KERALA STATE ROAD TRANSPORT CORPORATION-“A GLORY OF PAST TINTED WITH SHAME”: EVALUATING THE PUBLIC TRANSPORT SYSTEM OF KERALA -A REVIEW
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Abstract: As Air and water is very essential for the survival of human beings just like a nation’s public transport system plays a crucial role in the development of the country. A nation’s progress and prosperity can be easily captured and analysed by looking into its public transport system and infrastructural developments. We cannot imagine a nation without sound transport system-stagnant and barren. Mobility is the inborn trait of the human being and it cannot be mutated. So it is the duty of respective state government to make provision for continuous and ceaseless mobility of men and material, is a vital necessity of the society. It keeps life in motion by providing time and place utilities. Transportation and communication form the core competency, because it accelerate the pace of economic and commercial growth and helping to fulfil the concept of global village. Thus a consummate transport system is the yardstick of an economy. KSRTC has been celebrating its silver jubilee, at this juncture, corporation has nothing to show to the public- lost its past glory, pride and vigour and facing a crucial crisis. KSRTC form the nexus of private bus owners, politics, and bureaucracy, which leads to its pathetic state. The review focused on the various stages in which the corporation had gone through, to study the major problems faced by the corporation and to suggest measures to revive the corporation.

Key words: Consummate, past glory, vigour, crisis, nexus, bureaucracy, revive

1. INTRODUCTION

An effective transport system should be a blessing to the city, and an ineffective one to be bane. During the first half of 18th century, Kerala was ruled by British East India Company. British rule had both positive and negative outcome. Stressing, the positive impact, made the Indian economy most structured and helped to be in limelight with other world countries. Structured governance, banking, public, administration, military organisation, modern medicine, Education, English language and literature and road, rail and water transport system were flourished. British East India Company had a tremendous need to develop public transport system in India-to govern the princely states of India, and to export spices and other scarce raw material to Europe. Sir C.P Ramaswamy Iyer was the Diwan of Travancore at that time, sensed the need of public transport system and thought it should be very useful to the common people, as well. First he was appointed as advisor to Sri.. Chithirathirunal and then promoted as Diwan of Travancore during the period 1936-1947. Sir C. P whole heartedly issued green signal to the Kerala public Road Transport system and inaugurated by Shri. Chithira Thirunal Balaramavarma in the year 1938. Travancore witnessed so many social reforms during his period. Under his Diwanship, in 1940, Travancore became the first state to nationalise Road Transport in India.

After Independence, with an aim to improve the efficiency and to reorganize the Travancore State Transport Department and to fulfill the social obligation by importing better passenger mobility and to extend service to uneconomic areas Kerala State Road Transport Corporation founded in 1st March,1965.Before converting into an autonomous corporation several act were framed to increase the transparency of operation-Road Transport Corporation Act(1950) passed, The Motor Vehicle Act 1950,amended in 1956 to incorporate provision regarding nationalisation of passenger service , amended in 1988 to include provision regarding collection of vehicle tax, issuing motor vehicle licenses and permits, Registration of vehicles, Enforcement of Motor Vehicle Acts and Rule, Ensuring road safety, Issuing license to drivers and conductors. KSRTC formed supplementary Institutions such as Motor Accident Claim Tribunal to provide insurance protection for passengers for accident damages and Consumer Dispute Redressal Forum to deal with the grievances of passengers (CDRF). This form the legal set up of KSRTC.

At present KSRTC is facing utmost struggle mainly due to corporation’s callous attitude and negligence from the part of the employees and changing political scenario compliment the situations. Now KSRTC past glory should remain in golden
scripts in the books of history. This journal provide glimpses of Transport system prevailing in India and the present scenario of Kerala Road Transport Corporation, achievements, problems and its solutions.

