CHAPTER - VIII

CONCLUSIONS, FINDINGS AND SUGGESTIONS

The present study makes an attempt to have close analysis of the development of Road Transport in India with special emphasis on the general conditions of work for the Goods Transport Operators in Himachal Pradesh and also the Bankers financing them. The study further examines the root causes that are affecting their over-all performance. While carrying out the present work, a large number of facts have come to light which have an important bearing on the transport sector in general. On the basis of the detailed study of the topic, this chapter now aims at presenting the major findings which have naturally emanated from the present study. Thus, the conclusions, findings and suggestions as have been drawn is presented below in two sections - Section - A contains conclusions and findings as emanated from the present study. Further, in the light of conclusion drawn, Section - B contains some useful suggestions relating to the road transport sector.

SECTION - A (CONCLUSIONS AND FINDINGS)

8.1 Conclusions and Findings :

The major findings of the study are divided into two parts. Part - I deals with the general issues relating to the development of roads & motor transport in India and Part - II contains the reactions of Goods Transport Operators & the financing Bankers in the State of Himachal Pradesh in the present set up.
Part - I

Transport resources of India mainly comprises of men, machines and animals. Of these, the development in the mechanised means of transport has been unprecedented over the last five decades. This include the railways, the road transport, inland water transport, coastal shipping through ports and air transport. But in the matter of utilisation of total transport network, railways and road sector tops the lists as it carries more than the 90 per cent of passenger and freight traffic of the country.

Besides railways, road transport is the most important means of getting from one place to another in India. Infact, it is the roads which ultimately connects the villages in the remotest areas with small or big roads and marketing centres of the country. Presently, the total road network of the country has crossed the 3 million mark (30,15,229 kms) by 31st March 1995, thus making it the third largest road network in the world.

Though the Nagpur Plan was a turning point in the history of road development in India, a substantial progress has also been made during various Five Year Plans since 1951. While making an analysis of village connectivity in the present study, it has been observed that on all India basis by 1991-92, about 90 per cent of the villages each having population of more than 1500 & above, about 70 per cent of the villages with 1000-1500 population each and about 36 per cent of the villages each having population of less than 1000 have been provided with some kind of roads. Furthermore, the study reveals that among the various States/UTs in India,
the State of Bihar and West Bengal are still lagging behind as regards village
connectivity.

On analysing the decadal trends of growth in total road kilometers, it has been
observed that decadal increase was more than 50 per cent except in the decade of
1961-71. Moreover, the study reveals that the growth of National Highways (NHs) as
% to the Surfaced Road Length (SRL) and % to Total Road Length (TRL) is not
consistent over the years, but on the decline. Since 1951, the share of NHs as % to
SRL in the country has declined from 12.62% to 2.48% by 1995. As regards more
popular criteria of NHs as % to TRL, the study reveals that with the figures of 1.14%
it has touched its lowest ebb by the year 1995.

The study further brings out that though only 14557 kms of NHs have been
added over the year 1951, there is much variation in the pattern of capital expenditure
and maintenance expenditure during 1950-51 to 1994-95. While the ratio of capital
expenditure and maintenance expenditure was 42% & 58% respectively in the year
1950-51, by the year 1994-95 the position has remarkably changed as the ratio has
been 72% & 28% respectively now. In absolute terms, while the capital expenditure
incurred by the Govt. has increased by 279 times, the increase in maintenance
expenditure has been only 79 times. Thus it can be concluded that the funds for
maintenance expenditure (in % terms) have gone down over the last 5 decades.

The present study also makes an analysis as regards availability of roads in
relation to Area and Population. It has been observed that in India, the availability of
roads per 100 Sq. Kms. of Area has increased from 12.10 kms in 1951 to 91.73 kms
by 1995, thus showing an increase of 758 per cent. Further as regards the availability
of roads per 1 lac of population, the study reveals that the increase for corresponding period has been only 304% due to a steep rise in population which is a matter of concern to the country. An analysis of State-wise performance in this regard also brings startling facts into light. While Kerala and Goa tops among the various States with regard to Road Length per 100 Sq. Kms of area, the National Capital Territory of Delhi ranks first among the Union Territories (UTs). While measuring road length per 1 lac of population, the study further reveals that the low population States of Arunachal Pradesh and Nagaland rank high and the State of West Bengal stands among the last in this regard. Moreover, it has been noticed that out of 25 States, 13 States are still having road network below the National average.

While seeing the comparative performance of India viz-a-viz other countries for the year 1994, it has been observed that India has made considerable progress as regards availability of roads per 100 Sq. Kms of area, though it is far behind in comparison to some other developed Nations. As regards availability of roads per million of population, Australia stands first followed by U.S.A and France. Thus it can be concluded that with regard to international comparison, India needs to increase its Road Length further, especially in the matter of better quality roads and Road Length per million of population.

