

IN THE HIGH COURT OF JUDICATURE OF  
MADRAS

(Special Original Jurisdiction)

TAKEN UP SUO MOTU

W.P.(MD) No.10126 of 2017

The Vacation Officer,  
..... Petitioner  
Madurai Bench of Madras High Court,  
Madurai,

-Vs-

5. Union of India Represented,  
By its Home Secretary,  
New Delhi,
6. The State of Tamil Nadu,  
Rep. By its Chief Secretary,  
Fort St. George, Chennai-600 009.
7. The Additional Chief Secretary to the  
Government,  
Transport Department,  
Secretariat, Chennai-600 009.  
..... Respondents

AFFIDAVIT FILED BY THE 3<sup>rd</sup> RESPONDENT

Government Pleader  
Counsel for 3<sup>rd</sup> Respondent

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**The Vacation Officer,  
Madurai Bench of Madras High Court,  
Madurai,**

**..... Petitioner**

**-Vs-**

**1. Union of India Represented,  
By its Home Secretary,  
New Delhi,**

**2. The State of Tamil Nadu,  
Rep.By its Chief Secretary,  
Fort St.George, Chennai-600 009.**

**3. The Additional Chief Secretary to the Government,  
Transport Department,  
Secretariat, Chennai-600 009.**

**..... Respondents**

**AFFIDAVIT FILED BY THE 3<sup>rd</sup> RESPONDENT**

**I P.W.C.Davidar, S/o J.S.G.Davidar, Aged about 59 years, residing at Plot No.1008, HIG 7<sup>th</sup> street, 4<sup>th</sup> Main Road, Mogappair, Chennai-600 037, do hereby solemnly affirm and sincerely state as follows:-**

- 1. I am serving as Additional Chief Secretary to Government, Transport Department and as such I am well acquainted with facts of the case from the records available.**

2. I submit that, based on the order of the Hon'ble High Court, Madras in its order dated 08.09.2017 in WP (MD) No.10126 of 2017, in respect of MACT award amount to the victims, a sum of Rs.485.23 Crore is pending as on 31.03.2017. In this regard, it is stated that the Government have already sanctioned a sum of Rs.90.55 Crore towards settlement of Motor Accident Compensation amount vide G.O.(Ms) No.81, Transport (T1) Department, Dated 03.07.2017 which has already been disbursed. Now towards the balance amount of Rs. 394.68 Crore the Government have decided to settle the amount in two separate instalments. Accordingly, Government have sanctioned the First instalment, sum of Rs.200 Crore vide G.O.(Ms) No.382, Transport (T1) Department, dated 06.10.2017 and a sum of Rs.194 Crore as a second and final instalment vide G.O.(Ms) No.471, dated 18.11.2017.
3. With regard to the sum of Rs.1138.66 Crore for RETIRED Employees the Government is facing a huge revenue deficit and has major financial commitment on account of pay revision requirements, Although, the amount that has been mentioned as dues to the retired employees, is not actually due from the government, in the larger interest of the Transport Corporation employees and the industrial peace it has committed to pay the same. Considering the difficult fiscal position of the State and also keeping in mind the liquidity position of the State, the above amount will be provided to Transport Corporations in three instalments over a three months period from 15<sup>th</sup> November 2017. Accordingly, a sum of Rs.267.5358 Crore has been sanctioned towards the settlement of statutory dues to retired employees vide G.O.(Ms) No.471, Transport (T1) Department, dated

18.11.2017. Further, in view of the acute financial position of the State Transport Underakings, a sum of Rs.219,6402 Crore has been released by the Government towards the payment of Bonus and Ex-gratia to the employees payable during 2017-18 as per the announcement made by the Hon'ble Chief Minister and also the Transport Corporations has to provide festival advance to their employees in this season and this amounts to Rs.41.89 Crores.

4. It is submitted that there are eight State Transport Corporations providing inter-state and intra-state transport services in the State are as below:-

- (i) Metropolitan Transport Corporation (Chennai) Limited, Chennai.
- (ii) State Express Transport Corporation Tamil Nadu Limited, Chennai.
- (iii) Tamil Nadu State Transport Corporation (Villupuram) Limited, Villupuram.
- (iv) Tamil Nadu State Transport Corporation (Salem) Limited, Salem.
- (v) Tamil Nadu State Transport Corporation (Coimbatore) Limited, Coimbatore.
- (vi) Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Kumbakonam.
- (vii) Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai.
- (viii) Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli.

