

“Gauging the Financial Performance of KSRTC Before and After the Adoption of Shakti Yojana”

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ABSTRACT

Finance focuses on the proper allocation and management of funds, while financial performance helps assess how effectively an organization utilizes its resources to maintain stability, improve results, and support long-term development. This research focuses on analyzing the financial status public transport corporations before & after the execution of the Shakti Yojana scheme. The scheme was introduced to offer free bus transportation for women and improve mobility and social inclusion. The policy has influenced the revenue pattern and operational efficiency of transport corporations. The research focuses on analysing the financial impact of the scheme on selected state transport organizations. The research employs secondary data collected from annual reports, financial records, and official documents. The study examines major financial indicators including revenue earned, operational expenditure, and passenger movement, and profitability during the period prior to and following the implementation of the scheme. The analysis indicates that the number of passengers, especially women commuters, increased considerably after the launch of the Shakti Yojana. Simultaneously, the free travel benefit reduced direct fare collections for transport corporations. To support the financial requirements of these corporations, government reimbursements and subsidy assistance became an important source of financial support. The findings indicate that although the scheme creates short-term financial pressure on transport corporations, it also brings social and economic benefits by encouraging greater use of public transportation and improving women's mobility. The evidence gathered as part of the research suggests that proper government support, timely compensation, and prudent financial administration are required to maintain the financial stability of transport corporations while successfully achieving the social core aims of the Shakti Yojana scheme.

Keywords: Financial Performance; Karnataka State Road Transport Corporation (KSRTC); Shakti Yojana; Public Transport; Working Capital; Liquidity Analysis; Government Subsidies; Financial Sustainability.

Introduction

Public transportation contributes significantly to the economic and social development of a country because it provides affordable and convenient travel facilities to people from different sections of society. In India, state-owned transport corporations such as Karnataka State Road Transport Corporation (KSRTC) and Bangalore Metropolitan Transport Corporation (BMTCL) perform an important function in connecting urban and rural areas. It was established in 1961 and has been offering safe, dependable, and affordable transportation services across Karnataka for several years. However, transport corporations have continuously faced financial challenges due to rising operating expenses, fluctuations in fuel prices, maintenance costs, and changing passenger travel patterns.

To reduce gender disparities and improve women's access to public transportation, the State Administration of Karnataka introduced the Shakti Yojana on 11 June 2023. Under this scheme, women are allowed to travel free of cost in ordinary state-run buses. The initiative was introduced to improve women's mobility, independence, and participation in economic activities. Although the scheme has created a positive social impact, it has also led to discussions about its changes in the financial condition of transport corporation.

After the Shakti scheme was put into effect, there has been a considerable increase in passenger traffic, especially among women travellers. The scheme has motivated more people to utilize public transportation services. At the same time, since women passengers are exempted from paying fares, transport corporations have become more dependent on government reimbursements and subsidies to manage their operational and financial requirements.

In this situation, it becomes important to study and compare the financial stability of transport corporations prior to and after the adoption of the scheme. This study intends to analyze major financial indicators such as revenue, expenditure, profitability, liquidity, and capital position to determine the overall impact of the Shakti Scheme on transport corporations. The analysis revealed that the research findings will serve as a useful resource for policymakers and other stakeholders evaluate the long-term sustainability of welfare schemes while maintaining financial stability and fulfilling public service responsibilities.

Conceptual Background

Shakti Yojana is a welfare initiative launched by the Government of Karnataka in June 2023 to provide no cost bus travel for women in state-run buses. The scheme was introduced to make transportation more affordable, improve women's mobility, and support their participation in education, employment, and other social activities. It indicates how effectively an organization manages its financial resources. It is generally evaluated through factors such as revenue generation, expense control, profitability, liquidity, and overall financial stability. Public transport corporations play an important role in providing affordable and reliable transportation services. KSRTC serves both urban and rural communities while fulfilling social and economic responsibilities. However, rising operating costs and welfare commitments continue to influence its financial performance.