Remarkably, the present study also focusses its concern over the sharp rise in vehicle population of India, though it has also been observed that the increase in the total road transport resources have also significantly contributed in the economic development of the country. On analysing the trends of vehicle population in India during 1951-94, the study reveals that the vehicle population which was 3.06 lac in
1951 has gone upto 272.27 lac by 1994, an increase of about 90 times. The study further reveals that the use of personalised vehicles have shown the greatest increase in the last two-three decades. In this regard, the pattern of production and sales of motor vehicles in India as reflected in the present study also confirms this fact as to how the personalised vehicle ownership have slowly flooded the Indian roads during the last 20 years.

The present study also makes a comparative analysis of motor vehicles in India viz-a-viz some other countries as regards the availability of motor vehicles in relation to total road length, area and population in some selected countries. The study brings to light the important fact that in comparison to some other countries, the vehicle population in India has neither outgrown nor the position has become so alarming as in some other countries of the world; But it is in the matter of better quality roads where we need to improve and expand as much as possible.

An analysis of trends in traffic flow reveals that by the year 1994-95, the road transport has taken the lead over the railways in both, the passenger traffic and the freight traffic. In the present study, it has been observed that the percentage share of roads in total passenger traffic, which was 26 in 1950-51 has risen to more than 80% in 1994-95. On the same footing, the % share of roads in total freight traffic, which was 12 % in 1950-51 has risen to more than 60 % by the year 1994-95. Thus the study shows clearly that while the Billion PKMs (passenger kilometers) and Billion TKMs (Tonne Kilometers) have increased for the both types of transportational means, there has been a noticeable shift in traffic trends carried by rail and roads in these 50 years.
With a view to know the impact of RRFF (Railroad Freight Flow) on the key economic indicators (A - Agriculture, M - Manufacturing, G - Gross Domestic Product) of the country, Karl Pearson's Co-efficient of correlation has been applied in the present study. An analysis of trend in this regard reveals that all the three indices of economic development are related positively to the index of RRFF. The obvious inference which can be derived is that the rise of total volume of RRFF has significantly contributed in the economic development of the country in these 5 decades.

An examination of trends of expenditure/revenue from roads and road transport reveals that the share of actual expenditure as against total expenditure has shrunked to 2.9% by the end of VIIth Plan and is 2.98% in the sum of three Annual Plans (1992-93, 93-94 & 94-95) of the VIIIth Five Year Plan (1992-97). Furthermore, the study reveals that the expenditure on roads and road transport as a percentage to revenue from the same sector has gone down to 30.9% in the Year 1993-94. Thus it can be concluded that the deficiency of funds for the development of roads has become a cause of concern over these years.

The present study also brings to light some major transportational problems which are fast emerging on the scene. The important environmental and sociological concerns highlighted in the present study relate to the mounting air pollution and ever rising road accidents in India. It has been observed in the present study that apart from ever rising population of the vehicles and increasing overaged vehicles on the road, the various other factors like expanding metropolitan areas and establishment of big industrial units have also contributed to the mounting air pollution in India. As
regards road accidents in India, the trends emerging from the present study are very displeasing. It has been observed that during the year 1991, while the number of road accidents in U.S.A. were 2247263 & fatality rate was 1.84 per 100 accidents, the position has been alarming for India as during the same period, the number of road accidents had been 293501 and the fatality rate has shot up to 19.28 per 100 accidents. Furthermore, the present study also discloses that the number of accidents per 1000 of vehicles is lowest in Australia (2.01) and highest in India (10.79). As per another important criterion, the study reveals that as regards fatality rate per 10000 vehicles, it is lowest in case of Japan (1.41) and highest in case of India (20.81). Thus it can be concluded well that the driving standards and safety norms in some other countries are better when compared with India which implies that ever rising road accidents in India are also turning into death traps.

**PART - II**

In the present study, it has been observed that the Road Freight Industry has now assumed major responsibility in India. Furthermore, it is visualised that it may have to shoulder more responsibility in times to come. In such a situation, the efficiency of a Goods Transport Operator assumes utmost importance. Keeping these facts in view, the reactions of Goods Transport Operators and the financing Bankers in Himachal Pradesh, as secured in the present study and the observations made subsequently are given below:

To begin with, the present study focusses on the road transport facilities in the State of Himachal Pradesh, as the contribution of rail, water and air transport has been very insignificant in the total transport resources of the State. By the end of VIIIth
Five Year Plan, the study reveals that the expenditure on road construction programmes has progressively come down to 14.90%, though it was 42.75% of total plan expenditure in the First Five Year Plan. Presently, the State has 18,178 kms of roads. On the basis of road density per 100 Sq.Km of Area, it has been observed that out of 12 districts in the State, only the districts of Bilaspur, Hamirpur and Solan have road density near the National average. Further, on the basis of road density per 1000 of population, the present study makes it clear that as a whole the State’s average has been well above the National average.

