TRANSPORT DEPARTMENT

POLICY NOTE
2026 – 2027

DEMAND No. 48

A. VIJAY TAMILAN PARTHIBAN
Minister for Transport

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Government of Tamil Nadu
2026

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TRANSPORT DEPARTMENT

POLICY NOTE

2026- 2027

1. INTRODUCTION

1.1 Mobility as a Necessity and Public Service Good

Mobility is a basic requirement for economic activity, social inclusion and human development. In Tamil Nadu, with a population of about 8.53 crore, access to employment, education, healthcare, economic activity and public services depends on the availability of affordable, reliable and widespread transport. For many middle-income households, mobility is directly linked to livelihood security and quality of life.

As economic activity is spread across cities, towns, industrial centres and rural areas, accessible and affordable transport is essential for workers, students, patients, farmers and small entrepreneurs. When mobility is

inadequate or costly, it affects productivity, education, healthcare access, household finances and the ability of families to save.

Public transport must therefore be treated as an essential public good. It provides affordable access to opportunity, in particular for those without private vehicles, including women, students, senior citizens, persons with disabilities and informal workers. It also emphasizes inclusion, safety and balanced regional development.

State Transport Undertakings have provided this vital connectivity for about 2.12 crore passengers every day through its 21,198 buses. However, rising travel demand, and urban expansion mandate further strengthening, modernisation and expansion of public transport through better fleet strength, technology, safety systems and integrated network planning. A strong and citizen-centric mobility system is essential for the State’s

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economic growth, environmental sustainability and overall quality of life.

1.2 Necessity of Public Transport

Public transport is the most equitable and efficient response to rising mobility demand. It enables large passenger movement using limited road space, keeps travel affordable for lower and middle-income households and reduces dependence on personal modes of transport. In State Transport Undertakings remain the backbone of road-based mass mobility, carrying about 2.12 crore passengers every day through an extensive network covering urban, rural, mofussil and inter-State routes.

The need for public transport will become increasingly significant with the continued urbanisation of the State. Tamil Nadu’s urban population is projected at about 4.27 crore in 2026 and is expected to increase to about 4.47 crore by 2031, an addition of nearly

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20.00 lakh urban residents within five years. The share of the population living in urban areas is also projected to increase from about 55.02 percent in 2026 to 57.30 per cent by 2031. This growth will substantially increase the demand for daily travel to workplaces, educational institutions, healthcare facilities, commercial centres and other essential services.

The importance of public transport is particularly pronounced in Tamil Nadu where private vehicle ownership has expanded rapidly. Without a strong, reliable and adequately scaled bus system, increasing urbanisation and mobility demand would result in further growth of two-wheelers and cars, intensifying road congestion, parking pressure, fuel consumption, emissions and road-accident risks. Strengthening public bus transport is therefore indispensable not only for social inclusion and affordable mobility, but also for improving traffic efficiency, supporting sustainable urban growth,

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protecting the environment and ensuring balanced regional development.

1.3 Necessity of Technology in Modern Bus Transport

Technology has become central to the modernization of public transport. In a large and operationally complex bus system, digital tools are essential for route planning, fleet scheduling, crew deployment, preventive maintenance, revenue protection, passenger information and service reliability. Intelligent Transport Systems (ITS), Automatic Realtime Vehicle Location Systems (AVLS), Passenger Information Systems (PIS), electronic ticketing, central control centres, telematics and enterprise resource platforms enable STUs to improve both operational efficiency and passenger experience.

Technology also increases transparency, safety and financial discipline. Real-time monitoring helps reduce bunching and missed trips, digital ticketing improves accountability,

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and data analytics assists decision-making on route rationalisation, fleet deployment and maintenance planning. As Tamil Nadu moves toward electric mobility, gross cost contract operations and integrated urban transport, technology is no longer optional; it is indispensable.

1.4 Tamil Nadu's Vehicle Ecosystem (As on 01.07.2026)

Vehicle registration statistics in Tamil Nadu as on 01.07.2026 show an overwhelming dominance of non-transport vehicles. Out of the total registered vehicle population of 405.73 lakh, transport vehicles account for 16.92 lakh, or 4.17%, while non-transport vehicles account for 388.81 lakh, or 95.83%. Two-wheelers alone account for 338.55 lakh vehicles, reflecting the extent of private motorisation in the State. In this context, strengthening public transport is vital to maintain mobility efficiency, road safety and environmental sustainability.

- As on **01.07.2026** Tamil Nadu has **405.73 lakh** registered vehicles - **16.92 lakh** transport (4.17%) and **388.81 lakh** non-transport (95.83%). Two-wheelers alone account for **338.55 lakh**.

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Category	Numbers in Lakh	%
Transport Vehicles	16.92	4.17
Non-Transport Vehicles	388.81	95.83
Total	**405.73**	**100.00**

Within the transport category, stage carriages remain a critical public mobility asset. Tamil Nadu has 33,865 registered stage carriages, comprising 21,198 public buses operated by State Transport Undertakings, 7,660 private stage carriages and 5,007 mini buses. Although stage carriages represent a very small share of the total registered vehicle population, they carry a disproportionately large share of daily passenger movement and therefore remain central to the State's mobility infrastructure.

- Of 33,865 stage carriages, 21,198 are **STU** buses, 7,660 private and 5,007 mini buses. In Chennai city 5,322 of 5,364 stage carriages are run by STUs.

Category	Type	Total Numbers
Stage Carriages	State Transport Undertakings	21,198
	Private	7,660
	Mini Bus	5,007
	Total	**33,865**
Contract Carriages	Autorickshaw	4,02,985
	Motor Cab	1,48,361
	Maxi Cab	78,710
	Omni Bus	4,781
	Total	**6,34,837**
Goods Carriages	Lorries	3,97,892
	Light Commercial Vehicles	4,93,376
	Tractor & Trailer	1,184
	Articulated Vehicles	32,384
	Total	**9,24,836**
Other Transport Vehicles	Private Service Vehicles	17,144
	Educational Institution Buses	63,353
	Ambulance	16,242
	Fire Fighter	2,058
	Total	**98,797**
Transport Vehicles - Grand Total		**16,92,335**

- Contract carriages total 6,34,837 - autorickshaws 4,02,985, motor cabs 1,48,361, maxi cabs 78,710 and omni buses 4,781. Goods carriages total 9,24,836.

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1.5 Indian Scenario - Emerging Mobility Imperatives

The national transport scenario reflects many of the structural trends visible in Tamil Nadu, including rapid growth in private vehicle registrations, increasing urban travel demand, rising environmental concerns and greater emphasis on modern and sustainable city bus systems. At the national level, the policy focus has increasingly shifted towards electric mobility, digital ticketing, secure payment systems, intelligent transport solutions, depot modernisation, accessible passenger infrastructure and public-private partnership frameworks for bus-service augmentation.

As part of this, 5000 electric buses are proposed to be deployed under the Public-Private Partnership model, with support for depot and charging infrastructure, intelligent transport systems, accessible bus stops and last-mile connectivity. This reflects a broader

- At the national level 5,000 electric buses are proposed under the **PPP** model with support for depots, charging, intelligent transport systems and last-mile connectivity.

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transition towards cleaner fleets, technology-enabled operations, improved service reliability, stronger first- and last-mile connectivity and financially sustainable operating models.

