cycle rickshaws in Nagpur city, which are about 8000 to 9000, and which are driven by manual labour riding on them over the undulating roads of Nagpur, have prevented the

growth of cabs. Since their fares are very low, the initial investment being not more than about Rs. 1,000/- and maintenance cost is low, they are patronised by the local population who are apparently used to be driven in them and who are used to seeing them driven by gasping and perspiring riders in the hottest summer to which that area is exposed every year. It is true that this mode of transport is better than a handpulled rickshaw, such as one finds in the south or in Calcutta. Nonetheless, as a mode of public transport, it is an anachronism and does no credit to any city, much less to a city which is almost a second capital of an advanced State like Maharashtra. We were told that efforts are made by Government for allotment of autorickshaw on priority, and by the banks to advance loans, to the enterprising applicant for taxi permit in Nagpur region. We, however, found that the main problem is not of either non-availability of vehicles or of finance for them, but of restricted patronage to autorickshaws by the local population who seem to favour the cheaper though inhuman mode of transport by cycle rickshaw. The only way in which the motor vehicular traffic could be improved in Nagpur is by a determined elimination of cycle-rickshaws in stages, so as to avoid a sudden unemployment or dislodgement of the existing trade. This measure should be taken more as a social reform, and implemented with all the care with which a social reform is introduced.

31. We have examined separately in another chapter, other related social and traffic problems and suggested measures for healthy growth of this essential public service.

.....



CHAPTER - II

"CONCENTRATION OF PERMITS" AND "CLANDESTINE TRANSFER OF PERMITS"

1. Government of Maharashtra appointed this committee to suggest inter alia, ways and means (a) to reduce the concentration of permits of taxis in one or more persons, (b) to prevent the clandestine transfer of permits in favour of unauthorised persons, (c) to encourage owner driven taxis in the trade so as to curb the practise of permit holders renting out taxis to drivers, and (d) for regulating increase in the number of permits from time to time. Government later clarified that Autorickshaws should also be included in the scope of enquiry of the committee. The committee had sought a clarification from Government as to whether Government had any information about the concentration of permits in a few persons. Government informed the committee by their letter Home Department No. MVA-6471/B-951-XII-A dated 13.11.72 that they had no definite information on this point, but that it is general knowledge that this is the position. We were thus left with only the method of local inquiry with the permit granting authorities, the taximen and their Organisations to find out whether there has been any concentration of permits of taxis or autorickshaws. We may straightaway say that there is no basis for any feeling that permits are concentrated in a few persons. Hence, there is no question of devising ways and means of reducing their concentration.

2. Indeed, right from 1950, when the taxi population in Bombay was about one thousand, and elsewhere it was rarely noticeable, the permit granting authorities have been granting permits to only taxidrivers, i.e. to those who hold authorisation to drive taxis, and have granted to each permitholder to

own only two taxis to those who were owning a large number of taxis earlier and later from 1950, only one taxi at a time, by each permit holder. Thus, there was no scope over the last twenty five years for any person to hold more than one taxi, or a maximum of two, in this State. Our enquiry with Regional Transport Officer Bombay has confirmed our conclusion <sup>and</sup> that there are about seventy persons who have two taxis on their permits. Prior to 1950, a large number of taxis were owned and operated by a few individuals, who themselves were not always holders of public service vehicle authorisation. Obviously, the then Bombay Government was, as early as in 1950, alive to the problem that could be created by concentration of taxi permits in, and cornering of this important public service by, a few individuals.

3. Indeed, as we have already pointed out in the preceding chapter, one of the major ills of this trade can be the concentration of this public service in the hands of a few persons, who may have vast financial resources but who may not be public spirited nor skilful managers. To repeat, it is of great importance to bear in mind that a taxi and a autorickshaw is a public service vehicle of a highly specialised category, and even though it is classified in this category along with a bus which also carries passengers on hire, it differs in many ways from other public service vehicles in the service it offers to the public. The most fundamental characteristic of the services it offers is its intensely personalised nature. Its maximum sitting capacity cannot exceed six excluding the driver as per Section 2 (15) of Motor Vehicles Act. In practise an autorickshaw is generally permitted to carry a maximum of only two adults, while most of

the metered taxis are permitted to carry only four adult passengers. Secondly, it is engaged as a whole by a passenger, and its plying is under the control of the passenger who engaged it, subject to traffic and other regulations imposed under the law. For all practical purposes it provides the same privacy and comfort and freedom to its occupier as is provided by a private car. This basic purpose of a taxi cab can be fulfilled only if the driver of this vehicle is fully aware of his social and moral responsibility in maintaining an atmosphere and relationship with passengers which respects their privacy and freedom when they are travelling in his vehicle. The relationship cannot be one of pure and simple monetary contract, but involves exceptional courtesy, understanding and good will between the driver and his passengers. The good maintenance and careful driving of the vehicle is also an important consideration. All these requirements, which are based on a personal relationship between the two, can be more easily fulfilled if the individuality of taximan, his identification with his taxi and permit are ensured. It is not easy to create this working situation and relationship where the sense of personal involvement is reduced by large scale operation of a fleet of taxis by a manager and the taxi driver is reduced to only a wage earner. This, we found, as elaborated in the preceding chapter of this report, is a well established universal trend of thinking on this matter and any monopolistic control of taxis, including such an ownership and control by a public or Government body, is not in the best interest of this trade.\* It would indeed be ideal if the permit holder and owner of vehicle is

\* Please refer to Appendix IV to this chapter (P-85) .. 47 ..

are secret or undetectable and legally invalid or unenforceable, public authority will not be able to prevent them. Their number, however, could be substantially reduced, if while granting or renewing a permit the financial background of the applicant is very carefully scrutinised.

5. There have, however, been apparently legal and express hypothecations or hire-purchase agreements, duly executed on stamped papers, and which were endorsed on Registration Certificates of taxis also, and which later became a subject matter of litigation in courts. They appeared under a legal cover, and seemed to be legitimate and legally enforceable. The taximen's organisations have engaged a lawyer for rescuing their members who appeared to be entangled in the cobweb of such legal complications. We attempted to find out from the licensed money lenders, who seem to have entrenched in this trade, the manner in which the financing of taxis is made by them, but we got no response from them, except from Chandok Finance Corporation who sent their collection officer or clerk for interview. Even though we were told that the private money lenders have a declining business in the financing of taxis, mainly on account of entry by nationalised Banks in this business since last couple of years, they still continue in the business since they are more easily approachable and appear to advance large sums without delay. We have felt it necessary to tear open the apparently legal cover of a basically illegal and unconscionable transaction named "hirepurchase agreement" which seems to enjoy a status and recognition even by public authorities.

6. Shri Yeshwant R. Ingle, the advocate who has appeared before civil Courts in Bombay on behalf of a number of taximen who fell victims to the " Hire Purchase Agreement " of money-lenders, has given us the well established forms of these agreements or documents on the basis of which money lenders seem to deprive a taximan of his vehicle. We have reproduced them as appendices to this report. The most common form is the execution of a " Power of Attorney " by the owner of taxi and permit holder, by which the money lender is appointed as a " Power of Attorney " of the taximan, and entrusted with full authority to use and enjoy the vehicle and permit, and its attendant benefits, and also liabilities in respect of the same. This is a pure and simple transfer. There are other cases where such a transfer is shown to be on consideration of money received for purchase of the vehicle or otherwise, and the transfer is conditional and can be redeemed by regular instalments of a fixed monthly amount to the financier. These documents are in English and very often are not understood in their true meaning by most taximen. Further, the financier also obtains other documents, such as T.T.O. prescribed by Rule 60 (1) of Bombay Motor Vehicles Rules, signed blank by taximan to indicate that the vehicle is transferred by the taximan in favour of the financier who fills up the details at any future date most convenient and appropriate for him to show that the vehicle is legally transferred to him..The physical possession of the vehicle is very often the most crucial thing, and sheer force is used to deprive a taximan of this possession of the vehicle. It is at this stage that the taximan, if assisted by his organisation and advocate, that the matter goes to a court of law more for arbitration or for

personal to the person who obtained it; and, except in the case of the death of a permit holder, when his successor can use the vehicle on that permit under conditions laid down by Section 61, no other person can use the said vehicle in a matter authorised by the permit. Thus, even if a taxi is seized forcibly or by deception taken away by the moneylender, he does not get any right to ply it as a taxi. The legal remedy available to him is to approach the registering authority i.e. the appropriate Regional Transport Officer, under Rule 59 of B.M.V. Rules, and under subrule (5) of that Rule, ask for a duplicate Registration Certificate, which application can be considered by the Regional Transport Officer only after giving the taximan - the owner - an opportunity of being heard. This is what is attempted to avoid, as it brings to light the whole unconscionable transaction. In any case, even if the financier succeeds, he can get only the vehicle in his name in the registration record of Regional Transport Officer but will have no right to use that vehicle as a taxi, and is forced to change its registration number from transport series to nontransport and use it as an ordinary car. He gets no benefit of permit, since the vehicle is deleted from the permit. Further, if it is disclosed to the permit granting authority that even the permit was really transferred by the taximan, the permit itself can be suspended or cancelled as " the holder of the permit ceases to own the vehicle " under Section 60 (1) (c), or because " the holder of the permit uses or causes or allows a vehicle to be used in any manner not authorised by the permit " under Section 60 (1) (b) of the same Act. This consequence is what neither

the usurer nor the taximan desires, as the usurer is not interested in only getting the vehicle or its value, but also wants the permanent benefit of permit, while the taximan fondles the hope that at some distant future, or as a result of a Court's order, he will be able to get out of the financial entanglement and ply the vehicle without encumbrance.

8. It is interesting to note that inspite of the alleged large prevalence of the types of agreements mentioned in the preceding para, the Regional Transport Authority seemed to be unaware of the blatant violations of conditions of permit, even though, in many cases, the fact of such agreements was noted on the Registration Certificates under Rule 59 of Bombay Motor Vehicles Rules. There was no provision in the Motor Vehicles Act layingdown the manner in which such an endorsement could be made, though the Registration Certificate provided for such an endorsement. Obviously, the Rules framed by Bombay Government, under that Act, took care to elaborate how such an endorsement could be made or deleted. Section 31-A of M.V.Act which was added in 1970, now makes it obligatory on the registering authority to make an entry in the certificate of registration of a hire purchase agreement.

Nor were the <sup>w</sup>layers or taximen's organisations seem to have been <sup>keem ho</sup> enforce this condition of permit. Indirectly, therefore, every person or authority appears to have unw<sup>r</sup>ittingly contributed to the perpetuation of the greatest evil which has eaten into the vitals of this trade and which totally defeated the State policy of distributing the permits.

9. The Motor Vehicles Act or Rules thereunder donot make it mandatory that parties to H.P.A. ( Hire Purchase Agreement ) must inform the Registering Authority of the fact

of such agreement with a request to enter the said fact in the registering certificate of the vehicle. If the parties choose to keep such agreements secret or undisclosed, or for some reasons decide not to have it endorsed on the registration certificate no authority can be accused of connivance. The Motor Vehicles Law makes it obligatory on the registering authority to enter the Hire Purchase Agreement only at the time of registration of a vehicle or at the time of its transfer. Thus, the Hire Purchase Agreement or hypothecation agreements entered by taximan with a usurer after he obtains a permit and after registration of a vehicle as a taxi may not be disclosed to nor endorsed on the Registration Certificate by Regional Transport Officer. The parties may therefore enter into and continue all kinds of financial transactions which affect materially the very basis of permit, and yet not inform the transport authority. It is of vital importance that every financial arrangement in regard to a taxi must be disclosed to the permit granting authority. We recommend that so far as taxis at any rate are concerned, the Bombay Motor Vehicles Rules should be suitably amended, either by a suitable provision in Rule 59, or in Rule 86, pertaining to conditions of permit, that every H.P.A. or Hypothecation Agreement or similar other financial agreement in respect of a taxi must be disclosed to the permit granting authority and application for its entry in Registration Certificate made to the registering authority. A copy of every such agreement should be produced before the Transport Authority and kept on its record. This provision will be in pursuance of Sections 59 and 60 relating to invalidity of transfer of



permit and prohibition of transfer of a vehicle on permit.

10. Such an addition to the existing Rules is further necessitated, as the provisions of the Motor Vehicles Law compelling the "owner" of a vehicle to inform the registering authority of change of ownership and of transfer, under Section 31 of M.V. Act and Rule 60, do not apply to the change of ownership on account of hire purchase agreement, as the definition of the term "owner" under section 2 (19) of Motor Vehicle Act, includes "the person in possession of the vehicle which is subject of a hire purchase agreement." In the case of a hire purchase agreement, the ownership of the property really vests in the person who has hired out the property, while the custody and enjoyment of the property is with the person who has taken the property on hire with either an option or a right to be its absolute owner on fulfilment of certain conditions. Thus, when a taximan buys a vehicle from the market and succeeds to its title and has his name endorsed entered as the registered owner of that vehicle under section 31 of the Act, and thereafter or simultaneously enters into an Hire purchase Agreement with a money lender and becomes a hirer of that vehicle, no change of "ownership", for the purpose of motor Vehicle law, is involved and since there is no transfer of "ownership", no intimation to the Registering Authority under section 31 is required to be given. It appears that the concept of "ownership", with which the Motor Vehicles Act is primarily concerned is related to the person bonafide in possession of the vehicle even though he may have no heritable or transferable title over it, nor freedom in use of

the vehicle, if the vehicle is taken on hire under a H.P.A. Normally, a good financier would have his name entered in the registration record of a vehicle, and also later in the event of default in repayment of loan, apply to the Regional Transport Officer for getting a duplicate of the registration record after taking possession of the vehicle. A usurer who has no courage to disclose either the agreement or his real ownership of a taxi may not go to Regional Transport Officer at all for effecting any such changes, and claiming to be a power of attorney, and with the connivance of the taximan, continue to appropriate all the benefits of plying a taxi. If this is correct, and on the other hand, so far as the permit is concerned, it is strictly personal to and meant for exclusive use by its holder and any abridgement or surrender of this right in favour of another person by any agreement violates that basic condition of permit, provisions in law and administrative arrangements will have to be made to co-ordinate the entries of H.P.A. agreement in the Registration Certificate and the effect of such entries on the permits on which these vehicles ply. Reduction of the status from absolute ownership of a vehicle to that of a hirer of the same vehicle makes no difference for the purpose of entries in the registration of the vehicle; but similar change of status in respect of the use of that vehicle, if that vehicle is a transport vehicle, affects the very validity of that change. The interlinking of the two provisions can be brought about by amendment we have suggested above.

11. The root cause of this kind of devious and clandestine agreements is that permits are easily obtainable even

by persons with no resources to utilise the permits properly. The Madhavan Committee analysed this cause at a great length and had suggested concrete methods of preventing transfers of permits which defeats the very purpose of controlling and granting permits. They observed, " As the only principle criterion in grant of a taxi permit was holding of a taxi driving license, the better type of taxi operators were very rapidly driven to the wall and the trade has been dominated by some of the poorest specimens of citizens in this country during the last ten years ..... The policy of owner-driver permit system has put a premium on the increase on the number of taxi drivers more than necessary because holding of taxi driving badge has become the principle criterion for grant of a taxi permit." ..... That committee recommended three main ways of reducing this malaise. In the first place, " in granting owner-driver permits, adequate check of the financial resources available to the prospective permit applicant must be instituted and in fact no applicant should be granted a permit <sup>unless</sup> under he is able to produce proof of a bank deposit of at least 30% to 40% of the investment necessary ( i.e. in around a figure of Rs. 5000/- ) in the shape of his own capital as well as a proof of his ability to raise the remainder from recognised, accredited sources of financiers, namely either a cooperative society or recognised hire purchase agency." Secondly, only a person with residence in Bombay for at least five years, and with clean antecedents as borne out by a testimonial of character of respectability by at least two respectable persons, was suggested to be considered eligible for getting a permit.

Further, it was suggested to take from every permit holder a security deposit of Rs. 200/- at the time of grant of permit which is augmented by Rs. 75/- at the time of every renewal raising it upto a maximum of Rs. 500/-. Thirdly, the committee recommended grant of some permits to one concern either cooperative, or partnership or jointstock company, which may hold a certain number of vehicles which can constitute a viable unit of efficient maintenance and operation. This, according to that committee, would ensure financially better type of operators and put an end to " the evil of unscrupulous financiers. " Providing adequate agencies for easy finance to the trade, was of course recommended by that committee.

12. We find that Government do not seem to have given careful thought to these suggestions of the Madhavan Committee mentioned above. The first suggestion regarding the financial backing of the applicant is indeed very sound and were it implemented the evil would have been eradicated long ago. Financial worthiness of an applicant for permit for a taxi is a basic requirement in all countries, as also in important cities of this country take Madras. Indeed, we find that enquiry into the financial soundness of the applicant for a luxury or tourist taxi permit holder is instituted before granting him a permit. We, therefore, take this opportunity to stress the necessity of enquiring into this aspect of the applicant while considering his application for a metered taxi. Section 49 of M.V. Act read with Rule 80 of B.M.V. Rules lay down the requirements of an application for a contract carriage, which includes a metered taxi.

However, in the case of a cab which includes a metered cab as well as a tourist or luxury cab " the manner in which the public convenience will be served by the vehicle " is not required to be stated. The application prescribed in the form P.CO.P.A., in which the application for a metered cab is filed, gives further particulars about the applicant and the vehicle, but makes no reference to the financial capacity of the applicant to render the public service for which an application is made. The main criterion by reference to which an application for a permit for a public service vehicle is considered is whether, if there is a demand by the public for a public transport, the applicant is equipped to fulfil that demand satisfactorily and continuously for a period of at least three years, which is the minimum period of permit of public service vehicle. In considering this aspect, not only the type and model of vehicle are relevant issues, but also the personal resources of the applicant and his capacity to conduct the trade with financial and administrative and technical competence are also equally, or possibly more, important considerations, as they determine whether the service which the applicant would render to the public would be efficient or not. We, therefore, feel that application of these considerations to the grant or refusal of a permit will not be struck down as irrelevant or arbitrary by any judicial authority. We have been informed that in Madras, the transport authority enquires into the financial soundness of the applicant before a taxi permit is granted to him. A number of High Courts including that of Bombay have pronounced that

financial soundness is a relevant consideration in granting a permit., vide BIJR 785 ( 787 ) DB Chandrika Board Vs. State. In order that every transport authority as well as the applicant for a taxi or auto-rickshaw permit is made aware of this basic requirement, we recommend the form P.CO.P.A. prescribed by B.M.V. Rules' may be so amended as to bring out the applicants credit worthiness and financial resources to not only buy a vehicle but to continue to operate it in a good condition. A permit obtained without fulfilling this requirement will sooner or later pass into the hands of unscrupulous financier, notwithstanding the various schemes of financing the taxi trade by public and socially controlled bodies, or the high profitability of the trade on account of good fares.

13. We have pointed out else where that even a Bank does not give the entire capital to buy a taxi and expects the borrower to find his own resources to the <sup>time</sup> of rupees five thousand to eight thousand rupees, and that not more than three fourth of the value of the car is advanced by any Bank. We, therefore, reiterate the recommendation of Madhavan Committee that an applicant for a taxi permit must prove that he has his own saving accumulated over a period of time or derived from bonafide sources. He should further be treated as credit worthy borrower by a scheduled bank or well established public financing agency, before he is considered financially fit for grant of a permit. This scrutiny, together with the necessary amendments to the B.M.V. Rules which will provide that the H.P.A. is always intimated to the permit granting authority, the terms of the said agreement are disclosed to and scrutinised

by it to verify that the permit is still fully enjoyed by the permit holder not only at the time of grant but every third year at the time of renewal also, will ensure that the Government and the law have provided adequate safeguards to prevent the duping of even the most innocent among the taximen by any apparently legal methods of a financier. But where the taximan as well as his financier collude and enter into secret transactions which have neither legal basis nor tenability in any court of law, and settle their disputes by mutual consent and accept risks attendant on such a conduct, no saviour of public interest can prevent such doings. As and when such secret and clandestine transactions come to light, drastic penal action should be taken against both viz. taximan for transferring his vehicle and permit, and against the financier on whom the right to use that vehicle as a taxi could not be conferred, and who could be regarded as having used a vehicle as a taxi without permit. The consequences that can follow are cancellation of a permit, under section 60, suspension of registration of that vehicle upto four months, under section 33, and conviction by a Criminal Court under Section 123, which a maximum fine of Rs. 1000/- can be imposed for the first offence and a minimum of Rs. 500/- and a maximum of Rs. 2000/- for every subsequent offence, as well as seizure and detention of the vehicle by the Police or Motor Vehicles Officers under section 129.A of the M.V.Act. We strongly recommend that these provisions of law be rigorously enforced.

14. As regards the other two remedies, viz. residence in the city of the applicant where he proposes to operate a taxi for at least five years, and the grant of taxi permits to those who possess viable number of vehicles to be used as taxis, which are mentioned by the Madhavan Committee, we have taken the liberty of examining them independently as they are made more in the context of good behaviour and efficient public service by a taximan, and to our mind, are not intrinsically connected with prevention of clandestine transfers of permits on account of financial stringency of a permit holder.



A P P E N D I X - I - TO CHAPTER II

GENERAL POWER OF ATTORNEY.