The study also reveals that the vehicle population in the State has also gone upto 119037 by 31st March 1996. It has been noticed that the ratio of vehicles per 100 Sq.Kms of area is high in the districts of Bilaspur, Hamirpur, Kangra, Mandi, Shimla, Sirmaur and Una. But at the same time, the pressure of motor vehicles on available road length has been on the increase, which is an area of concern. Thus the present study discloses that the Goods Transport System has come to play an important role in the economic development of the State especially in the development of agriculture and industry.

As regards pattern of Goods Transport Operator’s response, the districtwise analysis reveals that the percentage of response from the districts of Bilaspur, Shimla and Solan was more than 10 per cent. About 50% of the response as directly received from the districts of Bilaspur, Shimla and Solan reflects not only the existence of industrial & commercial activities on a large scale at these places, but also of the operator’s favourable attitude to give actual feedback for the purpose of present study.
While analysing the fundamental requisites upon which the profession of transport is established, the study discloses that the majority of the vehicle owners who responded were in the age group of 30 years & above and the majority of operators had only low qualification.

The pattern of vehicle ownership reveals that 92.50% of the Goods Transport Operators are either single unit holder or have holdings of less than 5 vehicles thereby reflecting that the prime objective of an operator adopting for this profession in the State has been to secure a mean of self-employment. As more than 60% of the respondents have been found to be in the business of transport for more than 5 years, it can be concluded that the operators had adequate years of experience to run the business of goods transport and also to give reliable feedback for the purpose of present study.

While exploring the reasons which contributes in formation of an efficient business background of an operator, the study reveals that while 37.50% respondents showed their own driving experience as the major reason of making choice, 35% attributes it to the domestic experience/family background. Herein the calculated value of $X^2$ also invalidates the hypothesis thereby reflecting that there is a significant difference as regards the respondents basis of personal choice/background to finally settle in the business of transport. The study further reveals that majority of the operators own Heavy Commercial Vehicles (HCVs) and have Tata Model vehicles.

On the basis of aforementioned inferences, the present study makes a further analysis of the operational aspects relating to the Goods Transport Operators. Firstly, the study reflect that in terms of age of the vehicle, 65.56% of Heavy Commercial
Vehicles (HCVs) fall in the category of 3 years & above and 60% of the Light Commercial Vehicles (LCVs) as covered in the present survey have been more than 3 years old.

The present study brings to light the fact that 71.67% of the respondents have rated the work of transport operation as a satisfactory job. The calculated value of $X^2$ also holds good in relation to the pre-determined hypothesis thereby showing that the business of transport appeals equally to both types of operators (HCVs & LCVs operators).

Movement of trucking fleet has been accounted for on the basis of the fact whether the operators are holders of National Permits (N.P) or not. It has been found that 100% of HCV operators and 50% of LCV operators are the holders of N.P. Thus it can be concluded that Inter State movement of the vehicles is unavoidable for most of the operators, primarily with the rise in fruit production and secondly with the establishment of cement production plants in the State. Further disclosure made by the respondents on the same lines is that majority of them having HCVs are operating through one or another transport union while the number for same trait is very small in case of LCV operators. As regards the type of job done, the study reveals that 60% of the operators (both HCVs & LCVs operators) are actively engaged in the transportation of various kinds of building materials because with the rise in population, there has been a spurt of growth in the demand for more dwelling units in various parts of the State.

It is no new fact that operational efficiency of the owner driven vehicle is more because the owners take much pain viz-a-viz the salaried drivers in day-to-day care &
maintenance of the vehicles. In the present study, it has been found that 65% of the HCVs & 80% of the LCVs are exclusively driven by the salaried drivers. Thus it can be concluded that as regards HCVs, the number of those owners are large, who are directly and actively engaged in day-to-day management of the vehicles, while the pattern of management for same traits is very low in case of LCVs.

The present study makes an analysis of total hours for which vehicle is operated in a day as the longer working hours per day means more earnings, presuming the wear and tear for vehicles on the normal side. On computing the total weight for Day’s efficiency, it has been observed that the vehicles operating for 7 to 12 hours per day have a share of 51.80% of CWE/Day and vehicles doing 13 to 16 hours per day have a share of 37.40% of CWE/Day. Likewise, an another important and additional indicator has been used in the present study to judge the operational efficiency of the vehicle which is ‘working days in a month’. On computing the efficiency of the vehicles for one month by assigning appropriate weights, the study discloses that vehicles having 20-25 days of work in a month have a major share of 53.94% of CWE/Month and considerable share of 32.16% goes to the vehicles doing job for more than 25 days. This implies that more than 85% of the vehicles have strived not only in increasing the operating hours per day but also in maximising the number of operating days in a month.

