

Plight of Goods Transportation by Roads in India: with Special Reference to Sangli District of Maharashtra

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Abstract:- Transportation system plays in vital role in deciding standard of life of the peoples of that nation. A good/efficient, safe road transportation system can broaden the goods market. Considering this national government of India is paying attention to broaden the road infrastructure in India. But along with betterment of physical infrastructure it is necessary to know plight of basic stakeholder of goods transportation through roads and they are truckers and transporters. Transportation through roads is facing challenges as well as opportunities due to changes in the situation because of demonetisation, e-way bill, GPS system, insurance and RTO issues, parking conditions etc. It was found that among these issues some are suiting/favourable to road goods transportation while others have yet to be improved. This paper tries to bring it forward with the help of specimen study of a particular district in Maharashtra.

Keywords:- Transportation, Goods, Road, E-Way Bill, Insurance.

I. INTRODUCTION

Transportation system plays in vital role in deciding standard of life of the peoples of that nation. A good/efficient, safe road transportation system can broaden the goods market. The necessities of production like raw material, fuel, machinery etc. movements of these are made easy by the efficient road transportation system. The distant and remote region become accessible and development becomes easier. In order to study and know the plight of transporters and the problems they are facing in real business life, it is decided to study it as a research problem.

❖ Objectives of study

- To know the present scenario of goods transportation through roads in India as well as in Sangli district.
- To know transporters opinion regarding issues faced by them such as demonetisation, insurance, e-way bill, GPS, parking facility etc.

❖ Methodology of Study

Sangli district is chosen to study transporters plight in India as a convenient sample. The district contains around 350 transporters. 18 transporters (5% sampling) were chosen randomly and interviewed. Along with this 3 key persons were interviewed. They are a member of All India Motor Transport Congress and two members of Sangli District Transportation Association. Their opinions are aggregated and the summary is discussed.

II. SCENARIO OF GOODS TRANSPORTATION BY ROADS IN INDIA

With 55 lakh kilometres of road, India is second in the world having largest road network. With government allowing 100% direct foreign investment in this sector, this sector is experiencing growth as many foreign companies collaborating Indian companies investing in this sector. With government policy support, many private players are entering into the business through PPP(public private partnership) model. The government's move to reduce GST rules from 28% to 18% on construction equipment is boosting the road industry.

Roads in India can be classified as below;

- Express Highways- They are 6 to 8 lane roads of good quality. Presently India contains around 1583 km. of express highways where passenger as well as goods transportation takes place.
- National Highways- The important road grid of the nation is national highways. It has total length of 66.8 thousand kilometres. Though they are 1.5% of total length of the road system, it takes burden of 40% of goods transportation.
- State Highways- Construction and maintenance of these roads is with state government. It has a total length of 154.5 thousand kilometres. It is around 3.87 of the total road length in India.
- District and Rural Roads- Lacs of kilometres of road are built in the country comes under this category. They are connecting villages and nearby towns. They are constructed under minimum need programme, Rural Landless Employee Guarantee Programme, National Rural Employment Programme, Command Area Development, Pradhan Mantri Gram Sadak Yojna etc.

In 2020 ministry of road transport and highways has fixed target of construction of 12000 km. of national highway in financial year 2020 and is soon expected to award road project worth of Rs. 50,000 cr. having a total length of 4500 km. According to union budget 2019-20, 30000 kms of Pradhan Mantri Gram Sadak Yojna (PMGSY) roads have been built using Green Technology, waste plastic & cold mix technology. The next phase of PMGSY is to upgrade 1,25,000 kms of road length over next five years. In union budget 2019-20, it is proposed to permit investment made by Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI) in debt securities issued by infrastructure debt fund- non bank finance corporations to be transferred/ sold to any domestic investor within a specified lock-in period. This definitely will boost funding to road development projects.

Heavy competition is going to raise in front of road transport once dedicated freight corridor project is completed & operational by the Indian government agencies in 2021. It is said that freight charges can come down by 50% which presently favourable to road transport than rail transport. The two dedicated freight corridors are running between Ludhiana to Kolhapur and between Dadri to JNPT port in Mumbai. The other three corridors which will be taken later are East coast corridor from Kharagpur to Vijaywada, South East to west corridors from Bhusawal to Dhankuni (near Kolkata) & north south sub corridor from Vijaywada to Itaraci (Madhya Pradesh).

The composition of road traffic has grown from 12% freight & 31.67% passenger traffic in 1950-51 to an estimated 65% freight & 67% passenger traffic during the 10th five year plan period. Road traffic is growing at the rate of 7.10% per annum and the growth in the vehicle has been to 12% per annum for past few years. To cater the increased volume of traffic, road network needs to be expanded with a faster rate.