Theoretical Background

Welfare Economics Theory emphasizes government actions that improve the well-being of society. The Shakti Yojana reflects this concept by enhancing women's access to transportation and supporting social welfare. This theory suggests that organizations should recognize the concerns of all groups affected by their activities, including passengers, employees, government authorities, and society. KSRTC's implementation of the Shakti Yojana demonstrates its effort to reconcile public service goals with financial responsibility. Public Service Obligation Theory asserts that public bodies organizations must deliver essential services despite profit is not the primary objective. KSRTC follows this principle by ensuring accessible transportation services and supporting welfare-oriented initiatives such as the Shakti Yojana.

Literature Review

Siddalingaswamy (2026), in the study Economic and Social Outcomes of the Shakti Scheme: A Study of Female Empowerment in Karnataka, examined how the Shakti programme influenced the lives of women beneficiaries. The study found that complimentary bus travel made it easier for women to access employment opportunities, healthcare facilities, and educational institutions. It also contributed to greater mobility, increased independence, and improved social participation among women across Karnataka.

Bammanal (2025), in the study Shakti Yojane in Karnataka: Empowering Women through Free Bus Travel – A Field-Based Assessment, evaluated the effectiveness of the scheme from the beneficiaries' perspective. The findings indicated that the scheme enhanced access to employment opportunities, educational institutions, and social activities while mitigating the financial strain associated with daily travel.

Venkatesh Naik (2025), in the study *Shakti Yojana: A Sociological Study with Special Reference to Koppal, Karnataka*, explored the broader social ramifications of the scheme. The study revealed that free bus transportation improved women's economic independence and reduced their dependence on family members for travel-related expenses, thereby contributing to their empowerment.

Deeksha K., Karnakaran Alangaram, and L. Mynaavathi (2025), in the study *Impact Since Shakti Yojana in Karnataka: Analysis of BMTC*, examined the social and economic influence of the Shakti Scheme on public transport corporations in Karnataka. The study found that women's travel participation increased considerably after the introduction of the Scheme, which created a positive effect on mobility and social welfare for women. The researchers also observed that public dependence on government bus services increased significantly. At the same time, delayed reimbursement support from the government created economic pressure on transport corporations. The study emphasized the importance of effective financial administration and efficient operational expenditure management.

Singh and Parihar (2024), in their research *An Empirical Investigation into an Economic Analysis of Government owned Public Transport Undertakings in India*, observed that many state transport undertakings continued to experience financial difficulties due to operational inefficiencies, social service commitments, and external economic pressures. The study noted adopting better financial stewardship practices to improve organizational performance.

The Karnataka Government Transport Department (2023), in its report titled *Implementation of Shakti Yojana and Its Impact on KSRTC Operations*, discussed the launch and implementation of the Shakti Scheme, which allowed women to travel free of cost in government buses throughout Karnataka. The report stated that the scheme significantly increased passenger traffic and bus occupancy rates. More women began using public transport services regularly following the rollout of the scheme. Although the scheme improved social welfare and accessibility, it also increased operational pressure on KSRTC. The report mentioned that timely government reimbursement assistance was necessary to maintain financial balance.

Mahesh B (2022), in the study *Financial Sustainability of the state of Karnataka Transport Corporations*, examined the economic condition of KSRTC before the roll out of the women's mobility programme. The study identified issues such as increasing fuel prices, rising debt burden, and growing employee-related expenses. Although passenger traffic gradually increased, KSRTC struggled to maintain profitability due to high operational expenditure. The researcher emphasized the importance of government subsidies, modernization practices, and effective financial management for long-term sustainability.

S. Lakshmi and K. Harish (2021), in their study *Post-Pandemic Recovery Strategies of KSRTC*, discussed the recovery measures adopted by KSRTC after the pandemic period. The study highlighted the introduction of digital ticketing facilities, route optimization techniques, and cost reduction methods. According to the researchers, passenger traffic gradually improved after transport services resumed. However, KSRTC continued to face financial challenges because of the heavy economic losses suffered during the pandemic period.