As regards pattern of laden weight, it has been observed that there is no such problem in case of HCVs. But as regards LCVs, every third vehicle is being run in the State as overloaded thereby reflecting that viability of some LCVs is at stake and
they stand a chance only by performing most of the trips as overloaded depending upon the nature of job in hand.

An analysis shows that 52.5% of the respondents have experienced the breakdown of their vehicles due to poor road conditions, while 27.5% of them have attributed it to the driver's fault. If both these options are combined together, it can be concluded that 80% of them have experienced the breakdown of their vehicles due to poor quality of roads & negligence on the part of the drivers of the vehicles.

The present study makes it clear that the availability of adequate work on return trip is beneficial to the individual as well as to the Nation. The individual is benefitted in the sense that one's earning capabilities are increased; The Nation is benefitted as there is lesser consumption of fuel due to lower single side contracted trips and lower traffic on roads due to reduction in number of total trips performed by each operator and better utilisation of trucking fleet in empty flow direction. When the operator's response is sought in this regard, the study reveals that only 33.33% of the HCV Operators and 10% of LCV Operators always get work on return trips, whereas 70% of the operators (both HCVs & LCVs operators) are able to secure work sometimes only. As the calculated value of $X^2$ invalidates the aforementioned hypothesis, it is concluded that there is a significant difference between the availability of return load trips to the both types of operators.

Another indicator of operational efficiency is vehicle utilisation per day. It has been observed in the study that 96 out of 120 vehicles (80%) are doing more than 100 kms per day, which implies adequate utilisation of most of the vehicles. The study further reveals that average consumption of fuel is 3-4 km/litre of diesel for most of
the HCV & LCV operators of Himachal Pradesh because most of roads are not only steep but poorly maintained also.

Every transport operator takes into consideration a schedule of one month to know his Recurring Expenditure i.e. the actual operating expenditure plus a portion of non-operating expenditure like the payment of driver's salary and payment of loan instalment of the vehicle. As per the feedback secured, it has been noticed that for 55.56% of HCV operators, recurring expenditure is above Rs.20000 per month, for 18.88% operators it is between Rs.15001-20000 and for 25.56% of them, it is between Rs. 10001-15000. Furthermore the study reveals that in case of LCV operators, 90% of them are incurring recurring expenditure of upto Rs.15000 or less and only 10% of the LCV operators are having recurring expenditure between Rs.15001-20000. In addition to above, the operators were asked to give separate details about the repayment of monthly instalment and payment of salary & allowances to the drivers & cleaners. After perusing the trends, it has been observed that in most of the cases, these two items constituted more than 50% of the recurring expenditure. Infact, there are not only frequent changes of drivers & cleaners, but they are also lowly paid and generally do not get more than Rs.2000-2500 per month, which is an area of concern.

To be more precise, the real efficiency of the vehicle has been judged from the net income realised in the hands of the operator after deducting the sum of recurring expenditure from the total revenue earned during the month. The study reveals that 40% of the HCV operators & 60% of the LCV operators are able to earn each a net income of Rs.5000 or less per month. Only 22.22% of HCV operators are able to earn each a net income of above Rs.10000 per month. As regards net income of the
operators, comparison have also been made with some other Tables in the present study. It has been observed that though 80% of the vehicles are doing operating Kms. of more them 100 per day & about 25 operating days per month, it is only 55% of the vehicles that are able to earn a net income of above Rs.5000 per month. Further analysis reveals that lower net income from vehicles has been due to overage of the vehicles and medium to high returns due to lower age of the vehicles. Thus it can be concluded that even after performing good operational schedules, the operators are not able to earn a higher net income as some other factors also crop up which tend to reduce their earning capacity.

As regards mileage done through New/Retreaded tyre(s) it has been observed that apart from bad road conditions of the State, the lower efficiency is also a consequence of poor & unsafe driving habits of some salaried drivers barring some exceptions.

The present study also focusses on the problems of spare parts/essential components. In this regard, it has been observed that LCV operators have been feeling more insecure viz-a-viz the HCV operators. This is obviously due to the fact that most of the LCVs are out from factories with foreign collaborations, whereas the Sales & Service Agencies are available at few places only. As the calculated value of $X^2$ herein is less than the Table value, it implies that the availability of original spare parts/essential components is a cause of concern to both the HCVs operators and LCVs operators.

The extent of competition prevailing in the goods transport business has been found to be more severe among the LCV operators viz-a-viz the HCV operators. If the
combined results are taken into account, it can be seen that only 42.50% of the operators are getting proper fare in transportation work and to the remaining 57.50% of the operators, the results are not encouraging. The hypothesis herein is also accepted as the calculated value of $X^2$ is less then the Table value thereby reflecting that the wasteful competition is not only experienced by the HCV operators, but by the LCV operators also.