These national-level developments are already being pursued in Tamil Nadu through clean bus operations, technology-enabled fleet modernisation, induction of electric and alternative-fuel buses, adoption of intelligent transport systems, strengthening of feeder services and improvement of depot and passenger infrastructure. With its extensive State Transport Undertaking network, high level of urbanisation and strong public transport base, Tamil Nadu continues to leverage these developments and retain its position as a leading State in public transport transformation.

1.6 Bus Transport as the Most Efficient Road-Based Mass Mobility Option

Bus transport is the most practical mode of road-based mass commuting for reducing congestion, saving travel time and protecting

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the environment. A single standard bus carrying about 50 passengers can replace large number of personal vehicles on the road. Buses use road space far more efficiently than private cars and two-wheelers, reduce parking demand and lower emissions per passenger kilometre. They are also the most scalable option for serving a mix of dense urban corridors, suburban growth areas, rural routes and inter-city markets at affordable fares.

For Tamil Nadu, which has one of the largest public bus systems in the country, sustained investment in buses is therefore not merely a transport intervention; it is a congestion reduction strategy, a climate action measure and a social inclusion instrument.

1.7 Vision of the Government

The Government envisions a modern, efficient, economical, climate-friendly and safe bus transportation system that seamlessly integrates economic, social and environmental priorities. This vision spans urban, rural,

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intercity and inter-state mobility and places emphasis on affordability, accessibility, last-mile connectivity, digital enablement and gradual financial strengthening of the STUs.

The core objectives of this vision are as follows:

- Promote public transport and enhance first and last-mile connectivity through dependable bus services.
- Ensure safe, reliable, user-friendly and affordable bus transportation for all categories of passengers.
- Scale up procurement of environment-friendly buses using electric, CNG, Hydrogen and other clean-fuel technologies.
- Transform conventional buses into cleaner, greener mobility through retrofitting with EV and CNG technologies.
- Modify and deploy accessible buses to improve inclusive mobility for senior citizens, persons with disabilities and other passengers requiring accessible services.
- Leverage Intelligent Transport System (ITS), digital ticketing, Automatic Vehicle Location System (AVLS), Passenger Information

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System (PIS) and other technology platforms for operational efficiency and passenger information.

- Improve customer experience through better service standards, comfortable buses and seamless mobility integration.
- Pursue financial sustainability through operational reforms, route rationalisation and externally funded projects without compromising affordability.
- Align transport planning with Sustainable Development Goals and climate-resilient urban mobility principles.

1.8 Genesis of Public Transport in Tamil Nadu

The roots of Government-run bus transport in Tamil Nadu can be traced to the post-Independence period, when bus operations in the then Madras Presidency progressively came under public ownership. With the establishment of Pallavan Transport Corporation on 01.01.1972, the State created the foundation for a structured STU-based bus system. Between 1972 and 1996, multiple undertakings were formed to improve service efficiency and

- Pallavan Transport Corporation, established **01.01.1972** under the Companies **Act 1956** for Chennai and Chengalpattu, is the foundation of the **STU** system.

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route coverage. Subsequently, these entities were consolidated into the present structure to improve operational efficiency and administrative coordination.

Key Milestones in Tamil Nadu's Public Transport Development

- **01.01.1972:** Pallavan Transport Corporation was established under the Companies Act, 1956, covering Chennai and Chengalpattu bus operations, laying the groundwork for the creation of other State Transport Undertakings (STUs).
- **1972–1996**: Formation of 21 STUs through bifurcations aimed at improving service efficiency and coverage.
  - **Post-1996**: Consolidation of the 21 STUs into 8 entities to enhance operational efficiency.

Between **1972** and **1996** twenty-one STUs were formed by bifurcation; after **1996** they were consolidated into 8 entities.

1.9 Current Structure of State Transport Undertakings.

Tamil Nadu currently has eight State Transport Undertakings under the Transport Department:

The eight STUs are **MTC** Chennai, **SETC**, and **TNSTC** Villupuram, Salem, Coimbatore, Kumbakonam, Madurai and Tirunelveli. **MTC** runs Chennai city services; **SETC** runs long-distance and inter-State services to Kerala, Karnataka, Andhra Pradesh and Puducherry.

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- Metropolitan Transport Corporation (Chennai) Limited, Chennai.
- State Express Transport Corporation Tamil Nadu Limited, Chennai.
- Tamil Nadu State Transport Corporation (Villupuram) Limited, Villupuram.
- Tamil Nadu State Transport Corporation (Salem) Limited, Salem.
- Tamil Nadu State Transport Corporation (Coimbatore) Limited, Coimbatore.
- Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Kumbakonam.
- Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai.
- Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli.

MTC operates city services in Chennai and adjoining areas. SETC runs long-distance express and inter-State services to neighbouring States, namely Kerala, Karnataka and Andhra Pradesh, and to the Union Territory of Puducherry. The remaining six TNSTCs operate town and mofussil services across districts and

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neighbouring States. Together, these undertakings form one of the largest Government-run bus systems in India and provide critical connectivity to urban centres, semi-urban settlements and rural habitations.

1.10 Key Statistics of Tamil Nadu STUs (As on 01.08.2026)

Tamil Nadu boasts the one of the largest Government-run bus transport system in India, renowned for its extensive route coverage. The system ensures connectivity to 98.28% of villages, reaching nearly all with a population of at least 1,000.

- The network reaches 98.28% of villages, nearly all with a population of at least 1,000.

Parameter	Value
Fleet Strength	21,198 buses operated by 8 STUs
Operational Network	19,283 scheduled services and 10,160 routes
Daily Distance Covered	84.75 lakh km
Passenger Load	2.12 crore passengers per day
Fuel Usage	Diesel / Electric / CNG
Average Bus Fleet Age	5.52 years
Fleet Utilization Rate	92.17%
Occupancy Ratio	84.15%

- Key statistics as on **01.08.2026**: 21,198 buses, 19,283 scheduled services, 10,160 routes, 84.75 lakh km a day and **2.12 crore** passengers a day.

- Average fleet age 5.52 year**s,** fleet utilisation 92.17% and occupancy ratio 84.15%.

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Parameter	Value
Concession vs. Fare-paying Ratio	66:34
Daily Revenue	Rs.47.89 crore
Daily Expenditure	Rs.70.15 crore
Daily Financial Deficit	Rs.22.26 crore
Fare Structure	Lowest in India; last fare revision on 29.01.2018

Two of every three passengers travel on a concession - the concession to fare-paying ratio is 66:34.

Daily revenue **Rs.47.89 crore** against daily expenditure **Rs.70.15** crore - a deficit of **Rs.22.26 crore** every day.

Fares are the lowest in India and have not been revised since **29.01.2018** - the single fact behind the STUs' finances.

Tamil Nadu continues to offer one of the most affordable public bus fare structures in the country. At the same time, the gap between daily revenue and expenditure underlines the need for sustained fleet modernization, improvements to operational efficiency, route optimisation, technology integration and targeted financial support.

1.11 Organisational Structure of the Transport Department

The Transport Department administers public bus transportation in Tamil Nadu under the leadership of the Hon'ble Minister for Transport. The Secretary to Government is the administrative head of the Department and is supported by the Special Secretary,

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Deputy Secretary, Under Secretaries, Section Officers and other staff responsible for policy formulation, regulation, administration and operational oversight.