KNOW ALL YE BY THESE PRESENTS, that I, Ibrahim Valli, an Indian Adult Inhabitant of Bombay, presently residing at Rehmani Restaurant, Kayyum Building, 79 Moreland Road, Bombay 8, do hereby send GREETINGS :-

WHEREAS I am the registered owner of a Small taxi cab presently registered in my name as MRR 5270 ( which is a Fiat car, model 1968 ) fitted with an Argo taximeter & Engine No. PA 30376. Chassis No. PA 016837 & covered by my PCoP permit No. 1060 issued to me by the Secretary, Regional Transport Authority, Bombay, AND WHEREAS it is expedient to appoint some fit and proper person to efficiently conduct the business of the said taxi cab No. MRR 5270 in the City of Greater Bombay, I therefore hereby appoint, constitute, nominate and Ordain Shri Suleman Ibrahim also an Indian Adult Inhabitant of Bombay, presently residing at 71, Moreland Road, New Iqtifa Hotel, Bombay - 8 to be my TRUE & LAWFUL ATTORNEY, for me in my name and on my behalf to do the following among other things, acts, deeds & matters, etc., viz :

1. To take full charge and possession of the Small taxi cab No. MRR 5270 and to run and ply the same on hire in the City of Greater Bombay and to do so on such sanctioned routes and in such regions as may be permitted by the Regional Transport Authority, Bombay.

2. To make applications to the Regional Transport Authority, Bombay, and the Municipal Authorities and file appeals before the State Transport Authority, Bombay, and to correspond with all the Insurance companies and enter into other general correspondence pertaining to the business of the said taxi cab No. MRR 5270 and/or PCOP Permit No. 1060 covering the said taxi cab.
3. To file suits, cases in respect of the said vehicle in the Civil/Criminal/Appellate courts and submit plaints, declarations affidavits, memorandums, and appeals and submissions etc., before such courts.
4. To sign all letters, appeals, applications, forms, memorandums etc., and to file defence statements in the Civil/Criminal or Appellate courts and to pay process fees, withdraw moneys, compound and compromise cases and/or withdraw the same and apply collect and receive all such dues and refunds of all such moneys due to and in respect of the said vehicle and to also use for all such recoveries.
5. To protect my rights and interests in all traffic offences, cases, and other matters in and outside the courts ( Civil/Criminal/Appellate ) and to execute and sign Bonds, Securities, etc., to secure releases of the vehicle in cases the same is involved in and seized under any offence whatsoever including the offences under the Prohibition Act.
6. To apply for and secure Stay Order(s) for all such cases and matters pertaining to the said vehicle and to appear before the State Transport Authority and/or before Civil/Criminal/Appellate Courts.

7. To appear and represent me as my Attorney before all Police Stations and Police Authorities in connection with the said vehicle and accidents, and to defend the vehicle and my rights therein before such Police Authorities, and before Civil/Criminal/Appellate Courts.
8. To appoint, advocates, pleaders or vakils or agents and to delegate to them such powers as my attorney herein may deem fit & proper.
9. To file claims, for all accidents, and to also receive claim-moneys from such insurance company(ies) and or other party(ies) or individuals for such accidents and other matters concerning the said vehicle and wherein the said vehicle may at any time in the future be involved or be concerned.
10. To give the said vehicle for plying on hire as a Public Service Vehicle and appoint drivers, cleaners, etc., and pay them their commission(s), wages, etc., and obtain from them receipts and discharges and to also sign the driver's Log Book and properly maintain and keep the same posted upto date in my and on my behalf as my Attorney.
11. To pay all municipal & governmental taxes, etc. fines, penalties, casses, assessments, levies, etc. as well as insurance premia and to obtain valid receipts & discharges for all such payments made in connection with the said taxi cab No. MRR 5270 & to also obtain such valid receipts for all payments made and pass receipts for all payments received in my name.
12. To apply for and secure transfer of or surrender of the said permit No. PCOP 1060 covering the said taxi cab No. MRR 5270 and to also convert the said taxi cab into

a private car and to obtain private registration number for the said vehicle and to dispose off the same to any one whatsoever and transfer the said vehicle with the permit as a running taxi cab or without the permit as a private car to his own name or to the name of any one else as my said Attorney may hereafter deem suitable and proper.

13. To raise finances for the business by mortgaging and creating lines over the said vehicle and to pay such instalments that may so become due and payable to such financiers under mortgage agreement/deed and the said attorney is hereby authorised to sign such mortgaged deeds and/or other such assurance whatsoever.

14. To apply for and secure the duplicate copies of the Registration certificate, fitness certificate, insurance certificate/Policy, etc, and to apply for renewal of the PC OP permit No. 1060 covering the said taxi cab No. MRR 5270 and for the issue of the duplicate copies of the permit parts 'A' & 'B'.

15. To cause to be done the major or minor repairs to the said taxi cab or the meter fitted to it and to also cause alterations, replacements of spares, additions, etc., to the said vehicle as may be found necessary by my said Attorney and to also do such other things and matters and deeds as may be required for the efficient running of the said taxi cab business as well as for passing thereof by the Regional Transport Authorities at Bombay.

16. To change the insurance company(ies) and insure the vehicle with any insurance company under Comprehensive insurance policies or any other type or mode of insurance scheme.

17. To make applications and secure the allotment of cars under the State Quota for taxis and to replace the said vehicle under my said permit No. PCOP 1060 covering the said taxi cab No. MRR 5270 with any other make of vehicle and to sign all such forms, applications to the R.T.O., Bombay, the S.T.A., Bombay, or to the Home Department and to enter into other general correspondence in all and every respect whatsoever concerning this or any other work whatsoever, in regard to the said taxi cab No. MRR 5270.

18. AND GENERALLY: to do all such lawful and reasonable acts, deeds & things as may said attorney hereby lawfully appointed by me may deem fit and I hereby record that this General Power of Attorney is IRREVOCABLE by me in any case and I hereby undertake that all and whatsoever my said Attorney shall do or so cause to be lawfully done, under these presents. I hereby agree to ratify and confirm the same.

IN WITNESS WHEREOF, I, the said, Ibrahim Valli do hereby set and subscribe my hand hereunto at Bombay, this 24th day of January 1973.

i.e. \_\_\_\_\_  
( Executant )

Before me,

Holder of MDL No. 35639 Expg. on  
\_\_\_\_\_ BADGE No. 2269

Explained, interpreted &  
identified by me.

X4133.2315.N7t ADVOCATE HIGH COURT, BOMBAY.

L3

.. 67 ..

205976

A P P E N D I X - II - TO CHAPTER II

A F F I D A V I T

I, SIMOR PETER D'SILVA, an Indian Adult Inhabitant of Bombay, presently residing at B.I.T. Block, at Marys Road, Mazgoan, Bombay - 10, do hereby solemnly affirm and state on oath as under :

2. That I am the holder of the small taxi cab permit No. PCOP. 21027 issued to me at Bombay, by the Secretary, Regional Transport Authority, Bombay, which is presently covering taxi No. 3328 ( which is a Fiat car, model 1969, fitted with the Argo taxi meter No. 18931.

3. That I have sold the said taxi cab along with the USAGE of permit No. PCOP 21027 covering the said taxi No. MRP 3328 to Shri AMBROSE LEWIS of Bhorl Chawl No. 7A, 1st Floor, Room No. 26, Badhu Rangeri Street, Bombay - 8, for a total CASH consideration of the sum of Rs. 20,000/- (Rupees Twenty Thousand only ) received by me from him immediately before the execution hereof and the receipt of which sum, I do hereby admit and acknowledge and I further record that there is nothing due to me as and by way of balance out of the said Sale Price.

4. That the said Shri AMBROSE LEWIS has agreed to pay and I have agreed to accept the sum of Rs. 50/- ( Rupees fifty Only ) per month, on account of the USAGE of the Permit No. 21027 as and by way of permit hire/permit royalty/permit-usage, etc. covering the said taxi cab No. MRP 3328 from the date of commencement of the said agreement

executed by me on and from 2nd April 1973 in his favour until the expiry of the said Agreement and I do hereby also acknowledge having received in advance on account of the said USAGE a further sum of Rs. 1,800/- (Rupees One Thousand Eight Hundred Only ) calculated @ Rs. 50/- per month as per hire/permit usage, etc. for the period of (3) three years with effect from the 2nd day of April 1973 to the 1st day of April 1976.

5. That I do hereby further confirm that although the taxi cab sold hereby herein is registered in my name on account of the requirements of the M.V. Rules, but actually the owner thereof is the said Shri AMBROSE LEWIS ONLY and I have no rights therein in the ownership thereof except that it is 'name-sake' registered in my name on account of the technical requirements of the law and also except that the monthly remuneration as USAGE of Permit are paid to me against the said Permit No. PCOP 21027 covering the said taxi cab.

6. That I DO HEREBY RECORD that the period of agreement for USAGE of permit which is from 2nd day of April 1973 to 1st April 1976 (3) years. I do hereby agree and undertake to extend according to the requirements of the said Shri Ambrose Lewis and I do hereby also authorise Shri Ambrose Lewis to replace and/or convert the said vehicle viz. MRP 3328 registered under my PCOP 21027 in my name with any other type, make and/or model of the car and to sell off the same as a running taxi cab business to any one whatsoever and/or replace it with any other vehicle and convert it into a private car and sell off the same to any one whom the said Shri Ambrose Lewis may hereafter desire, and in such an

event I legally and morally bind myself to sign agreement and other documents in favour of any with whomsoever the said purchaser herein will so command me to do at any time in the future.

7. That I further undertake that after the expiry of the said period, if I wish to purchase back the said taxi cab, I shall be lawfully bound to pay the said purchaser herein the then prevailing market value of the said taxi cab, meter and the goodwill of the said permit No. PCOP 21027 covering the taxi cab No. MRP 3328, which ever car and meter may then be found registered under the said permit of mine and much value of car and the meter as well as the goodwill of the permit will then be ascertained from the market and will be paid by me in cash to the said purchaser herein.

8. That I further undertake not to disturb the efficient running and smooth conduct of the said Taxi Cab business of MRP 3328 at any time during the currency of the said agreement in any manner whatsoever and I shall further undertake that I shall not take away forcibly or otherwise secure or obtain or apply for temporary surrender or suspension or permanent cancellation of PCOP Permit No. 21027 covering the said taxi cab No. MRP 3328 above referred in any manner whatsoever and I also undertake and morally and legally bind myself to make good all the losses so sustained by the said Shri Ambrose Lewis or any other person or persons under him as a direct result of the suspension or permanent cancellation of the said permit No. PCOP 21027 on account of



any default or breach of terms of the agreement on my part.

9. That I have at the instance of and for the financial assistance required by the said purchaser herein viz. Shri AMBROSE LEWIS secured monetary assistance for the purchaser by entering into a loan agreement with Messrs. Mercantile Co-operative Bank Ltd. of Bombay, to whom their dues are to be paid by various agreed instalments and the liability and responsibility for the payment thereof now for ever hereafter rests with the said purchaser Shri AMBROSE LEWIS, herein alone and the said purchaser has agreed to keep me fully secured absolved and indemnified from all payments on account thereof AND notwithstanding what is contained in the clause herein, an otherwise solvent and do owe nothing to anyone else and in case it is at any time found that I have liabilities to any one, I hereby undertake to keep the said purchaser fully secured and absolved and indemnified from all payments on account of such dues and shall be personally responsible for all costs and consequences for all such ~~mis~~statements and ~~mis~~declarations and ~~mis~~representations under civil and/or criminal law.

10. That I further affirm and solemnly declare that I shall not have any objection if the said Shri AMBROSE LEWIS applies for and secures the transfer of the said taxi cab No. MRP 3323 either to his own name or transfer it to any one else, he may so desire and I hereby give my permission, consent and authority through this in advance, in case such transfer of the taxi cab with the permit is allowed under the M.V.Act 1959, and the rules framed thereunder.

11. That in case of transfer of the said taxi cab as a running business or as a private car to which it may be converted later, to the name of the purchaser herein viz. Shri AMBROSE LEWIS or any one else under him and I do hereby INDEMNIFY the Regional Transport Authority, Bombay, against all and every such claim whatsoever that may so arise, and I do hereby absolve the said Regional Transport Authority, Bombay, and the authorities of the State of Maharashtra against all responsibilities, /claims, arising out of such transfer of the taxi cab as a running cab for its conversion into a private car and sale and/or transfer thereof to anyone's name that the purchaser may so request.

12. And, I do hereby also confirm that in case I die without leaving a heir, the said purchaser herein shall have every right to get the Permit PCQP 21027 transferred to his name along with the Taxi Cab No. MRP 3328 as a running taxi cab business.

13. That, whatsoever is stated hereinabove is correct and true to the best of my knowledge and belief and I believe the same to be true and I solemnly affirm that I have not withheld or mis-stated any material facts or truth herein, and I believe the contents hereof to be absolutely true and correct.

SOLEMNLY AFFIRMED AT BOMBAY, this  
Second day of April 1973

B E F O R E M E

i.e. \_\_\_\_\_  
(Deponent)

Holder of MDL No. \_\_\_\_\_  
expiring on \_\_\_\_\_  
Badge No. \_\_\_\_\_

Expained, interpreted & indentified  
by me :

Advocate High Court, Bombay.

APPENDIX - III - TO CHAPTER II

AGREEMENT

THIS AGREEMENT made at Bombay, this 2nd day of April 1973 by and between Shri Simon Peter D'Silva and Indian Adult Inhabitant of Bombay, presently residing at B.I.T. Block St. Marva Road, Mazgaon, Bombay-10, hereinafter called the Party of the FIRST PART (within expression shall deem to include his heirs, executors, administrators & assigns where the context so admits of the One Part) AND Shri Ambrose Lewis ALSO an Indian Inhabitant of Bombay, presently residing at Bhori Chawl, No. 7A, 1st Floor, Room No. 26, Badhu Rangeri Street, Bombay-8, hereinafter called the Party of the SECOND PART (which expression shall also deem to include his heirs, executors, administrators and assigns where the context so admits of the Other Part):

WHEREAS the Party of the First Part is the sole registered owner of the Small taxi cab No. MRF-3328 registered in his name under his F.Co.P. Permit No. 21027 as held in the records of the R.T.O. Bombay, AND WHEREAS the Party of the First Part has expressed his desire to retire from the business of the said taxi cab No. MRF-3328 registered in his name AND WHEREAS the Party of the Second Part has expressed his desire and approached the Party of the First Part to allow and permit the Second Party to run the said business of taxi cab No. MRF-3328 in the name of the First Party herein, and WHEREAS the Party of the First Part has agreed and consented to allow and permit the Second Party to run the said business of the said taxi cab in the name of the First

Party herein, and WHEREAS the Party of the First Part has agreed and consented to allow and permit the Second Party to run the said business of the said taxi cab in the name of the First Party herein for the sole profit and gain of the Second Party AND WHEREAS the Party of the First Part has this day allowed the Second Party the right of USAGE of the said permit also, bearing P.Co.P. Permit No.21027 under which the said taxi cab is registered in the name of the First Party herein AND WHEREAS the Party of the First Part has this day agreed to accept and the Second Party has agreed to pay to the First Party the value of the said vehicle, viz. IRP-3328 (which is a Fiat car, of 1969 Model, fitted with the Engine No.PA 48394 and the Chassis No.PA 034924) and the value of the said taxi meter No.21027 of Agro make fitted to it and a sum of Rs.20,000/- (Rupees Twenty Thousand) being the total value of the car and the meter this day collectively agreed, has been paid by the Second Party to the First Party which the First Party hereby admits having received from the Second Party as and by way of consideration and WHEREAS the Parties hereto have mutually agreed to certain terms and conditions of this Agreement which they wish to reduce into writing IT IS THEREFORE AGREED BY and BETWEEN the parties hereto as under:-

- 1) That the Agreement shall be deemed to have commenced from the date of these presents and shall terminate as hereunder provided.
- 2) That the Second Party has this day paid to the First Party the sum of Rs.20,000/- (Rupees Twenty Thousand Only) being the value of the Car (IRP 3328) and the value of the said taxi meter fitted to it and the receipt of which sum of Rs.20,000/- the First

Party both hereby admit and acknowledge, and the First Party both hereby admit and confirm that it has accepted the above amount in full and final consideration of the value of the said car and the said meter fitted to it, and there remains no balance on that account payable to the First Party.

3) That the physical possession of the said cab with the meter as well as the Registration Certificate, Fitness, Insurance certificate and permit Parts 'A' and 'B' as well as Drivers' Log Book shall remain with the Second Party hereafter who alone will ply the said vehicle himself or through drivers for his personal gain and profits and as such he alone shall be responsible for all the losses whatsoever, including the claims on account of the accidents, traffic and other offences, and the Second Party shall keep the First Party fully absolved and indemnified therefrom and the First Party will NOT claim any rights to drive the said cab on commission basis and the Second Party shall be entitled to give the same for plying for business to any licensed and authorised driver of public service vehicles.

4) That the Second Party is hereby allowed the USAGE RIGHTS of the Permit No.P.Co.P. 21027 under which the said taxi cab No.MRP 3328 is registered in the name of the First Party and the First Party shall as such be entitled to nett compensation of Rs.50/- (Rupees Fifty) per month as and by way of consideration/permit-hire/permit-usage/permit-royalty, etc. during the period of currency of this agreement and such USAGE RIGHTS of the permit are hereby allowed by the First Party to the Second Party initially for the period of ( 3 ) Three years from date hereof, and which

period, at the option of the Second Party, shall be further extended by ( 3 ) Three years subject to the same terms and conditions as herein contained or those in addition to which the parties may hereafter agree at that time.

5) That the Permit No.P.Co.P. 21027 against which the said taxi cab No.MRP-3328 is registered in the name of the 1st Party will NOT at any time during the currency of this Agreement, and until the 2nd party possesses the said taxi cab, be withdrawn by the 1st party and neither the First shall voluntarily surrender the permit or secure suspension or cancellation thereof from the permit-issuing authorities, but the 2nd party will have the right to return back the said permit at any time at his pleasure and goodwill, and 1st party will give and render ALL sorts of assistance and help to the 2nd party to convert the said taxi cab into a private car and secure the registration number as such, and transfer the same to and in the name of the Second Party herein or his legal heir's, and nominee (s) without demanding any consideration in cash or kind as the same is already received by the First Party herein full settlement, for the car and the meter above referred.

6) That the First Party shall be bound to renew the USAGE rights of the permit for further period of (3) three years in case the 2nd party so demands in the name of the 2nd party or in the name of his nominees of heirs and on such renewal the 2nd party shall be bound to pay to the First Party such compensation as and by way of permit-hire/permit-usage/permit-royalty, etc. as may be then prevailing in the market and as the parties hereto may at the

time of such renewal of this Agreement so agree upon mutually.

7) That in case the 2nd party wants to retire from the business of the said taxi cab No.MRP 3328 and the First Party wishes to re-enter the same AFTER the expiry of the period of agreement, in such an event the first party shall be bound to pay the then prevailing market value of the car, the meter and the good will of the permit No.P.Co.P. 21027 to the 2nd party, and the 2nd party on receipt of such value in cash from the 1st party will transfer all his rights and title in the said business back to the First Party. In such an event the value of the car and the meter that will then be found registered under the said permit P.Co.P.No. 21027 will be ascertained from the market together with the good will of the said permit.

8) That the First Party will have No right to enter into any sort of agreement with any other party in respect of the said taxi cab or replace the said vehicle under his said permit without the prior permission or consent in writing obtained from the Second Party AND while the First Party will NOT have any right to mortgage or encumbe the said vehicle, the meter or the permit, the First Party will be entitled to create a pledge against the said taxi cab to raise finances and the authority for that is hereby granted by the First Party to the Second Party and the responsibility for repayment of all such loans raised by the Second Party will be that of the Second Party ONLY and the Second Party will keep the First Party fully secured and indemnified there from, and the First Party fully agrees and confirms that the said vehicle is free from all encumbrances and, he, the first party,

will be personally responsible for all the debts incurred by it before or after the execution hereof, and the First Party shall keep the Second Party fully secured and indemnified from all payments and expenses on account thereof.

9) That the First Party hereby confirms that it shall have NO rights whatsoever in the said taxi cab except that it is registered in his name and that the first party is entitled to USAGE rights of the permit No.P.Co.P. 21027 and which payment would (of usage rights) immediately cease on the expiry of the period of agreement which is subject to further renewal and the said party today clearly understands that excepting the rights to receive the monthly compensation on account of the Usage rights of the Permit the First Party shall NOT claim any rights in the ownership of the said taxi cab and shall have NO rights to inspect the books of account of the said business of taxi cab No.MRP 3328, however the first Party shall not be responsible for any losses that may be so sustained by the 2nd Party in the said business and also all the expenses for the maintenance of the vehicles, meter, cost of petrol, oil, spare parts, repairs, etc., and penalties, fines will be paid for and borne by the 2nd party alone who also be responsible for all the penalties and fines as well as criminal offences under the M.V.Act (Rules) and prohibition Act, etc., and such other offences wherein the said taxi cab may at any time in future be involved, including the payment of the Municipal and Governmental taxes which will be all borne and paid for by the 2nd Party alone.

10) That the 2nd party shall have the right to get his name en-



dorsed in the registration book of the said taxi cab No. MRP 3328 as the Hire Purchase party as and when desired for the safety of its rights and interests in the said vehicle and the meter purely, at his own cost.

11) That for the proper conduct of the business the 2nd Party has been granted by the 1st Party a General Power of Attorney vesting in the 2nd Party all the powers of ownership of the said vehicles, with the authority to deal with it in any manner whatsoever and to sign all papers, forms, petitions, declarations, affidavits, agreements, etc., and appeals and also has vested in the 2nd party the rights and powers to sell of the said vehicle and/or convert it into a private car and transfer it to his own name or to the name of any one else.

12) That the First Party both hereby agree that the ownership of the said car and the meter hereafter solely vests in the 2nd Party alone and that the 1st party both hereby allow grant and permit the 2nd Party to replace the present car and the meter hereinabove mentioned with any other model, make or type of car and meter as may be permitted by the R.T.O. Bombay, at the expense of 2nd party.

13) That in case 2nd party wishes to sell off the business to any one the first party shall be given first preference, and in case first party does not wish to purchase it then the 2nd party shall have the right to dispose it off to any one else and the 1st party shall be bound to execute fresh agreement on similar terms as herein contained.