2. LITERATURE REVIEW

Dr. Indu Vijayan (2018) conducted research regarding “Pricing policy of KSRTC-A Comparative Study with Karnataka State Road Transport Corporation”, here the researcher found out two types of fares operating in KSRTC, basic fare and minimum fare. In Kerala the fare revision is done by a research agency named PISCO. In Kerala, along with PISCO, State government’s approval is needed for the fare fixation, on the contrary Karnataka had a separate committee, exclusively for fare fixation. Managing Director of Karnataka RTC suggesting that, every Road transport Corporation should appoint an automatic fare revision Committee to prevent the loss and it is devoid of government approval. Researcher found out that among the 55 road transport Corporation, only Karnataka, Bangalore and Maharashtra are making profit, other’s case was very pathetic. Researcher also found out that in Kerala, bus fare is increasing irregularly this should compel the short distance passenger’s to personal mode of transport and long distance passengers to train services, thus weakening the market share of the Corporation.

Lakshmi S. N (2017) carried out a research on the topic “Propensity to Turnover among Female Employees-A Study on Kerala State Road Transport Corporation” here the researcher point out that, as a provision to provide for women empowerment and gender equality, KSRTC introduces women participation in conductor cadre in 1990. Here the researcher trace out the variables, job satisfaction and organisational commitment, and its influence on women employees turnover intentions. The result revealed that age, employee’s education, job satisfaction, continuance commitment and length of service had a crucial effect on their turnover intentions. In order to increase satisfaction and commitment the corporation should focus on rationality of disciplinary action, effectiveness of the communication system, salary & allowances, job promotion, technologies adopted by the organization, welfare facilities, grievance redressal procedures, condition of buses and industrial relations.

Vini M.S, Sreekrishnan. P (2017) conducted a study in “An Evaluation of the Performance of Kerala State Road Transport Corporation-A Case Study” here the researcher checked out financial report of the corporation from the year 2012-2016 to analyse the performance. Variables for evaluating the performance are schedules operated, number of buses, average daily collection, average earnings per kilometre, and average earnings per bus. The performance of the KSRTC shows a declining trend due to its increasing operational cost.

Centre for Public Policy Research (2016) conducted a research on to the subject of “Challenges to the role of Private participation in Public Transportation: A case of Kerala” studied the issue that, in 2012, Kerala state government ceased issuing new permits to the inter-district buses in Kerala, while exempting KSRTC. Here the author evaluates, how this issue make an impact to the public Transport System of the country. Government undertook this measure to curb the monopoly of private buses. This study also discusses the increased role of private buses in the public Transport System due to its improved performance, customer service, efficiency, especially on factors like bus utilisation and earnings per kilometre. This act as a yardstick to measure the efficiency of public Transport system. Author concludes by saying that restrictive rules regarding the banning of private operators from inter –district operations need to be lifted. So that sound economic progress should be guaranteed.

Dr. K. Saravana(2016) explored the topic “They play an incredible role in improving the public transport system of kerala: A study based on the satisfaction level of KSRTC passengers”, in this study researcher found out several variables that adversely affecting the satisfaction of passengers are bus fare, timeliness, service outside kerala, travel comfort, concessional rates, employee behaviour towards passengers, additional bus services during festival seasons and other facilities and services. Researcher found out that rural services and outside Kerala services should need improvement and employee behaviour towards passengers was favourable. He provided innovative solution to increase the satisfaction level of customers such as Wi-Fi, spot the bus, online reservation and provide good bus maintenance services.

Sanesh. C (2015) in his journal of “Human Resource Issues in Kerala State Road Transport Corporation” studied Human Resource Policies of KSRTC and various HR issues pertaining to the corporation. He found out some major issues affecting the corporation are inter-union rivalry, lack of professionalism, underqualified personnel’s, absence of scientific training and poor administrative experience are some of these.