The Department exercises administrative control over the eight State Transport Undertakings listed in Section 1.9 and the following affiliated institutions:

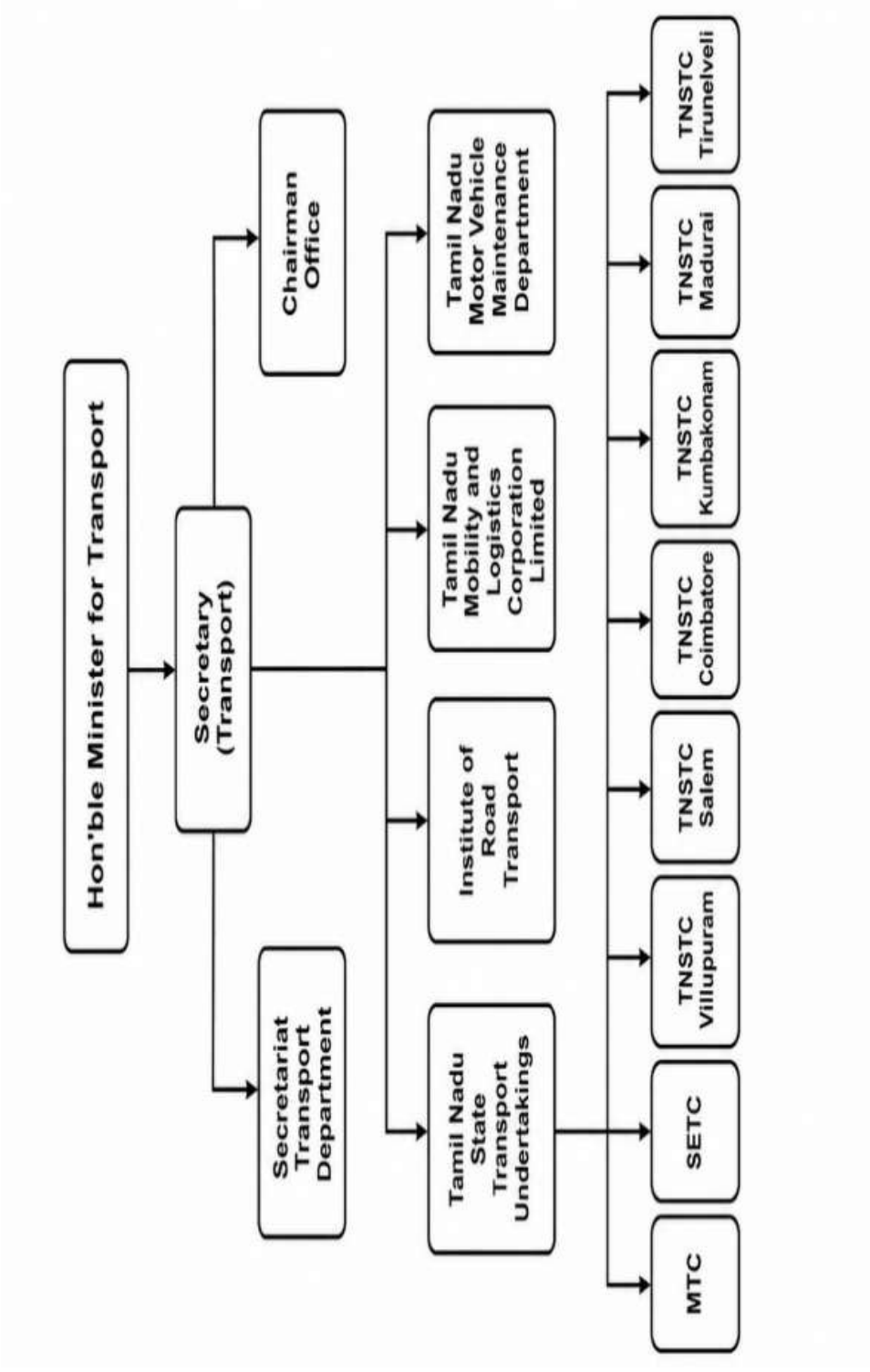
i. Tamil Nadu Motor Vehicles Maintenance Department (MVMD), Chennai

ii. Institute of Road Transport (IRT), Chennai

iii. Tamil Nadu Mobility and Logistics Corporation Limited (TNMLC), Chennai, formerly Pallavan Transport Consultancy Services Limited

The Organogram of the Transport Department is given below:

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The Secretary to Government serves as the Ex-Officio Chairman of the eight State Transport Undertakings. Each STU and affiliated institution is governed by a Board of Directors comprising the Chairman, Managing Director and other Directors. Day-to-day operations are led by the respective Managing Director, supported by General Managers, Deputy Managers, Assistant Managers, Branch Managers, depot-level officers and other staff to ensure efficient service delivery.

In addition to its role in public bus transport, the Department functions as the Nodal Agency for the State Government for monitoring railway projects in collaboration with Southern Railway. It focuses on enhancing

- The Secretary to Government is the administrative head of the department and the ex-officio Chairman of all eight STUs. The department also controls the Motor Vehicles Maintenance Department, the Institute of Road Transport and **TNMLC**.

railway infrastructure, construction of new lines, extension of existing ones and gauge conversions to improve connectivity. This multi-modal approach reflects the Department's commitment to fostering an efficient, sustainable and inclusive transportation network across Tamil Nadu.

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2. STATE TRANSPORT UNDERTAKINGS

2.1 Operational Jurisdiction of STUs

In the State, eight State Transport Undertakings provide public transport services across all 38 districts of Tamil Nadu within their respective operational areas. Certain districts, including Chennai, Nilgiris and Kanniyakumari, are predominantly or exclusively served by the State Transport Undertakings, while in other districts the State Transport Undertakings and private operators jointly meet passenger demand. The six Tamil Nadu State Transport Corporations also operate inter-district and selected inter-State services from their respective operational areas. In addition, the State Express Transport Corporation Tamil Nadu Limited (SETC) operates long-distance intra-State and inter-State services across Tamil Nadu and to neighbouring States and the Union Territory of Puducherry. Together, the eight State Transport Undertakings provide an extensive and well-integrated public

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transport network across Tamil Nadu and beyond.

As per vehicular statistics as on 01.07.2026, Tamil Nadu is having 33,865 stage carriages, of which 21,198 are public STU buses, underscoring the continued dominance of the State sector in passenger transport. In Chennai city, 5,322 out of 5,364 stage carriages are being operated by STUs.

For effective service delivery, the 38 districts of Tamil Nadu are distributed among seven jurisdiction-based undertakings, while SETC serves the State as a whole besides serving the destinations in the neighbouring States.

