

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

UNSTARRED QUESTION NO:5119  
ANSWERED ON:14.08.2014  
LOSSES IN TRANSPORT UNDERTAKINGS  
Owaisi Shri Asaduddin

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

- (a) whether some of the State Transport Undertakings are running into losses;
- (b) if so, the details thereof and the reasons therefor along with the action taken in this regard;
- (c) whether these issues were discussed during the last State Road Transport Ministers Conference; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI KRISHANPAL GURJAR)

(a) Yes, Madam.

(b) Out of 34 reporting State Road Transport Undertakings for the year 2012-13, 32 of them have incurred losses except Karnataka State Road Transport Corporation and Odisha State Road Transport Corporation. The performance of 34 reporting State Road Transport Undertakings for the year 2012-13 is given in enclosed Annexure. Some of the reasons for making such losses by the State Road Transport Undertakings (SRTUs) are as following:-

- (i) De-regulation of diesel prices due to which SRTUs have to pay higher cost for diesel than the retail prices.
- (ii) SRTUs are liable to pay huge amount of MV taxes imposed by the respective State Governments. For some states, it is around 25% of the total expenditure.
- (iii) High incidence of Central/States duties on Public Passenger Transport Vehicles (20-25% of vehicle cost).
- (iv) High incidence of indirect taxes on diesel (29-42%).
- (v) SRTUs are subjected for payment of huge amount of toll taxes (about Rs.700 crore per annum).
- (vi) SRTUs are extending concessions on fare to various categories like students, blind persons, freedom fighters, physically handicapped, war widows, diseased, journalists and senior citizens. The State Governments are not reimbursing the entire amount foregone on account of concessional travel.
- (vii) Fare revisions are not being done in line with increase in cost of fuel, personnel and other cost. The fuel and personnel cost amounts to 75% of the total revenue.

(c) No, Madam

(d) Does not arise in view of reply to (c) above.