Nisamudheen.T (2014) explored the subject of “Recruitment, Selection, Training and Development Practices in KSRTC”, here the main objective of the study is to assess the perceptions of employees with regard to the recruitment, selection, training and development programmes undertaken by KSRTC. Survey result found out that promotion policy of the KSRTC should be improved and the Performance Appraisal system operating in KSRTC was outdated. Author says Lack of commitment and indifference on the part of workers and management constitute the crisis of the corporation.

Dr. Harendra Mohan Singh(2014) in his journal “Revenue from Road Transport India”, author had analysed the revenues that pooled up from transport sector as a whole, revenues that collected from state transporting system and its contribution to the economy and different types of tax structure operating in states. For achieving this he had formulated supplementary
objectives such as (i) study the revenue generation of state and centre from road transport sectors, (ii) examined the structure of road Taxation in India, (iii) studied the percentage share of road transport GDP in total GDP.

D. Narayana (2011) conducted a study on “The Pricing Problem of public transport in Kerala”. In this study the author identified two types of Public Transport System in Kerala-KSRC and Private Stage Carriages(PSC). Author says that KSRTC’s financial crisis and its poor performance act as a hindrance to the long term needs of the population, this made the over growth of private stage carriages in Kerala. How this public Road transport system can be operated economically, is the theme of this paper. Author here discussing to raise the revenue of Transport Industry to cover the incurring fixed cost. Author identified factors that helped to the recoup the fixed cost are subsidy, monopolies, Advanced Revenue with Capital adjustment, multi-part tariff, concessional fare for students and the associated subsidy should be considered. According to the author, the factors influencing the price index for stage carriage operations are (a) fuel, (b) lubricants, (c) tyre and tube, (d) spare parts and maintenance labour, (e) taxes and insurance, (f) crew wages, (g) cost of capital and depreciation. He explained about price index for stage carriage operations (PISCO), PISCO related profitability factors, Impact of student concession on general fare and option in fixing minimum fare.

National Council of Applied Economic Research (2007) conducted a research on “State Policies affecting Competition: Passenger Road Transportation Sector” here the researcher studied the economic benefits that derived from competition and its effect on profit, efficiency and market structure. Researcher used three types of index such as Competition, Efficiency and Composite Customer Satisfaction to analyse the impact of state policies on competition in respective public transports of different states. The research progressing in two phases “Internal Learning” and “External Learning”. Former, he analysed the State policies that affecting the competition of Public Transport System of Indian States and latter verified some foreign countries. The study concluded by proposing a model of Franchising and Competitive Bidding for Commercial and Non-Commercial Routes.

Dr. Sanjay K. Singh (2000) conducted a study on the “Technical Characteristics and Efficiency of the Indian State Road Undertaking”. The study deals with the technical characteristics of the state Road Transport undertaking on the basis of a sample of medium and large size Indian states and analyse the relative efficiency of those undertaking. Author expects that the study should be helpful in reframing the existing public policies relating to state transport undertaking in India. The efficiency of state transport undertaking should be estimated on the basis of cost factor, which are influenced by variables such as characteristics and structure of the network, the special features of the state concerned and the quality of service. Author also identified homogenous factors influencing efficiency are labour cost, fuel cost and maintenance cost which are more or less same.

Dr. K. Gopalakrishnan Nair (1992) in his thesis titled “Management of Public Road Transport System in Trivandrum City” studied the operational aspects of urban Road Transport management. He framed the research on the basis of factors such as assessing travel demand, depot location, fleet allocation, vehicle scheduling and maintenance. Main objective of the study was to ascertain financial and organisational aspects of Trivandrum city services and assess public travel needs. Researcher concluded the study by saying that, a successful urban road transport system is the net result of combining factors such as collective effort by the bus operator, the town planning authorities, local bodies, the government and the travelling public. Researcher provided some suggestion to improve the urban public transport system, staggering of office and school hours, Encouraging educational institutions and other organisations to operate their own buses, Rail –road co-ordination, Town planning and road development, Point to point mini bus service, Replacement age of vehicles and adequate maintenance are some of these.