P. Nagaraj (2019), in the Study on Revenue and Expenditure Management of KSRTC, analysed the income and expenditure of KSRTC. The study observed that passenger ticket collections were the primary income generating avenue for the corporation, while employee salaries and fuel expenses accounted for a major share of total expenditure. The research observed that growing operational spending negatively affected the financial position of KSRTC. The author recommended proper budgeting, government assistance, and improved passenger satisfaction for achieving better financial results.

Ramesh Kumar and S. Prakash (2017), in their scholarly work *Financial Progress Analysis of Public Transport Corporations in Karnataka*, examined the economic condition of transport corporations including KSRTC. The study revealed that KSRTC experienced slight improvement in income generation, but growing employee

salaries, fuel expenses, and administrative spending reduced profitability. The researchers highlighted that proper expense management and improved passenger facilities were essential for strengthening the corporation's financial stability and long-term development.

Research Gap

Existing studies have largely dealt with the social impact of welfare schemes, particularly their contribution to women's mobility, accessibility, and use of public transportation. Some researchers have also examined the financial sustainability and operational issues of transport corporations. Nonetheless, little attention has been paid to understanding how the Shakti Yojana has affected the financial performance of KSRTC. In particular, there is a lack of studies comparing the corporation's financial position before and after the implementation of the scheme using indicators such as revenue, expenditure, profitability, liquidity, working capital, and solvency. Thus, the study endeavours to bridge this gap by conducting an analysis of the financial outcomes of KSRTC during the pre-implementation and post-implementation periods of the Shakti Yojana.

Study Goals

- 1.To examine the monetary position of state transport corporations before the introduction of the Shakti Yojana Scheme.
- 2.To compare the major financial indicators such as revenue, operational expenditure, and profitability during the pre-implementation and post-implementation of the Shakti Yojana.
- 3.To analyse the changes in the financial prosperity of transport corporations in the wake of the Shakti Yojana.
- 4.To suggest measures for improving the financial sustainability of transport corporations while continuing passenger welfare benefits.

Dimensions of the Study

This investigation mainly concentrates on evaluating the revenue performance of selected state transport corporations before and subsequent to the establishment of the Shakti Yojana scheme. The research primarily examines major financial indicators such as income, operational expenditure, profitability, and passenger volume with the intention of understanding the broad effects of the scheme on transport corporations.

The study is narrowed down to major public transport organizations such as KSRTC and BMTC. The analysis is based entirely on officially published annual report information, financial statements, government publications, and other official records. The study considers both the pre-implementation and post-implementation periods of the scheme to make a meaningful comparison of financial health.

Together with this, the research examines how free bus transportation for women has influenced passenger ridership and the revenue structure of transport corporations. It also studies the importance of government subsidies and reimbursements in maintaining the financial stability of these organizations. The results of the study will be useful for policymakers, transport authorities, and researchers in understanding how welfare schemes can be balanced with the financial sustainability of public transportation services.

Methods Adopted for the Study

The research makes use of both descriptive and analytical research approaches to evaluate the fiscal condition of the corporation over a five-year period from 2020-21 to 2024-25. The study entirely uses secondary information compiled from KSRTC Annual report, official financial documents, including the Balance Sheet and statement of earnings and expenditure.

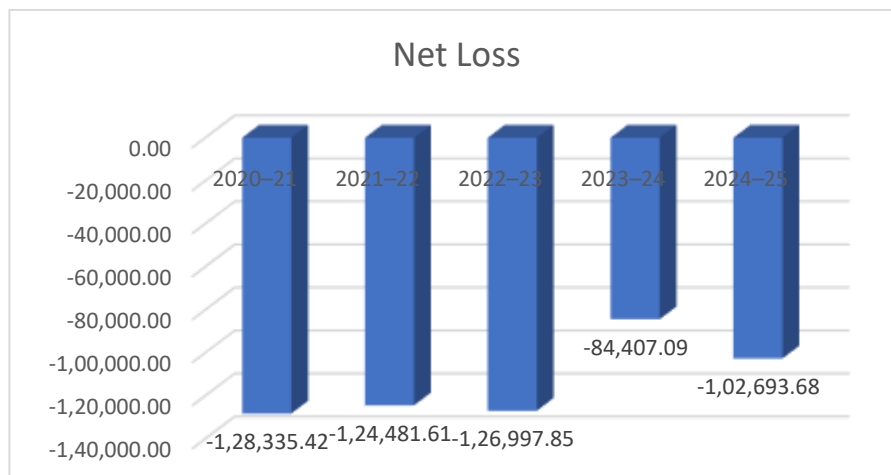
Important financial components such as revenue, expenditure, overall surplus or deficit, current assets, and existing short-term debts were collected and methodically reviewed for the present study. Various financial evaluation techniques such as trend analysis, ratio analysis, and comparative analysis were applied to assess the financial capability of the agency in a structured manner.