All India Motor Transport Congress is the apex body of the transporters association working for the betterment of transporters from last 81 years.

The Act which governs the transportation of goods by road is Carriage by Road Act, 2007 & The carriage by Road Rules, 2011 which came into force on 1st march 2011. This Act provides for the regulation of common carriers (trucks), limiting their liability for loss of goods, damage etc. by their negligence, criminal acts etc.

❖ *Goods transportation by road in Sangli district*

'SANGLI' district is a prominent district of south west Maharashtra having a population around 2800000. It is considered as relatively developed districts of Maharashtra because of irrigation facility to agriculture and few industrial belts. The existing transportation system in the district comprises roads, railways and one air landing strip reserved for aerodrome which is used for helicopter landing presently. The roads consists of national highways, state highways, major district roads and other non-planned village roads. The total network of roads in the district consists 8

state highways, 37 major district roads, 66 other district roads and large number of village planned and unplanned roads. The total road length road is 6779 kms.

The district contains around 7000 heavy vehicles having a carrying capacity of more than 10 tons per vehicle. Medium and small scale goods vehicles having capacity of lesser than 10 tons are around 15000. They do transportation business for both agriculture and industry. Basically they are earning through freights and largely business was cash based.

Trade and commerce activities are significant in the region, as district is rich in agricultural production. Major commodities traded in the district includes turmeric, jiggery, groundnut, chillies, tobacco, maze, soybean etc. Sangli city is a major market of the district having a market yard. Besides sangli number of other markets have come up in the district during last 40 years. They include Islampur, Jath, Kavthemahankal, Khanapur, Walva etc. These markets are regulated by Bombay Agricultural Produce Market Act 1939. The development of these markets have increased volume of trade in agricultural commodities in the district.

Transporters acts as commission agent. Transporter need not to register anywhere separately if he is not going to work as transport contractor. The carriage by road act which is passed in 2011, transporter needs to take registration but largely they are not taking/getting themselves registered under the Act. Transportation firms when enters into transportation contract they need registration under the act. They need PAN card, GST no. FSSAI registration etc. needs to be taken by transport contractor.

- Term used officially for truck owners is GTO (Goods Transport Operator)
- And for transport contractor it is GTA (Goods Transport Agent).

GTO i.e. truck owners are largely unorganised. Large number of truck owners, around 80% possess few vehicles up to five. Less percentage around 20% possess fleets. In developed countries this scenario is opposite. Many transporter (GTA) in the district possess their own trucks.

Sangli District Transport Association is working for the betterment of transporters in the district. According to it around 350 transport companies (GTA) are working in the district.

The freight collected by truckers in the district in a recent past financial year might be around 1200 crores according to the president of Sangli District Transporters Association.

❖ *Lingering impact of Demonetisation*

Initially there was a heavy negative impact on transportation business with sudden announcement of demonetisation. Earlier transporter used to carry large sums about Rs.30000/- to Rs.40000/- on a long route trip. After demonetisation it is becoming difficult to the transport

companies to plan long route journey as 80% of the business was cash based. As more & more transaction is through bank operations, major issue is to payment to unorganised sector. Demonetisation (notabandi) is beneficial from some aspect. Because of cash transaction reduction drivers have to carry little amount of money and as a result plundering and looting is reduced. Thus reducing risk to life for the drivers. The payments have become digital. Diesel cards are used now by almost all transporter and truckers. Fast tag will lead to reduction in toll carrying amount. Fast tag reduces 7% and diesel card reduces 60% of cash carried by truck drivers earlier.

❖ *E-Way bill effect*

LR or lorry receipt is issued by trader or transporter. They have to pay service tax, GST. Truck owners does't pay any of this.

E-way bill resulted into closure of commercial check post which resulted into reduced service/ transaction time, harassment of truck operators/ transporters. Transporters and truckers have not to worry about e-way bill, as responsibility of preparation of e-way bill goes to goods owner/ traders at least for part-A of e-way bill and transport contractor prepares part-B of e-way bill according to part-A as per necessarily. So This resulted into reduction of corruption and stoppage of the vehicle in transit. It is a welcome move by the government transporters felt.

❖ *Application of GPS system*

Transportation business in the district is largely based on relations. Therefore GPS system is not considered mandatory. Faith and mutual understanding is yet playing a major role in the transportation business. From transporters opinion the application of GPS system is a value addition thing. So transporters expectation is to get some additional benefit in terms of profit/ revenue after application of GPS but transporters are not getting this. The transporters are unable to place additional charges for this as it affects their business. Some marketing companies which are in the e-commerce business are making GPS system necessary to them if such kind of demand is there, then services are provided by transporters. The need of GPS is felt where goods is bound to reach to customers within stipulated time period but where the goods are sent for stocking purpose GPS is not required transporter opined.