IN WITNESS WHEREOF, the Parties hereto have herein to set  
subscribed their respective hands the day and the year first  
hereinabove written.

SIGNED SEALED & DELIVERED BY the  
withinnamed, 1st Party, viz.

Shri Simon Peter D'Silva,

in the presence of :-

1.

2.

1st Party

SIGNED SEALED & DELIVERED BY the  
withinnamed, 2nd Party, via,

Shri Ambrose Lewis

in the presence of :-

1.

2.

2nd Party

A P P E N D I X - IV - TO CHAPTER II

IN THE BOMBAY CITY CIVIL COURT AT BOMBAY

Award Petition No. 172 of 1972.

In the matter of Arbitration Act X of 1940

And

In the matter of Arbitration between :

M/s Chandok Finance Corporation,  
a firm registered under the Indian  
Partnership Act 1932 and carrying  
on business at Jamna Biwas, 2nd  
Bhawan, Girgaum Road, Bombay - 4.

... Petitioners

Versus

Ramkedar Thakurprasad Chaube,  
residing at Room No. 5, Darasingh  
Chawl, Gali No. 3, Sahkar Road,  
Kol Doongri, Bombay - 60.

... Respondent

Mr. J.N.Purohit for the Petitioners,

Mr. B.A.Shtty for the Respondent

~~Case~~ : His Honour Judge Shri H. Suresh

( In Chambers )

Friday, the 6th April, 1973.

ORAL JUDGEMENT

This is a petition under the Arbitration Act under Section 41 read with Schedule 2 of the Arbitration Act for the appointment of the Court Receiver in respect of a taxi. The Petitioners appear to be financiers, and it is their cases that the respondent entered into a hire-purchase agreement has been annexed to the petition, and that is at Ex. A. There is also a declaration which is also at Ex.B to the Petition.

2. I may say that the hire purchase agreement is one of those usual printed hire-purchase agreements in respect of taxis or cars, which we generally find with these financiers. The declaration seems to have been obtained at the time this agreement was signed, and that is also dated 22.1.1972. The agreement also contains a clause for referring the disputes to the arbitration of one Mr. Jain Advocate, Bombay. It is the case of the petitioners that the disputes have been referred to the said Mr. Jain Advocate by the petitioners.

3. Prima facie it appears that the reference is a unilateral reference, and if that is so, that reference cannot be considered as a valid reference ( vide AIR 1973 ALL 49 ) Therefore, it is doubtful as to whether it can be said that the arbitration proceedings are valid and binding at the moment.

4. Mr. Purohit submitted that even otherwise Court Receiver can be appointed, and the Court has necessary powers to appoint Court Receiver in a proper case. Assuming Mr. Purohit is right in his submissions, in my view, this is not a case where the Receiver should be appointed. Basically, these agreements are agreements to finance, and it is nothing but a comouflage to describe this as hire-purchase agreement. The necessary facts in the present case are that in respect of this taxi, there was an earlier hire purchase agreement. That was some time in 1969. That was not disclosed in the petition as such. It further appears from the affidavit that this car was in the name of one Parikh, and in September 1969, it was purchased in the name of the respondent. It is the case of the

respondent that he had not enough funds with him, and that is why he approached the petitioners for the purpose of finance. Therefore, if the taxi stood in the name of the respondent, and he purchased in his own name and if the necessary permit and other documents stood in the name of the respondents, this agreement is nothing but an agreement to finance.

5. The respondent in his affidavit has stated that he took delivery of the car on 22.9.1969, and since then he had paid various instalments. His grievance is that petitioners have taken signatures on various papers including blank papers. According to him, by about April 1972, he had paid a sum of Rs. 21,050/-. He thereafter approached the petitioner company to know whether any balance was due, and it appears that he was told that a sum of Rs. 8500/- was due to the petitioners. It is the case of the respondent that the taxi was purchased for a sum of Rs. 18,000/- and he had only Rs. 4,000/-, and he had only borrowed a sum of Rs. 14,000/- from the petitioners. It is not unknown in the City of Bombay where these financiers in respect of purchase of taxis, entering into such agreements with inflated claims which not only include the original loan but also interest calculated in advance in their own way, and their dividing the aggregate and showing them payable by various exorbitant instalments, and I am inclined to believe that this is one such agreement. Therefore, when the respondent says that he had paid various amounts, and he had paid a sum of Rs. 21,050/- as against a sum of Rs. 14,000/- borrowed from the Petitioners, this can be considered as a case where the petitioners who are financiers have charged exorbitant interest, and have exploited the whole situation.

6. The respondent further says that thereafter the petitioners sought to take forcible possession of the taxi from him. He then filed a complaint at the police station. This was on or about 30.4.1972. Thereafter he filed a suit in this Court being Suit No. 5093 of 1972 on or about 31.5.1972. He obtained an ex-parte injunction restraining the defendants from taking forcible possession of the taxi, and I am told that the petitioners have given an undertaking not to take forcible possession of the taxi. It is further put on record in the affidavit in reply that a notice was sent on behalf of the respondent through his advocate Mr. Patil calling upon the petitioners to render accounts and to cancel the agreement of hire-purchase. This allegation in the affidavit in reply has not been denied by the petitioners in the affidavit in rejoinder. If this is so, this is nothing but a case where accounts will have to be taken and one does not know as to what is the actual position. Therefore, in a case like this, no Receiver can be appointed. Every allegation made by the petitioner has been denied. In a suit, more so in an arbitration petition where the reference itself is doubtful, and where the claim itself is disputed no Receiver can be appointed. I, therefore, passed the following order :-

7. ORDER : Petition Stands dismissed. However there will be no order as to costs.

6.4.1973.

Sd/- H.Suresh

Judge.

Typed by : Party

Compared by : 1)

with : 2)

( Ref. No.        /73 )

IN THE BOMBAY CITY CIVIL COURT AT  
BOMBAY

Award Petition No. 172 of 1972

M/s Chandok Finance  
Corporation.        ... Petitioners

Versus

Ramkedar T. Chaube.        ... Respondent

Certified copy

of

ORAL JUDGEMENT

Dated the 6th day of April, 1973.

A P P E N D I X - V - T O C H A P T E R I I

The practices followed in different countries in controlling the number of cabs that a permit holder can hold, and in the licensing of cabs.

.....

Canada:-

Each Municipality in Canada is responsible for the regulation of the taxi cabs operating within its boundaries. Some of the cabs are operated by the owner-cum-driver while the others are leased on a daily basis to drivers by the Company owning the taxi fleet.

The Quebec provincial Govt. has recently taken over the jurisdiction <sup>over</sup> ~~from~~ taxi cab from province. As this has only occurred in the last month (February, 1973) no information, on whether this method of regulation is more effective than the former one, is available. There is a general provision in all the regulations controlling the taxi cab that when a licensee is seriously ill or has a serious injury, he has to deliver his license to the licensing officer for safe custody till he recovers and produces a medical certificate of his fitness after illness. For being eligible as a licensee, either as a driver or owner of a taxi cab, a person is required to be at least 18 years of age, to be a continuous resident in that particular province for 2 years immediately preceding his application, to have worked as a taxi cab driver for a period of 2 years immediately preceding his ap-



plication. The applicant for a taxi cab owner is further required to have a telephone, a waiting room for the use of his taxi cab drivers and the general public; however, this qualification is not required in respect of a taxi owner who has five or less taxi cabs.

The applicant for a taxi cab driver's license is required to pass written examination on his knowledge of traffic regulations and his familiarity with streets, public buildings and places within or adjacent to the city, and the person is required to obtain at least 50% marks in order to qualify for a taxi cab driver's license. If a license ceases to use his license he is required to return the license to the licensing authority. Similarly, when a licensed taxi cab owner or licensed taxi cab driver has not used his license for at least 60 days during a period of 90 consecutive days, the licensing authority can suspend the license. Further, when a taxi cab owner ceased to possess the vehicle, his license is also required to be suspended. In case a driver is appointed to drive a taxi cab, the driver's identification card has to be specifically endorsed for driving that particular cab and no change is permissible without specific permission and endorsement of the licensing officer. Every licensed taxi cab owner is thus required to file with the licensing authority before the 31st January every year, the name and address of the taxi cab driver who is operating a taxi cab and is further required to inform within 2 days after that driver has ceased to operate his taxi cab. If the taxi cab driver's license is not renewed, the

taxi cab owner's license also stands suspended.

Australia:-

In Australia, different Constituent States have different Transport Regulation Boards for issuing licenses. In Victoria for instance, the Transport Regulation Board issues licenses, not to the Cos. or Organisations but to the best qualified applicants, who are invariably taxi driver not already owning taxi permits; first preference is given to the full time drivers, whose character and record as a driver, and financial position are satisfactory. The license is required to operate from an establishment depot or organisation which exerts some control and discipline over drivers and owners affiliated to it. It is also a condition of permit that the owner must drive and operate his vehicle as his sole income earning occupation. A permit is initially issued on probation of one year and during that period the owner is required to produce satisfactory record of operations before his permit is renewed. There are various safeguards to ensure that a owner is operating his taxi properly.

Normally, only a person who has a satisfactory service as a taxi driver for 8 to 10 years, hopes to get a permit in his turn, as per the serial order of his application. This system is said to be working very well though it has been found that a very small percentage of drivers who had put up a good performance over a long period were not still getting a chance of becoming owners, when their savings were lost.

England:-

In London, the Home office is responsible for the law on taxis. Taxis are known there as Hackney carriages and their drivers are licensed by the Commissioner of Police of the Metropolis. About 45% of taxis belong to owner-drivers, the rest to large firms. Licences are granted only to drivers of good character and who have good knowledge of London area. It takes a driver between one or two years to acquire sufficient "Knowledge of London" to pass the test, this has the effect of restricting the numbers entering the trade and discourages casual working.

In the provinces of England, taxis and their drivers are licenced by the local authority for each of their area, and there is considerable variance in the licensing policy. Certain area restricts licences to owner drivers only and this has been found to be a better system.

New Zealand:-

Many years ago, taxi cab licences were owned by Cos, which employed drivers and provided telephone services. However, they became uneconomic and sold their licences to drivers. These taxi cab drivers have formed an organisation for the purpose of providing telephone service. This organisation provides service station, repair shops and so on.

New licences are almost entirely restricted to individuals, and preference is given to experienced and competent people who have been drivers for some years. Although the taxi cab licencee is required to ensure that the taxi cab is operated efficiently,

the law permits him to employ a driver who may be on a full time basis; or a casual driver may be employed at night or in the week end to enable the licensee to enjoy some leisure time. It is a universal practice in New Zealand for a driver to take 40% of the gross income as his earning. This encourages him to extend his hours and give good service to the public.

Philippines:-

The practice in the Philippines is the small to minimum fleets of 5 to 50 units of taxis. In 1968 a scheme was introduced in the Senate to permit enterprising persons to own and drive their own taxi cabs. Under that provision a car owner, who has no police record and who has a professional driver's licence, may own one-unit taxi. In spite of popular support to this Legislation it was not passed. The Philippines Better Road Association has supported the bill.

Chapter III

" The economics of taxi trade & recommendation  
on revision of taxi fares. "

1. One of the terms of reference of this Committee is " to suggest the manner in which the revision of taxi fares can be linked to operating costs as suggested by Madhavan Committee ". As a necessary preliminary, " a study of the actual cost structure of operating taxis, " which is another term of reference, was essential. In the light of these two references, the consequential observations about " the adequacy of the existing fares and the need, if any, of their revision " which was another term of reference, were inevitable. We have divided this chapter into two parts; the first part deals with taxis ( cars on hire ) plying on meter and with a seating capacity of four adults, which is the normal type of taxi; the second part deals with Autorickshaws plying on hire with seating capacity of two adults, which is normal type of such a vehicle.

2. It may be necessary to recall briefly the observations of the Madhavan Committee on similar points, in Chapter II of their Report. That Committee analysed in 1966, the economics of operation of taxi trade in detail and isolated various elements of expenditure and revenue. Conditions of trade have changed over the last seven years. Among the most significant new element, which must be now included, is the availability of finance through the Banks to the taxis, which are classified as a " priority sector " for advancing loans, as per the State policy, soon after the nationalisation of Banks. We have separately examined in other parts of our Report, the extent to which this policy has actually been worked out, and have also suggested its more effective implementation. The policy has

been implemented since barely a couple of years, and can be expected to meet the full needs of the trade in the immediate future. As a result of large scale entry of the nationalised banks to finance the transport sector, the dependence of taximan on usurers, who charged an interest varying from 20% to 30% per annum for the loan advanced for purchase of a taxi, is reduced, and can be totally eliminated in the course of time so far as a thrifty and responsible taximan is concerned. The Banks now advance loan to taximen at the rate of interest varying from 11% to 12% per annum, on reduced advance.

3. We could not get an objective statistical data based on any scientific survey of the extent of kilometrage operation of a taxi on an average per day, of the number of engagements a taximan gets on average per day, the average number of kilometres per each engagement, the number of engagements for a distance of only about a kilometre, and the number of kilometres which constitute unengaged or uncontracted operation. Similarly, no record of actual expenditure a taximan has to incur for maintenance and repairs to his vehicle, was available to us. Unfortunately, the taximen's Union and the Taxi Association as well as the taximen, have not been able to produce any documentary evidence maintained by any taximan for a reasonably long period to indicate the nature of this business. We are, therefore, left with only the oral statements made before us, the enquiries made by experience of the members of the Committee, our discussions with the office bearers of the Taximen's Union and the Taxi Association on the basis of which reasonable inferences and conclusions had to be drawn by us. We also have the data which the Madhavan Committee had collected, and which they assumed to be reliable for working out the cost of operation of this business. Since

this service is an important public service in Bombay, we strongly recommend that a sample survey be carried out by Government to assess precisely and more scientifically the structure of this trade. We further found that the conditions of operation of taxis vary widely from region to region and no uniform standards of operation which can be applied to taxis all over the State can be laid down. Basically metered taxis of Bombay can ply only in Greater Bombay area, while similar taxis in other regions can ply over the entire region spread over hundreds of kilometers; there are other competing cabs like autorickshaws, tempos and non metered taxis as at Kolhapur and Aurangabad - which affect the demand for <sup>and</sup> nature of operation of taxis. But all along, the fare structure applied to taxis in Bombay is applied without charge, by the Regional Transport Authorities of different regions, to the taxis in their regions. We have, therefore, confined ourselves to analysing the economics of taxi trade in Bombay region only. There has been unanimity on the main details of operation of a taxi in Bombay at present viz., that a taxi plies about 150 Km. on an average per day; that a taxi is reasonably expected to be on the road 25 days in a month or 300 days in a year; that a reasonably good taximan operates the vehicle for 10 to 12 hours in a day inclusive of the hours for tea-break, lunch and so on; that he may reasonably expect to get 25 contracts a day; that the empty or uncontracted kilometerage may be about one third or 30 Km. a day; that he gets at least Rs. 5/- a day by way of detention and freight charges of passengers, and as a result of the mechanical device of the meter by which the fare of <sup>each</sup> ten paise is recorded before <sup>reaching</sup> the minimum unit of distance for which the meter is calibrated viz.,  $\frac{1}{6}$  of a kilometer, and by journeys upto 1 K.M. only, while the meter's

initial charge is Rs. 1/- for a journey upto 1.6 Km. Thus, a taximeter gets at least Rs. 5/- to Rs. 7/- as a net additional gain as a part of contracted operations. We are all agreed that these assumptions are reasonable, and the total receipts obtained by taximen on the basis of these assumptions more or less tally with the statements which taximen have filed before the banks, and the enquiries which all the Banks seem to have made at the time applications from the taximen were scrutinised by them for grant of loan. There are devices in a meter which record the number of engagements and the kilometrage operation of the taxi during such engagements. But these devices are not maintained in working order, as it is not obligatory on taximen to have them, since they are meant mainly for an owner of a taxi and are not related to the fare recorded on a meter for payment by a passenger. A sample and cursory observations made by the R.T.C. Bombay in respect of a few taximen also bear out that our assumptions are reliable.

4. Some of the important features of Bombay City support our assumption. The most important points, where the taxis will have maximum demand, are situated within the old city limits and particularly in the commercial part of the City within a radius of about 5 Km; and these points are at a distance of one to two K.M. from one another. Thus, all the head offices of Banks and Commercial Houses, the High Court of Bombay, the Head quarters of the State Government and the Government Departments, the Railway and the Air terminals, the Port, the whole-sale cotton and grain Market, the University and the largest number of Colleges and the Cinema theaters, Airlines Offices, and so on, are located within a radius of 5 K.M. at the southern end of the narrow strip of Greater Bombay, called



Fort area and within this area a radius of 2 K.M. comprise almost all the main Rail, Road and Navigation Centres which normally are the focal points of communications. Similarly, so far as the suburbs are concerned, the longitudinal expanse of this island is well covered by the two suburban Rail lines separated from each other by barely one to two K.M. except at the northern end where they diverge, and the concentration of residential and commercial areas along the Ply. Lines, create a demand for very short journeys for which the taxis are engaged. The compulsion of running empty in search of passengers is reduced considerably in Greater Bombay. We, thus, believe our assumptions to be correct, viz. that not more than 1/5th run of a taxi per day could be an empty run, and further if the taximen accept every engagement offered to them and desist from refusing to ply, the number of empty runs and the total number of engagements per day will show a significant improvement. In our assessment, we have excluded the use of a shift driver on wages for the remaining hours of the day - at night time or in the early hours, since such an excessive use of the vehicle by entrusting it to a driver has been universally admitted to be ruinous to the vehicle in the long run, though it gives a small marginal additional income to the owner. Further, the demand for a taxi late at night or in the very early hours is considerably reduced, and very few taximen would get adequate patronage to justify long hours of waiting at odd hours. In an overall picture of the trade, it is appropriate to ignore marginal income that may be obtained by a taximan by keeping his vehicle for hire at such hours. Such marginal income may be offset by the increasing number of holidays - the

State Government offices work for 274 days in a year, while many private commercial firms observe only five working days in a week - which is bound to create fluctuating demand for taxis on certain days.

5. Based on these assumptions, we have worked out the existing economics of this trade in Bombay region i.e. the area covered by the Greater Bombay Municipal Corporation limits, which applies, without noticeable change, to the metropolitan area of Poona except in respect of petrol prices which are the lowest at Bombay. As already observed, the demand for taxis in other urban centres is negligible and the area of their operation also is spread over a number of districts comprising of rural and urban areas. The nature of their operation is totally different, and fluctuates from area to area. We have therefore, confined our task to taxis of Bombay Region which has the largest number of such vehicles to be found in any metropolitan area of this country.

6. We have given in Table IV an analysis of the operation of a taxi and earnings and expenditure on its account, on a yearly basis. There was unanimity that a taximan gets on an average Rs. 75/- to Rs. 77/- per day. This earning is composed of the following elements. On the basis of about 120 K.M. operation on contract, at the prevailing fare rate of 60 paise per K.M., he gets Rs. 72/- per day. Added to this are the receipts from detention and luggage, initial premium fall for 1.6 K.M. while the journey may be only 1 K.M., advance recording of a fare of ten paise for  $\frac{1}{6}$  K.M., before the journey actually starts. The extent of earnings from these items is variable, and it may vary from Rs. 3/- to Rs. 6/- per day

depending on the luck of a taximan. We are certain that earnings of a taximan will not be below Rs. 75/- per day. For 300 days, a taximan would thus earn Rs. 22,500/- as gross earning.

7. We have analysed the total cost of plying of a taxi in Bombay. We have assumed that a small car like ' Fiat ' or ' Premier President ' is the most suitable car for a city like Bombay with short distance journeys. We understand that Government also gives a certain priority to the replacement of other models of taxis such as " Standard " " Ambassador " while allotting " Premier President " cars for use as taxis. It is the cheapest car available, since it is manufactured in Bombay. Table I shows the models in actual use in Bombay. After 1968, only " Fiats " which are now called " Premier President " have entered the taxi trade, and out of 16,989 taxis in Bombay, as on 31.12.72, 15,903 taxis are of ' Fiat ' make. The main elements of the cost structure of a taxi trade are (1) cost on petrol and oil consumed (2) cost on routine servicing and cleaning (3) cost on major and minor repairs (4) Expenditure on taxes and Insurance (5) Provision for depreciation and (6) Interest. Of these elements, the most fluctuating element has happened to be petrol, expenditure on which constitutes a substantial portion of total expenditure in this trade. Table II gives the increase in the prices of petrol and oil required for cars, in the course of the last eight years, i.e. from 1966 to 1973; the price of petrol has risen by 72.7% , while that of oil by 48.4%. On an average, per year the petrol price has increased by sixteen paise per litre, and of oil by about thirty four paise per litre per year. Any change in the cost of this item, which constitutes the very blood of this

trade and forms about 1/3 of the total expenditure in the business, has the most immediate impact on the cost of operation of a taxi per each kilometer. Increase in the cost of other items like the price of a car, spare parts, taxes, servicing are gradual, and the incidence is neither immediately noticed nor substantial at any particular time, since its effects are observed by the use of a vehicle over a number of years, and incidence per kilometer is fractional.