To achieve greater quality and comparison, the study timeframe has been partitioned into two stages: the pre-implementation period (2020-21 to 2022-23) and the post-implementation period (2023-2024 to 2024-2025) of the Shakti Yojana. This classification helps in identifying and evaluating the financial effect of the scheme on the corporation's overall performance.

1. Trend Analysis

Profit/Loss = Revenue – Expenditure

Year	Revenue	Expenditure	Net Loss
2020–21	1,56,970.83	2,85,306.25	-1,28,335.42
2021–22	2,03,757.91	3,28,239.52	-1,24,481.61
2022–23	3,34,659.07	4,61,657.12	-1,26,997.85
2023–24	3,99,577.26	4,83,984.35	-84,407.09
2024–25	4,46,128.14	5,48,802.82	-1,02,693.68



Analysis

The Corporations revenue showed steady growth from 2020-21 to 2024-25, indicating improvement in operational performance and passenger usage. Although operating expenses also increased, the corporation managed to reduce losses during the recent years. A slight increase in loss was noticed in 2024-25 due to rising expenditure.

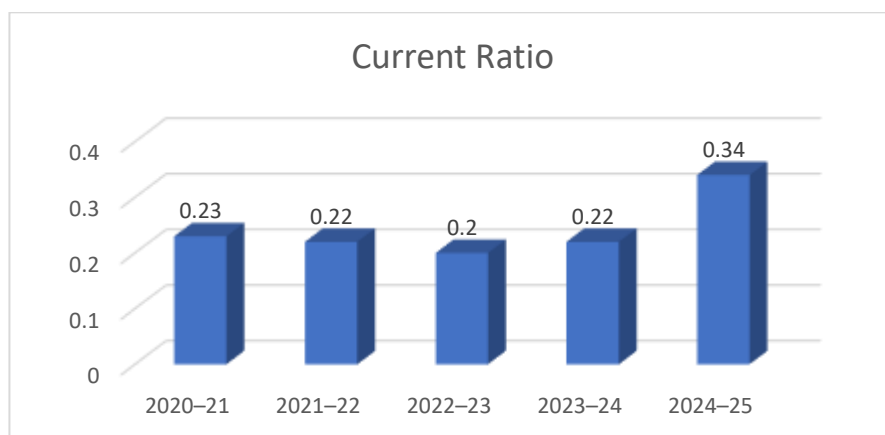
Interpretation

The continuous rise in revenue reflects better service utilization and operational growth. The reduction in losses during some years indicate positive financial improvement. With effective cost control and better financial management, the corporation has the potential to strengthen its financial position in the future.

2.Liquidity Analysis

$$\text{Current ratio} = \frac{\text{Current Assets(CA)}}{\text{Current Liabilities(CL)}}$$

Year	Current Assets	Current Liabilities	Current Ratio
2020–21	33,569.37	1,48,005.31	0.23
2021–22	41,996.21	1,91,880.36	0.22
2022–23	38,231.05	1,90,940.24	0.20
2023–24	52,469.77	2,40,943.70	0.22
2024–25	1,05,706.56	3,10,109.41	0.34



Analysis

The working assets of the Transport organization showed some fluctuations from 2020-21 to 2024-25, with a gradual improvement seen in 2024-25. However, current liabilities remained comparatively high during the study period. As a result, the current ratio stayed below the ideal standard, ranging between 0.20 and 0.34, indicating scope for better liquidity management.