While depicting about their interactional experiences with various authorities (like RTOs/Insurance Co./Toll Tax barriers/Sales & Service Agencies/Bank officials etc.), it is about 75% of the respondents who feel that dealing with these various authorities is very time consuming process. It has been observed that sparsely populated Sales & Service Agencies are not able to satisfy the operator’s requirements. Furthermore, it has been observed that operators find it very difficult to secure supplementary credit from the banker who has financed the vehicle. Herein, the calculated value of $X^2$ is less than the Table value which confirms the hypothesis. Thus it can be concluded that both HCV & LCV operators share the same experience as regards their dealing with various types of authorities.

An important generalisation which emerges from the study is that it is more than 50% of the operators who are in bewilderment as they are not sure whether it was a good decision or a bad decision on their part to join this profession. Insignificant value of $X^2$ also confirms about the opinions shown by the both types of operators.

On perusal, two types of suggestions have emerged from the present study. The first type of suggestions are those which have already been covered directly or indirectly so far in this study. To mention here briefly, the study reveals firstly that the
majority of the operators in H.P. are National Permit holders and usually move out of
the state to discharge their transportational work smoothly; It has been observed that
officials at the barriers/check posts on highways are a source of harassment to the
operators as their objective is not of checking, but to serve their own purpose. It needs
no explanation as one can accompany the transport vehicle and experience it one self,
the operators feel. Furthermore, the study brings to light the problems being faced by
the LCV operators as it has been observed that genuine parts of the LCVs are not only
costly, but also rarely available. The study reveals that manufactures and their sales &
service agencies give precedence to defend terms & conditions of sale instead of
providing satisfactory after sales services. Lastly, the prevalence of unhealthy
competition has been found to be existing among the operators as at sometimes the
services are being rendered by them, having no regard to the cost of operations which
is an area of concern. In addition, the study also makes it very clear that the freight
rates are not rising in the same proportion as the cost of service, consequent upon
which the element of net profit to the operators is declining.

As per the second type of suggestions, three key areas have emerged from the
present work - first is the improvement in the ‘Bank’s Loan Scheme for Vehicles’,
second is the ‘Pollution Control Checks of the Vehicles’ in the State of H.P. and third
is the ‘Provision of Social security for the Salaried Drivers of the Vehicles’. As
regards the first key area, the study discloses that there is much delay in the
processing and sanctioning of a loan proposal as the operator with weak financial base
finds it difficult to secure a loan from the Bank despite having a sound transport
background or experience. The study reveals that sometimes the default in the
repayment of the loan instalments to the Bank is due to the fact that a portion of
margin money as contributed by the operators at the time of sanction of a loan is borrowed from the friends/relatives/local money lenders which has to be repaid first. In addition the study discloses that the operators find it difficult to secure additional/support loan if the vehicle meets with an accident and there is no further tangible asset with the operators to fall back upon or offer as security. The study makes it very clear that the freight rates are not rising in the same proportion as the cost of service, consequent upon which the element of net profit in declining.

As regards the second key area, it has been found that with the increasing age of the vehicles, operators in the State are finding it difficult practically to maintain the emission norms/standards for the vehicles as applicable to the plain area, though the power for traction required by the vehicles plying in a plain area is comparatively low. Thus it can be concluded that the vehicle starting from a plain area (lowest point) has to meet the same emission standards at different points despite the fact that the vehicle reaches on hill roads (at highest point) by consuming more power for traction.

Third key area relates to 'A Salaried Driver and his Needs'. The study establishes beyond doubt that the safety & security need is a dominant one in the need structure of a salaried driver as he is never sure about the security and continuity of his job with a particular vehicle. It has been found that at some instances a driver manipulates the income of vehicle with the sole cause that he is not sure of his length of service and fair increase in his pay package to meet his genuine needs. On the other hand, the study reveals that owner employer is also put into disadvantageous position as the operation of the vehicle comes to a standstill if a salaried driver leaves his vehicle with a view to join another owner employer offering better pay package.
Further, the study discloses that in some cases, if there is an accident and a driver runs away from the scene or his driving license is found to be fictitious subsequently, it becomes very difficult for the owner employer to lodge a claim. Hence it is concluded that in such an environment of mistrust and low security, the operators are not able to get the 100 per cent of his employed driver and consequently from the operations of his vehicle.

The study shows that more than half of the operators have been apprehensive to disclose their identity (Name & Vehicle No.) and some operators have even refused to receive the mailed questionnaire presuming it to be a notice of the Bank or some Govt. Department against them. Thus after detailed analysis it has been concluded that a low level of education is also becoming a big hindrance to an operator today to manage his transportational affairs in modern times.