3. OBJECTIVES OF THE STUDY

1. To study the present status of Road Transport in Kerala.
2. To analyse the functioning of Kerala State Road Transport Corporation.
3. To analyse the causes of KSRTC crisis

4. RESEARCH METHODOLOGY

The study based on secondary data. KSRTC website, Economic Review, Basic Road Statistics, Economic Survey form, Road Transport year books etc. form the major sources of study. Besides these various books, journals, working papers, thesis reports, research papers, newspapers and related websites supplement the study. In this study for the analysis appropriate tools like percentage, ratios, table and figure etc. are used.

5. SIGNIFICANCE OF THE STUDY

Indian Transport sector is undergoing a vast change, new technological modes of services are added where as old ones are cremated. Improvements in the form of engines, technology, safety, flexible designs and imported machines engendering the nation prosperity and economic development. Invention of wheels in the later pre-historic led to the emergence of passenger transport system which result in the rise of a horizon that makes dramatic changes in the world history. This helped to realise the concept of global village more strongly. For the flourishing of civilisation and culture a nations transport system plays
tremendous role. India has the third largest road network which caters to the needs of millions of people. Kerala public transport sector is also phasing severe competition from different sectors such as private bus owners, metro rail, railway, taxis and rickshaws in the city. Severe competition coupled with poor management from the part of the corporation led to the present day crisis of the corporation. For the past years there was no budgetary allocation for KSRTC. But 2018 State budget, Finance Minister Dr.Thomas Isaac made some fund allocation for KSRTC as revival package and the question is that, is this fund is enough to replenish the loss suffered by the corporation, we have to consider it as a matter of fact. It’s the duty of both government and public to frame methods to pull back corporation from the crisis, otherwise public sector should transform into a private sector, and should monopolise the public transport system of Kerala. We must build up ways to overcome the present crisis for better tomorrow.

4. TRANSPORT SECTOR: INDIA

The Road Transport of India act as a powerhouse of social and economic developments of the country. India has an extensive road network which provides mobility to millions of people every day. India ranked third in the world in its road network stretching 4.48 million km in length. World Bank reports, in India National Highways accounts for 76,818km, which constitute mere 2 percent of total road network, but carry about 40 percent of the total road traffic in India. Among the total national highway network 24 percent are four lane carriage rest comes under two lane and single lane.

Indian railway banged second largest in the world, under single management. Freight accounts for 67 percent of total revenue of Railway. Aviation sector is also gaining momentum, with the introduction of globalisation, business and communication among world nation are getting increased, and aviation sector is providing variety of services with passenger friendly packages. Private participation in operations of airlines and improvements in infrastructure culminates its growth.

Other transport modes like inland waterways and coastal shipping are significantly used for freight transport. India is a peninsula and has gifted with 12 major ports and 200 minor ports, of which only 30 ports handle cargo traffic. In recent years it was estimated that total traffic carried by major and minor ports should be 53 million. In the case of domestic freight movement only one percent of total freight traffic demand should be met by coastal shipping and inland water transport.

5. KERALA ROAD TRANSPORT SCENARIO-AN OVERVIEW

Owing to the geographical peculiarities of Kerala, Kerala has got four means of Transport-road, railways, airports and waterways. Among, Road transport is most popular because it’s the most flexible means of transports to carry passengers and freight. Roads have the advantage of last mile connectivity. The following table represents the transport infrastructure of Kerala.