Interpretation

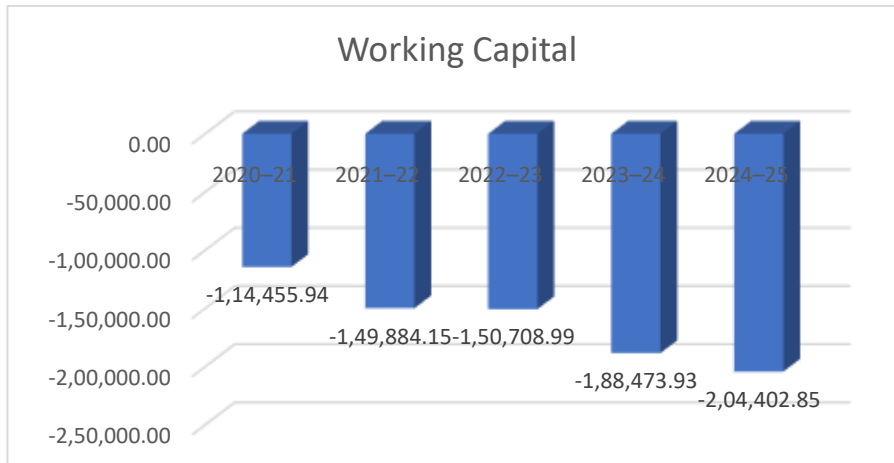
The study shows that KSRTC faced liquidity challenges during the selected period, as current assets were not fully sufficient to cover short-term liabilities. However, a slight improvement in 2024-25 reflects efforts toward better financial management and indicates the possibility of improved short-term financial stability in the future.

3.Working Capital (WC) Analysis

$$\text{WC} = \text{CA} - \text{CL}$$

Year	Current Assets	Current Liabilities	Working Capital
2020–21	33,569.37	1,48,005.31	-1,14,455.94
2021–22	41,996.21	1,91,880.36	-1,49,884.15

2022–23	38,031.05	1,90,940.24	-1,50,708.99
2023–24	52,469.77	2,40,943.70	-1,88,473.93
2024–25	1,05,706.56	3,10,109.41	-2,04,402.85



Analysis

KSRTC's working capital remained negative during the study period because the corporation faced a operating capital deficit as current obligations exceeded circulating assets. The gap increased gradually from 2020-21 to 2024-25, showing pressure on short term finances. However, the corporation continued its operations steadily.

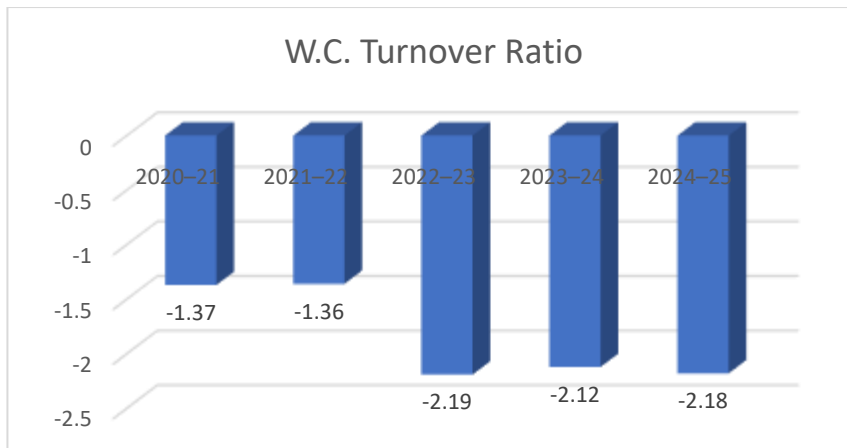
Interpretation

The unfavourable liquidity position indicates liquidity challenges in meeting short-term obligations. Correspondingly, it has maintained operational stability, showing scope for better budget management and improved handling of operational funds in the future period.