The study also makes a fact finding analysis of the operator's experience as regards the major/minor accident of their vehicles, if any. The study reveals that it is 12.50% of the total Goods Transport Operators who had faced one or another major accident of their vehicles. A further examination of the reasons behind the cause of accidents appears to be one of the mixed reactions, with the reason driver's fault in the dominant position. As regards time taken for repair works, the study reveals that though the time taken for repair works depend upon the gravity of accident and loss to the vehicle, it has been found to be comparatively less to the HCVs because of indigenous nature of majority of the HCVs and frequent availability of their spare parts/essential components in the market.
As regards extent of expenditure on repair works at the workshop, it has been found that the majority of the operators (with accidented vehicles) have to entail an expenditure of more than Rs. 50000/- each. A further analysis reveals that the claim as settled in some cases for admissible items were like 20%, 25%, 30%, 40%, 50% and to a maximum of 60% of the total expenditure incurred on the repair of the vehicles. In addition, it has been observed that the settlement of insurance claim is not an easy job as the manipulative tactics are adopted and procedural delays made by the insurance offices.

So far, the study presents some analysis on the basis of operator’s experiences relating to the Goods Transport sector. Now the study makes an analysis of a Banker’s view as regards financing a truck loan proposal in the State of Himachal Pradesh.

In the present study, it has been found that majority of the vehicles financed by the branches of S.B.I. are Heavy Commercial vehicles. As regards time taken for financing a truck loan proposal, the study reveals that in majority of the cases, the time taken for discharging a loan proposal is less than one month. Further it has been found that delay in some cases is either due to non-completion of formalities on the part of the borrowers or in few cases due to the protracted correspondence between the sanctioning authority on one hand and a small branch on the other (having low financial powers).

As regards behaviour of borrower’s account, the study reveals that 27.53% of the operators are defaulters due to one or another reason, while the remaining ones are regular or temporarily irregular in the repayment of their respective loan instalments. The study further focusses on the reasons for default in the repayment of loan
instalments. In this regard, it has been observed that willful default on the part of the borrower is the prime cause for non-repayment of loan instalment, though in some cases it is due to the diversion of income to some other channels also. The study also highlights the fact that in case of an accident, an operator finds himself unable to repay the loan instalment till he is able to put his vehicle again on the road after getting the necessary repairs done. Furthermore, it has been found that the good reasons for having regular accounts of the operators can be attributed to the availability of regular work, capability of the operators to find new work, lesser repair & maintenance expenditure on the vehicles and the management of the vehicles by the owners themselves or owner driven vehicles.

In the matter of the truck borrower’s rating in the eyes of Bank officials, the study concludes that 42.08% of the operators are found to be highly co-operative & reliable, 34.80% as moderate persons and the remaining 23.12% as less co-operative & unreliable as regards their dealing with the Bank. Thus it can be concluded that a vigorous effort is required to be made to have a constant and active follow-up with this segment of the borrowers so as to ensure timely recovery of loan instalments from them.

SECTION - B (SUGGESTIONS)

8.2 Suggestions:

On the basis of empirical findings emerging from the present study, an attempt has been made herein to put together some useful suggestions so as to improve the efficiency of Road Transport Sector in general and Goods Transport Operators of Himachal Pradesh in particular. These suggestions have been summed up as follows:
1. Presently the total road network of the country has crossed the 3 million mark, but till there are areas where an urgent effort is required to be made to improve the village connectivity further. Hence it is suggested that every remaining village having a population of 1500 & above each should be provided with some kind of road at the earliest.

2. The growth of National Highways in India has not been consistent over the years but on the decline. In this regard, it is suggested that National Highways aggregate in kilometers may be further improved so that it may facilitate smooth flow of traffic in large geographical areas of the country.

3. Though only 14557 kms of NHs have been added over the year 1951, the funds for maintenance expenditure (in % terms) have gone down over the last 5 decades. With a view to keep better quality of roads to bear heavy pressure of traffic, the share of maintenance expenditure in total expenditure needs to be increased further from the present level. It has been observed that quality of roads is progressively declining and workmanship is deteriorating with the passage of time. Hence special attention is required to be given in the execution of maintenance work so that roads do not demand repair as often as they do now.

4. As regards availability of roads in relation to Area and Population, India has made considerable progress in this regard over the last 5 decades. But still it has been noticed that out of 25 States, 13 States are still having road network below the National average. Hence efforts are required to be made to increase the road availability in these deficient States.
5. In relation to the international comparison, it is suggested that India should increase its road length, especially in the matter of better quality roads and Road Length per million of population. Presently the existing road in the urban centres are fastly becoming outdated to handle the growing traffic burden.