<table>
<thead>
<tr>
<th>Mode of Transport</th>
<th>Length of Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railways</td>
<td>1588km</td>
</tr>
<tr>
<td>Road</td>
<td>2.05 lakh km</td>
</tr>
<tr>
<td>Air Ways</td>
<td>111 statute miles</td>
</tr>
<tr>
<td>Inland Water ways</td>
<td>1687km</td>
</tr>
</tbody>
</table>


In Kerala, Roads are categorized into five, National Highways (NH), State Highways (SH) and Major District Roads (MDR) and PWD and Local Body Roads. Kerala had a Road density of about 852km/100 sq.km and it is far ahead of the national average of 387km/100 sq.km. The length of road per lakh population is 991km. In Kerala, the percentage of Motor vehicle population is increasing at an alarming rate, in 1980 it was around two lakhs but in 2016 it was above two crore. As compared to other state, Kerala’s vehicle density is also very high. Ernakulam ranked first with highest vehicle population rate of about 1467028, Thrissur 14% and Wayanad 1.1% at the least.

Kerala Road Transport System needs improvement. Infrastructural developments of the county should be carried out by Five year plans of the respective government. Eleventh Five Year Plan concentrated on Road improvements, development and upgradation. Repair and maintenance-this activities should be supplemented by budgetary support, private finance and Institutional supports. Twelfth plan is the current Five year plan, Quality Infrastructure creation in Road construction is the main focus.

Several agencies contributing to the maintenance work of roads in Kerala are, public work departments (roads & bridges), Local self-governments and National Highways, Municipality and Corporation, Irrigation, Forest, Railways and KSEB.
Various agencies complimenting the transport industry are Motor Vehicle Department, KSRTC, National Transportation Planning and Research Centre (NATPAC), Kerala State Transport Project (KSTP), Road and Bridges Development Corporation of Kerala (RBDCK), Kerala Transport Development Finance Corporation (KTDFC), Kerala Road Fund Board (KRFD) and Road Infrastructure Company Kerala (RICK). Development and maintenance of the National Highways (NHs) is vested with the Central Government. It is implemented on an agency basis. Development and maintenance work of NH is undertaken by State Public Work Department, National Highway Authority of India and Border Roads Organisation. The State Highways and Major District Roads are under the control of Public Work Department of Kerala.

The Table 2 shown below are the agency wise classification of Roads in Kerala. PWD’S Roads & Bridges wing entrusted to look after the functioning of State Highways and Major District Roads in the State. PWD’s percentage of Road among the total road network of the state is about 15%. The pressure on PWD is mounting with respect to increase in road traffic at the rate 12-14% every year. During the year 2015-16, the total roads maintained by PWD is increased to 31812.096 among 4342km SHs and 27470km is Major District Roads. Kottyam District has banged the major share of roads with a length of 3456.214km (10.86%) and Wayanad at the least with a percentage of 3.245.

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Name of Department</th>
<th>Length(km)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Panchayats</td>
<td>139380.410</td>
<td>67.81</td>
</tr>
<tr>
<td>2</td>
<td>PWD(R &amp; B)</td>
<td>31812.096</td>
<td>15.48</td>
</tr>
<tr>
<td>3</td>
<td>Forest</td>
<td>4575.770</td>
<td>2.23</td>
</tr>
<tr>
<td>4</td>
<td>Irrigation</td>
<td>2611.900</td>
<td>1.27</td>
</tr>
<tr>
<td>5</td>
<td>PWD(NH)</td>
<td>1781.570</td>
<td>0.87</td>
</tr>
<tr>
<td>6</td>
<td>Municipalities</td>
<td>18411.870</td>
<td>8.96</td>
</tr>
<tr>
<td>7</td>
<td>Corporations</td>
<td>6644.000</td>
<td>3.23</td>
</tr>
<tr>
<td>8</td>
<td>Others (Railways &amp; KSEB)</td>
<td>328.000</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>205545.616</td>
<td>100</td>
</tr>
</tbody>
</table>

The Table: 2 Agency wise Distribution of state Roads in Kerala during 2015-2016, source: various Departments

6. ROAD PASSENGER TRANSPORT IN KERALA

As considering the economic criteria, bus transport is the most suitable option of Transport for Kerala people by contributing variety of factors such as cost, accessibility, flexibility and mode of operations. Railway and Airlines are mostly opted for long Distance travelling and business purposes. Kerala Public Road Transport System include KSRTC buses and private buses. Private buses play a predominant role in all district of Kerala except Trivandrum city. Kerala has a total fleet of
25449 buses, of which 19145 (75%) are private buses and 6304 (25%) are KSRTC buses. Both public transport systems compliment each other to avoid chaos of the public.