4.Working Capital Turnover Ratio (WCTR)

WCTR = Working Capital – Revenue

Year	Revenue	Working Capital	W.C. Turnover Ratio
2020–21	1,56,970.83	-1,14,455.94	-1.37
2021–22	2,03,757.91	-1,49,884.15	-1.36
2022–23	3,34,659.27	-1,50,708.99	-2.19
2023–24	3,99,577.26	-1,88,473.93	-2.12
2024–25	4,46,128.14	-2,04,402.85	-2.18



Analysis

KSRTC's working capital turnover ratio remained negative during the study period, ranging from -1.37 to -2.18. Although revenue increased steadily, negative working capital affected the turnover performance. However, the continuous growth in revenue reflects the corporation's operational efficiency.

Interpretation

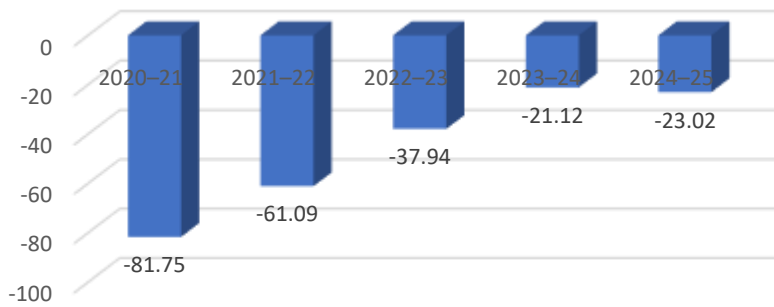
The negative ratio indicates challenges in managing working liquid funds efficiently for revenue generation. In the meantime, KSRTC showed steady revenue improvement, creating opportunities for stronger financial management and better liquidity in the future.

5.Net Profit (Loss) Ratio

Net Profit (Loss) Ratio = Revenue / Net Profit or Loss × 100

Year	Net Loss	Revenue	Net Profit (Loss) Ratio (%)
2020-21	-1,28,335.42	1,56,970.83	-81.75
2021-22	-1,24,481.61	2,03,757.91	-61.09
2022-23	-1,26,997.85	3,34,659.07	-37.94
2023-24	-84,407.09	3,99,577.26	-21.12
2024-25	-1,02,693.68	4,46,128.14	-23.02

Net Profit (Loss) Ratio (%)



Analysis

KSRTC recorded net losses throughout the study period. However, the net loss ratio improved significantly from -81.75% in 2020-21 to -21.12% in 2023-24. In 2024-25, the ratio slightly declined to -23.02%, showing a small rise in losses.

Interpretation

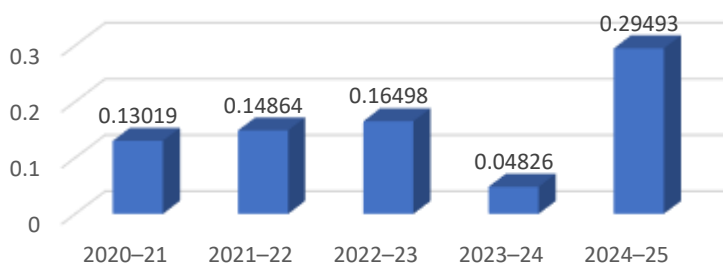
The negative net loss ratio indicates profitability challenges for KSRTC. However, the reduction in losses over the years reflects improvement in operational and financial performance, with potential for better profitability in forthcoming years.

6.Cash Ratio (CR)

CR = Cash and Bank Balances + Current Investments

Year	Cash & Bank Balances +Current Investments	Current Liabilities	Cash Ratio
2020-21	19,271.43	1,48,005.31	0.13019
2021-22	28,521.90	1,91,880.36	0.14864
2022-23	31,501.81	1,90,940.24	0.16498
2023-24	44,838.17	2,40,943.70	0.04826
2024-25	91,279.38	3,10,109.41	0.29493

cash ratio



Analysis

KSRTC's cash ratio showed fluctuations during the study period but improved from 0.13 in 2020-21 to 0.29 in 2024-25. Despite a slight decline in 2023-24, the overall trend indicates better cash management.