The State Transport Corporations of Tamil Nadu have a fleet strength 22,203 buses including 1,427 spare buses as on 30.09.2017. The Various bus services operated to the benefit of travelling public as on 30.09.2017 are as follows:

Chennai Metro – City Services	3,688
Town Services (in Districts)	6,916
Mofussil services	8,560
Ghat services	528
<b>Express services</b>	
Inside State	648
Outside State	436
Total Services	20,776
Spare Buses for total services	1,427
Total Fleet Strength	22,203

5. It is submitted that a comparative statement of existing fares with other States is given in the tables below:-

**Bus Fare in 2011**

State	Fare Effective from	(in Paise per km)				
		Mofussil (Ordinary)	Express/ Semi Deluxe	Super Deluxe	Ultra Deluxe	Air-Conditioned
Tamil Nade	18.11.2011	42	56	60	70	90
Andhra Pradesh	16.07.2011	50	62	82	82	140
Kerala	08.03.2010	55	57	65	90	90
Karnataka	26.06.2011	46.44	68.71	83	105.16	137.72

**Bus Fare in 2017**

State	Fare Effective from	(in Paise per km)					
		Mofussil (Ordinary)	Express/ Semi Deluxe	Super Deluxe	Ultra Deluxe	Air-Conditioned	Volvo
Tamil Nade	18.11.2011	42	56	60	70	90	110
Andhra Pradesh	24.10.2015	63.70	87	98	116	146	182
Kerala	20.05.2014	64	72	90	90	110	130
Karnataka	10.01.2015	59	90	112	131	177	190

- In Andhra Pradesh fare has been revised 7 times since 2001,
- While Karnataka revised 15 times since 2011 and
- Kerala has revised 8 times since 2011.
- In Tamil Nadu last fare revision was given effect on 18.11.2011 and six years have lapsed since the last fare revision.

In addition to the above, the states of Karnataka and Andhra Pradesh are collecting toll user fees. Insurance cess is being collected in Karnataka and Kerala along with the above Bus fare. Further Karnataka and Kerala are charging two times and one & half times the normal fare for the types of services operated on occasion of

Special Operation like week end, Fairs and festivals etc. These provisions are not available to Tamil Nadu State Transport Undertakings.

6. Further, it is submitted that the present fare is inadequate to meet operational expenditure. The State Transport Undertakings are making losses approximately at the rate of Rs.9/km. Hence, the total losses per day is Rs.9.42 Crores. The year wise collection earned, annual loss cumulative loss and loss per km is given below:

Overall STUs-Yearwise Loss (Rs.In Crores)					
YEAR	Collection	Annual Loss	Cumulative Loss	LOSS (PPKM)	FARE REVISION GIVEN ON
2001-02	2651.76	-98.86	-2130.05	-44.2	06.12.2001
2002-03	3065.11	-4.21	-2134.26	-1.8	
2003-04	3186.37	2.38	-2131.88	1.0	
2004-05	3294.60	27.62	-2104.26	11.7	
2005-06	3456.46	-392.18	-2496.44	-162.9	
2006-07	3753.44	-281.81	-2778.25	-112.9	
2007-08	4148.19	-379.57	-3157.82	-136.1	
2008-09	4575.79	-723.15	-3880.98	-241.4	
2009-10	4886.41	-734.71	-4615.68	-236.2	
2010-11	5192.15	-1535.26	-6150.95	-480.2	
2011-12	5991.33	-1791.64	-7942.59	-553.5	18.11.2011
2012-13	7251.65	-856.53	-8799.12	-261.4	
2013-14	7342.40	-1265.98	-10065.10	-380.3	
2014-15	7480.98	-2653.99	-12719.09	-806.1	
2015-16	7599.33	-2600.25	-15319.34	-755.6	
2016-17	7571.19	-2981.57	-18300.90	-882.6	
2017-18(Upto Sep'17)	3917.37	-1527.72	-19828.62	-942.40	

(PPK-PAISA PER KILOMETRE)

7. It is humbly submitted that the State Transport Corporations are incurring cash losses continuously, the working capital requirement are met out of borrowed overdraft and cash credit from banks, availing loan from Transport Development Finance Corporation Ltd., and Government of Tamil Nadu. It will further aggravate the cash management by increased the interest burden. Lands and buildings of STUs have been, mortgaged to banks and TDFC (STU wise details enclosed). The details of loans along with interest outstanding position is given below.