8. We have, therefore, first attempted to work out the cost of maintenance of a vehicle - excluding the cost of petrol and oil per kilometer run. It is safe to assume that there will not be yearly noticeable or striking changes in this block of expenditure. In the taxi fare we have proposed, a reasonable cushioning to absorb slight increase in the cost per kilometer on account of increased cost on this item is already provided. Table III <sup>P-116</sup> gives a full analysis of cost of maintenance and repairs of " Fiat " or ' Premier President ' model of a taxi. It will be evident from that statement that the maintenance cost per kilometer use of a taxi is <sup>0.86</sup> Rs. 0.86. We have assumed that a profitable life of a vehicle to be ten years, or four lakh fifty thousand kilometers, though many taxis continue to ply beyond this term. The manufacturers sell the entire engine, as well as body of this car for replacement of old or damaged ones, and a permit granting authority allows a vehicle, once admitted into this trade, to continue to run as a taxi irrespective of its age, provided it is found fit. We must, however, add that, while in the initial one or two years the expenditure on maintenance and repairs may not be high, engine & body depreciate rapidly at a progressively higher

rate as years pass, and in the seventh or eighth year, unforeseen expenditure increases. The upholstery and doors of a taxi are subjected to very rough handling, and expenditure on them is much more than in the case of a private car. The temporary disability of a vehicle is a severe financial loss to a taximen. We have therefore provided rather liberally for the maintenance cost, which works out to Rs. 40,000/-, during the life of the ten years of the vehicle of about 4,50,000 K.M. use i.e. less than nine paise per K.M. It may be noted here that a new vehicle registered as a taxi is not required to be produced for inspection of its physical fitness by R.T.O. for an initial period of two years; thereafter, it is required to be produced once a year for proving its mechanical fitness and conformity to standards of public comfort in its body and interior. The taximen is, therefore, forced to attend to all the items which need attention at least once a year and is not permitted to postpone expenditure on them. R.T.O. would be justified in fully enforcing the highest standards of mechanical and bodily soundness of every taxi, as the expenditure we have assumed adequately provides for a high order of maintenance of a taxi. We have also taken into consideration the non availability of genuine parts, or of wide fluctuations of prices of the parts. We are convinced that the market is flooded with spurious parts and, in the absence of quality control, a gullible taximen can be easily duped by a unscrupulous spare parts dealer. Prices of tyres and tubes have been fluctuating rapidly and their availability has very often been uncertain in the past. Humid and salty climate of Bombay, causes corrosion

of the body of a vehicle at a fairly rapid rate in Bombay, than in the hinter-land; the taxis are more exposed to minor and major accidents than other vehicles moving in a city and more particularly in Greater Bombay, which has, not only in sheer number but also in the ratio of vehicles to road length, the highest number of cars and transport vehicles which any capital town in the country can claim. We feel that we have fully covered all the possible expenditure on this count and have also provided for fluctuations of prices. It is not likely that for some years to follow, any revision in this block of expenditure would be required.

9. Next important item of expenditure is the price of a " Fiat " car which is now called " Premier President." The price of this car at the controlled rate is Rs. 20,239.88. It has been represented to us that very few new cars are available to taximen - only about 400 per year from Government taxi quota - and that taximen have to generally buy a second hand car over two years <sup>of</sup> ~~image~~, since the control period during which a new car cannot be sold is of two years, at a price which is more by a few thousand rupees than the price of a new car. It was, therefore, suggested to us that we should assume the cost of a car at Rs. 22,000/-. We cannot accept this argument. In the first place, we are informed by the Transport Commissioner that the quota of taxi quota for Maharashtra is now increased to 380 cars per quarter, or 1520 cars per year, though it seems that efforts to obtain " Premier President " rather than " Ambassador cars " must be pressed with Government of India; secondly, we have assumed that a new vehicle ( " Fiat " or " Premier President")

after ten years of use as a taxi has no resale value whatsoever, though actually such a vehicle is sold for a value between Rs. 4,000/- to Rs. 6,000/-, depending on how it was used. Above all the incidence of such additional one or two thousand rupees over ten years of a car as a taxi is so fractional and negligible that we feel sure that it will be absorbed in the many cushionings and marginal additional receipts or savings we have provided in various items.

10. Next important item is repayment of loan with interest. The nationalised banks have advanced loan upto Rs. 15,000/- per car at a rate of interest varying from 11% to 12%. The Mercantile co-operative Bank advances normally only about Rs. 12,000/- per car. It would be a correct policy to finance with a margin of 25% and except a taximan <sup>have</sup> to his savings or own capital of Rs. 5,000/- for car and Rs. 2,000/- for meter. This would bring about a greater involvement of a taximan and ensure a better sense of responsibility and desire to repay the loan without undue defaults. Thus, a taximan has to pay interest at 12% on Rs. 15,000/-, and forego interest at 6% which he would have got for his own saving of Rs. 7,000/-. The incidence of this over a period of ten years is Rs. 540/- per year.

11. M.V. Tax in Bombay on taxis is Rs. 160/- per year; the wheel tax levied by Greater Bombay Municipal Corporation is Rs. 140/- per year; the insurance premium is Rs. 425/-. Taxes and Insurance take away Rs. 725/- per year.

12. Next is the important item of expenditure on petrol, oil, servicing, garaging, washing etc. At Rs. 1.52 per litre, and with nine K.M. per litre, and plying of 150 Kms.

per day, a taximan has to spend, for 300 days, Rs. 7,600/- on petrol. To this may be added top up oil at the rate of Rs.5/- a month, hence Rs. 60/- per year. Servicing per month, for 3750 K.M. is admittedly Rs. 40/-, i.e., Rs. 480/- a year; daily wash and cleaning cost about Rs. 20/- a month or Rs. 240/- a year; another Rs. 15/- per month or Rs. 180/- per year be provided for garaging and parking facilities at night time. All these miscellaneous items total up to Rs. 8,560/- per year.

13. The most important factor in determining the reasonable fare of a taxi is the extent of reasonable profit a taximan should get in this trade. Fixation of a fare is within the power of a permit granting authority under section 51(2(IV)) of M.V. Act, as a condition of permit. The basic issues which such an authority must consider in fixing the fares are the capacity of the hirers or passengers to pay the fare, as also the capacity of the permit holder to ply the vehicle for the fare so received and earn a reasonable livelihood out of this business. A balance has to be struck between the two, so that the need of the public for a contractual public conveyance, which is the basic consideration in granting a permit, is satisfied, and also the permit holders in fair competition with one another are able to eke out a reasonable living by offering this service. The authority given by M.V. Act to fix the fares as a condition of permit has to be exercised only in the context of the broad objectives laid down by that Act, in Sec. 43(1), i.e., in the interest of promotion of trade and commerce, and to prevent uneconomic competition among the permit holders. The return from this investment and service which can be regarded as reasonable,



is related to the income derived by a similar person in similar other profession or service which utilises his skill. Further, the service rendered by a cabman is a personal service, as distinguished from the service rendered by a permit holder of a contract carriage bus or of a stage carriage. The relation between a cabman and passengers is more intimate than that between a driver of a bus and passengers. The requirements of the person rendering this service should also be higher, if this relationship has to be satisfying. This higher standard can be brought about or maintained if the profits of the business make a fairly good life possible and attract an appropriate type of people to this business.

14. We have found that, generally speaking, the demand of the public for a taxi outside Greater Bombay region is very poor or limited, which means that permit holders of these other regions have to be content with a comparatively small margin of profit or some of them may have to be satisfied during certain periods at a subsistence level. Increase in the fares in such regions may have the effect of reducing further the patronage to this trade and bring about a further fall in business. The Transport Authority which fixes the fares for taxis in such regions may have to handle this sensitive issue very carefully and cautiously. The purchasing power of the people, the availability of alternate means of vehicular transport, the economic climate at a particular time which determines people's mobility may have to be very carefully enquired into before increasing the fares. We append in Table V the growth in the number of metered taxis in different regions of the State over the last five years.

in order to indicate the extent of growth of demand for this particular public conveyance in different regions. Excepting Bombay region, the number of taxis in other regions or sub-regions show occasional fall for different years and particularly after the year 1971. We found no pressing demand from the taximan of these areas for increase in taxi fares. Fast growth of autorickshaws, in these areas is probably the reason for fall in the business of metered taxis there.

15. The situation in Bombay is totally different. The growth rate of human population in this region has no parallel in the State, from 1901 to 1971 or even decadewise. The increase of population from 1901 to 1971 is 543.39%, and from 61 to 71, it is 43.80%, which indicates a steeply rising trend of growth over the previous decades, except in the decade 1941 to 1951. The demographic features of the city's population also indicate the increasing affluence in the city. For our purpose, it is enough to observe that while the "working" population has increased in the city by 30% between 61-71 census period, the percentage growth of workers in the "Industry" is by 35%, and that working in the "commerce" by 60%, while those working in the category of "services" by barely 4%. A taxicab is engaged more often by a comparatively well to do class, except when an emergency or absolute necessity compels, or an occasional desire for luxury tempts, a middle or lower middle class person to hire it. The phenomenal and continuous rise in the industrial and commercial population, reveals an optimistic picture so far as demand for a taxicab in the city is concerned. Coupled with this is the fact that stage carriages operated

in order to indicate the extent of growth of demand for this particular public conveyance in different regions. Excepting Bombay region, the number of taxis in other regions or sub-regions show occasional fall for different years and particularly after the year 1971. We found no pressing demand from the taximan of these areas for increase in taxi fares. Fast growth of autorickshaws, in those areas is probably the reason for fall in the business of metered taxis there.

15. The situation in Bombay is totally different. The growth rate of human population in this region has no parallel in the State, from 1901 to 1971 or even decadedwise. The increase of population from 1901 to 1971 is 543.39%, and from 61 to 71, it is 43.80%, which indicates a steeply rising trend of growth over the previous decades, except in the decade 1941 to 1951. The demographic features of the city's population also indicate the increasing affluence in the city. For our purpose, it is enough to observe that while the "working" population has increased in the city by 30% between 61-71 census period, the percentage growth of workers in the "Industry" is by 35%, and that working in the "commerce" by 60%, while those working in the category of "services" by barely 4%. A taxicab is engaged more often by a comparatively well to do class, except when an emergency or absolute necessity compels, or an occasional desire for luxury tempts, a middle or lower middle class person to hire it. The phenomenal and continuous rise in the industrial and commercial population, reveals an optimistic picture so far as demand for a taxicab in the city is concerned.

Coupled with this is the fact that stage carriages operated

by the B.E.S.T. are almost stagnant in number - vide Table VI showing only 12% increase in the size of the fleet of B.E.S.T. over the period 61-73 ( and an actual fall in the number after 1968 ), while human population has increased by about 44%; further, the horribly over crowded suburban railway service, and absence of any competing contractual motor cab service such as autrickshaw or tempo, has created continually rising demand for taxis in Bombay, and the city can easily patronise a far larger number of them than that which exists at present. One should have, therefore, expected a much higher increase in the number of taxis in such an affluent and expanding centre of commerce and industry. We have barely 17,000 taxis ( 15,000 on the road on any day ) in a city with estimated six million total residential population ( to be precise, 6.3 million estimated human population as in 1973 ) i.e. one taxi on road for about 400 persons in the town; we have about 2.2 million working population, out of which about 1.4 million population is working in industrial and commercial sectors i.e. one taxi for 93 workers in this category only. Looking to the rapid and sudden growth in the number of taxis in Bombay, from 1969 in particular, with an average of about 1,200 additional taxis a year, refer Table VII, one is justified in forecasting a rising trend in the future, if apart from financial, administrative and other facilities which have to be made available to this business, as we have suggested in other parts of our report, an appropriate fare and return from business is also assured to a taximan.

16. In deciding as to what should be reasonable profit or return in this business, we first found that a paid driver, who is not a permit holder and owner of a vehicle, gets a net daily earning of about Rs. 15/- at the rate of 20% of gross earnings. Thus with no particular responsibility, such as a permit holder has to shoulder, a driver can earn at least Rs. 350/- to Rs. 375/-<sup>in</sup> a month of 25 days. The emoluments which a driver in Government or related public service draws by driving car is also in the neighbourhood of Rs. 300/- while drivers of public buses, whose duties are much more strenuous, and cannot be compared with those of a cab or car driver, earns, to start with, about Rs. 376.25 per month and may reach a maximum of about Rs. 650/- a month. Surely, a cab permit holder, who is required to invest about Rs. 22,000/- in his business, be accountable to the R.T.C. and the police as well as to the public in a far larger measure, should expect a much higher return from his own business of plying a taxi. At no time should his liability be so high as to make it impossible to take home even Rs. 350/- a month, even at the initial stage of his business career. He is also justified in expecting that at the end of eight to ten years of his business, by which time his vehicle is expected to have completely outlived its utility, he could save enough to either buy another vehicle without drawing a loan, or to expand his business by keeping another additional vehicle either in his name or in his son's name. The existing policy of perennially restricting even the most hard working and dutiful taximan to only one taxi during his life time has stifled the ambition of every enterprising person

to undertake this business on a progressively higher scale. A possibility of expansion of business in the course of time, if only one works hard, by increasing the number of taxis from the profit in that trade, is totally shut up by the existing policy of grant of permit. We have examined this policy separately, in another part of our Report. In the context of the fare, and of a fair return from this business, we have regarded it as a basic requirement that a taximen must get a net minimum return for his family needs, not less than what any driver gets, at the initial stage of his business, and progressively get at least Rs. five hundred for the same purpose, and also, in addition, be able to save enough to be able to own more than one taxi in the course of his life either for himself or for his son, if he so chooses, or to totally get rid of the need of borrowed finance for running his limited business of plying only one vehicle, or save for his oldage or for meeting unforeseen contingencies.

17. One of the important realities of financial liabilities of this business is that the loan is required to be repaid in about three years, while the asset so created is expected to last and give return for ten years; the net profits of the business in the initial three years must be such as would make it possible for the entrepreneur to earn a decent living; he should also be able to repay the loan without much difficulty. Thereafter, he may either increase his standard of living or meet the increasing family liabilities arising by advancing age or save for future expansion of his business or save enough for financing his son's entry in this business. Any fare structure which ignores this demand of

a investor and operator for an increasing return progressively, would bring about stagnation in the trade or business. Every wage structure accepts this necessity and provides for progressively higher income with increasing years of service. A taximan starting early in his life in this business, say at the age of 22 will have about forty years to conduct this taxi business which is quite a taxing business. It is reasonable for him to expect that at the end of this period, he has adequate saving for the old age of himself and his wife, for assisting his sons to carry on the same business with better financial backing than what he got when he started his life.

18. We feel that a fair living at Rs. 500/-net per month carry-home earning for maintenance of himself and of his family should be earned by a taximan. The consumer price Index under in Bombay and other metropolitan cities in the state is appended in table VIII. We have further provided for an additional return of Rs. 2,000/- per year which should be available as a saving for provident fund, life insurance premium or for reinvestment in the business. A taximan should thus get a total <sup>net</sup> carry-home earning of Rs. 660.50 per month.

Considering the strain and stress in plying a taxi, and exposure of the taximen to all the hazards of a public service vehicle, this return should not be regarded as unreasonable. It is only a return of this order which can attract in the business a better taximan, or improve his standard of living and contentment which has a direct impact on his relations to the passengers.

19. At present, it appears, no taximen are paying income tax. The taxable income which he is expected to earn will be about Rs. 8,000/- a year. He should be liable to pay about Rs. 300/- as income tax every year.

20. Thus the total expenditure, as well demand for a fair living - vide table IV - amounts to Rs. 24,745/-, while income at the prevailing fare structure is Rs. 22,500/-. There is thus a gap of Rs. <sup>2,245/-</sup>2,045/- or Rs. 6.81 per day or Rs. 170.25 per working month of 25 days. In rounding it off to Rs. 7/- per day, we find that the increase required is of 9.3%, say 10% over the present earning.

21. Our proposal of a fare structure lays down the maximum limit within which a permit granting authority may fix the fares, with reference to local conditions prevailing in different regions or towns, as mentioned earlier in the report. In this year, in particular, on account of high spiral of prices, the demand for a cab, particularly <sup>by</sup> for the middle and lower middle classes, is likely to be reduced. The power shortage, raw material scarcity and labour unrest and the consequential reduction in industrial production is bound to have adverse effect on demand on transport system. We have already pointed out that there is a fall in the number of taxis in many other regions after the year 1970. The maximum return which we have provided as reasonable in this trade, may not, therefore, be demanded equally in all the region. However, considering the growth rate of taxis in Bombay, there is scope for expansion in <sup>their</sup> number of ~~this~~ trade even if a higher fare is charged. The higher fare can be easily absorbed immediately by Bombay's population.



Any resistance from the public to the higher fare structure of a taxi and of higher receipts by taximan, if there is such occasional resistance, is mainly on account of a general lack of sympathy, in the minds of citizens and commuters, for taxi drivers and taxi owners. We received, almost without exception, complaints about the drivers of taxis about their driving habits, about their conduct and mode of speech in relation to passengers and other users of road. There can be no doubt that a few undesirable elements have crept in this trade. But these elements of the trade can be removed or controlled by a more rigorous scrutiny at the time a permit is granted and when it is renewed, as well as by strict enforcement of Motor Vehicles and Police regulations by the police and the R.T.C. It would not be proper to deny to the trade in general reasonable return which a sincere, honest and socially responsible taximan may expect from this business.

22. There have been increases in taxi fares every 2nd or 3rd year as the petrol and oil seem to bear and absorb a continually higher incidence of central levy. It is not necessary that every increase of prices of petrol and oil must necessarily increase the fare of taxis. To repeat, the profit that we have allowed to taximan, and margin we have provided for fluctuation of prices are adequate to absorb a very small increase in the prices of petrol and oil. Further it is accepted by all that per litre a taxi should give 9 K.Ms. Thus the increase of cost per K.M. by less than one paise deserves no notice and can be easily absorbed by the trade; in other words, the increase of price per litre of petrol, by less than nine paise, will not justify an immediate fare

rise in the future.

23. There are various methods by which a fare rise can be given. A surcharge, as it were, over every recorded fare gives a small additional income per day : this surcharge, for convenience of calculation, must be a fixed amount of, say ten paise or its multiple. Thus, a surcharge of ten paise on every engagement would yield Rs. 2.50 per day to a taximan; if a surcharge of thirty paise is charged on the existing fare recorded on the metre, a taximan will get about Rs. 7.50 more per day, on the basis on 25 contracts a day. This gives to a taximan Rs. 2,250/- a year. This will render a very steep rise in fare for those who travel only 1 K.M. or 1.6 K.M., as the per K.M. rate for such a journey will be about 81 paise, while for subsequent journeys it will taper down. This method, however, saves recalibration of meter, and is easy for calculation. It also has the effect of charging very high for those who contract short journeys, and charges go on reducing proportionately as the distance covered increases. Since, in Bombay, as we have observed, the short distance engagements say upto five kilometers happen to constitute the kenerity of engagements, a surcharge of this order will operate harshly on passengers.

24. If however, such a steep rise in the fare for short distance travellers is undesirable, and since we have to grant 10% increase over the existing earnings by taximan, the revised per kilometer fare will be 66 paise, giving a taximan about Rs. 82/- per day as against his present gross earning of Rs. 75/- per day, including freight and return from the premium initial fall etc. We were advised by the

technical experts/in the calibration of meter that it is not easy or practicable to recalibrate the existing meters to record the fares for various kilometers on the basis of this basic kilometer fare of 66 paise per kilometer. Since we want to avoid recalibration of meter, the only alternative is to allow the meter to record the fare at the existing fare rate and allow 10% extra on the same. The fractions can be rounded off to the nearest multiple of five, for facilitating payment. Thus, on this basis, if the meter records Rs. 1/-, on 10% increase, the passenger has to pay Rs. 1.10<sup>with</sup>, a surcharge of 10% ; and so on. A fare table, by rounding of fractions to the nearest multiple of five, is attached table X. <sup>P-126</sup> In this method of calculation, a taximan may sometimes gain or loose five paise, depending on the distance covered in a contract. A traffic card can be carried by a taximan of fixed on the taxi, which will indicate the fare to be paid with reference to the fare recorded on the meter. Such a inter reference, is by no means an ideal method of settlement of a fare by a passenger with a cabman. But there seems to be no alternative to the same. Even when recalibration is possible or when it was resorted to, it would take about eight months, before all the taximeters could be recalibrate, and even in the past, as and when the revision of fare necessitated recalibration, the tariff cards had to be used as an interim measure. Further, it seems that, as already observed in the preceding paras, in the past the need for revision of fares on account of increase in the prices of petrol and oil has been felt practically every alternate year; and if this is going to be the pace

of increasing prices, we may as well anticipate that in the course of a couple of years a further revision may be required, when recalibration of meter may possibly be easy. It is, therefore, inevitable that a tariff card is prescribed by the R.T.A. for transfer of existing fares recorded by the meter into the revised fares to be paid by passengers on the basis of increase of fares by 10%. We however, make it clear that as and when a new fare structure can be transferred to the meter mechanism, the transport authority should insist on such recalibration and payment by meter only.

25. We are not in favour of recommending any further increase in the luggage charges or detention charges. At present, the luggage charge is Rs. 0.20 per packet, other than a brief case, a hand bag, or any attach case or a bag less than 60 cm X 40 cm in dimension. Any receipt by a taximan from this source is a net gain, and we have only notionally included income from such a source in the total income of a taximan, similarly no further increase in detention charges would be justified. At present detention charges are ten paise for detention of every two minutes or part thereof. It may be borne in mind that detention charges are recorded as soon as an engaged taxi stops moving; thus, detention of an engaged taxi at traffic junctions, or at the time passengers load or unload their luggage, or when they get in and get out of a vehicle, etc. are all recorded on the meter as a detention charge at the rate prescribed. Thus, the incidence of detention charge is borne by a passenger even when he may not voluntarily detain a taxi for any sufficient length of time, considering the large number of traffic signals at the

distance of every kilometer in many areas of the city. Any further increase in the detention charges will reflect harshly even on passengers seated in a taxi. We hasten to clarify that we do not desire that a taxi should be detained unreasonably. The present charge of Rs. 3/- per hour, is, to our mind, sufficiently prohibitive, and in view of easy availability of taxis, during normal hours, no passenger is likely to detain a vehicle at one place for a long time.

26. We have also thought it necessary to present to the Government our recommendation of the new fare structure on 23rd May 1973 so that the Transport Authority particularly in Bombay, may be enabled to bring it into force, if it so pleases or if it is possible for it to do so from 1st of June 1973. This is intended to shorten the waiting period of long expectation of taximan who have been pressing for increase on taxi fares in Bombay after the last increase of levy on petrol and oil and spare parts from 1st March 1973.