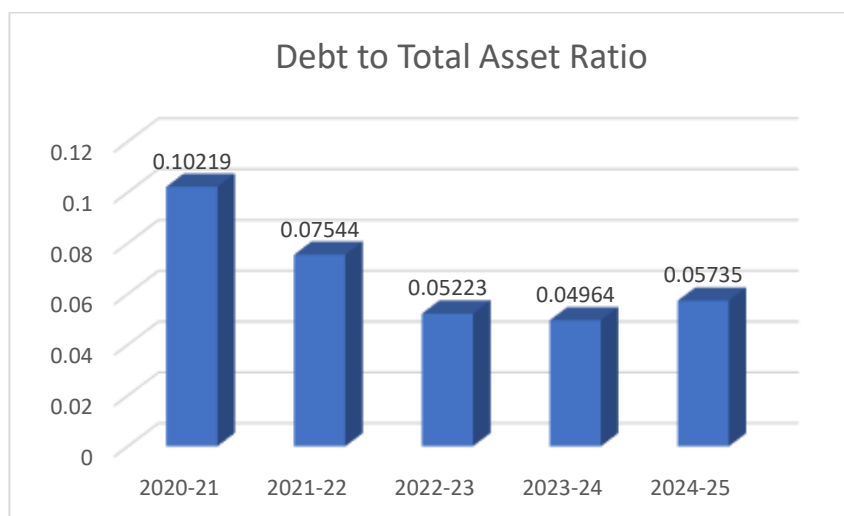
Interpretation

The low cash ratio shows limited liquid funds to meet short-term obligations. However, the gradual improvement reflects positive cash management efforts and the possibility of stronger financial stability in the long run.

7. Debt-to-Total-Asset Ratio

Debt-to-Total-Asset Ratio = Long Term Debt/Total Assets

Year	Long-Term Debt	Total Assets	Debt-to-Total-Asset Ratio
2020–21	35,319.50	3,45,615.14	0.10219
2021–22	25,614.89	3,39,534.05	0.07544
2022–23	17,737.89	3,39,604.46	0.05223
2023–24	17,915.75	3,60,888.29	0.04964
2024–25	25,614.89	4,46,609.97	0.05735



Analysis

The Corporation's debt-to-asset ratio showed a fall over the course of study. The ratio declined from 0.10 in 2020–21 to 0.05 in 2023–24, with a slight increase in 2024–25. This indicates a reduction in the corporation's dependence on long-term debt over the years.

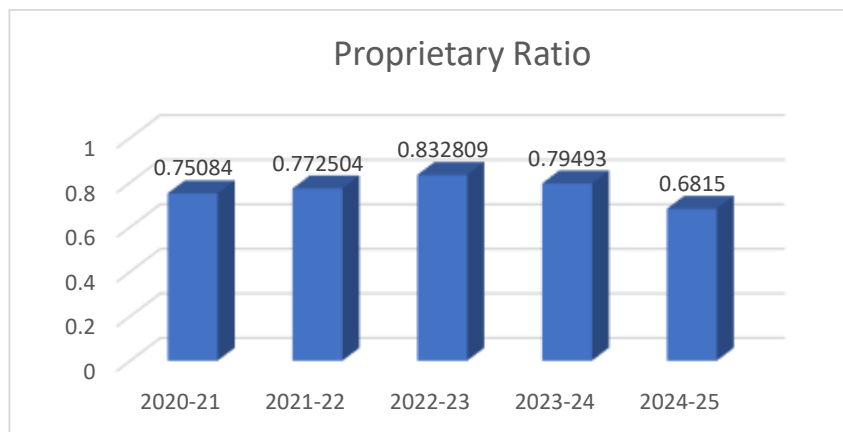
Interpretation

The low debt burden ratio shows that KSRTC has less dependence on long-term borrowings for financing its assets. It also reflects a stable solvency position and lower financial risk related to debt repayment over the coming years.