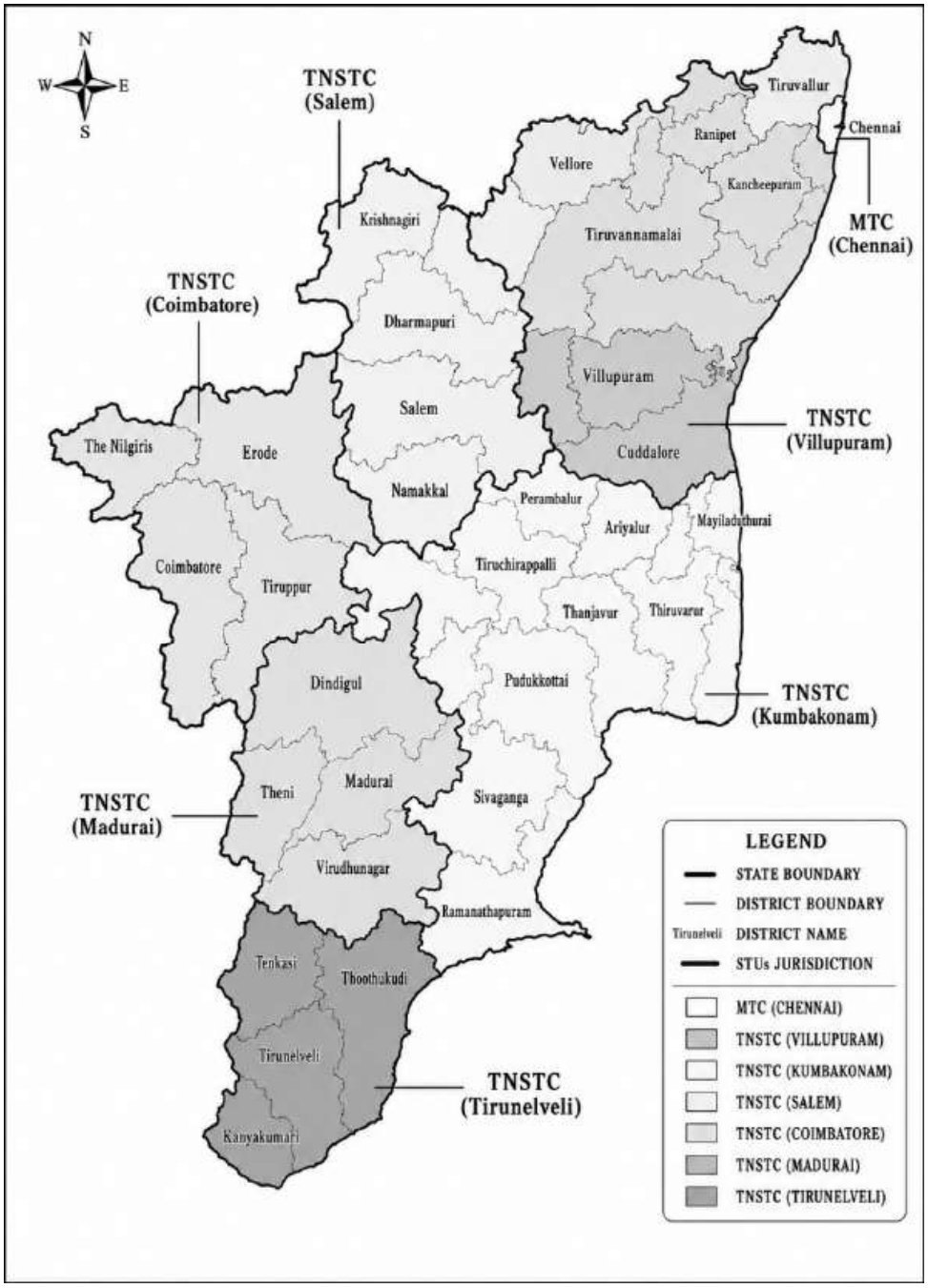
S. No.	**State Transport Undertaking**	**Region**	**Districts Covered**
1.	Metropolitan Transport Corporation (Chennai) Limited	Chennai	Chennai Metropolitan Area (Kanchipuram, Chengalpattu and Tiruvallur)
2.	State Express Transport Corporation Tamil Nadu Limited	–	Entire Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Puducherry

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S. No.	State Transport Undertaking	Region	Districts Covered
3.	Tamil Nadu State Transport Corporation (Villupuram) Limited	Villupuram	Villupuram and Kallakurichi
		Vellore	Vellore, Ranipet & Tirupathur
		Kanchipuram	Kanchipuram and Chengalpattu
		Tiruvannamalai	Tiruvannamalai
		Tiruvallur	Tiruvallur
		Cuddalore	Cuddalore
4.	Tamil Nadu State Transport Corporation (Salem) Limited	Salem	Salem and Namakkal
		Dharmapuri	Dharmapuri and Krishnagiri
5.	Tamil Nadu State Transport Corporation (Coimbatore) Limited	Coimbatore	Coimbatore
		Ooty	Nilgiris
		Erode	Erode
		Tiruppur	Tiruppur
6.	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	Kumbakonam	Thanjavur
		Nagapattinam	Nagapattinam, Thiruvarur and Mayiladuthurai
		Tiruchirappalli	Tiruchirappalli, Perambalur and Ariyalur
		Karur	Karur
		Karaikudi	Sivagangai and Ramanathapuram
		Pudukkottai	Pudukkottai
7.	Tamil Nadu State Transport Corporation (Madurai) Limited	Madurai	Madurai
		Dindigul	Dindigul and Theni
		Virudhunagar	Virudhunagar
8.	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	Tirunelveli	Tirunelveli and Tenkasi
		Thoothukudi	Thoothukudi
		Nagercoil	Kanniyakumari

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The following diagram depicts the operational jurisdictions.



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2.2 Infrastructure of State Transport Undertakings

Tamil Nadu's State Transport Undertakings (STUs) have built a strong operational infrastructure consisting of office buildings, depots, workshops, a fleet of 21,198 buses and a skilled workforce. This network supports the delivery of efficient, reliable and accessible road transport services across Tamil Nadu and to neighbouring States.

State Transport Undertakings	Region	Depots	Workshop	Tyre Retreading Plants	Bus Body Building Units	Fitness Certificate Centres	Auction Centres	Driving Schools	Training Centres	Other Units	Buses	Passenger Ridership (in lakh) (2026-27, up to July 2026)
MTC	1	33	2	2	1	8	1	1	3	0	4109	4115.26
SETC	1	21	2	1	0	5	1	1	4	0	1080	83.78
Villupuram	6	58	3	4	3	9	3	6	6	1	3443	3884.78
Salem	2	32	2	1	2	3	2	4	4	0	2105	2660.12
Coimbatore	4	44	2	2	3	5	2	2	4	1	2787	3563.36
Kumbakonam	6	59	4	3	3	6	4	8	6	1	3551	5203.73
Madurai	3	40	3	3	3	5	2	4	4	4	2381	3448.11
Tirunelveli	3	30	2	2	2	2	2	2	2	2	1742	2854.22
Total	**26**	**317**	**20**	**18**	**17**	**43**	**17**	**28**	**33**	**9**	**21,198**	**25,813.36**

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2.3 Bus Operations

The State Transport Undertakings (STUs) operate a total fleet of 21,198 buses.

The services cover authorised routes across plain areas and ghat regions. They are classified based on operational distance and service nature, such as city/town, mofussil and ghat services, and are further differentiated by comfort levels and fare structures.

The table below summarises the various categories of bus services as on 01.08.2026:

City / Town Bus	Mofussil Bus	Ghat Service
Ordinary, Express, Limited Stop, Deluxe and Air-Conditioned Buses	Ordinary, Express-Semi Deluxe, Express-Super Deluxe, Ultra Deluxe, Air-Conditioned Deluxe (Seater), Non-AC Deluxe Sleeper, AC Deluxe Sleeper, Non-AC Seater-cum-Sleeper, AC Seater-cum-Sleeper and Air-Conditioned Volvo (Multi-Axle)	Ordinary, Express-Deluxe and Air-Conditioned Buses

This structured service framework enables the STUs to provide efficient and reliable bus transport services across Tamil Nadu, catering to the diverse set of passengers who are utilizing the services.