Chapter III, Part-I, Table-I.

TOTAL NUMBER OF TAXIS (modelwise) ON 31-12-72.

	Ambassador	Hillman	Morris	Ford	Baby Hindustan	Standard	Austin.	
1959	515	295	42	21	3	2	23	7
1960	725	94	2				22	
1961	1035	101	2				5	
1962	1111	109	1					
1963	1054	41						
1964	1082	65					1	
1965	1253	64					4	
1966	1583	105						
1967	1852	55						
1968	1894	3					17	
1969	1272							
1970	1059							
1971	640	1						
1972	528							
<b>Total</b>	<b>15903</b>	<b>933</b>	<b>47</b>	<b>21</b>	<b>3</b>	<b>3</b>	<b>72</b>	<b>7=16989 Grand total</b>

(Source - Regional Transport Office)  
Bombay.

Chapter-III, Part-I, Table-II.

Statement showing the prices of petrol and oil as increased  
from time to time.

	<u>1-4-1965</u>	<u>Nov. 1970</u>	<u>March 1971</u>	<u>Dec. 1972</u>	<u>March 1973</u>
PETROL	<del>88 paise p.litre</del>	Rs.1.16 p.l.	Rs.1.16 p.l.	Rs. 1.43 p.l.	Rs.1.52 per litre. (increase of 72.7% or an average of Rs. 0.16 per year since 1966)
OIL	Rs.14.15 per five Litres.	Rs.17.00 p.f.l.	Rs.17.50 p.f.l.	Rs.22.00 p.f.l.	Rs.21.00 per five litre. (increase of 48.4% or an average of Rs. 1.71 per year since 1966)

Chapter-III, Part-I, Table-III.

The following cost of repairs and maintenance per k.m. is calculated on the assumption that a taxi runs 60000 k.m. per year. The following items covers only mechanical repairs, including labour and spare parts

<u>I - Engine Overhaul</u>	<u>Basis 2 years.</u>
1. Pistons complete with rings & pins.	148.00
2. Valves	44.52
3. Valve guides	10.00
4. Camshaft bushes	30.00
5. Camrod bushes	10.00
6. Main & connecting rod bearing	80.00
7. Timing chain	70.00
8. Gasket Set	35.00
9. Fly wheel ring	45.00
10. Oil seals	10.00
11. Read facing	25.00
12. Crank guiding	32.00
13. Valve guide fitting.	16.00
14. Seat Inserts	48.00
15. Fuel pump	45.00
16. Radiator cleaning	25.00
17. Labour for engine overhaul	300.00
	<hr/>
	973.52
	One extra timing chain.
	70.00
	<hr/>
Two years.	1043.00
One "	521.50
	<hr/>
	1043.52

Rs. 522 X 100 (N.P.) =  $\frac{52200}{60000}$  = .87 n.p. per k.m.

Taxi Trade Figs. work out at 1.10 per k.m.

II -Suspension Overhaul:

1. 4 spiders	140.00
2. Turner charges	50.00
3. Rubber bushes	15.00
4. Silent Block Bushes	22.00
5. Tie rod ends	160.00
6. Centre connection	20.00
7. Labour	40.00
8. Sundries	8.00
	<hr/>
	Total: 455.00

For Two years Rs. 455.00

i.e. 227.50 per year

$\frac{227.00}{60000}$  = .38 ps. per K.M.

III - Steering overhaul

<u>III - Steering overhaul</u>	<u>Two years</u>
1. 2 bearings	50.00
2. 2 brass bushes	20.00
3. Turner charges	15.00
4. Labour	20.00
5. Sundries	10.00
	<hr/>
	115.00



Rs. 57.50 per year = .1 N.P. per K.M.  
Even if their full fig. is allowed it would 0.2 K.M.

IV - Brake overhaul One year 168 allowed  
.28 per k.m.

V- Clutch overhaul One Year

1. Clutch disc	80.00
2. " thrust bearing	45.00
3. Bearing let seal	10.00
4. Clutch Jack fork	10.00
5. Clutch repair kit	30.00
6. Labour	50.00
7. Clutch rods	5.00

i.e. 230.00 per year  
.38 paise per k.m. 230.00

VI - Gear Box overhaul Cost 2 years

Cost Rs. 250/- for gear overhaul for two years -  
May be allowed - Rs. 125/- per year - .2 paise per k.m.

VII - Differential overhaul 2 years

1. Crown pension bearing set	175.00
2. 4 wheel bearing	100.00
3. Oil seals	30.00
4. Sundrees	7.00
5. Labour	50.00

Rs. 181/- on year.  
0.80 paise per k.m. 362.00

VIII- Body work painting & Upholestry

Body work	500.00
Painting	300.00
Upholst	500.00
	<u>1300.00</u>

2.16 paise per k.m.

IX - Electrical work

1. Starter carbon sets.	34.00
2. Taping field coil	10.00
3. Starter Brush bush	4.00
4. Solonaide	80.00
5. Armature	70.00
6. Labour	20.00

By name 228.00  
total cost of spares and labour 160.00  
388.00

i.e. 388.00 per year  
.65 paise per k.m. N.

X - Under Sundrees Rs. 1000/- may be allowed = 1.46 paise per k.m.

XI - 4 tyres - 4 tubes Rs. 760/- = 1.2 paise per k.m.

XII- Battery \_\_\_\_\_ Rs. 260/- = .43 paise per k.m.

<u>Abstract of the above items</u>	<u>paise per k.m.</u>
I Engine over haul	.87
II Suspension	.38
III Steering	.10
IV Brake overhaul	.28
V Clutch	.38
VI Gear box	.20
VII Differential	.30
VIII Body painting & Uph.	2.16
IX Electrical Sta. & dynamo	.65
X Sundrees	1.66
XI Tyres & Tubes	1.20
XII Battery	.43
Total:	<u>8.61 paise per k.m.</u>

Mechanical cost ( Including tyres, tubes and Battery and unforseen expenses ) come to 8.62 paise per kilometre.

\* For 45000 k.m. (per year Rs. 3874.50)  
Say Rs. 4000/- per year.

Chapter-III. Part-I. Table-IV

THE COST STRUCTURE OF FLYING OF A TAXI IN BOMBAY.

Part I

A taxi runs on an average 150 K.M. a day and gives 9 K.M. per litre. It is on road for 25 days in a month or 300 days in a year. It gets about 25 contracts in a day and covers about 120 K.M. on engagements, and of these engagements at least five are for a distance of one K.M. only. Meter records Re. 1/- on every fresh engagement of a taxi and it remains unchanged till a distance of 1.6 K.M. is covered, thereafter the meter records 1/6th fare in advance of  $\frac{1}{6}$  K.M. yet to be covered.

6

I. Total Revenue from a Taxi is as follows;

i) Total engaged run  
i.e. 120 x 0.60 per K.M. 72.00 per day  
(K.M.) (Rs.)  
i.e. 72.00 x 300 = 21600.00 per year  
(Rs.) (Days) .....I

ii) Detention and luggage charges etc. per day is Rs. 2/-  
Therefore 2 x 300 = 600.00 per year  
(Rs.) (days) .....II

iii) Advance recording of fare before the distance is covered, at least 10 engagements.  
Therefore Rs. 0.10 x 10 = Rs. 1.00 per day  
Therefore 1.00 x 300 = 300.00 per year  
(Rs. (days) .....III

Therefore Total Revenue from a taxi is given as

(Total engaged run per year) + (detention and luggage charges per year) + (advance recording of fare per year) i.e.

Rs. 21,600.00 + Rs. 600.00 + Rs. 300.00 = Rs. 22,500.00  
(I) (II) (III)

Therefore total revenue from a taxi = Rs. 22,500-00 per year  
-do- = Rs. 1,875-00 per month of 25 working days.  
-do- = Rs. 75-00 per day.

Part II: Total expenditure on account of a taxi is as follows:

i) A taxi will cover a total distance of 150 K.M. per day or 45,000 K.M. per year and per litre of petrol it runs about 9 K.M. at a cost of Rs. 1.52 per litre of petrol

i.e. Rs. 7600/- for petrol per year .....I

i.e. Rs. 633-33/- for petrol per month

i.e. Rs. 25-33 -do- day.

- ii) a) Cost of routine/Servicing (monthly)  
at Rs. 40 x 12 = 480/- per year.
- b) Oil (top up) per year Rs. 60/- per year.
- c) Rs. 20/- monthly (for daily washing and cleaning)  
i.e. Rs. 240/- per year.
- d) Rs. 15 per month for garaging and parking facilities  
at night time.  
i.e. Rs. 180-00 per year.

Therefore oil servicing per year a + b + c + d  
= 480/- + 60/- + 240/- + 180/-  
= Rs. 960/- per year .....II

- iii) Taxes + Insurance per year (B.M.V. Tax + B.M.C. Wheel Tax)  
i.e. 160 + 140 + 425  
i.e. Rs. 725/- per year .....III  
OR Rs. 60-50 per month.

- iv) Major routine and occasional repairs per year (vide table III)  
i.e. Rs. 4000-00 per year. ....IV.  
OR Rs. 333-25 per month.

- v) Depreciation over ten years life of a new car  
at Rs. 22,000/- on cost price including Meter.  
i.e. Rs. 2,000-00 per year  
or Rs. 166-50 per month. ....V.

- vi) a) Interest on loan at 12% on Rs. 15,000/-  
i.e. 1800-00 per year or 150-00 per month.  
Therefore Total interest for 3 years is  
i.e. 3 x 1800 = 5400-00 per year.  
Since it is distributed over ten years of life  
gives, 540-00 per year and
- b) Interest on loan at 6% on 7000/-  
is Rs. 420-00 per year.  
Therefore Total capital refund of loan with  
interest and personal investments is as  
540-00 + 420-00 = 960-00 per year. ....VI.

Part III: Demand for a fair living etc. and payment of increase tax.

- (i) Demand for a fair living at Rs. 500/- per month  
i.e. 6000/- per year. ....VII.
- (ii) Surplus for reinvestment or net saving for future  
i.e. Rs. 166-50 per month or Rs. 2000/- per year. ....VIII

(iii) If the earning of a taximan is Rs. 8000/- per year then he has to pay an income tax about Rs. 300-00 per year.

Abstract of Parts II and III above can be summarised as follows:

<u>Part II</u> :-	Rs. 7600-00	+ Rs. 960-00	+ Rs. 725-00	+ Rs. 4000-00	+ Rs.	
	(I)	(II)	(III)	(IV)		
		+ Rs. 2200	+ Rs. 960.00			= Rs.16,445.00
		(V)	(VI)			
<u>Part III</u> :-	Rs. 6000-00	+ Rs. 2000-00	+ Rs. 300-00			= Rs. 8,300.00
	(i)	(ii)	(iii)			
∴ Total expenditure plus income tax & net carry home income						Rs.24,745.00
				per year.		
				or per month		Rs. 2,062.00
				or per day		Rs. 82.48

Hence --

Part I Total Revenue is	Rs. 22500-00 per year	
Part II Total expenditure is	Rs. 16445-00 per year	} Rs.24745 gross demand.
Part III Plus expected reasonable income etc.	Rs. 8300-00 per year	

The defferance between his total demand and actual receipt is Rs. ~~2062/-~~ 2245/-

Chapter-III, Part-I, Table-V.

Statement showing the total number of metered taxis for each year from 1969 to 1973 (Jan.) & for each region or subregion of Maharashtra.

Years 1.	Bombay 2	Thana 3	Poona 4	Auxrangabad 5	Nagpur 6	Kolhapur 7	Nasik 8	Amravati. 9	Total
1969 (Jan.)	12233	468	630	146	124	-	-	-	13601
1970	13436	510	717	140	188	-	-	-	14991
1971	148848	540	924	170	248	-	-	-	16730
1972	15737	265	837	101	176	169	388	76	17749
1973 (Jan.)	16959	327	856	162	204	173	350	85	19116

(Source - Statistician, Transport Commissioners Office.,  
Maharashtra State.)

Chapter-III, Part-I, Table-VI.

Statement showing the No. of B.E.S.T. Buses in Bombay from 1961 to 1972.

<u>Years.</u>	<u>No. of Buses.</u>
1961	1100
62	1188
63	1296
64	1309
65	1310
66	1364
67	1403
68	1408
69	1368
70	1307
71	1320
31.3.72	

i.e. increase of 12% over 1961.

(Sources of Annual Administration Report)

Table - VII

Statement showing the number of Taxis in Greater Bombay for each year from 1965 (Jan.) to 1973 (Jan.)

<u>Years</u>	<u>Number of Taxis</u>	<u>Increase.</u>
1965	7164	
1966	7997	833
1967	9361	364
1968	10166	805
1969	12233	2067
1970	13436	1203
1971	14848	1412
1972	15737	889
1973 (Jan.)	16959	1222

( Source - Regional Transport Office, Bombay.)

Chapter - III. Part - I. Table - VIII.

Annual Average.

Consumer Price Index Number for Urban Non-Manual employees

Base 1960-100

.. 125 ..

<u>Year.</u> <u>Centre</u>	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973. (April only)
Bombay	102	106	112	122	130	139	150	155	160	167	171	180	195
Nagpur	102	104	109	124	134	143	153	155	159	166	172	180	191
Poona	100	104	100	121	132	142	143	152	158	164	172	183	197
All India.	103	107	111	122	120	142	157	161	165	173	178	183	202

Source : Government of India Ministry of Planning Department of Statistic.

( G. S. O. )



1	2.	3.	4.
$5\frac{1}{6}$	3.50	3.41	3.40
$5\frac{2}{6}$	3.20	3.52	3.50
$5\frac{3}{6}$	3.30	3.63	3.65
$5\frac{4}{6}$	3.40	3.74	3.75
$5\frac{5}{6}$	3.50	3.85	3.85
6	3.60	3.96	3.95
$6\frac{1}{6}$	3.70	4.07	4.05
$6\frac{2}{6}$	3.80	4.18	4.20
$6\frac{3}{6}$	3.90	4.29	4.30
$6\frac{4}{6}$	4.00	4.40	4.40
$6\frac{5}{6}$	4.10	4.51	4.50
7	4.20	4.62	4.60
$7\frac{1}{6}$	4.30	4.73	4.75
$7\frac{2}{6}$	4.40	4.84	4.85
$7\frac{3}{6}$	4.50	4.95	4.95
$7\frac{4}{6}$	4.60	5.06	5.05
$7\frac{5}{6}$	4.70	5.17	5.15
8	4.80	5.28	5.30
$8\frac{1}{6}$	4.90	5.39	5.40
$8\frac{2}{6}$	5.00	5.50	5.50
$8\frac{3}{6}$	5.10	5.61	5.60
$8\frac{4}{6}$	5.20	5.72	5.70

1.	2.	3.	4.
$9\frac{1}{6}$	5.30	5.83	5.83
9	5.10	5.94	5.95
$9\frac{1}{6}$	5.30	6.05	6.05
$9\frac{2}{6}$	5.50	6.16	6.15
$9\frac{3}{6}$	5.70	6.27	6.25
$9\frac{4}{6}$	5.80	6.38	6.40
$9\frac{5}{6}$	5.90	6.49	6.50
10	6.00	6.60	6.60
$10\frac{1}{6}$	6.10	6.71	6.70
$10\frac{2}{6}$	6.30	6.82	6.80
$10\frac{3}{6}$	6.30	6.93	6.95
$10\frac{4}{6}$	6.40	7.04	7.05
$10\frac{5}{6}$	6.50	7.15	7.15
11	6.40	7.26	7.25
$11\frac{1}{6}$	6.70	7.37	7.35
$11\frac{2}{6}$	6.30	7.48	7.50
$11\frac{3}{6}$	6.90	7.59	7.60
$11\frac{4}{6}$	7.00	7.70	7.70
$11\frac{5}{6}$	7.10	7.81	7.80
12	7.20	7.92	7.90
$12\frac{1}{6}$	7.30	8.03	8.05
$12\frac{2}{6}$	7.40	8.14	8.15
$12\frac{3}{6}$	7.50	8.25	8.25

1.	2.	3.	4.
$12\frac{1}{6}$	7.60	8.36	8.35
$12\frac{5}{6}$	7.70	8.47	8.45
13	7.80	8.53	8.60
$13\frac{1}{6}$	7.90	8.69	8.70
$13\frac{2}{6}$	8.00	8.80	8.80
$13\frac{3}{6}$	8.10	8.91	8.90
$13\frac{4}{6}$	8.20	9.02	9.00
$13\frac{5}{6}$	8.30	9.13	9.15
14	8.40	9.24	9.25
$14\frac{1}{6}$	8.50	9.35	9.35
$14\frac{2}{6}$	8.60	9.46	9.45
$14\frac{3}{6}$	8.70	9.57	9.55
$14\frac{4}{6}$	8.80	9.68	9.70
$14\frac{5}{6}$	8.90	9.97	9.80
15	9.00	9.90	9.90
$15\frac{1}{6}$	9.10	10.01	10.00
$15\frac{2}{6}$	9.20	10.12	10.00
$15\frac{3}{6}$	9.30	10.23	10.25
$15\frac{4}{6}$	9.40	10.34	10.35
$15\frac{5}{6}$	9.50	10.45	10.45
16	9.60	10.56	10.55
$16\frac{1}{6}$	9.70	10.67	10.65
$16\frac{2}{6}$	9.80	10.78	10.80

1.	2.	3.	4.
16 $\frac{3}{6}$	9.90	10.89	10.90
16 $\frac{4}{6}$	10.00	11.00	11.00
16 $\frac{5}{6}$	10.10	11.11	11.10
17	10.20	11.22	11.20
17 $\frac{1}{6}$	10.30	11.33	11.35
17 $\frac{2}{6}$	10.40	11.44	11.45
17 $\frac{3}{6}$	10.50	11.55	11.55
17 $\frac{4}{6}$	10.60	11.66	11.65
17 $\frac{5}{6}$	10.70	11.77	11.75
18	10.80	11.88	11.90
18 $\frac{1}{6}$	10.90	11.99	12.00
18 $\frac{2}{6}$	11.00	12.10	12.10
18 $\frac{3}{6}$	11.10	12.20	12.20
18 $\frac{4}{6}$	11.20	12.32	12.30
18 $\frac{5}{6}$	11.30	12.43	12.45
19	11.40	12.54	12.55
19 $\frac{1}{6}$	11.50	12.65	12.65
19 $\frac{2}{6}$	11.60	12.76	12.75
19 $\frac{3}{6}$	11.70	12.87	12.85
19 $\frac{4}{6}$	11.80	12.98	13.00
19 $\frac{5}{6}$	11.90	13.09	13.10
20	12.00	13.20	13.20
20 $\frac{1}{6}$	12.10	13.31	13.30

1.	2.	3.	4.
$21\frac{3}{6}$	12.27	13.42	13.40
$21\frac{3}{6}$	12.30	13.53	13.55
$21\frac{4}{6}$	12.40	13.64	13.65
$21\frac{5}{6}$	12.50	13.75	13.75
22	12.60	13.86	13.85
$22\frac{1}{6}$	12.70	13.97	13.95
$22\frac{2}{6}$	12.80	14.08	14.10
$22\frac{3}{6}$	12.90	14.19	14.20
$22\frac{4}{6}$	13.00	14.30	14.30
$22\frac{5}{6}$	13.10	14.41	14.40
23	13.20	14.52	14.50
$23\frac{1}{6}$	13.30	14.63	14.65
$23\frac{2}{5}$	13.40	14.74	14.75
$23\frac{3}{6}$	13.50	14.85	14.85
$23\frac{4}{6}$	13.60	14.96	14.95
$23\frac{5}{6}$	13.70	15.07	15.05
24	13.80	15.18	15.20
$24\frac{1}{6}$	13.90	15.29	15.30
$24\frac{2}{6}$	14.00	15.40	15.40
$24\frac{3}{5}$	14.10	15.51	15.50
$24\frac{4}{6}$	14.20	15.62	15.60
$24\frac{5}{6}$	14.30	15.73	15.75

1c	2c	3c	4c
25	14.40	15.84	15.85
$25\frac{1}{6}$	14.50	15.95	15.95
$25\frac{2}{6}$	14.60	16.06	16.05
$25\frac{3}{6}$	14.70	16.17	16.15
$25\frac{4}{6}$	14.80	16.28	16.30
$25\frac{5}{6}$	14.90	16.39	16.40
26	15.00	16.50	16.50

\* A fraction is rounded off to the nearest multiple of five i.e. first two paise ignored and every subsequent paise round off to next five,

100 -

PART II OF CHAPTER III

ECONOMIES OF AUTORICKSHAW TRADE

Autorickshaws, mainly of three types, are run in various regions of this state. In Nagpur, there are four seater Lambrettas. In Aurangabad, Kolhapur and Poona they are mostly two seaters of Bajaj make. The R.T.A. Poona, has allowed carrying of two children in addition to two adults in the two-seater Autorickshaws. The third type of autorickshaws is the five seater tempo taxi, which was introduced on an experimental basis in Vidarbha and Aurangabad regions, but was not favoured by the authorities, as they were found to be regularly overloaded to compete with the big taxis in operation in the rural areas.

2. The number of Autorickshaws plying on hire in various areas of this State is given in table III to this chapter. The economies of trade at each of these places is influenced by various local factors. During the short period at our disposal, we studied at great length the trade in Poona Region only where 70% of such vehicles are concentrated. Our observations may have to be applied with a few modifications to suit the local conditions at other places.

3. The maintenance and operational cost of an autorickshaw in Poona has been worked out on the basis of the information gathered by us not only from the operators themselves, and the representatives of the Autorickshaw Union of Poona, but also <sup>from</sup> certain repairers who are experienced in their trade.