8. Proprietary Ratio (PR)

$$PR = \frac{\text{Equity}}{\text{Total Assets}}$$

Year	Equity	Total Assets	Proprietary Ratio
2020–21	2,59,501.76	3,45,615.14	0.75084
2021–22	2,62,291.72	3,39,534.05	0.772504
2022–23	2,82,825.80	3,39,604.46	0.832809
2023–24	2,86,883.88	3,60,888.29	0.79493
2024–25	3,04,367.22	4,46,609.97	0.68150



Analysis

The asset financing ratio of the Corporation increased until 2022–23 and later declined slightly to 0.68 in 2024–25. During the study period, both shareholders' equity and total holdings showed gradual growth.

Interpretation

The high ownership proportion indicates that most of the corporation's assets are financed through shareholders' funds rather than external borrowings. This reflects better financial stability, lower dependence on debt, and a stronger long-term solvency position.

Before vs After Comparison (In Lakhs)

Particulars	Before (2020-23 Avg)	After (2023-25 Avg)	Change
Revenue	2,31,796.00	4,22,852.70	↑ Increased
Expenditure	3,58,401.00	5,16,403.08	↑ Significant Increase
Net Loss	-1,26,604.96	-93,550.38	↓ Loss Reduced
Liquidity (Current Ratio)	0.22	0.28	↑ Slight Improvement

Working Capital	-1,39,016.36	-1,96,438.39	↓Worsened (More Negative)
Net Profit (Loss)	-60.26	-22.07	↓Loss Ratio Reduced
W.C. Turnover Ratio	-1.64	-2.15	↓ Worsened
Cash Ratio	0.15	0.17	↑Slight Improvement
Debt-to-Total-Asset Ratio	0.08	0.05	↓Reduced debt dependence
Proprietary Ratio	0.79	0.74	↓ Slight Decline

Results and Discussion

- 1.KSRTC experienced steady growth in revenue during the study period, indicating improvement in transport services and passenger movement.
- 2.Passenger traffic increased considerably after the introduction of the Shakti Yojana, especially among women travellers.
- 3.The corporation expanded its public service operations, which contributed to higher operational expenditure during the study.
- 4.The reduction in net losses in recent years reflects gradual improvement in financial management and operational efficiency.
- 5.The study observed that KSRTC continued to maintain regular transport services despite financial and operational challenges.
- 6.Government reimbursement support played an important role in maintaining the continuity of transport operations and welfare services.
- 7.The corporation showed lower dependence on external borrowings, indicating controlled long-term debt management.
- 8.Overall, the Shakti Scheme improved accessibility to public transportation and increased public usage of KSRTC services while supporting social welfare objectives.

Recommendations

- 1.KSRTC may focus on optimizing operational and administrative processes to enhance overall efficiency and strengthen its financial performance.
- 2.The corporation may strengthen its liquidity position by maintaining a healthy balance of current assets and managing current liabilities effectively.
- 3.KSRTC should continue building adequate cash reserves to meet immediate obligations and ensure uninterrupted day-to-day activities.
- 4.Greater emphasis on resource optimization, cost efficiency, and reduction of avoidable expenditures can further improve operational performance.

5. Revenue growth can be encouraged through better route management, enhanced passenger facilities, and increased utilization of transport services.
6. Continuous monitoring of costs and implementation of financial discipline can help improve the corporation's overall financial condition.
7. Government assistance and subsidies should be utilized strategically to support long-term growth and sustainability.
8. Regular evaluation of financial indicators and performance metrics can help in better decision-making and support continuous improvement in organizational performance.

Conclusion

The analysis indicates that the introduction of the Shakti Yojana had a favourable impact on KSRTC's operations. Increased passenger usage, especially among women commuters, resulted in greater utilization of transport services and contributed to improved revenue generation. Despite the rise in operating expenses, the corporation displayed signs of improved financial and operational performance during the study period.

Although KSRTC has not reached a profit-making stage, the reduction in net losses, reflects gradual progress toward financial improvement. The scheme delivered significant social benefits while also supporting passenger growth and service accessibility. Continued focus on cost efficiency, effective resource management, and sustained government assistance can help the corporation strengthen its financial position and move toward long-term financial sustainability.

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