

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:800
ANSWERED ON:19.03.2012
ROAD TRANSPORT CORPORATIONS ACT, 1950
Shankar Alias Kushal Tiwari Shri Bhisma

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Government proposes to review the Road Transport Corporations Act, 1950;
- (b) if so, the details thereof;
- (c) whether most of the Road Transport Corporations in the country are suffering huge losses;
- (d) if so, the details thereof alongwith the reasons therefor; and
- (e) the steps being taken by the Government to strengthen public transport system in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (DR. TUSHAR A. CHAUDHARY)

(a)&(b) Ministry of Road Transport & Highways proposes to bring amendments in certain Sections of the Road Transport Corporations Act, 1950 with a view to strengthen State Road Transport Corporations with reasonable independence by (i) restraining the Corporations from creating any subsidiary corporation exclusively for the purpose of real estate management (ii) making it mandatory for the States to reimburse the Corporation for carrying out the obligatory social services on behalf of the States and empower the Corporations to fix fare for the services rendered by them and (iii) giving reasonable autonomy to the Corporation to mobilise resources.

(c)&(d) As per information available, only five State Road Transport Corporations, namely, Bangalore Metropolitan Transport Corporation, Karnataka State Road Transport Corporation, Maharashtra State Road Transport Corporation, Odisha State Road Transport Corporation and Punjab Bus Stand Management Company are making profits as per details given in Annexure. Some of the factors affecting the efficiency of State Road Transport Corporations include drop in occupancy ratio because of competition from other modes, absence of fare revision mechanism, drop in bus-staff ratio, burden of various concessional fares / exemptions as universal service obligation etc.

(e) Proposed amendments in Road Transport Corporations Act, 1950 will help in strengthening the State Road Transport Corporations / Undertakings in the country.