4. It was represented to us that on an average an autorickshaw performs 220 K.Ms. a day, as it is allowed to be operated within an area of Poona District and that it is customary to run an autorickshaw in two shifts, by engaging a driver. The first shift commences from 7.00 A.M. and continues upto 5.00 P.M.; and the second shift from 5.00 P.M. to 7.00 A.M. The trade in both the shifts was reported to be equally brisk. In 220 K.Ms. operated in a day, the unearned mileage is only about 20 K.Ms. The autorickshaw is reasonably accepted to run for 25 days in a month and 300 days in a year. The operators get about seventy five contracts a day of which twenty five are for short distance runs, less than one and half kilometers. He also earns about Rs. 5.00 per day by way of detention and luggage charges. The fare per K.M. is 30 paise but for the first flag-fall as soon as an autorickshaw is engaged, the fare indicated in the meter is 60 paise to cover a distance of 1.6 K.Ms. Thus, for each flag fall or engagement, the operator gets 12 paise surcharge over the calculated fare of 48 paise for 1.6 K.Ms. The meter also records fare in advance by multiples of 10 paise for every  $\frac{1}{3}$  K.M., before the distance is actually commenced. The Operator also is entitled to get  $\frac{1}{3}$  hire the fare for journeys beyond Municipal Limits. The total earnings of a permit holder of autorickshaw, on the basis of the above data works out to Rs. 25,400.00 per year against the engaged mileage of 60,000 K.Ms. as shown in the attached schedule. It would amount to 38.45 paise of earning per K.M. of total run, including unearned mileage.



5. No. authentic information of expenses incurred by any operator was produced before us. We, therefore, had to rely on the information supplied to us by some of the repairers of repute and also by the representative of Autorickshaw Union. The data supplied to us was on the number of times an autorickshaw, driven by an average good driver, comes to the workshop during the course of a year for various repairs and about items of repairs and the cost thereof along with the cost of spare parts. The attached schedule shows that on an average, the cost of routine maintenance and repairs of an autorickshaw per year works out to 5.47 paise per K.M.

6. As per the manufacturer's specifications of Bajaj autorickshaw, which is the popular make, an autorickshaw should give a mileage of anything between 22 to 26 K.Ms. per litre of petrol. However on the information supplied to us by the representative of the Union, we have accepted the average consumption of petrol at the rate of 20 K.Ms. per litre. For every litre of petrol put into the tank of an autorickshaw, lubricating oil of 500 milligrams ( 5/- Rs. per litre ) i.e. Rs. 00.50 is required to be added for smooth operation of the region. The running cost of fuel for 66,000 K.Ms. a year would, therefore, amount to Rs. 6930.00 i.e. 10.50 paise per K.M. Thus the total cost of maintenance, repairs and running cost of fuel works out to Rs. 10.50 paise per K.Ms.

7. In calculating the cost of operation of an autorickshaw we have allowed a margin of Rs. 300/- per month as demand for fair living for the owner and his family.

We have also accounted for the wages of a driver who is engaged by the operator in the second shift. It was represented that the driver is usually paid Rs. 5/- to Rs. 8/- per day; we have accepted Rs. 8/- per day for the driver as fair wages for a shift.

8. Taking into account all the above factors of income and expenditure, and also allowing for taxes, insurance, interest on loan and depreciation, an operator is capable of saving Rs. 1600/- a year, which he may utilize as insurance for future or for investment in the business. There does not appear to be a case for increase of fare for autorickshaw in Poona, nor did the representatives of the trade whom we interviewed show keenness to have their fare increased. Indeed, as Table II, will bear us the income of owners of autorickshaw is slightly more than what we have regarded as minimum that must be conceded. He gets about Rs. 536/- more. We, however, feel that such a small marginal excess income can absorb unforeseen expenditure to which a vehicle is always subject, and nobody should grudge it. Table IV shows the fare structure of autorickshaw in this state. The Union has, however, represented, that the commuters often detain their vehicles unduly for long, periods, which affects their potential of earning during the period of detention. In order to discourage undue detention, the Union has represented that this Committee may recommend an increase in the detention charges, which would not affect adversely an average commuter. The detention charges at present are Rs. 1.50 per hour, i.e. Rs. 0.25 per 10 minutes. The Union has recommended an increase of 100% in the detention

charges i.e. Rs. 3/- per hour, which will bring them on par with taxis in respect of fares for detention. We feel that the demand is reasonable, considering the reasons advanced for its increase. Basically, a taxi or autorickshaw should be moving on engaged contracts then be stationary. At peak hours, in particular, when the prospects of getting a number of contracts are bright, no autorickshaw driver would be expected to be stationary in an " engaged " position only because he is paid a small amount of twenty five paise per every ten minutes of detention. Instead, in these ten minutes he may expect to cover about five kilometers and earn Rs, 1.50. It is therefore, not in the interest of the trade that a cab could be detained except under special circumstances. From the point of convenience to the passengers, no <sup>vehicle</sup> detention is normally required to be detained, if chances of getting an autorickshaw after a certain gap of time are bright; and if a commuters' chances of getting an autorickshaw after some while, are dim, the same would apply to the autorickshaw driver whom he proposes to dispense <sup>with</sup> so far the drivers chance of getting commuters are concerned. In such circumstances that the interests of both coincide, and the driver may agree to stay on. In order, therefore, to discourage the practice of unnecessarily keeping an autorickshaw in a detained position, we find the proposal to increase the detention charges of autorickshaw so as to bring them on par with those which apply to taxis, quite reasonable.

9. We, therefore, conclude that the financial position of autorickshaw in places like Poona, Kolhapur is satisfactory and only if there is a rise in the cost of any of the items we have enumerated in Table II, as to upset the return from the trade, that a revision of the existing fares in the future may be considered. Only detention charges may be revised upward, if the Regional Transport Authority of each region considers it necessary to do so in the interest of the trade and the passengers, on account of reasons mentioned in the preceding para.



the running of 66,000 K.Ms.

Cost for one year, say Rs. 885.00

$$\therefore 885.00 = \frac{1.34 \text{ paise K.M.}}{66000}$$

### 2. Suspension Overhaul

1.	Shock absorbers(Two)	Rs. 54x2 =	108.00(Twice in a year)
2.	Front Fork Coil spring	25.50x2	53.00(Twice in a year)
3.	Housing bushing with rollers, axels & cups.	141x1 =	141.00(Once in a year)
4.	Labour charges	10x2 =	-20.00(Twice in a year)
			<hr/>
			Rs. 322.00
			<hr/>

$$\therefore \frac{322.00}{66000} = 0.49 \text{ paise per K.M.}$$

### 3. Transmission.

1.	Propeller shaft bearing	Rs. 15.50x2 =	31.00(Twice in a year)
2.	Triangular buffer Rubber	1.15x1 =	1.15(Once in a year)
3.	Front Housing Two pins	9.70x2 =	19.40(Twice in a year)
4.	Gear cable	2.30x12 =	27.60(12 times in a year)
			<hr/>
			Rs. 79.15
			<hr/>

Cost for one year say 80.00 Rs.

$$\therefore \frac{80.00}{66000} = 0.12 \text{ paise per K.M.}$$

#### 4. Clutch overhaul

1.	Clutch Cable	Rs. 2.60x4	=	10.40(4 time in a year)
2.	Clutch plates	6.95x2	=	13.90(Twice in a year)
3.	Clutch liver outer	3.45x3	=	10.35(3 times in a year)
4.	Labour charges	5x3	=	15.00(3 times in a year)
				<u>Rs. 49.65</u>

Say per year Rs. 50.00 i.e. 0.08 paise per K.M.

#### 5. Brake Overhaul

1.	Break wheel Cylinder washers.	Rs. 1.60x4	=	6.40(4 times in a year)
2.	Break Liner(Set)	12.75x3	=	38.25(3 times in a year)
3.	Labour charges	10x3	=	30.00(3 times in a year)
				<u>Rs. 74.65</u>

Say per year 75.00 i.e. 0.11 paise per K.M.

#### 6. Electrical equipment.

1.	Electrical switch of horn.	14.10x6	=	84.60(6 time in a year)
2.	Ignition Coil(Twice)	52x2	=	104.00(2 times in a year)
3.	Coil per light	12x2	=	24.00(2 times in a year)
4.	Condenser(3 times)	11.50x3	=	34.50(3 times in a year)
5.	Contact points	7.50x12	=	90.00(12 times in a year)
6.	Labour charges	15x3	=	45.00(3 times in a year)
				<u>Rs. 382.10</u>

Say per year Rs. 382.00 i.e. 0.58 paise per year.

7. Axel

1.	Rear Axel rubber bearing (one set)	Rs. 91.2	=	182.00(Twice in a year)
2.	Labour charges	10x2	=	--20.00(Twice in a year)
				<u>Rs. -202.00-</u>

Rs. 202.00 per year therefore 0.03 paise per K.M.

8. Carburettor repairs.

1.	Carburettor repairs	Rs. 20x1	=	20.00(Once per year)
----	---------------------	----------	---	----------------------

i.e. Rs. 20.00 per year therefore 0.03 paise per K.M.

9. Body repairs and Painting & Upholstery.

1.	Body painting	Rs. 125x1	=	125.00(Once per year)
2.	Body repairs	300x1	=	300.00(Once per year)
3.	Upholstery including repairs or replacement of hood.	185x1	=	185.00(Once per year)
	Total...Rs.150+135=Rs. 185			<u>Rs. 610.00</u>

Rs. 610 per year therefore 0.92 paise per K.M.

10. Tyers.

Tyres, set of three = Rs.87 each.

∴ Rs.783 per year therefore 1.32 paise per K.M.





Chapter-III, Part-II,

TABLE II.

Autorickshaw runs on average 220 Kms. a day in two shifts and gives 20 K.M. per liter. It runs on paid kilometers, on engagement for 200 Km. It is on road for 25 days in a month and 300 days in a year. The meter records initial charge of 60 paise on every engagement and remains unchanged till a distance of 1.6 K.M. is covered. The meter records  $\frac{1}{2}$  distance and its fare in advance of a journey. Autorickshaw is engaged on an average.

I. Total revenue from an autorickshaw is as follows :

i) Total engaged run at the rate of Rs. 0.30 per K.M.

i.e.  $200 \times 0.30$  per K.M. = Rs. 60.00 per day.  
(K.M.) (Rs.)

$60.00 \times 300 =$  Rs. 18,000.00 per year.  
(Rs.) (days)

ii) Retention and Luggage charges etc. per day is Rs.5/-  
therefore Rs.5/- x 300 = Rs. 1,500.00 per year.

iii) Advance recording of fare before the distance is required to be covered; atleast 10 engagements.

Therefore Rs. 0.10 x 10 = Rs. 1.00 per day.

Therefore Rs. 1.00 x 300 = Rs. 300.00 per year.

iv) Total number of engagements per day - 75, and

surcharge of Rs. 0.12 per each engagement on meter,

i.e. Rs. 0.12 x 75 = Rs. 9.00 per day.

i.e. Rs. 2,700.00 per year

v) Short distance engagements of about 1 K.M. at a

time, but for which full fare of Rs. 0.60 is

recovered, but actually only Rs. 0.30 + surcharge

of Rs. 0.12 is chargeable.

He thus gets Rs. 0.18 more. Say about 17 times  
in a day.

i.e. Rs. 3/- per day.

i.e. Rs. 900/- per year.

Therefore total revenue from a autorickshaw is given as  
(Total engaged run per year) + (detention and luggage  
charges per year) + (Advance recording of fare per year) +  
(Surcharge on each engagement) + (Short distance engagements)  
i.e. Rs. 18,000 + Rs. 1,500 + Rs. 300 + Rs. 2,700 + Rs. 900 =  

I	II	III	IV	V	
					= Rs. 23,400

Therefore, total revenue from an autorickshaw =

Rs. 23,400.00 per year.

i.e. income per K.M. is 35.45 paise, while K.M. fare prescribed  
is 30 paise.

II. Total expenditure on account of a autorickshaw is as  
follows :

1) Petrol :- An autorickshaw will cover a total distance  
of 220 K.M. per day or 66,000 K.Ms per year, and per  
litre it runs about 20 K.M. per liter. That is 3,300  
liters petrol be required per year.

The cost of 1 liter of petrol is	Rs. 1.50
Per liter of Petrol 100 gms. of oil @	
1	Rs. 0.50
at Rs.5/- per litre of oil	@
	<hr style="width: 50px; margin: 0 auto;"/>
	Rs. 2.10

i.e. per liter cost is Rs. 2.10 hence for 3300 liters,  
cost is Rs. 6,930 per year.

2) Taxes and Insurance per year.

BMV Tax + PMC Wheel Tax + Insurance + Inspection fee +  
Permit fee =  
i.e. Rs. 120 + 38 + 227.50 + 15 + 5 = 405 per year.  
i.e. Rs. 33.75 per month.

3) Major repairs and occasional mechanical repairs per year vide table - I.

i.e. Rs. 3,706.55 per year.

Therefore Rs. 308.88 per month.

4) Depreciation - It is presumed that a new autorickshaw can be easily used for 5 years, and the amount to be written off during five years is Rs. 9,000 which is the cost of the autorickshaw. Its value in the market thereafter is Rs. 1,000/-. Therefore the value to be written off per year is (Rs. 9,000 - Rs. 1,000) i.e. Rs. 8,000  $\div$  5 i.e. to Rs. 1,600 per year i.e. Rs. 133.00 per month.

i.e. per K.M. is 2.42 Np.

5) Interest on Loan at 12% on Rs. 6,000. Interest on loan is to be paid on the reduced advance.

Therefore Rs. 1,512 to be actually paid in three years, but spread over five years therefore Rs. 300, approximately per year, and Rs. 25 per month.

i.e. per K.M. is 0.66 Np.

6) Demand for a fair living at Rs. 300/- per month  
i.e. Rs. 3,600/- per year.

7) Saving for reinvestment or for future, per year  
( Price affix Rs. 9,000/- & Life 5 years. )  
i.e. Rs. 1,800/- per year.

8) Wages of a driver Rs. 8/- per day i.e. Rs. 2,400/-

9) Earning from autorickshaw is Rs. 6,300/-

Income tax on this income, about Rs. 143 per year.

Therefore, total outgoings, & income per year is

as follows :

Abstract of the above analysis

1. Mechanical cost	Rs. 3706.00	per year i.e.	5.62	paise per K.M.		
2. Petrol cost	Rs. 6930.00	" " "	10.50	" " "		
3. Insurance & Taxes etc.	Rs. 405.00	" " "	0.62	" " "		
4. Depreciation	Rs. 1580.00	" " "	2.42	" " "		
5. Interest on Loan	Rs. 300.00	" " "	0.45	" " "		
6. Demand for a fair living	Rs. 3600.00	" " "	5.45	" " "		
7. Surplus for reinvestment	Rs. 1800.00	" " "	4.00	" " "		
8. Wages of a driver	Rs. 2400.00	" " "	3.64	" " "		
9. Income Tax	Rs. 143.00	" " "	0.21	" " "		
Total :	Rs. 22864.00	" " "	32.91	" " "		

Therefore gross income per year is Rs. 23,400.00

i.e. 35.45 Np. per K.M.

Outgoings, plus net income per year  
is Rs. 22,864.00

i.e. 32.91 Np. per K.M.

Therefore, Additional income a Autorickshaw permit holder is getting at present, on the basis of existing fares, is Rs. 536 per year.

CHAPTER - III      PART - II

TABLE - III

Statement showing the No. of Autorickshaws yearwise and according to Regionwise :-

Year as on 1st January.	Bombay	Thana	Poona	Aurangabad	Nagpur	Nasik	Amravati	Kolhapur	Total
1967	5	3	959	81	43	-	-	-	1091
1968	6	8	1132	119	73	-	-	-	1344
1969	7	13	1468	150	98	-	-	-	1736
1970	7	24	1935	176	96	-	-	-	2238
1971	7	39	2698	195	110	-	-	-	3049
1972	6	63	2563	441	111	10	2	432	3628
1973	4	202	3234	449	115	35	7	641	4687

Chapter-III, Part-II.

T A B L E I V

Autorickshaws with seating capacity of 3 persons including Driver.

Minimum fare (flag fall) of 60 paise for the initial distance upto 1.6 K.M. and thereafter 30 paise for every K.M. i.e. 10 paise for every  $\frac{1}{3}$ rd K.M.

The fare in the meter for additional journey beyond the initial journey of 1.6 K.M. shall rise in the slabs of 10 paise for every  $\frac{1}{3}$ rd K.M.

Detention charges for Autorickshaw.

First 10 minutes no detention charges. Thereafter 1.50 per hour i.e. 10 paise for detention of every 4 minutes upto a period of 2 hours. The charges for any detention beyond 2 hours should be settled by mutual agreement.

Luggage charges in respect of Autorickshaws:-

No charges for luggage weighing upto 14 kilograms. Thereafter 10 paise for every package. Maximum luggage allowed to be carried in the vehicle shall be 40 kilograms when 2 passengers are carried.

Chapter-IV.

" FINANCE FOR TAXI. "

1. Historically, there are two significant periods in respect of financial assistance to taxis, one prior to the nationalisation of banks, and the other, thereafter. Prior to 1969, among the financial institutions, Mercantile Urban Co.op. Bank, Bombay Labour Bank, Taximen's Co.op. Credit Socy. played a noticeable role. The Majority of financing was, however, done by either licenced money-lenders or by individual usurers, who had some saving for investment in any business, and found taxi business a very lucrative one, though such persons were not qualified to get permits for taxis. The financing institutions had limitations of funds as well as of procedures. They could not take the risk which a private money-lender or usurer could, nor did they have resources which the latter commanded for recovery of loans. The licenced money-lenders drew their funds from the banks, and advanced loans at exorbitant rate of interest which ranged between 20% to 30%, which appeared to be quite in conformity with the market practice, as they appeared to take very heavy risk which the financing institutions like banks could not be expected to take. It is strange, therefore, that even though the banks and financing institutions knew that the taxi trade did not offer a return which would enable a taximan to repay the loan at the rate of 30% interest, yet money-lenders or usurers drew advances from the banks for financing taximen at such an exorbitant rate of interest, which made the taximen permanently indebted to the financier and forced him to transfer all the benefits of the permit



went to the financier. So far as the usurers are concerned they dominated the field. Any person with a saving of about Rs. 15,000 could virtually and in practice be a permit holder by offering his money to a taximen by an agreement, by which the taxi as well as the permit were vested in the financier and the taximen continued to ply the vehicle as a hirer or as a simple driver. The financier's name was noted in the registration certificate under the Column H.P.A. i.e. Hire Purchase Agreement party, but who, strictly speaking, became the owner of the vehicle. Normally, the taximen continued to be a man in possession of the vehicle as also the permit holder for record purposes. The consequence was that even if the permit holder ceased to ply the vehicle, the permit continued to be renewed in his name, as the power of attorney for appearing before the R.T.A. or the court was obtained by the financier. It appears that the transport authority did not verify very carefully whether the permit holder was really enjoying fully the benefits of the permit. Since only about a year ago the conditions of H.P. Agreement appear to be scrutinised by the R.T.O. and a copy thereof kept on his record before noting the H.P.A. We have examined <sup>the</sup> evil of such agreements and their legal import, and have also suggested remedial measures, so far as the Motor Vehicle Law is concerned, in Chapter II of our Report.

2. As a measure of public policy, after the nationalisation of Banks in transport was classified into a priority sector for financing by the banks, even though as compared to other trades, it did not give the banks very profitable return, The Reserve Bank constituted a Credit Guarantee

Corporation with the main object to guarantee a cover to the extent of 75% of the loan that is advanced by the banks to such a priority sector. The extent to which the banks have really advanced loans to the taxi in pursuance of its policy, and the analysis of the risk they took and the bad debts they had to write off, is not easily available. The representatives of a few banks whom we interviewed at great length, were unanimous in that, even though the taxi trade is highly profitable - their estimate of return of taxi trade per day being Rs. 80 as against our estimate of Rs. 75 - the taximen were very bad borrowers and were purposely avoiding repaying the loans. They did not take any note of notices of recovery of arrears or even of warnings of consequences of defaults; that as soon as any legal or coercive action for recovery was initiated, the defaults were cleared almost instantaneously that no adequate help was available from R.T.C. or any other officials for compelling the taximen to pay the arrears or for seizure of the vehicles. Most representatives of the bank felt that financing of taximen was a very risky banking proposition and they have curtailed this advance in view of the past experience. They did not have a special administrative machinery for following up the defaulters or tracing them out or for regularly taking up with the R.T.C. such cases, so that when the defaulting taximen brought the vehicle to the R.T.C. for various purposes under Motor Vehicles Act, the banker could contact him at that place. It is interesting to note that there are no complaints of such a type against either taxi owners or autorickshaw owners of regions outside Greater Bombay. Financing in those regions appear to be proceeding on well

established lines, and we heard no complaints of inadequacy of finance or of bad habits of taximen in financial relations with his bank. Apparently, only in Bombay, taximen have not been able to inspire confidence in the minds of their Bankers. Thus, the representative of the Union Bank explained to us that his Bank financed as many as 300 taxis, after 1968 when they first opened this sector for advancement of loan; they received barely four to five instalments after which the defaults started. The percentage of defaulters as is generally found by the many Banks in this field, is over 50%. Some Banks have now almost closed advancing to this business. All the representatives of Banks were convinced that taximen as a class are untrustworthy borrowers, and even though they have a capacity to pay, they choose to not to pay.