(Rs.in Crores)

Sl.No	Year	Government	TDFC	Bank	Total
1	31/03/2010	984.43	1115.45	215.97	2315.85
2	31/03/2011	1797.89	1235.27	358.99	3392.15
3	31/03/2012	2326.32	1392.53	363.19	4082.04
4	31/03/2013	2580.82	1469.89	388.55	4439.26
5	31/03/2014	2525.5	1493.69	414.47	4437.66
6	31/03/2015	3008.68	1701.82	407.33	5117.83
7	31/03/2016	3929.16	2503.26	466.04	6898.46
8	31/03/2017	4600.83	3696.82	519.30	8816.95
8	30/09/2017	6002.21	4100.96	443.73	10546.90

1. Further, it is submitted that the details of available age and average ages of these buses and over aged buses of STUs as on 30.09.2017 are as follows:

STUs	No.of Buses as on 30.09.2017	Average Age	Number of Overaged buses	% of overaged buses
MTC	3843	7.52	2960	77.02
SETC	1160	5.70	908	78.28
VPM	3516	7.31	2215	63.00
SLM	2222	7.85	1487	66.92
CBE	3217	6.79	2023	62.88
KUM	3789	7.49	2642	69.73
MDU	2573	6.83	1822	70.81
TNV	1883	6.54	1127	59.85
Total	22203	7.15	15184	68.39

2. In view of the critical financial situation, State Transport undertakings find it a challenge to meet the day to day operational expenditure. State Transport Undertakings have also had to postpone the payment of Statutory dues likes Provident Fund, Gratuity, etc. Courts have attached buses for non-payment of awards in MCOP cases. Due to non settlement of the dues of Staff Credit Society. Which was recovered from staff salary, the Societies have approached the courts for recovery along with interest.

3. Its is submitted that the details of Court attached State Transport Undertakings buses as on 30.10.2017

State Transport Undertakings	No.of Vehicles	Amount (Rs.in Crore)
MTC	0	0.00
SETC	3	0.43
TNSTC-Villupuram	0	0.00
TNSTC-Salem	73	7.99
TNSTC-Coimbatore	49	4.86
TNSTC-Kumbakonam	44	5.62
TNSTC-Madurai	151	11.45
TNSTC-Tirunelveli	63	4.08

4. It is submitted that the Pension Scheme was implemented with effect from 01.09.1996 with a corpus fund of Rs.729.91 Crores. As on 01.09.1998, 1,28,000 employees were on roll. As on 31.10.2017, 70367 retired employees are receiving pension. Every year, more than 6,000 employees are retiring from service. The present Finance position of the Trust is detailed below:

Sl.No.	Particulars	Amounts (Rs.in Crore)
1	Government Securities	156.55
2	Bank Balance as on 07.03.2017	7.30
	TOTAL	163.85

128000  
70367  
57633



The Pensionary benefit commitment for the year 2017-18 and 2018-19 is furnished below:

Sl.No.	Year	No.of Pensioners	Pension Required Total (Rs)	Commutation Amount (Rs.)	Total Requirement (Rs.)	12% Contribution Amount (Rs.)	Short Fall
1	Apr'17 Mar'18	71973	1080.65	249.14	1329.79	146.72	1183.07
2	Apr'18 Mar'19	77146	1303.02	223.32	1526.34	139.67	1386.67

From November 2017 onwards the monthly payment of pension depends wholly on the boorowed funds. Hence it is very difficult to manage this critical situation. There are 70,367 pensioners as on 31/07/2017. Every year, more than 6000 employees are retiring from service, thereby increasing the pension commitment and correspondingly payment of pension is a challenge.

12. Further, It is submitted that the Government have sanctioned financial assistance for a sum of Rs.3117.75Crore to State Transport Undertakings in spite of their critical financial constraints. The details of financial assistance given to State Transport Undertakings at various head of accounts for the year 2017-2018 are tabulated below:

Sl.No.	Mode of payment	Amount so far sanctioned (Rs.)
1	Ways & Means Advance	1594,24,60,000
2	High Speed Diesel	594,97,97,000
3	Student Concession Subsidy	530,63,61,907
4	Short Term Loan	375,00,00,000
5	Senior Citizen	22,88,93,392
	<b>Total</b>	<b>3117,75,12,299</b>

For the reasons stated above, I pray that this Hon'ble Court may be pleased to accept this Affidavit on the present financial difficulties of the State Transport Undertakings due to which delayed payments are being made and render justice.

Solemnly affirmed at Chennai.

On this the 23 day of November 2017

And signed his name in my presence.

BEFORE ME