6. As the use of personalised vehicles have shown the greatest increase in the last two-three decades, the need of the hour is to impose certain restrictions on the luxury vehicles which are rapidly flooding the Indian roads; Urgent planning for rapid transport system is required not only for big metropolitan cities but also to the other existing and fast upcoming urban centres having higher population. Infact ‘mass convenience’ must be accorded top priority over ‘class convenience’.

7. As there has been a noticeable shift in the traffic trends (both passenger and freight traffic) carried by rail and roads in the last 50 years, it is suggested that intensive studies may be conducted to solve the problems relating to the road transport sector. Such steps can make this sector more efficient for the benefit of one and all.

8. With a view to reduce pressure of traffic on roads (both passenger & freight) it is suggested that railways should share the traffic burden by increasing its route kilometerage, strength of coaches, wagons etc. at the earliest.

9. As expenditure on roads as a percentage to revenue from the same sector has gone down to 30.9% by the year 1993-94, it is suggested that trends may be reversed and road transport sector may be provided with higher share to meet its growing requirements. It is important to further add here that though railway is
presently catering to the less than 20% & 40% of the total passenger & freight traffic respectively, it has a separate budget. Thus it makes the position very clear and hence it is suggested to have a separate road budget at the earliest. Furthermore, it is suggested in this regard that this sector should be provided with adequate funds to meet its Research & Development expenditure as at present the allocations are too short of its actual requirements.

10. Though air pollution is caused due to multiplicity of factors apart from growing vehicle population, it is suggested that vehicular pollution may be reduced to a certain extent by restraining the entry of overaged vehicles on the road and by discouraging the overloading of the vehicles. It is further suggested that the latest technology may be developed and applied in this field, which may help not only in lengthening the life of the vehicle, but may also check the growing air & noise pollution to a certain extent.

11. As regards road accidents in India, it has been observed that in comparison to some other countries, number of accidents & fatality rate in India is very high, though its vehicle population is comparatively low. Hence steps may be taken to achieve driving standards and safety norms as existing in some other developed nations of the world. Transport should also be made an integral part of our education system. Furthermore, it is suggested that the scope of ‘Road Safety Programmes’ may be widened by replacing it with the ‘Transport Awareness Programmes’, so that the people may be made aware of their rights, duties and responsibilities in the present environment.
12. As regards constraints in growth of Goods Transport sector in the State of Himachal Pradesh, it has been observed that majority of operators adopt it for the purpose of self-employment. Keeping in view the fact that Himachal Pradesh is not a self-reliant State, it is suggested that special concessions may be provided by the Government to the Operators while purchasing new vehicles.

13. As Inter State movement of the vehicles is unavoidable to the most of the operators, primarily due to the transportation of fruits, vegetables and industrial produce from the state, it is suggested that National Permit fee as charged for the whole period from the operators may be reduced (by having reciprocal arrangements with other States) so as to make their operations economically viable.

14. To discharge the function of Goods Transport Operations effectively, it is suggested that Goods Transport Operators should improve their qualification, as at present they are lowly qualified.

15. For increasing the operational efficiency of a small transport operator, it is suggested that vehicle should be mainly managed or driven by the owner himself so as to earn better returns.

16. It is suggested that an operator should not run his vehicle overloaded as it affects the efficiency of the vehicle in the long run and at the same time vehicle is exposed to the risk of an accident.

17. As the breakdown of the vehicles take place due to poor road conditions in the hill State and also due to the negligence on the part of the drivers, it is suggested
that quality of existing roads may be further improved in the State. As regard the second problem, it is suggested that only a properly trained driver may be employed by an operator after closely scrutinizing his driving skills on the job for some days.

18. As per the present study, majority of the operators are unable to secure work on their return trips, which implies that the same proportion of nation's fuel, human energy, time & effort is going waste. As the contract for hire in empty flow direction has been found to be on a lesser scale presently, it is therefore suggested to increase the same, because no special trips need to be arranged in such cases. It has been observed that in this regard, some steps have already been taken within the European Union with certain restrictions on the member States. Therefore, steps are needed to be taken in this direction by the transport unions, Govt. authorities, first at the regional level and then at the national level. The resultant benefit may be better utilisation of vehicle in empty flow direction, better use of existing vehicle resources and lesser traffic congestions.

19. Most of the operators are not able to earn adequate net income despite having good operational schedule, which implies that overage of the vehicle, higher taxes & higher recurring expenditure has cropped up as a big hindrance to them in this regard. Thus at the time of replacement of the vehicle, an operator may have to contract a full loan again and after contributing his share of margin money, he may have meager or no amount in his hand. Hence, it is suggested to reduce the burden of taxes and interest rate on loan to an operator to a certain extent so as to make his operations economically viable.
20. Prices of tyres go up as the prices of natural rubber grows, but the quality of tyres have deteriorated because of spurious tyres coming on the road. Hence it is suggested to initiate strict measures in this regard. Only good quality tyres and safe driving habits can ensure better mileage to the goods transport operators.