3. It, however, appears that the experience of Mercantile Co.op. Bank has been very satisfactory, and they have no fear that the risk is unduly large; so also of the Bombay Labour Bank and the Taximen's Credit Society. These three institutions take collateral security from other taximen, scrutinise very carefully the applicant's antecedents and capacity to return with reference to his personal habits and background, and grant only to those taximen who are proved to be reliable and honest. Their methods of recovery are also systematic and they approach the taximen directly. The amount of loan advanced by them, of course, does not cover as large an amount of loan as that advanced by other scheduled banks. While the nationalised Banks advanced loan upto 75% or even 80%, as by the Dena Bank, of the value of a new car, the Bombay Mercantile Co-operative Bank advanced only 50% to 60%

of the value of a vehicle. This cooperative Bank seems to be the largest single financier in this trade in Bombay, in as much as they have advanced loans to 800 taxis so far, and over the last several years they did not have a single instance of bad debt, and their overdue is barely 5%. Mr. Mukhtiar of the Bombay Mercantile Co-operative Bank was of <sup>the</sup> firm opinion that taximen as a class cannot be regarded as untrustworthy borrowers, and if only the Banks, ensure that they finance only those taximen who have personal resources to the tune of at least 40% of the value of the vehicle hypothecated, and further take proper surety whose creditworthiness is well established, and above all follow up the default by promptly sending a recovery clerk, then, according to Mr. Mukhtiar, the Banks will find that taximen are not bad borrowers.

4. The Maharashtra State Financial Corpn. which is a financial undertaking of Government of Maharashtra advances loan for purchase of trucks and luxury/tourist taxis. Their experience of repayment of loan has not been unsatisfactory, though a truck plies all over the country and the owner of a truck is comparatively more mobile and more difficult to be traced than that of a taxi. The Corporation, by its statutory constitution, is empowered to seize the vehicle and takeover management or ownership of the trade of their defaulter. They have not entered the financing of metered taxis, but are considering at present financing of only those metered taxis obtained by educated unemployed as a social measure of reducing unemployment problem. The scheme has not yet come into operation. The Corporation, however, has not objection to financing generally the metered taxis.

5. A strong case was pleaded before us by Shri George Fernandes, the promoter of Bombay Labour Co-operative Bank, 1968, for a Taxi Financial Corporation consisting of representatives of the Taxi Trade, of the financing experts of the Government, and the permit granting authority. The main aim of constituting such an independent financing institutions was, as stated before us, that a impersonal and remote financing institution such as a scheduled bank did not give any special consideration to the demands of taximen (b) did not give priority to the special needs of the trade (c) did not make adequate arrangements for recovery of loan, (d) and did not bring about a sense of responsibility in the borrower, as a consequence of his non-involvement or non association with the financing institution. An outline of a scheme was offered to us by Shri George Fernandes who attempted to show that with an initial advance of the order of rupees one crore, it is possible to finance at a stretch, to begin with, 750 taxis the owner being required to contribute at least Rs. 5000 from his personal resources. From the receipt of first and subsequent instalments additional taxis could be financed every month. As per his calculations, every month additional twenty vehicles can be financed. He stressed that the main reason for defaults by or in difference of taximen to repayment of loan was their non involvement with the banking institution; he would repay more regularly if his colleagues and representatives are associated in the financing of his taxi.

6. We have before us these two utterly contrary experiences of two different sets of bankers; the new entrants

finding grave rise in financing this trade, and desire to withdraw, while the cooperative Banks find the business quite safe. Obviously, the Banks which have recently entered this field have never paused to analyse the causes of their failures, and one wonders whether they have been coerced or cajoled in entering a field as a mere avowed social policy rather than a business proposition. There must be something defective in their method of financing, or because of indiscriminate financing.

7. We have already pointed out in Chapter II of this Report that before a permit is granted or renewed, the financial soundness of the permit holder should be very carefully examined by the permit granting authority so that only those who are thrifty and have adequate resources of their own to repair and operate a taxi and who are sincere in their business, are given permits. It is relevant and legal for the permit granting authority to enquire into this matter before grant or renewal of a permit. Secondly, a careful scrutiny of the applicant's performance in the past as a driver and a badge holder, and his creditworthiness or financial arrangements with well established public institutions. The Dena Bank does not have as much fear as some other banks, as they have associated the Bombay Taximens' Association in the scrutiny of applications, as also in the recovery of loan on payment of agency charges. A collateral security or responsibility of such bodies, which have greater contact with ~~the~~ taximen and which can be expected to inculcate a sense of responsibility in their members, may yield the result. It is not necessary that in order to establish

this relationship, only a statutory or legal association is required to be provided with the financing institution. Similarly, Association of the P.T.C. may also reduce the risk of financing a taxi. We, therefore, summarise the measures as follows.

(a) No taxi permit shall be granted or renewed without careful scrutiny of the financial background of the applicant. The applicant must show his genuine stake in the business by producing adequate proof of sufficient saving for capital investment as well as working resources for this business. At least  $\frac{1}{4}$  of the capital, that is about Rs. 4,000 to Rs. 5,000 in the case of new vehicles should be available with him. It should be ensured that this resource is not raised by him by borrowing from usurers.

(b) The noting of H.P.A. in the registration certificate in respect of taxi should be accompanied by a thorough scrutiny of Hire Purchase Agreement in order to ensure that the H.P.A. does not amount to transfer of permit or vehicle. The permit is granted to a person in respect of a particular vehicle. We have already shown in Chapter II of this Report that a permit is subject to provisions of Sec. 59 of M.V. Act relating to prohibition of transfer of the permit as also of the vehicle. If at the time of scrutiny of the H.P.A. such a transfer is disclosed, a permit could be cancelled. Under Sec. 31-A, as recently amended in the 1969, H.P. and hypothecation agreements are required to be endorsed on P.C. In the case of hire purchase the vehicle stands in the name of the person who lets out the vehicle on hire and the person who takes the vehicle on hire has a choice of becoming the owner of the

vehicle on fulfilment of certain conditions. The vehicles purchased under the Car Control Order by taximan, either from Government quota or from public quota, are subject to the statutory condition that the ownership of the vehicle is not transferred to any one else without specific permission. Thus the new cars can be prevented from being under H.P./ with a money lender or <sup>user</sup> users, by the Controller of cars, by refusing to give permission to transfer the ownership to a financier with whom a Hire Purchase Agreement is proposed by a taximan. We are informed that the Director of Transport has already ensured this and that no controlled vehicles are allowed to be under H.P./ with any one excepting the scheduled banks.

(c) An adhoc organisation should be constituted consisting of the representatives of the financing institute of the Taxi Trade who <sup>may</sup> have already shown a lead in making available finance to the taximan, of the Transport Authority, for the purpose of scrutiny and sanction of applications for loan in respect of vehicles used or proposed to be used as taxis. This body can meet once in a month, lay down the relevant points of enquiry and associate the taxi Union or Associations with that enquiry, and obtain some guarantee of return of loan from them on payment of a service charge to be paid only on full recovery of loan.

(d) The representatives of the banks admitted that they did not have field agency for tracing out the defaulter for recovery. They depend only on legal notices and rarely on personal contact. The committee constituted as above could help each bank in this task. A provision, such as the one which is found in the Maharashtra State Financial Corporation



Act, which enables the Corporation to physically seize the vehicle in default and to take over the plying of that vehicle may not be available to the banks; nor is similar power conferred by the M.V. Act in favour of the Registering Authority or permit granting authority. The normal Civil Law of the land will have to be followed in bringing to book a persistent defaulter. The users or private money lenders have their own coercive methods of recovery by which the borrowers are either made to part with the vehicles or to clear the arrears. However, the Banks are not entirely helpless even under the existing M.V. Rules. The Rule 59 (5) of B.M.V. Rules provides that if the financier satisfies the registering authority that he has taken possession of the vehicle owing to the default by the hirer, under the provisions of the agreement, and that the owner absconded or refused the delivery of the R.C., the registering authority can, after giving the owner an opportunity to be heard, cancel the registration of certificate and issue a duplicate certificate of registration in favour of the party who had approached it. The R.T.C. who can always compel production of a vehicle for verification can be of great assistance to the banks. The Committee constituted as above in the preceding para could call such erring taximen to appear before them on the days of its meeting for explaining the defaults. The representatives of the taxi trade can bring moral and fraternal pressure on them for fulfilling the financial obligations.

(e) Since financial soundness is the very basis on which a permit is applied for and obtained, it could be made a condition of grant of permit, and action against the permit should follow if a permit holder is proved to be

a repeated defaulter. The fear of cancellation of permit would be a deterrent to a negligent driver who has capacity to pay, but who squanders away his saving or refuses to pay.

8. If the measures suggested in the preceding para, relating to institutional scrutiny and control, and the amendments to conditions subject to which a permit is granted, are adopted we find no necessity of promoting a financing institution for taxi trade only. The vast resources of Scheduled and Co-operative Banks are more than adequate to place the taxi trade on a sound footing.

CHAPTER V

ENFORCEMENT OF LAW

1. The punitive action for violation of the provisions of the Motor Vehicles Law committed by a transport vehicle, such as a cab, can be taken in two ways. One is the departmental action against the holder of the public service vehicle authorisation or a holder of permit; and the other is prosecution in a criminal court. The scope of the former is limited to a few specific violations or commissions; in a departmental inquiry, the action is directed against the licence or the permit, and only the principles of natural justice have to be followed; that is, a notice has to be ~~given to a licensee or a permit holder stating the defaults~~ he is alleged to have committed along with the evidence which is the basis of this allegation, and asking the licensee or permit holder to show cause as to why his licence or permit should not be suspended or cancelled, which are the only two punishments that can be imposed; an adequate opportunity must be given to him to defend himself. An elaborate procedure, such as one followed under the Indian Evidence Act, and the rules of burden of proof under the Criminal Law, do not cover such an enquiry. Further, no imprisonment can be imposed as a punitive action, but if the action is directed against a driving licence or authorisation, it can only be suspended for a specific period; if it is directed against a permit, it can be either suspended for a specific period or in lieu thereof a mutually agreed sum paid as composition of this penalty; or the permit can also be cancelled for breaches of conditions of permit. In the case of a criminal prosecution, a summons is required to be issued by the court, and since

the Motor Vehicle Law is regarded as a minor law by the High Court Manual, the police are asked by the Magistrate to produce the accused, for trial. A few Magistrates are earmarked for undertaking trials under the provisions of the Motor Vehicles Act and Bombay Police Act, during certain days or certain hours of the week. The authority to take <sup>departmental</sup> action against the holders of public service vehicle authorisation is exercised by officers of the Motor Vehicles Department of the rank of the Assistant Regional Transport Officers, as well as by Police officers of the rank of Assistant Commissioner in Bombay and Deputy Superintendent of Police in other Areas. So far as action in respect of a permit is concerned, suspension of a permit and composition in lieu thereof can be ordered by Regional Transport Officer in exercise of his ~~delegated authority from the permit granting~~ authority, provided that such a suspension of a permit is for a period not exceeding one month, and further that such an order is placed within one month before the transport authority who can vacate the said order or extend its period beyond one month. The authority to cancel a permit vests only in the transport authority which granted a permit. Appeals over orders suspending or cancelling permits are heard by a Tribunal presided over by an officer not below the rank of a District Judge. A departmental action can be taken by a licensing or permit granting authority, notwithstanding that, on the same facts a prosecution in a criminal court is possible, or was already taken, with whatever result.

2. Action of suspension of authorisation can be taken under section 16 of Motor Vehicles Act, for violation by

the authorisation holder of any of the rules of conduct and duties which are required to be followed as laid down by the rules of Motor Vehicle Rules. Many complaints relate to the refusal to ply, or to demand excess fare or to behave in uncivil and disorderly manner with intending passengers. The number of such departmental actions taken by the Regional Transport Officer, Bombay is on an average 128 per year, while the Assistant Commissioner of Police, (Traffic) who was interviewed by us, informed us that the police officers generally do not take departmental action, since they are busy with multifarious affairs. So far as the action against the permit holder is concerned, the departmental action can be taken only for breaches of conditions of a permit, and the action is taken by the Regional Transport Authority since it is a permit granting authority. The main conditions of a permit, under section 59, relate to prohibition to transfer of permit, without permission of the transport authority, to possessing of a valid certificate of fitness in respect of the taxi; driving of the taxi at a speed not exceeding the speed specified in the Motor Vehicles Act; charging the fares only at the rates that may be prescribed. Further, under Section 60 of Motor Vehicles Act, use of a Vehicle in a manner not authorised by a permit, sale of the vehicle for which a permit is obtained, obtaining permit by misrepresentation or fraud, failure without reasonable cause to use the Vehicle for the purpose for which the permit was granted, and acquisition of citizenship of any foreign country, by a holder of permit are some other grounds on which a permit can be suspended or cancelled. The owner of a transport vehicle or its permit-holder is required by section 42 to ensure that he does not permit the use of a vehicle by anyone,

including a driver, in violation of conditions of the permit, and to our mind, it is possible to question the permit-holder for deeds of a driver except when the permit-holder would conclusively show that the driver had violated his clear instructions. Very often the permit-holder extricates himself from a situation which affects continuation of its permit by making the driver a scape goat.

3. We find that there are hardly any departmental actions taken against the permit-holders of taxi cab which result in cancellation of permits for violation of conditions of the permit. This is rather surprising in view of the almost a universal complaint against the taximen by every commuter. We have hardly come across, among the innumerable persons we have interviewed, any one who had a word of appreciation or praise for the taximen as a class, and yet very few of the members of the public, who may have suffered at the hands of taximen, undertake to report the alleged offence either to the police or the Regional Transport Officer. The reason generally is the fear of being required to attend the court, as a witness, time and again, at the cost of the profession or avocation in which a person may be engaged.

4. We have also heard complaints on behalf of taximen regarding the harassment to which they are subjected in being required to attend the courts for small or negligible offences, or of being pulled up by the traffic police for wrongful parking, or by the passengers who insist on the vehicle being parked at a place where there is "No Parking" board, and so on. The wide scale corruption to which the taximen have to resort, in relation to the officers of the Motor Vehicle Department, or the Police Department, in order to get out <sup>of</sup> an unlawful act

or in order to prevent harassment or delay, was also described to us by the representatives of the taximen.

5. We strongly recommend that the enforcement of the traffic regulations as well as regulations relating to Motor Cab need to be considerably improved. The Regional Transport Officer and the Assistant Commissioners of Police must take a prompt and speedy departmental action against the erring taximen. Considering the number of taxis in Bombay and their frequency of use of road at the rate of 150 K.M. a day, appointment of an Assistant Commissioner of Police or an Assistant Regional Transport Officer, who would be available at a few different places in the city at specified hours in the course of the day for taking departmental actions, on the spot, as also for enforcing discipline on the taximen and other transport vehicles, is a long felt need. Powers of suspension of permits, upto a maximum period of one month, will have to be delegated to such an officer under section 60(2A) read with section 44(5) of Motor Vehicles Act. Since a few months ago, a couple of mobile courts, presided over by the Presidency Magistrates, have been started in Bombay. It appears that these courts were utilized more for action against unauthorised street vendors. The mobile courts could also take up and concentrate on traffic offences, as we have reached a traffic saturation level in Bombay, which has the largest number of cars and transport vehicles which any metropolitan city in this country possess. Since the largest users of the road are the taximen as a class, and since they are public service vehicles, the responsibility of public authorities for controlling and disciplining them is greater.

6. There is no provision in the Motor Vehicle Law for either composition of offences in lieu of suspension of a public service vehicle authorisation, or forfeiting any amount which he had kept as deposit, in the absence of such deposit being required to be kept at all. We have suggested in Chapter I of this report, that payment of a certain amount of deposit at the time of grant of a public service vehicle authorisation <sup>to</sup> by the taxi driver and forfeiture of the whole or part of the deposit could also be provided as a penalty for a default of the conditions of the licence. At present, the only penalty which a holder of a public service vehicle authorisation suffers is the suspension of his licence for a specific period, which normally varies from fifteen days to one month. The delinquent licence holder is required to surrender his authorisation for depositing it with the Assistant Regional Transport Officer during the period of suspension. Actually, however, in the large medley of vehicles in Bombay, or at the hours of night when detection is more difficult, the authorisation holder, who may be undergoing the penalty of suspension, may stealthily drive a public service vehicle without a serious possibility of detection. Composition of offence by payment of an agreed sum is also of no avail, since it implies the offer to compound from the licensee; such an offer may not come from a licensee who is clever enough to dodge policemen. Indeed, it is a highly unfortunate though illegal yet well established practice in Bombay, that taximen do not display their badges, which are triangular metal plates, designed for display on the pocket of a shirt under Rule 28 of Motor Vehicle Rules. This is an instance of the extent of laxity in enforcing the law. We are informed that Rule compelling the display of these badges by taxi drivers as a part of his duty, and further requiring printing of photo



of the licensee on such a badge are being framed. This is a reform in the right direction. Still, however, the forfeiture of a part or whole of security deposit would be a more fair and prompt penal measure than the suspension of driving licence. The licensee could reimburse the forfeited amount and continue to ply the vehicle on his licenses.

7. So far as the offences for which prosecutions are launched are concerned, endorsements on driving licences, in addition to the fine or the imprisonment that may be awarded, have a strong deterrent effect, since such endorsements give at a glance the driving record of a licence. Section 19(2) and (3), and 130 read with the Fifth Schedule of the Motor Vehicles Act enumerate the offences on conviction of which endorsements must be made on the licence of the person convicted. In other cases where a person is disqualified for having committed an offence, the court can also endorse such disqualifications. These endorsements, however, can be scored out as it were, and the endorsement free, licence obtained, if the endorsement is in respect of an offence for exceeding the speed limit, on the expiry of one year from the date of the order, and in other cases after a continuous period of three years since the last endorsement. The offences are grouped in two categories, for the purpose of endorsements on the licences by Courts. One group consists of offences such as reckless or dangerous driving, driving under the influence of liquor, unauthorised racing, failing to stop on the occasion of accident etc, which are enumerated in part A of Fifth Schedule of Motor Vehicles Act; the other offences are enumerated in part B of the same schedule and comprise of offences such as driving without licence, allowing a licence to be used by another person, driving at excessive

speed etc. Under Section 130 of Motor Vehicles Act, if the offence is not included in the first group i.e. part A of the fifth Schedule, and if the offence is not punishable with imprisonment, the court taking cognisance of such offenses is compelled to offer to the accused of either appearance by pleader and not necessarily in person, or of pleading guilty to the charge by a registered letter and remit to the Court a sum of money specified in the summons, which must be limited to the maximum fine provided by law. If the offence is one of those enumerated in part B of the fifth Schedule, and hence the conviction in respect of which an endorsement is required to be made by the court, the accused is required to submit his licence to the court along with the remittance of fine. On such payment of fine and submission of licence, wherever necessary for endorsement, no further proceedings are taken against the person. The summary method of disposal of cases relating to offences which are of minor nature such as wrongful parking, or not obeying traffic signs, failing to stop when required, or a taxi driver being improperly dressed, or has not displayed his badge, or demanded excess fare or behaved in a rude and uncivil manner, or refused to ply for hire, etc., saves unnecessary wastage of time of all concerned. It appears that under Bombay Police Act also, by Section 151-A, a similar summary disposal of cases is provided for minor offences such as causing obstruction to traffic, parking two feet away from the kerb, failing to slow down at pedestrian crossing, and so on. It is evident that the police have very easy and quick method of enforcing the traffic regulations. In 1971 as many as 43,016 offences of various types committed by taximen in relation to traffic

regulations, or motor vehicle law, were registered by the Bombay Police with the courts in Bombay, while in 1972, the figure was 44,609 (Source—Office of Deputy Commissioner of Police(Traffic), Bombay). In about 90% of these cases, the summary method of disposal could be adopted, as the offences were apparently minor and did not provide for imprisonment. But on the other hand such an easy method of obtaining conviction can also give rise to a tendency on the part of the police to ignore important offences like driving dangerously and recklessly of which taximen are generally accused often by passengers and other motorists. Indeed, an analysis of offences registered against taximen in the first six months of 1973 indicate that less than 2% of offences are relating to rash and negligent driving in a manner dangerous to the public, while about 28% are on account of dangerous overtaking, which offence can be summarily disposed of. The nature of offences registered by the police may not possibly reveal the exact state of affairs of vehicular traffic in Bombay, and the matter needs to be further studied by an independent person, in view of a very widely prevalent complaint of harassment by the police, to transport vehicle drivers for very minor offences.

8. The Government and the Traffic police in particular need to be well equipped to deal with the menace created by growing traffic and vehicular population in Bombay. The "Silence Zones" have totally disappeared, the horns blate in, various tunes, the cattle and urchins make no distinction between a grazing or play ground and public streets; the streets are unable to provide for foot paths of adequate

width or pedestrian-crossings only at limited places. In Greater Bombay Region, there has been an addition of about 15,000 vehicles, on an average, every year since the last five years. The B.E.S.T. is carrying in its buses 26,00,000 persons per day. The total number of accidents and the casualties are also growing. The number of accidents, where taxi cabs are involved, per 1,000 motor vehicles on roads, is the highest in this State viz. 382, as against the all India average of 208. No other State excepting Andaman and Nicobar Islands which has 345 such accidents or Pondicherry which has 320 such accidents, crosses the mark of even 200 accidents of cabs per 1000 motor vehicles. Indeed, further, no other class of motor vehicles including goods vehicles and buses, have such a high frequency of meeting with accidents as a taxi, which was involved in 5018 accidents, while trucks had 6959, and buses had 3036 accidents. Though the truck and bus population on the relevant comparable year viz. year upto the end of 1969, was 47,381 trucks and 7,801 buses, while that of taxis was only 15,554. Motor vehicles in Maharashtra seem to be particularly prone to colliding, against one another, than the vehicles in any other part of this country, excepting the Union Territory of Delhi which is equal to Maharashtra in this respect. A little more than half the number of accidents on road on account of vehicles, in this State, are caused by such collision. Out of 34,077 motor vehicles accidents in 1969, in Maharashtra, 17,824 accidents were caused by collision with other motor vehicles. We must hasten to add that casualties per hundred accidents is the lowest in Maharashtra viz. 15.6. (Source-Pocket-Book on Transport in India 1969-70, Government of India). The share of Greater Bombay Region is very high in all these accidents.