Out of 10000 transport vehicles that are there in the district, almost half are doing local business. Means they are not taking long hauls. Rest are taking long distance hauls (are taking distances of more than 600 km for a single trip). They have all India permit. Among them 30% means around 1500 truckers are using GPS system to update their travel history with their transporter agent.

❖ *Insurance Issues*

Truckers and transporters comes across two kind of insurance, truckers have to take vehicle insurance while transport contractors have to deal with goods insurance as per demand and necessity of goods owner.

Truck owners (GTO) feels that third party insurance which is compulsory is very high and exorbitant. In a period of 7 years, this premium of 3rd party insurance is tripled. Truckers and transporter feel that as accidents and its relief is a social cause, government should bear some cost to insurance and reduce the burden that is coming on truckers. Unlimited liability should be reduced to limited liability so that overall third party insurance could be reduced. Normally full insurance is taken by truckers which is also known as comprehensive. If the truck is new compulsorily full insurance needs to be taken and trend is to issue 3 years premium at the time of registration of the vehicle.

There is low awareness related to goods insurance. Prior to 2011, responsibility related to goods damage was not fixed and normally transporter was considered responsible for that and carriers(truckers) responsibility were not taken into account. The Act which governs the transportation of goods by road is Carriage by Road Act,2007 and Carriage by Road Rules 2011, which came into force on 1st march 2011. This Act provides for the regulation of common carriers (trucks), limiting their liability for loss of goods, damage etc. by their negligence, criminal acts etc. according to this Act carrier and transporter are not owner of the goods but a service provider. Therefore liability or risk of goods damage is fixed up to ten times of freight charges decided upon and not on the valuation of the goods. The capping is also provided on the reimbursement of the loss and it is up to rs.100000/-

❖ *Services offered by transporters*

Beside basic service of conveying the goods to a desired location, Indian transporter provides many other services which are non remunerative to them but has to provide to the client because of on going practice and heavy competition. Transporter earlier were only a link between truckers and goods owner. Now the truck drivers have to perform many other tasks than driving and transporter have to coordinate it, like to take care of loading and unloading (finding labours for it), goods counting, finding out address of the receiver and his availability of receiving, delivery and acknowledgment, handling traffic controllers and localities for parking etc. these activities consume high time. Because of these reasons normally in India commercial goods vehicle cannot travel more than 300 km per day for giving its services. Truckers and transporters want their vehicle to travel more per unit of time so that their costs could get divided.

In developed countries around 288 different kind of services are observed. They are based on like valuation of the goods, transit distance, period & urgency (time bound services), packaging, types of goods etc. such kind of categorisation is associated with different freight charges. Such type of system of value addition services and based on it different freight charges is not observed in India.

❖ *Business condition and Finances to vehicle owners*

Presently transporter feel business volume is reduced compared to previous years. This must be due to recession and increased number of vehicles and therefore competition they feel. Truckers not earning enough freight so that sufficient amount left for them for livelihood after deducting all expenses. The individual truck owner/operator face difficulty in getting finance to own a transport vehicle, as government has not given business status to transportation activity, it doesn't come under priority sector as such government sector banks doesn't give loan/ finance to purchase a transport vehicle. Truck owners have to rely on private sector finance companies/ cooperative banks to raise money with higher interest rates.

All India motor transport congress (AIMTC) is demanding for relaxation of bank payment by the truckers to the financiers as this business is facing effect of recession, heavy competition among themselves, advance payment of taxes and other calamities to a particular region like one to Sangli districts some part because of flood in August/Sept.2019. There major demand are for having relaxation on borrowed loan and interest amount and for its repayment.

❖ *Parking facility/ Truck depot*

No official parking facility is available for commercial vehicles in the district. The municipal corporation of the district has reserved a space to develop it as a truck depot but no development of that is happened and essential facilities for the truckers haven't been developed. Other parts of the district where markets are developed there also absence of official parking depot is observed. On long route travel and on national highways largely there is absence of basic facilities that should be available to the truck drivers and their assistants.

❖ *RTO issues*

RTO issues are largely faced by truck operators. Truck drivers feel that normally they looked with contempt by RTO's and local people wherever they go while parking. Transporters may come into picture and they also require to go for compliance with regulation when Carriers Act 2011 will be implemented fully. All India transporters association is opposing this move of the government though law was enacted.

❖ *Training/ Awareness programmes*

Once driving license get issued to truck driver, he need not to learn or remember it till he renews his license. There is absence of awareness programme conducted for truck drivers related to new traffic rules, safety measures for himself and others, legal and moral responsibility in case of accidents, basic training related to safe/efficient driving and maintenance etc. government and NGO's should see to it for betterment of society.