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The following table presents a detailed break-up of the bus service categories operated by the State Transport Undertakings (STUs) as on 01.08.2026. The services are classified under town, mofussil and ghat operations.

State Transport Undertakings	Town		Mofussil	Ghat		Scheduled Services	Spare Buses	Total
	Ordinary Bus	Limited Stop / Express / Deluxe		Ordinary Fare Bus (up to 40 km)	Ordinary Fare Bus (above 40 km) / Express / Deluxe / Air-Conditioned Bus			
MTC	1724	2134	0	0	0	3858	251	4109
SETC	0	0	1000	0	0	1000	80	1080
Villupuram	1036	31	1955	13	16	3051	392	3443
Salem	812	25	1034	29	0	1900	205	2105
Coimbatore	1006	165	1029	124	235	2559	228	2787
Kumbakonam	1280	0	1901	5	0	3186	365	3551
Madurai	936	285	837	2	62	2122	259	2381
Tirunelveli	743	70	794	0	0	1607	135	1742
Total	7537	2710	8550	173	313	19283	1915	21198

2.4 Performance of State Transport Undertakings

During the Financial Year 2026-27 (Unaudited), the State Transport Undertakings (STUs) commuted approximately 2.12 crore passengers per day, recording the highest

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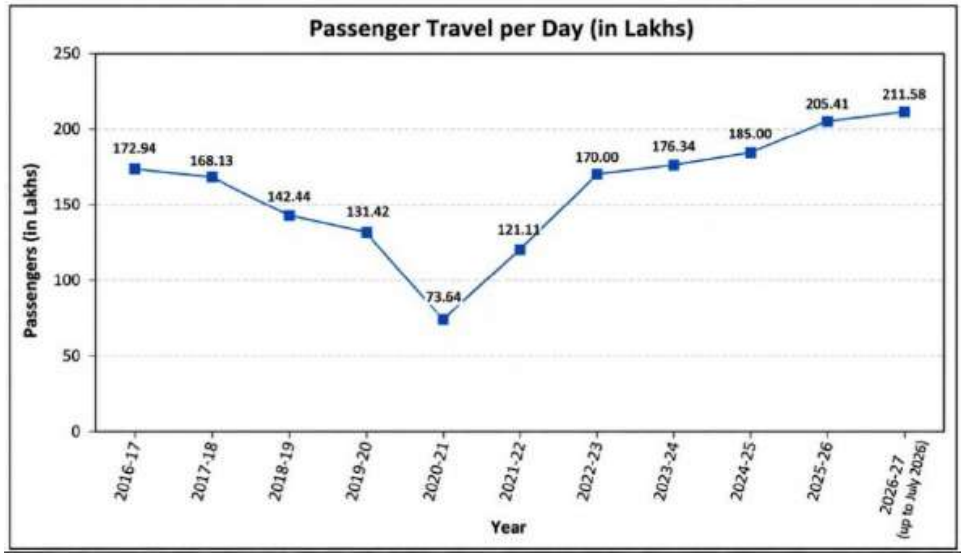
ridership since 2016-17. Despite operational and financial constraints, the STUs have taken focused measures to improve service availability and enhance passenger patronage, resulting in a steady increase in ridership.

The diagram below illustrates this upward trend.

Year	Passenger Travel per Day (in lakh)
2016-17	172.94
2017-18	168.13
2018-19	142.44
2019-20	131.42
2020-21	73.64
2021-22	121.11
2022-23	170.00
2023-24	176.34
2024-25	185.00
2025-26	205.41
2026-27 (up to July 2026)	211.58

- Daily ridership in lakh: 172.94 in **2016-17**, falling to 73.64 in **2020-21** during **COVID**, recovering to 205.41 in **2025-26** and 211.58 in **2026-27** up to July **2026**.

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The objective of the Department is to increase this in the current year through constructive policy interventions.

Tamil Nadu continues to offer one of the most affordable stage carriage bus fare structures in India when compared with other States.

Compared with the neighbouring States, the minimum fare for city/town buses in Tamil Nadu continues to be the lowest. The details are as follows:

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(in Rupees)

State	First Stage	Ordinary Bus Fare	Express Bus Fare	Deluxe Bus Fare	AC Bus Fare
Tamil Nadu	Within 2 km	5	7	11	15
Puducherry	Up to 2 km	7	-	13	13
Kerala	2.5 km	10	12	-	26
Andhra Pradesh	2 km	10	10	-	-
Telangana	Within 2 km	10	10	15	-
Karnataka (BMTC)	2 km	6	-	-	10

The table below highlights the variation in bus ticket fares across Tamil Nadu, Puducherry, Kerala, Andhra Pradesh, Telangana and Karnataka.

State	Date of Last Fare Revision	Mofussil Buses (paise per km)											
		Ordinary	Express	Deluxe	Super Deluxe	Ultra Deluxe	Air-Conditioned Ultra Deluxe (Seater)		Volvo Buses	Ultra Deluxe Sleeper (Non-AC)		Air-Conditioned Ultra Deluxe Sleeper	
							Peak Hours	Off-Peak Hours		Peak Hours	Off-Peak Hours	Peak Hours	Off-Peak Hours
Tamil Nadu	29.01.2018	58	–	75	85	100	130	110	170	155	135	200	180
Puducherry	17.12.2024	75	98	–	–	130	195	195	221	–	–	–	–
Kerala	01.05.2022	100	105	108	110	120	150	150	181	–	–	250	250
Andhra Pradesh	01.07.2022	102	125	–	–	162	196	196	249	230	230	303	303
Telangana	17.03.2022	83	107	–	118	136	166	166	202	202	–	273	273
Karnataka	05.01.2025	76	116	–	–	168	248	248	248	189	189	275	275

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2.5 Operational Performance Indicators

The key physical performance indicators of the State Transport Undertakings in Tamil Nadu upto the Month of July 2026 are presented below

S.No	Particulars	MTC	SETC	VPM	SLM	CBE	KUM	MDU	TNV	TOTAL
1	Town	3858	0	1067	837	1171	1280	1221	813	10247
2	Moffussil	0	0	1955	1034	1029	1901	837	794	7550
3	Ghat	0	0	29	29	359	5	64	0	486
4	Express (SETC)	0	1000	0	0	0	0	0	0	1000
5	Schedule Bus	3858	1000	3051	1900	2559	3186	2122	1607	19283
6	Spare Buses	251	80	392	205	228	365	259	135	1915
7	Total Fleet	4109	1080	3443	2105	2787	3551	2381	1742	21198
8	Scheduled Km (Lakhs)	1188.01	680.18	1862.31	1126.24	1347.66	1837.53	1162.43	851.57	10055.94
9	Effective Kilometers (Lakhs)	1059.72	699.48	2059.17	1172.01	1384.01	1965.41	1148.59	850.67	10339.06
10	Km/Bus/Day	252	624	521	484	418	479	422	439	435
11	Fleet Utilisation (%)	84.30	85.06	98.22	95.69	96.29	95.13	89.23	90.93	92.17
12	KM Efficiency %	89.20	102.84	110.57	104.06	102.70	106.96	98.81	99.89	102.82
13	Occupancy Ratio (%)	67.72	78.74	85.79	82.96	88.59	87.92	94.25	87.19	84.15
14	KMPL	3.77	4.84	5.42	5.30	4.81	5.45	4.92	4.84	4.99
15	Tyre Life (in Lakhs Kms)	2.73	2.72	3.21	3.47	3.04	3.45	3.08	3.12	3.11
16	Passenger / day in Lakhs	33.73	0.69	31.84	21.80	29.21	42.65	28.26	23.40	211.58
17	No. of Passengers commute per bus /day	874	69	1044	1148	1141	1339	1332	1456	1097
18	No. of Employees	17896	4349	16826	10531	13746	17342	12157	8607	101454

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2.6 Financial Performance of State Transport Undertakings

State Transport Undertakings (STUs) have continuously rendered dependable and high-quality public transport services. Their operations cover even the remotest locations, including rural and hilly regions, besides serving uneconomical routes and difficult terrains where transport connectivity is essential. Tamil Nadu State Transport Undertakings are widely recognised for providing reliable, affordable and safe transport services, and have established a strong benchmark in the public transportation sector across India.