7. KSRTC – PRESENT SCENARIO

KSRTC is the Kerala’s very renowned Public Transport system, at present (March, 2017), has 5553 schedules, bus strength of about 6295 and a total employee strength of about 35002 people operating in the corporation. Average daily collection, average earnings per kilometer and average earnings per bus, estimated should be 593000, 33.64 and 9425. During the period 2015-16 KSRTC had a gross revenue of Rs/-2,165.16 crore, gross expenditure of Rs/-2788 and the operating loss estimated should be Rs/-613.14. Average earning per vehicle on road shows an increasing trend, in 2016, it was 8646, in 2017, it is 9428. The fare structure remained unchanged during 2016-2017, till January, 2018. A unit wise analysis of KSRTC reveals that about 30 percentage of the unit of the state exhibit poor performance.

Table: 3, Major Internal Indicators of KSRTC, Source: KSRTC

- Average fleet held: 5686
- Occupancy Ratio - 75.09%
- Average Fleet Operated: 4522
- Average age of fleet - 7 years
- Staff Strength: 35002
- Over aged Vehicles - 25.9%
- Staff per bus ratio (fleet held): 7.2
- Staff Productivity (km/staff/day): 37.01
- Staff per Bus Ratio (fleet operated): 9.1
- Fuel Efficiency (Km/litre of HSD): 4.22

KSRTC’s Occupancy Ratio has increased from 67.14 percent in 2009-2010 to 75.09 in 2014-15, as compared to private carriages, it was feeble. Private operators are leading in passenger transport operation in the state. 81 percent should be the fleet utilisation of KSRTC. 25 percent of the vehicles are over aged and more than 12 percent of the buses are under repair. Staff per bus ratio is as high as 7.2 percent. The number of breakdown per lakh kilometre is also high as compared to Bangalore City Transport and Karnataka State Transport Corporation.

8. ACHIEVEMENTS OF KSRTC

- Two new operating centres of KSRTC has started at Anayara and Nedumangad.
- From Private operators KSRTC has taken over 204 super class services.
- 615 numbers of new buses were launched, replacing old ones.
- State Transport Undertakings of Andhra Pradesh, Telangana, Goa and Pondicherry had signed agreements with KSRTC for interstate service operations.
- A team of newly recruited 12,113 employees were given training at Staff Training Centre of KSRTC, includes newly recruited drivers, conductors and other staffs.
- New Scania A/C multi axle buses were purchased by KSRTC for interstate service operations.
- Bus Terminals cum shopping complexes were constructed at different bus stations.
- Kerala Urban Road Transport Corporation has rolled out 65 numbers of A/C low floor buses and 173 Non A/C low Floor Buses.
- In Thrivunanthapuram and Kottayam Depot, GPS systems were installed in 474 Super Class buses.
- Launched new Silver Line Jet buses for long distance services with push back seat and Wi-Fi connectivity.

9. FINANCIAL PERFORMANCE OF KSRTC
Financial Performance of the KSRTC is depreciating day by day. There are so many varied reasons complimenting its loss. Financial Performance of KSRTC is shown in Table: 4

<table>
<thead>
<tr>
<th>year</th>
<th>Total Revenue</th>
<th>Total Expenditure</th>
<th>Profit/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>1294.09</td>
<td>1673.42</td>
<td>-379.32</td>
</tr>
<tr>
<td>2012-13</td>
<td>1704.8</td>
<td>2200.69</td>
<td>-495.89</td>
</tr>
<tr>
<td>2014-15</td>
<td>1863.56</td>
<td>2433.66</td>
<td>-570.16</td>
</tr>
<tr>
<td>2015-16</td>
<td>1923.82</td>
<td>2541.10</td>
<td>-617.28</td>
</tr>
<tr>
<td>2016-17</td>
<td>2165.16</td>
<td>2788</td>
<td>-613.14</td>
</tr>
</tbody>
</table>