21. Availability of original spare parts/essential components has become a cause of concern to an operator as spurious parts can damage a vehicle. Some manufactures though guarantee to offer spare parts and replacements, but practically they don’t. Hence, it is suggested that the grievances of transporters/transport industry may be handled at a speedy pace in this regard and at the same time seeing the frequent consumption of spares by the users, it should be taxed at lower rates.

22. As freight rates are being influenced by the increasing competition amongst the operators especially the LCV operators these days, it is suggested that operators should initiate voluntary agreements among themselves and make their operations economically viable.

23. As the frequent checking of the vehicles on highways is causing a big hindrance in the smooth flow of traffic, it is suggested that authorities should reduce the same to a certain extent.

24. It is suggested that an operator must acquire some specific mechanical knowledge of the vehicle so that he may manage the vehicle efficiently and avoid of his being looted at the various workshops due to his ignorance.
25. With a view to make an early settlement of the insurance claim in case of an accident of the vehicle, it is suggested that an operator should make himself aware of the various insurance norms which must not have been violated at the time of the accident. It has been observed that most of the time claim fails because an operator is not aware of the existing insurance norms.

26. As more power for traction is required by the vehicle in hill areas viz-a-viz the plain areas, it is therefore suggested that emission norms for vehicles on hill roads may be relaxed to a certain extent.

27. On perusing the recurring expenditure of a vehicle, it has been found that drivers/cleaners employed by the operators are very lowly paid. Furthermore, they have to search for an alternate source of employment after the age of 40 and presently do not have any access to proper pay package, working hours, overtime, medical facilities etc. This affects their sense of dedication and loyalty towards the owners which is an area of concern. Hence, it is suggested that owner operators should accord top priority to ensure financial security & continuity of job to their employed drivers. In this regard, it is further suggested that voluntary agreements among the vehicle owners may be encouraged to create a consolidated fund to meet medical or some other emergent requirements of the salaried drivers/cleaners.

28. The cropping up of a fictitious license holders is becoming a cause of concern these days. With a view to put some restrictions on such license holders, it is suggested that transport unions/Govt. authorities should maintain a computerised record of valid license holders for instant access. In addition, the bio-data of the
license holders and details of their employment should be updated periodically. Such steps will go a long way in bringing solace to the owners as well as the drivers, when ever they prefer an insurance claim, if any.

29. As per the opinion of the financing Banker, it has been observed that a goods transport operator do not follow the monthly repayment schedule strictly due to his pre-engagements. Hence, it is suggested that repayment schedule may be fixed on bi-monthly basis and borrowers may be asked to adhere to it strictly.

30. As the single unit holder adopt this profession for the purpose of self-employment, it is suggested that documentation should be simple and due weightage may be given to the operator's business background & knowledge in this trade. It is further suggested that to a single unit holder, finance should be easily available and lower margins may be prescribed.

31. It is suggested that interest rate slab for a small transport operator may be reduced so as to make his propositions economically viable.

32. As the operators are not timely available due to their pre-engagements, it is suggested that periodical inspections may be carried by the Bank officials on quarterly basis instead of month basis.

33. It is suggested that the financial powers may be delegated to small branches so as to enable the Bank officials to sanction a loan proposal & disburse it to the borrower without unnecessary loss of time.
34. It has been found in the present study that defaults occur sometimes in the loan account, if the vehicle of an operator meets with an accident. Hence, it is suggested that additional/support loan should be provided to the operator immediately and at the same rate of interest as contracted for the original loan, so that the operator is able to put his vehicle again on the road.

35. At end, it is suggested that a Banker should finance more liberally the second hand vehicles. In this regard, the age norms for acquisition of second hand vehicles by the operators may be relaxed, keeping in view the standards of age limit prescribed presently to the vehicles having National Permits.
8.3 Areas for Future Research

As regards areas for future research, the subject of transport has a vast scope with the changing times. The field is open to the students, researchers and scholars to explore new areas for further research apart from exploiting the data on transport as already dwelt in the present study. It is for the researchers to peep into the relationship of aforesaid numerous factors as described in this study to have a more deep analysis. The outcome may be further improvement in the transport sector. A detailed study can be conducted on the trends of prices relating to spare parts/essential components viz-a-viz the rise in goods transportation fares/rates for the last two or three decades. More detailed studies can also be conducted on the growth of ancillary industries relating to spare parts/essential components in relation to its ever growing demand in India and abroad; Efficiency of vehicles relating to the particular brand/models etc.; Causes and pattern of road accidents attributable to the type of vehicles especially in metro cities, urban areas & rural areas - current trends; and to put suggestive measures on the basis of empirical analysis.