However, the steady increase in fuel prices, employee salary commitments and interest payments on loans has created substantial financial stress on the STUs, affecting their overall financial sustainability. Even while operating under loss, the STUs continue to deliver essential transport services, keeping in

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view the critical need for affordable mobility for both rural and urban population.

During the financial year 2025-26 (Unaudited), the STUs collectively recorded a monthly loss of Rs.393.76 crore. Further, the implementation of the 15th wage settlement, along with the increase in Dearness Allowance during 2025-26, has added to the recurring expenditure of the Undertakings.

- During **2025-26** the STUs together recorded a monthly loss of **Rs.393.76 crore**, worsened by the 15th wage settlement and the Dearness Allowance increase.

It is also noteworthy that bus fares have not been revised since January 2018. This clearly reflects that the primary objective of the public transport sector is to provide service to the people rather than to operate with a profit motive. The State Transport Undertakings continue to provide affordable public transport services to people in both rural and urban areas.

The financial performance of the STUs from the financial year 2021-22 to 2025-26 is presented below.

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(Rs. in Crore)

Particulars	2021-22 (COVID period)	2022-23	2023-24	2024-25	2025-26 (Unaudited)
Operating Revenue	5,534.90	7,386.04	7,423.89	7469.62	7646.61
Zero Fare Travel for Women	1,216.83	2,512.38	2,804.21	3224.22	3917.58
High-Speed Diesel Subsidy	1014.63	1783.85	1728.27	1794.45	1695.87
Student Bus Fare Concession	1,289.07	1429.88	1460.69	1662.19	3202.28
Other Non-Operating Revenue	567.53	654.62	158.88	492.15	116.25
Revenue-Expenditure Gap Assistance	-	-	-	-	2323.63
Other Revenue (sale of scrap, old buses and revenue from contract buses)	74.27	68.51	155.83	212.38	205.06
Total Revenue	**9,697.23**	**13,835.28**	**13,731.72**	**14855.01**	**19107.28**
High-Speed Diesel	3865.14	5252.11	5294.50	5460.50	5598.06
Other Expenses (lubricants, tyres and spare parts)	277.02	416.45	394.16	429.38	594.90
Salary & Daily Wages (including PF, Gratuity and Other Expenses)	8,987.92	10,858.23	10868.70	11974.28	12558.56
Motor Vehicle Taxes	162.42	185.44	199.35	221.58	222.95
Depreciation	384.09	229.36	172.55	535.89	1041.83
Interest	1818.14	2255.49	2316.58	2534.76	3122.50
Other Expenses (PF loss, Toll Tax and Accident Compensation)	824.71	716.09	866.76	872.41	696.58
Total Expenditure	16,319.44	19,913.17	20112.60	21848.80	23832.38
Loss	6622.21	6077.89	6380.83	6993.79	4725.10
Average Monthly Loss	551.85	506.49	531.74	582.82	393.76

- Reimbursement for zero-fare travel for women grew from **Rs.1,216.83** crore in **2021-22** to **Rs.3,917.58** crore in **2025-26**; student concession reimbursement rose to **Rs.3,202.28 crore**.

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The daily financial performance indicators (Rs. in Crores per day) of the State Transport Undertakings in Tamil Nadu, FY 2026-27 (up to July 2026) are presented below:

(Rs. in Crores Per day)

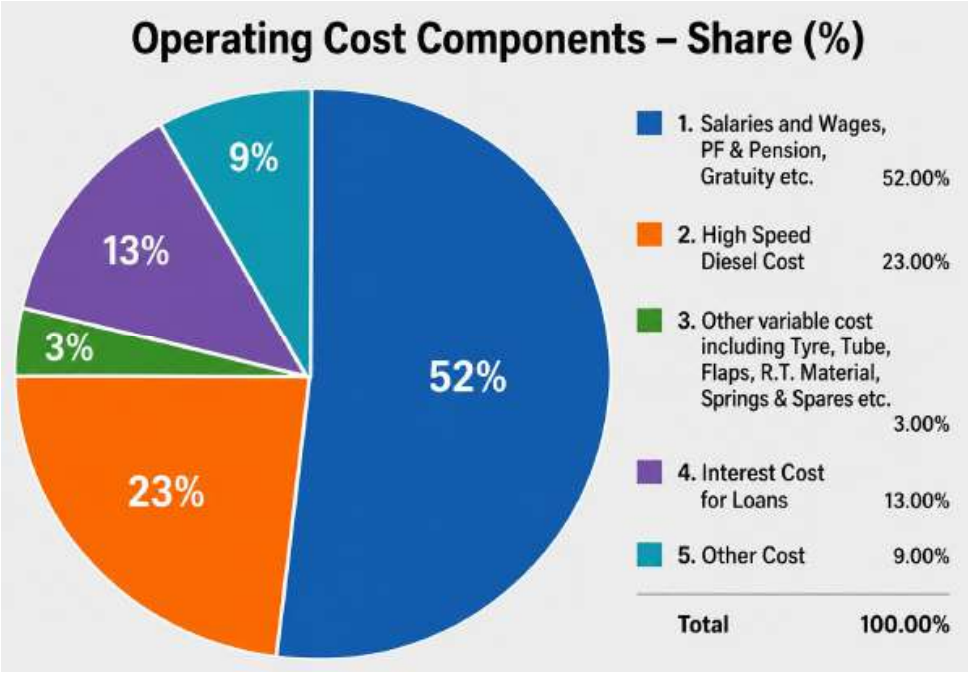
STU	MTC	SETC	VPM	SLM	CBE	KUM	MDU	TNV	TOTAL
Operational Revenue	2.28	2.35	4.34	2.33	2.63	3.70	2.14	1.58	21.35
Other Revenue	4.32	0.46	4.01	3.08	3.67	4.97	3.29	2.74	26.54
Total Revenue	**6.60**	**2.81**	**8.35**	**5.41**	**6.30**	**8.67**	**5.43**	**4.32**	**47.89**
Variable Cost									
HSD Oil	1.89	1.11	3.00	1.77	2.30	2.87	1.86	1.37	16.17
Lubricants	0.03	0.00	0.04	0.02	0.02	0.04	0.03	0.02	0.20
Tyre and Tube	0.03	0.03	0.04	0.02	0.03	0.04	0.03	0.01	0.23
RT material	0.02	0.01	0.02	0.02	0.04	0.04	0.02	0.02	0.19
Spring	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Spares	0.06	0.04	0.06	0.04	0.05	0.08	0.02	0.03	0.38
Repair	0.01	0.00	0.03	0.00	0.02	0.03	0.01	0.01	0.11
Labour	1.13	0.01	0.01	0.03	0.01	0.02	0.01	0.01	1.23
Total Variable Cost	**3.17**	**1.20**	**3.20**	**1.90**	**2.48**	**3.12**	**1.98**	**1.47**	**18.52**
Fixed Cost									
Establishment	6.08	1.69	6.25	3.89	5.09	6.09	4.28	3.35	36.72
Taxes	0.03	0.03	0.13	0.07	0.08	0.12	0.07	0.06	0.59
Depreciation	0.72	0.19	0.59	0.21	0.33	0.43	0.40	0.25	3.12
Interest	1.19	0.76	1.22	0.92	1.57	1.35	1.15	1.16	9.32
Other Cost	0.30	0.31	0.26	0.17	0.16	0.45	0.12	0.11	1.88
Total Fixed Cost	**8.32**	**2.98**	**8.45**	**5.26**	**7.23**	**8.44**	**6.02**	**4.93**	**51.63**
Gross Expenses	**11.49**	**4.18**	**11.65**	**7.16**	**9.71**	**11.56**	**8.00**	**6.40**	**70.15**
Profit/Loss	**-4.89**	**-1.37**	**-3.30**	**-1.75**	**-3.41**	**-2.89**	**-2.57**	**-2.08**	**-22.26**
Cash Generation	**-4.17**	**-1.18**	**-2.71**	**-1.54**	**-3.08**	**-2.46**	**-2.17**	**-1.83**	**-19.14**
Effective Kms	**0.09**	**0.06**	**0.17**	**0.10**	**0.11**	**0.16**	**0.09**	**0.07**	**0.85**