9. The staff of neither the Traffic Police Department nor the Regional Transport Office, Bombay is increased with any proportion to the problems they have to handle in regulating and controlling this traffic. We were informed by the Deputy Commissioner of Police, Bombay, that the Police Department is intending to constitute mobile squads in plain clothes for detecting traffic offences. The members of these squads will be known as Traffic Wardens, and will be drawn from respectable citizens who are prepared to help the police. They will have no authority to stop vehicles, but will only report to the Police the offences detected by them.

The traffic police are not equipped with adequate number of wireless units or vehicles for controlling traffic. It does not appear that the police officers, including constables who are in charge of traffic control, are thoroughly trained in the Motor Vehicles Law, particularly with provisions relating to permit and licensing of taxis and drivers, and conditions under which licences or permits can be suspended. We were informed that there is a training institute of traffic police; but no licensing or permit granting authority is associated with it in any manner. The police have hardly ever taken up the offences relating to licences and permits to the Regional Transport Authority, nor seem to have exercised their right under section 50 of Motor Vehicles Act whenever additional permits are granted by the Regional Transport Authority to taxis. It is quite evident that these two authorities viz. the licensing and transport authority on the one hand, and the police on the other, both of which are equally the custodians of public safety and discipline of traffic, seem to have no regular points of contact and

co-ordination for a united enforcement law. The traffic Advisory Committee had the level of Commissioner of Police where the Regional Transport Officer seems to be a member, has a totally different function and cannot be a substitute for an integrated administration or enforcement of motor vehicles law by both. We have dealt with the scope of such advisory Committees in Chapter III of our Report. We would urge that since Bombay <sup>is</sup> a capital city of the Maharashtra State, with Government taking directly a large share in the management of its various problems, responsibility for an integrated administration of the traffic and licensing laws by the Police and the Licensing Authorities should rest with Government, so long as these two departments are independent of each other, and yet function under the command of the Home Department of Government. We consider it necessary to stress that no other single measure taken by Government is likely to reduce the growing tension, nervousness and fear of pedestrians, commuters and millions of sick, old or quite house holders who do not stir out but await anxiously the return of their loved ones, than to make the streets less noisy and vehicular traffic less risky.

CHAPTER - V. TABLE - I

Statement showing the Total Number of accidents during 1969 by class of Motor Vehicles involved.

( Percentages of accidents in Bombay and in Maharashtra to the accidents in all India as well as percentage of Bombay to Maharashtra are also shown. )

Area	Total	Motor cycles	Autori- ckshaws	Jeeps	Motor Cars	Motor Cabs	Buses	Goods vehicles	Misc. vehicles	Class vehicles not known.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
% Accidents to Maharashtra	(72.81)	(60.91)	-	(43.15)	(91.22)	(94.86)	(55.47)	(50.87)	(23.09)	(63.13)
Bombay <sup>+</sup>	24812	1584	-	391	12303	4760	1684	3540	389	161
% of Accidents to All India.	(33.20)	(27.03)	-	(10.76)	(54.50)	(57.47)	(16.59)	(20.43)	(10.23)	(15.90)
Maharashtra*	34077	2270	452	906	13486	5018	3036	6959	1685	255
% of Accidents to All India.	(47.52)	(38.54)	(24.00)	(22.11)	(65.12)	(60.58)	(29.30)	(40.18)	(44.29)	(28.10)
All India.*	71716	5890	1883	2703	20701	8282	10145	17315	3804	1010

Sources :+ Traffic Institute of Police Department.

\* Pocked book on Transport in India 1969.70, Government of India

Page No. 210.211.

Chapter - V. Table - 2.

Statement showing the rate of accident per 1,000 motor vehicles of each type on  
Roads during 1969.

Area.	Total	Motor cycles	Auto- rickshaws	Jeeps	Motor cars	Motor cabs	Buses	Goods vehicles	Misc. vehicles	Class not known.
1	2	3	4	5	6	7	8	9	10	11
Bombay e	117	70.8	-	-	16	340	112	147	-	-
Maharashtra (including) Bombay. *	140	41	161	95	154	382	361	135	113	
All India *	82.14	24.06	93.74	60.86	77.98	208	231.72	101.46	85.76	

Sources : @ Traffic Institute of Police Department.

\* Pocket Book on Transport in India 1969, Government of India.  
Page No. 211 to 212.



CHAPTER V - TABLE 3

Statement showing the rate of casualties and also casualties per hundred accidents in Bombay, Maharashtra and All India during 1969.

Casualtion per Hundred Accidents.

- 173 -

Area	Total Casualtion.	No. of persons killed.	No. of persons injured.	Area	Total	Persons killed.	Persons injured.
1	2	3	4	1	2	3	4
Bombay + % to traffic casualtion..	1311 (100.00)	576 (43.94)	735 (56.06)	Bombay	7.35	5.29	4.57
(c) Maharashtra * (including Bombay). % to all casualtion.	5189 (100.00)	454 (9.52)	46.95 (90.48)	Maharashtra (including Bombay)	15.6	1.5	14.1
All India * % to all casualtion.	37425 (100.00)	5449 (14.56)	31976 (85.44)	All India	52.1	7.5	44.6

+ Traffic Institute of Police Department Byculla.

Sources:\* Pocket Book on Transport on India 1969 - 70 Government of India.

C H A P T E R V I

DEVELOPMENT AND PROMOTION OF TAXI TRADE.

1. In this chapter we propose to deal with various welfare and promotional measures which can bring about improvement of the service by the taximen, and of the relationship between the taximan and the public on the one hand and with the law enforcing authorities on the other. We have dealt with, in the preceding Chapter, the regulatory measures for improving the taxi trade. We have also considered and laid down in Chapter III the reasonable financial returns that should accrue in this trade to its operator and have placed the taximan in a fairly satisfactory income group of middle class income group. A taximan is particularly exposed to meet all types of members of society in a manner which very few other trades provide, except possibly a person in medical profession. He is required to carry all kinds of people, at various hours of day and night. The hazards to which he is exposed, as a consequence, are also very great. We, therefore, propose to highlight matters arising from such an undertaking.
2. There is a general lack of sympathy for taximan in the minds of citizens at large. We observed, that when the fare rise was given to taximen in Bombay by R.T.A. Bombay, during the tenure of this committee, the occasion was used generally by the press, and by the public who expressed themselves through the press, for criticising the taxi trade and profession for rudeness and uncivil behaviour, though they generally admitted that the rise in fare was justified on account of a periodical increase

in levy on petrol and other materials used for a motor vehicle. We append a few extracts in order to give an idea of the nature of reaction. Even during our interviews with taxi users, or car owners, one constant complaint, which was rhymed, was about the rude and uncivil behaviour and abusive language of taxi-drivers, towards his passengers and other vehicle drivers. Among other complaints, refusal to ply even though the taxi may be parked for engaging passengers, or questioning passengers as to the direction or destination to which they were proceeding and selecting them according to taximen's choice of direction, demanding of excess fare, particularly at night time, were other important complaints. Pedestrians and other users of roads have expressed their <sup>great</sup> ~~great~~ fear about the dangerous driving in which the taxi drivers indulged. They are known to be reckless and rash in driving, dangerous in over-taking or at cross roads, and are generally accused of utterly unmindful of other users of roads. The Police also feel that even though a taximan is a skilled driver, he is regardful of rules of traffic. We were also informed by the Police that, of - late, a trend is noticeable among the taximen of causing an organised obstruction to other traffic, by way of protest, by either abandoning or parking taxi in the centre of a road in a manner which closes the traffic to all other vehicles. The police also appear to be a silent witness to repeated strikes by taximen, which is expressed by them by taking out long procession of taxies after covering their meters or by lowering the flag of meter to a "stopped" position, and refusing to ply on hire during that period.

3. On the other hand, we also heard from the taximen and their representatives a resentment against the society in general and the police in particular for their attitude towards taximen. The taximen feel that the attitude of the society, as revealed by the various passengers who engage taxi, is one of arrogance and dominance, as if taximen are personal servants of passengers. The taximen feel that their profession is looked down upon in social scale, and that passengers do not realise that a taximan is a master of himself, engaged in self-employed profession of public service after investing a substantial amount in the business, and after establishing his antecedents and character before a public authority. He feels that the passengers are not only rough and uncourteous to him, but they also handle the doors and upholstery of taxi in a rough manner. He is also asked to drive along roads, or park at places, in a manner prohibited by traffic regulations. He is also subjected to occasional assaults particularly at odd hours, by undesirable elements of society, whom he is supposed to offer his taxi with the same readiness with which he is expected to carry honourable and law abiding citizens. He comes across passengers whose antecedents are shady and whose motive in engaging a taxi may return out to be for criminal purpose. His personal life is always exposed to great hazards at all times.

4. The conflict between the taximen on the one hand and the law enforcing authority viz. the police and officers of R.T.O. on the other, seems to be more bitter. While the policemen are accused of causing unnecessary harassment to the

taximen for petty offences such as no parking at the taxi stands or parking at "no parking" boards, and so on, the officers of R.T.O. are alleged to be harassing the taximan at the time of inspection and passing of vehicles for fitness certificates every year, and, further, that this harassment ceases if only bribe is offered through agents of inspecting officers. It was strongly urged before us that the frequency of passing of vehicles for the certificates of fitness should be extended to two years, as against the prevailing practice of one year, in respect of old vehicles, and an initial period of two years in respect of brand new vehicles. It is further alleged that the issue of authorisation to drive a public service vehicle is also unduly delayed, and the driving test taken before the issue of authorisation is another occasion for corruption. It was also alleged that on account of lack of vigilance by the police and the officers of R.T.O., undesirable persons have entered this trade, and persons not holding public service vehicle authorisation may also be found to be driving taxi, particularly at night time.

5. We are dismayed to find this acrimonious relationship between the taxi trade, on the one hand, and the public and the law enforcing authorities on the other, which is carried to an extent which needs immediate remedial measures by the public authorities, since such a strained relationship between an essential public service operators and the members of the public is not conducive to peace in the Society. One of the main reasons behind the widely prevalent condemnation of taximan is

the indiscriminate grant of public service vehicle authorisation to any one whose only qualification is that he knows motor driving. While the various measures which we have suggested in the other chapters for shifting the new entrants in this profession will bear results only after another five or ten years, urgent remedial action in training the existing public service vehicle authorisation holders is necessary. It may be noted that while the public sector transport undertakings entrust their public service vehicles only to the drivers and conductors who not only possess the necessary license or authorisation issued by the licensing authorities but also subject them to a further specified training programme in the interest of their vehicles and safety of passengers, no training of any kind, even in a driving schools licensed and regulated by the Motor Vehicles Rules, is enjoined on a seeker of P.S.V. authorisation to drive a taxi. We understand that the Transport Development Council of Government of India, has been urging the State Government to sponsor a training school or a school for training the instructors. It is essential that such training schools for holders of public service vehicle authorisations, not only for training the new entrants in this State but also for giving refresher courses to the existing ones, are started very soon. It may be possible to give to such training schools a recognition or status by which a person passing out from the same may have better chances of getting permits for public service vehicle authorisation. We urge the Government to give their urgent attention to this proposal which appears to be under consideration

since a long time.

6. Another important measure is to produce adequate number of documentaries on road safety, road manners, safe driving and courtesy to passengers. We find that the traffic institute of police is doing some work in this direction. It is, however, of such a small magnitude that it is of no effective purpose. We also find that the display of figures, at a few junctions in Bombay, of casualties of road accidents every month is the only warning to the motorists of the dangerous and rash driving. It has been established that the rate of accidents per thousand vehicles in this country is much higher than the rate in many advanced countries, where motoring is a rage. Per 1000 motor vehicles, eight persons were killed by them in India, as compared to one person in every advanced country such as Austria, Great Britain, France, U.S.A. Further, the percentage of fatal accidents and deaths is high as about 15% in India as against about 3% in U.S.A., and 2% in Great Britain. (Source Statistics of road traffic accidents in Europe 1967). Surprisingly enough, even though the number of vehicles in Bombay, for instance, is increasing every year by about fifteen thousand, organised measures for educating the pedestrians and the vehicle drivers have been hardly undertaken. Indeed, one looks in vain for any easily readable literature or script, if one wants to be guided in driving motor a vehicle in this State or for that matter in this country. If this is the state of affairs in regard to the literature on the subject, one can well imagine the poor guidance that uneducated licencee, who

holds a public service vehicle authorisation, would be getting in driving a public service vehicle. Unfortunately, we have still not taken note of the great hazard to the life of citizens on account of drivers who are not constantly educated in proper driving. We, therefore, very strongly recommend that education by audio-visual methods to the pedestrians and the drivers, should be taken on a systematic basis by the Government.

7. The Government as well as the Municipal Corporations have been collecting Motor Vehicles Tax and Wheel Tax respectively. These taxes are levied for the use of road by vehicles, and for meeting the liability, in smooth flow of traffic, of the Government and the Municipal bodies. There is a persistent cry, not only in this State, but all over the country that the taxes so collected for this specific purpose are not used for improvement of roads and traffic. A certain percentage of the receipts from these taxes should be earmarked for educating the motorists and the pedestrians in the manner suggested above.

8. Another important measure would be to associate the taxi trade representatives with the traffic Advisory Council or Committee. The Government have already given recognition to the taxi trade in associating the representatives of the trade with this Committee. It is necessary that the trade is associated with the traffic Advisory Committee constituted in each Municipal Corporation area. The Committee should be so constituted as to have in it the representatives of the public, of the motorists, and of the taxi trade as of other public service vehicles as well as of goods transport.



We find that a number of grievances that were presented to us, such as inadequacy or location of taxi stands, arrangements for smooth traffic flow, reservation of lanes and parking places for taxis providing security to taximan, enforcement of silence zones, and so on, could be better discussed and measures for solving them evolved in such traffic Advisory meetings. One of the important methods of raising the taxi trade to some dignity, which it amply deserves, is by associating them officially in all deliberations regarding the improvement of taxi service, at least in the Municipal Corporation Areas. We have realised during the deliberations of the Committee that this is the only method by which mutual understanding and appreciation of mutual problems should be ensured.

9. In order that the traffic Advisory Committee can function with some authority and purpose, we recommend that a specific fund or amount should be available to it for the purpose of bringing out pamphlets, document aries, and other audio visual aids we have recommended in para 6 above. At present the Commissioner of Police is the Chairman of such a Committee and he can safely be entrusted with the responsibility of administering this fund. A number of organisations like Petroleum companies, Motorists Associations, Transport Operators Organisations may be willing to contribute to this fund for promoting improved and safe traffic.

10. The allegation of harassment to which the taximen are subjected at the time of renewal of fitness certificate, or at the time of payment of taxes seems to have some basis. As

regards the payment of tax in places like Bombay or Poona where the taxies, including auto-rickshaws, run into several thousands in number, and the Government earns a sizeable revenue from them, it should be possible to make an arrangement with the taxi trade representatives for collection of tax on specific counters by a special staff appointed for the purpose. At present many taximen pay their taxes through the Union. Similarly, renewal of licenses is also done through Union or Association by many licencees. The licences as well as taxation certificates and permits are required to be returned to the R.T.O. for endorsement on them, on receipt by him of taxes or renewal fees of licence, as the case may be. During this period, when the taximen may have no licences or tax payment certificates with them, they carry the receipts issued to them by their Unions, certifying that the amount has been received from the said licencee or tax payed for payment to the R.T.O. It was represented that this receipt is not recognised by the police, and the taximen are hauled up for not producing the receipt for payment of licence fees or taxes. We find that Sec. 86 of M.V.Act does not extend to the drivers of transport vehicles, the right to produce their licenses within ten days of demand by any police officer in uniform. We feel that a taximan producing such a receipt may not be immediately hauled up, but given time of a day or two for producing the R.T.O. receipt and further that the Union's receipt should not be valid for more than a week from the time it is issued, since it should be possible for the union to pay the money on behalf of its payer to the R.T.O., get receipt for such payment, and pass it on to the taximan, within that time.

11. We do not recommend that the frequency of inspection of vehicles for fitness certificate should be reduced. It is necessary that the public service vehicles are thoroughly inspected both for their body condition as well as for mechanical condition once a year, if the vehicle is more than two years old. This is the only method of ensuring that at least once a year, the owner of the vehicle is compelled to touch up his vehicle and conform to well laid standards. We strongly urge that there should be no compromise in the maintenance of high standards of comfort and sound mechanical condition of a taxi. We have provided an adequate expenditure for such annual maintenance in our estimate of expenditure in maintaining a taxi.

12. We feel that the Unions or Associations of taxis and autorickshaw can yet play a more important part in meeting the efficiency of this service. These bodies can undertake co-op. Credit Societies, Co-op. Consumers Stores and Co-op. Spare Parts Shops and Petrol Pumps for the benefit of their members. Indeed, Bombay Taximen Associations have to their credit many of these activities. They are not of a magnitude as to attract attention or render service to a large number of taximen or taxi-drivers. Non availability of genuine spare parts, and at correct prices was repeatedly brought to our notice. We find that the Government of India have already declared, under clause (a) of Section 2 of the Essential Commodities Act, "component parts and accessories of automobiles" as essential commodities for the purpose of imposing various regulations to control production, supply, distribution, etc. It however, appears that no such regulations are imposed at any time so far. The taximen

must themselves open service centres where genuine spares at standard prices should be available.

13. An important service which the taxi Union or Association can render is of opening of telephone booths at a few important centres, from where taxis can be called on phone by the neighbouring commuters. A great inconvenience is caused to the public in Bombay, in getting a taxi, particularly at odd hours, when a person may find it difficult either to walk long distances or to get a taxi with any degree of certainty. It is possible to make arrangements with either a few Hotels or public offices, which can be the centres of telephonic communications between the passengers and the taxis. The telephone-call taxi service prevails at Delhi, and is of great assistance to taximen as well as passengers. We have received repeated suggestions for giving protection to taximen at the night time, when the possibility of assault on them and depriving them of their cash is very strong, as revealed by a number of instances of this type, particularly in Bombay. On the other hand, the passengers also need to be assured that they are engaging a proper taxi, driven by an authorised person. The most effective method of safeguarding the interest of taximen as well as of passengers is the parking of taxis at the police stations after 11.00 p.m. and all intending passengers should engage the taxi at that place, through the mediation of the police. The police have accepted the responsibility during the day time in controlling the engagements of taxis by passengers at the Rly.Stations in particular; we consider it a part of their duty to accept further responsibility

of making this public service vehicle available to the public at large through their mediation at hours when the public need the help of the police to a much greater extent. It may be easy for the passengers also to contact the police stations on phone, establish their identity and then engage taxis. We may point out that this kind of service, we are told, was rendered in Goa, some years ago, and was found of great assistance.

14. In conclusion, we reiterate the importance of bringing together the taximen, who, on account of the policy, we have supported, of holding individual permits, are likely to fall apart and deny to the passengers the benefits of an organised public service. One of the most attractive features of organisation of a fleet of taxis under the command of one permit holder, is the service such a fleet owner can offer to the commuter, by providing telephone - call service, by having uniformity in management of vehicles and their drivers etc. In advanced countries, where one unit permits are granted, accreditation of taximen to well established and recognised organisations of taximen is a precondition for operating taxis, for without such affiliation the taximan himself may not be able to operate successfully in the absence of wireless or telephonic communications by which their movements are directed towards the intending passengers. From the point of view such a service, the taxi trade needs to start organising itself. At present, their associations are organised on the Trade Union lines, and they have yet to take up matters which promote better service to passengers. Bombay - Poona Taxi Service,

- 185 -

which is operating since the last four months by the enthusiastic and systematic efforts of the representatives of the taxi trade, hold out a promise for the future that the taxi trade will increasingly organise its activities for offering better service to its patrons.

CHAPTER - VI

A  
A P P E N D I X - I

The Free Press Bulletin

Bombay 1st June 1973.

T A X I F A R E S

When prices of all daily necessities of life are going up the recommendation of Taxi Trade Enquiry Committee to increase taxi fares by 10 per cent should not come as big surprise. If anything, the taximen are likely to consider the increase as too meagre to neutralize their increasing cost of operation..

Taxi cabs have become an integral part of urban life assuming the character of almost an essential service in an emergency in big cities like Bombay. The citizens will have to put up with the new burden imposed on them, as a result of taxi fares being raised as they have to put up with other burdens.

There are some irritating features of the taxi trade created by the behaviour of taximen towards their clients. Often their behaviour is such as to alienate public sympathy.. In peak hours especially, taxi drivers refuse to drive their vehicles to destinations desired by passengers violating the rules of the trade.

There have been periodical clashes between taximen and the travelling public. This is not to say, that passengers do not misbehave with cab drivers. The trade has

its own hazards and many taximen have become victims of anti-social elements.

The organisations of taximen should, therefore, try to establish proper rapport between their members and travelling public and ensure that at least the normally accepted code of conduct is observed by taxi drivers.

Although taxis are supposed to be owned by those who drive themselves, powerful syndicates or individuals owning several taxis at a time have emerged in recent years. Most of the taxi drivers are employees and are often exploited by these syndicates. The Taxi Trade Enquiry Committee would do well to inquire into all these aspects and make suitable recommendations aimed at eliminating various malpractices that have entered the trade. Patrons of taxi cabs have the right to expect at least a courteous treatment for the increased fares they are paying.

.....

The Indian Express

4.6.73.

ERRANT CABBIES

Sir. - I agree with the opinion expressed by Mr. Dilshad and others in " The Indian Express " of May 19, 1973.

" Not only in the peak hours but throughout the day and night, cabbies refuse to ply the cab if the destination does not happen to be of their own choice. They even refuse to take patients to or from the hospital.

Under the circumstances, I request the government to consider the matter in the public interest and extend the work of the Mobile Court to prosecute such cab drivers."

A.M.BHATRA.