Even though the state has reserved 30 routes exclusively for KSRTC, it was still running in losses. Daily reports says that this is not the actual situation. KSRTC had a Total expenditure of about RS/ 5079.59 crore. By taking this as total expenditure, we can allocate that each bus has a debt of above 1 crore. It’s very difficult to bridge the gap between income and expenditure.

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>Monthly Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>165 crore</td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>84.5</td>
</tr>
<tr>
<td>Pension</td>
<td>60</td>
</tr>
<tr>
<td>Diesel</td>
<td>90</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>120.5</td>
</tr>
<tr>
<td>Total</td>
<td>355</td>
</tr>
</tbody>
</table>

Apart from,355 crore expenditure, KSRTC had to make payments to oil corporations, 128Crore, debt due to purchase of spare parts, 25 crore and amount collected from employees, that not paid in their PF account amounts to 150 crore.

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Amount(Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank consortium</td>
<td>1246.4</td>
</tr>
<tr>
<td>Palackad Co-operative Bank</td>
<td>372.57</td>
</tr>
<tr>
<td>HUDCO</td>
<td>255.36</td>
</tr>
<tr>
<td>KTDFC</td>
<td>885.38</td>
</tr>
<tr>
<td>LIC</td>
<td>103</td>
</tr>
<tr>
<td>Total</td>
<td>2862.71</td>
</tr>
</tbody>
</table>

Government is trying to take loans from a consortium of banks and the agreement is getting late due to past debt. Government try to mitigate the quarrel between corporation and KTDFC, about loan repayment. They planned to take loan amount of about Rs/-3500 crore. And they planning to repay the debt by increase the period of repayment with respect to low EMI. If government should exempt the tax rate on diesel, it should be a great relief to the KSRTC, and can able to Recoup an amount of about RS/- 2 crore.

Situation till 30th January 2018
- Depots of the KSRTC was pledged to make loan repayment.
- KSRTC was failed to fulfil Pension commitments of employees, their pensions amount due from 5/07/2017-10/01/2018
- 14 retired employees were committed suicide, when corporation failed to provide pension fund.

10. CAUSES OF KSRTC FINANCIAL CRISIS

Political Intervention: Even if it is an autonomous corporation, government should intervene in most of the intricacies of the corporation, such as bus scheduling, operating in uneconomic routes and fair fixation. Illegal political intervention coupled with corruption in the administrative affairs of KSRTC, leads to its pathetic state. Ruling Government’s erotic attitude also affected the corporation.

Illegal Route Fixation: Government’s illegal support towards private bus authority personnel’s, result in illegal route fixation also paved the way for the crisis. Once, a private bus enter into the road, it should contribute a big amount to the government’s tax deposits. So the government had a hidden agenda in selling profitable routes to the private bus owners.

Motor Accident Claim Tribunal (MACT): MACT deals with matters related to compensation of motor accident victims. Claims relating to life, property and injury cases resulting from motor accident are dealt by the Tribunal. Failure to run
accident cases by Motor accident Claim Tribunal of the corporation, result in the loss of the corporation, MACT loss itself amounts above 2 crore.

Students Concession and Free pass: Concession pass given to the students and free travel for deaf, dumb, blind and retired employees of the corporation complimenting the crisis.

Failure in Projecting the Future Needs: Corporation and its management is not able to project the future need of the public and the changing economic environment.

Underqualified Top Management: KSRTC Corporation is managed by a team of underqualified personnel’s. This adversely affecting the general administration of the corporation and its revival measures.

