PREFACE

Passenger road transport plays a key role in the transport system of the country. Economic activities in modern times require speedy movement of men and materials. A good transportation system is not only essential for sustained economic growth, but can also significantly contribute to acceleration of growth process. An efficient public transportation system is almost indispensable for improving the quality of life of the community.

India is an agrarian economy with about 6 lacs villages spread over the vast area. No other mode of transport can adequately or efficiently meet the demand for transport arising out of growing economic, social and cultural needs of the people. It is considered a second line of defence in times of national emergency.

Road transport has thus acquired significance as the most versatile and ubiquity mode of transport capable of reaching into the farthest corners of the country and of adjusting its capacity to the requirement of rural folks.

The STUs in India held 77757 buses employing about 6 lacs of employees as on 31.3.1983. These STUs operate on 620.33 crores of kms of road length, carried about 4.33 crores of passengers per day and realised revenue amounting to Rs.2006.80 crores during the year 1983-84. The net loss incurred by them during the year, however, amounted to Rs.157.35 crores. Since the early seventies, the profitability of the STUs has been declining, resulting in a total accumulated loss of the order of Rs.1298.12 crores as on 31.3.1984.

It was in this context that I was tempted to study some aspects of the financial performance of STUs so as to identify factors responsible for losses and if possible, suggest measures for improvement.

An attempt is made in this direction in the pages that follow. The period of study relates to the decade from 1973 onwards.
I wish to humbly acknowledge my debt to all those who have helped me in this work.

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-N.R. Rajguru