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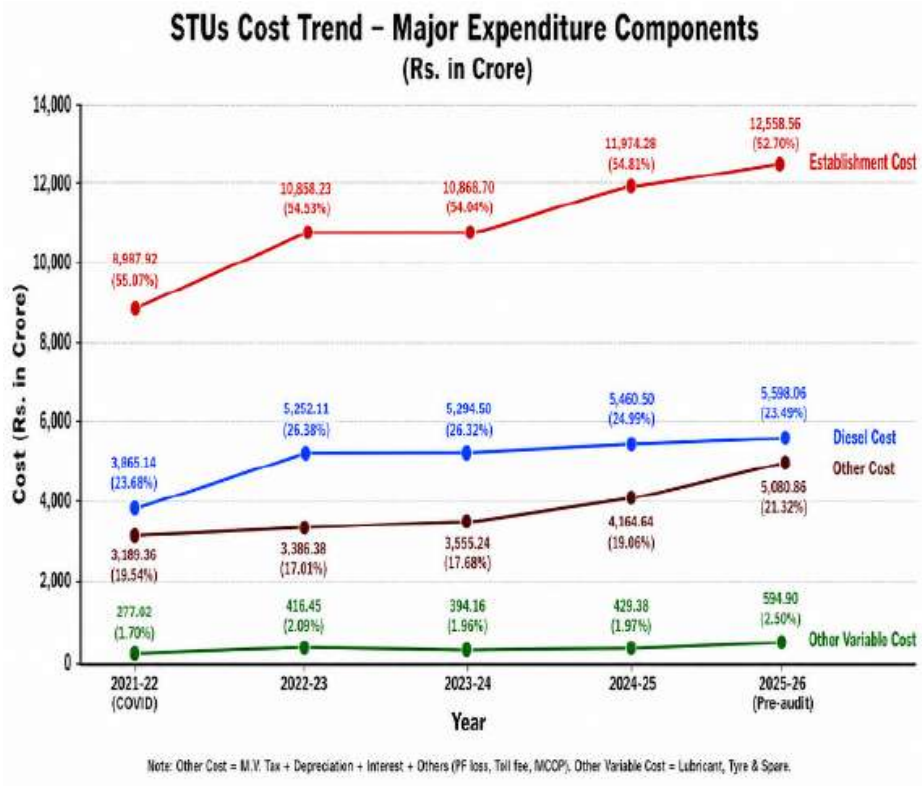
2.7 Key Components of Operational Expenditure

During the financial year 2026-27 (up to July 2026), the expenditure components of the State Transport Undertakings, the increase in High-Speed Diesel prices and interest on loans continue to be the major drivers of operational expenditure.

The chart below illustrates the expenditure trends and the share of cost towards major components during the period from 2021 to 2026.



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Establishment costs, comprising salaries, provident fund, gratuity and diesel expenses, have largely remained at a consistent level in the financial year 2025-26 when compared with 2022-23. However, interest expenses have recorded a marginal increase during this period, mainly due to loans availed to manage the financial impact of the COVID-19 pandemic, particularly towards meeting salary and pension commitments.

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2.8 Financial Assistance from Tamil Nadu Transport Development Finance Corporation Limited (TNTDFC)

The Tamil Nadu Transport Development Finance Corporation (TNTDFC), a Government of Tamil Nadu undertaking, is primarily engaged in mobilising deposits from the public, Government institutions and private entities. The funds so mobilised are extended as loans to State Transport Undertakings, thereby generating interest income for depositors while also supporting the financial sustainability of the Corporation. The State Transport Undertakings, in turn, benefit through access to working capital loans at competitive interest rates and through simplified and seamless leading procedures.

Until 2023, TNTDFC was functioning under the administrative control of the Transport Department. However, in 2023, it was brought under the Finance Department with a view to strengthen the management of Tamil Nadu

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Transport Development Finance Corporation. Notwithstanding this administrative transition, the lending arrangements to STUs have continued without any interruption.

2.8.1 Outstanding Loans

As of July 2026, the State Transport Undertakings have accumulated outstanding loan amounting to Rs.22,888.81 crore from TNTDFC. The detailed break-up is furnished below:

- STUs owe **TNTDFC Rs.22,888.81** crore as of July **2026**, including **Rs.15,953.85 crore** of working capital term loans and **Rs.5,303.09** crore of Government guaranteed loans.

Description	Amount (Rs.in crore)
Hire Purchase Loan	421.27
Short-Term Loan	25.56
Term Loan for Working Capital	15,953.85
Government Guaranteed Loan	5,303.09
Loan for Working Capital / Settlement of Retirement Benefits	894.12
Term Loan for Payment of Accident Compensation	290.92
Total	**22,888.81**

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2.8.2 Details of loans extended by TNTDFC to the State Transport Undertakings during the past ten years.

Year	Financial Assistance (Rs.in crore)
2014-2015	2151.24
2015-2016	2776.33
2016-2017	3574.32
2017-2018	3757.58
2018-2019	3445.75
2019-2020	6190.11
2020-2021	7725.25
2021-2022	10786.33
2022-2023	12573.33
2023-2024	14264.12
2024-2025	14566.04
2025-2026	16681.83
2026-27 (up to July 2026)	3780.53
Total	1,02,272.76

The increase in loan volume during 2021–22 was mainly attributable to the financial challenges arising from the COVID-19 pandemic, particularly the non-operation or restricted operation of buses and the consequent decline in revenue.

- **TNTDFC** lending rose sharply through **COVID** - **Rs.7,725.25** crore in **2020-21** and **Rs.10,786.33** crore in **2021-22**, reaching **Rs.16,681.83 crore** in **2025-26**. Cumulative assistance is **Rs.1,02,272.76 crore**.