Mid-Tier Employees lacks administrative Experience: As far as KSRTC is concerned, their depots are considered as strategic Business units and it was managed by a team who lacks prior administrative experience also result in failure. District Transport Officers vacancy should be filled by personnel’s those who are promoted from ticket inspectors post.

Lack of Professionalism in the Organisation: KSRTC is a public Sector undertaking with employee turnover of about 35002 people and operating5552 schedules and giving pension to38000 retired people, till, the corporation did not have appointed chartered accountants and financial expert for auditing purposes.

Trade Union Activism: CITU and AITUC are the major trade unions operating in KSRTC. These union lacks unity in decision making. Corporation lacks a proper Human resource Management system and Grievance Redressal council to prevent unhealthy trade union activities.

Operating in Uneconomic Routes: Buses which are conducting service in uneconomic areas and other hilly regions mainly due, fulfil the obligation of the government and the corporation does have any right to fix the schedules.

Hike in Fuel Price: Now fuel price fixation is under the hands of oil companies, aggravating the crisis of the corporation. And government charging excise duty on fuel usage.

Huge Fund is deviated for Infrastructural Development: KSRTC’s, fund is channelized for constructing luxurious shopping complexes in bus stations. Authorities are expecting huge profit, by giving the complex for rent, but that is also a futile attempt from the part of the corporation.

Purchase of Spare parts: Huge amount of money should be steal by the authorities, at the time of purchasing new buses and spare parts, in the form of commission. The purchased spare parts does not meet any quality standards and dumped at the corporation’s workshop.


No Budgetary Allocation for KSRTC, Till 30/01/2018: Every year government should allocate 30 crore amount to the pension fund of the retired employees.

Private or parallel Service: KSRTC failed to control Private services.

Internal politics between KSRTC and KTDFC: KTDFC is created to provide financial assistance to the corporation. But KTDFC’s high loan interest rates, adversely affected KSRTC.


In 2018-2019, State Budget, Government announced a Three phase revival package for KSRTC, First phase dealt with how to resolve the pension crisis. According to the reports, for one year KSRTC needed 720 crore to fulfil the pension commitments. Pension dues will be disbursed By March. As part of Reviving KSRTC, a new system of disbursement is devised for the timely disbursement of pension. In all districts, a consortium of district co-operative banks and primary co-operative societies will distribute pension fund. Loan amount should be repaid by government within six months. Once, KSRTCs financial performance get flourished, the pension liability will be vested back to the corporation.

Second phase, government proposed a model to revamp KSRTC. Corporation should get a loan amount of Rs/-3500 crore, with low interest rate from a consortium of banks. Using this amount, short term loan with high interest rate will be repaid. Government official said, restructuring should start with top level management and entire KSRTC should be divide into three profit making hubs. KIIFB (Kerala Infrastructure Investment Fund Board) will provide fund for purchasing 1000 buses in the first season and rest will be provided at the second season. Measure will be taken to modernise Alappuzha bus stand, Kayamkulam and Ernakulam Terminals. Fair Revision according to Justice. Ramachandran commission is also considered.
Key factors such as fleet utilisation, travelling distance of a bus per day, revenue per day, diesel mileage, breakdown rate, turnaround rate and accident rate, are trying to bring down to an average.

In the third phase, LDF government shouldn’t take over the pension and salary of loss making PSU’s, government’s intention is to make them self-sufficient through financial assistance.

12. CONCLUSION

A nation’s Public Transport System is the major determinant of economic growth of the country. Globalisation coupled with consumer and producer differences, growth in different sectors of economy, change in demography and technology had a terrible impact on our public transport system. Kerala State Road Transport Corporation had a tough time and phasing a crisis. Functioning of the corporation is merely satisfactory. Proper management of men and material is very necessary, to recoup the past glory of KSRTC. Abolition of corruption and the implementation of revival package should be able to solve the crisis. Let’s hope KSRTC should regain its past glory, vigour and pride.

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