III. OUTCOME OF A NGO STUDY WORKING ON ROAD SAFETY

According to survey made by the save life foundation in the ten big cities in India, it is estimated that Indian truck owner gives around 47852 crore rupees as bribe. In the capital city of Delhi 84% of truck owner have agreed that they have given bribes to traffic police officers. In all India level this figure is around 64%. The survey report of the save life foundation organisation says that because of the corruption and bad road conditions truck drivers have to face many challenges. They feel insecurity while driving the vehicle. They saved themselves from punishing actions by giving bribes to traffic officers. The 49% of the truck owners in this survey have agreed that they violated the traffic rules by carrying extra load and escaped from it by providing bribes to officers. 53% of the truck owners stated that they are unhappy with their work. Reasons cited by them for that are no fixed income, bad treatment from police as well as from local groups, exorbitant demand from officers and harassment, irregular working hours, bad health, no social security, less time available to spend with family, risk of life due to accidents, lack of respect in society, unhealthy food, traffic jam, congestion, theft issues etc. are the major reasons of the unhappiness. Many truck drivers stated that they continued driving though they were fatigued. To avoid sleep one out of five truck drivers are consuming drugs.

Key factors responsible for road crashes and injuries-

1. Flawed Road Design & Engineering – It includes road user conflict, poor road design with disregard to safe system approach, poor road engineering & maintenance, no safety standard for vehicles.
2. Bad Road-User behaviour- It includes fractured licensing system, driver training not mandatory, negligible management of fatigue etc.
3. Lack of rapid trauma care- It includes lack of bystander care, no standard protocols for care, No universal access number, National ambulance code yet to be issued etc.
4. Weak enforcement of traffic law- It includes weak penalty system, human dependent enforcement, minimal use of technology, limited risk factor addressed in law etc,

❖ Measures suggested in a NGO study for road safety problems-

Its reported that 17 people die every hour on Indian roads, 4.34 lakh crores is the cost to India due to road crash annually, 29 children die everyday on Indian roads & 50% of road accident deaths could have been avoided if rapid assistance was rendered to victims. Some of the measures suggested are as below.

- Policy Advocacy- Suitable policy on the central as well as state level need to be formed for compiling & generating authentic verifiable data & information on road safety & emergency care in India. Based on data collected and research on it policy changes needs to be adopted in two broad areas crash prevention and post crash response.

- Legal provisions- There are gaps in the existing legal framework around road safety & emergency care in India. With the gap analysis based on authentic data judicial intervention is possible to get a relief until such time that the lacunae are addressed legislatively
- On ground intervention- With the help of private organisation and NGO working in the field of road safety model on-ground training programmes and pilot projects across different parts of the country to be adopted by government agencies.

IV. NEED OF A DEVELOPED IT INFRASTRUCTURE FOR TRANSPORTATION INDUSTRY

In India logistics cost is high due to different delivery system/ gaps in communication. There is absence of standardization in documentation procedures and document formats. Also absence of standardization is seen in goods handling, storage, warehousing, making it difficult to integrate the process across the transportation system and modes. This situation is improving with all India GST system and e-way bill. Cost of logistics in final pricing of the goods in developed countries is 10% because of technological development and advancement. Where as in India it is 14%. Evidently with modern technological system and efficient management this cost could be reduced by 4% and benefit could be transferred to consumers. Presently there is no single portal where all logistics activities could be shared. Idea of single window system application needs to be worked upon by the IT professionals . e.g. many times transporter receives contract only for single travel (not to and fro) so in such case freight charges becomes heavy. To obtain consignment for a return journey some business model can be developed using technology based companies. With a suitable IT infrastructure and boost to start-ups in this sector, upgraded and efficient transportation system at par with developed countries can be possible.

V. NEW CONCEPTS IN LOGISTICS

- *Concept of pay as per use-*

In some developed countries except for 3rd party insurance part, other portion of comprehensive insurance is paid only for the period vehicle is on the road. If this happens in India truckers and transporters will gain from it.

- *Self organising logistics system-*

A self organising logistics system can be considered as a logistics system that can function without significant intervention by human and without central control of software. It is functioning based on contextual local interactions.

VI. CONCLUSION

The major problem transporters are facing now a days is not having enough business for majority of them. Other sectors of the economy gets help from the government at the time of difficulty but transportation sector though paying advance taxes, never got any help/ relief from the government. This is a injustice to them they feel. So they want government to treat transportation as a priority sector and give business status to it. By that they can avail finance and other benefits. Vehicle insurance is a heavy burden to them. As a social cause government should contribute to third party insurance they feel. Largely there is absence of parking facilities/ depots, adequate road side assistance and facilities. Speedy development should happen in this area for betterment of truckers. Lack of social respect is a woe of truck drivers. With changing business scenario adequate training facilities/ workshops needs to be taken for transporters and truck drivers.

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