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2.8.3 TNTDFC - Interest Rates on Loans

Description	Interest Rate	With effect from
Hire Purchase Loan	6.90%	01.04.2021
Long-Term Loan	7.60%	01.04.2024
Loan for Retirement Benefits	7.50%	01.08.2025
Motor Accident Claims Original Petition Loan	6.55%	01.03.2026

Bank loans are extended to the STUs at the same rate of interest, without imposing any additional charges.

2.9 Financial Assistance from the Government

The Government extends financial assistance to State Transport Undertakings (STUs) in the form of Share Capital Assistance, Loans, Ways and Means Advances, and Grants. These funds are utilised for the procurement of new buses, settlement of statutory dues payable to retired employees, and disbursement of Motor Accident Claims awards. In addition, the Government reimburses the STUs for revenue

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losses arising from fare-free travel concessions extended to specific categories of passengers, including women, students and senior citizens.

Further, the Government continues to provide additional financial assistance to the State Transport Undertakings to offset the increase in the price of High-Speed Diesel.

In the Budget Allocation for the financial years 2025-26 and 2026-27, the Government has provided funds as detailed below:

(Rs. in Crore)

S. No.	Item	Budget Estimate 2025-26	Revised Budget Estimate 2025-26	Interim Budget Estimate 2026-27	Revised Budget Estimate 2026-27
1.	Share Capital Assistance to State Transport Undertakings	1031.21	1675.71	1005.00	1005.00
2.	Reimbursement of Social Cost towards Student Bus Fare Concession	1782.00	1782.00	1782.00	1782.00
3.	Reimbursement of Loss due to Zero-Fare Travel for Women Passengers	3600.00	3599.00	3999.00	3999.00
4.	Performance-Linked Investment Incentive for STUs	2000.00	2000.00	2000.00	2000.00
5.	Share Capital Assistance - KfW Assisted Project	540.00	167.00	440.81	440.81

- Budget **2026-27**: **Rs.3,999 crore** for zero-fare travel for women, **Rs.1,782 crore** for student concessions, **Rs.2,000 crore** performance-linked investment incentive, **Rs.1,857 crore** for the diesel price difference and **Rs.1,005 crore** share capital assistance.

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S. No.	Item	Budget Estimate 2025-26	Revised Budget Estimate 2025-26	Interim Budget Estimate 2026-27	Revised Budget Estimate 2026-27
6.	Loans to STUs under the German Development Bank (KfW) Assisted Project	830.00	100.00	940.73	940.73
7.	Reimbursement of Loss towards Concessional Bus Passes for Senior Citizens	38.00	26.00	26.00	26.00
8.	Reimbursement of Price Difference due to Increase / Surcharge on High-Speed Diesel Oil	1857.00	1857.00	1857.00	1857.00
9.	Implementation of Performance-Based Contract for Bus Service Delivery under the Chennai City Partnership Programme assisted by WB / AIIB	646.00	468.00	650.00	650.00
10.	Improvement in Urban Mobility under the Chennai City Partnership Programme assisted by WB / AIIB	500.00	417.30	181.47	181.47
11.	Accident Claim Fund	30.00	30.00	30.00	30.00
12.	Formation of E-Bus Depots	-	-	-	500.00
13.	Other Assistance	19.35	2374.75	61.59	61.32
Total		**12873.56**	**14496.76**	**12973.60**	**13473.33**

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2.10 Measures to Enhance Public Services

i) Extension and Restoration of Bus Routes

To improve public transport accessibility and meet the mobility requirements of residents in newly developed, underserved and unserved areas, the Government has taken continuous measures to introduce new routes, extend existing routes and resume services on discontinued routes.

Requests received from the public, school students, elected representatives and local-body representatives, including petitions submitted through the Hon'ble Chief Minister's Special Cell, were examined by the respective State Transport Undertakings. Based on passenger demand, road conditions, operational feasibility and the availability of infrastructure, field inspections were conducted and suitable bus services were introduced.

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Accordingly, during the period from 10.05.2026 to 31.07.2026, the State Transport Undertakings:

- Introduced 9 new routes;
- Extended 96 existing routes;
- Resumed services on 8 discontinued routes; and
- Operated 67 dedicated Services (134 Trips) for school students.

The dedicated school trips are operated to facilitate the safe and timely travel of students. These measures have strengthened connectivity and improved access to educational institutions.

State Transport Undertakings	New Routes	Route Extensions	Resumed Routes	Dedicated School Bus Services
MTC	0	0	0	67
SETC	0	0	0	0
Villupuram	7	17	4	0
Salem	0	27	0	0
Coimbatore	0	14	1	0
Kumbakonam	2	21	3	0
Madurai	0	5	0	0
Tirunelveli	0	12	0	0
Total	**9**	**96**	**8**	**67**

- Between **10.05.2026** and **31.07.2026** the STUs introduced 9 new routes, extended 96, resumed 8 discontinued routes and ran 67 dedicated school services (134 trips).

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ii) Transport Connectivity to Unserved Last-Mile Areas

Small buses play an important role in strengthening first and last-mile connectivity in Chennai by connecting residential neighbourhoods with bus stands, railway stations and metro stations, particularly in areas where the operation of regular buses is constrained due to narrow roads. At present, the Metropolitan Transport Corporation (MTC) operates 146 small buses, of which 56 are deployed for connecting interior areas with Metro Rail stations. Among these, 22 small buses are exclusively operated as feeder services for Metro Rail. To ensure optimum utilisation of small buses, MTC is working in coordination with Chennai Metro Rail to design new feeder routes, with the objective of improving Metro Rail ridership and enhancing MTC's revenue.

- **MTC** runs 146 small buses for last-mile connectivity, 56 of them linking interior areas to Metro Rail stations and 22 exclusively as Metro feeder services.

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2.11 Fare Concessions

To promote inclusive mobility, fare concessions are extended to certain sections of the population, enabling them to travel by public transport either at reduced fares or free of cost. These initiatives are aimed at reducing income-based social exclusion and improving access to essential needs, such as education, healthcare and mobility support for senior citizens.

The existing fare concession schemes are listed below:

i) Travel Benefits for Eligible Categories

Public transport fare concessions/free are extended to persons belonging to specified categories. The existing are concession schemes are as follows:

Free Fare Schemes:

1. Present and Former Members of Parliament / Legislative Assembly and Former Members of Legislative Council (Beneficiaries - 185)

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2. Women Passengers (71.70 lakh beneficiaries per day), Transgender Persons (2,662 per day), Persons with Disabilities of 40% and above and their Escorts (49,462 per day)
3. Government-Accredited Journalists / Media Persons (Beneficiaries - 3,047)
4. Freedom Fighters drawing Central / State Pension, Widows and their Legal Heirs (235 beneficiaries), Aged Tamil Scholars, Language Agitation Martyrs and their Legal Heirs (754 beneficiaries) / Kalaimamani Awardees (81 beneficiaries) / Fare Concession for Self-Help Group Members carrying goods in buses (5,722 beneficiaries per month)
5. HIV / AIDS Patients (Beneficiaries - 3,331)
6. Police Personnel up to the rank of Inspector may travel on official duty within their district jurisdiction (Beneficiaries - 1,09,759)
7. Senior Citizen Bus Travel Pass (above 60 years) - applicable only in MTC Chennai buses, excluding Air-Conditioned buses (Beneficiaries - 3.93 lakh)

- Free-fare categories include women (**71.70 lakh** a day), transgender persons (2,662), persons with 40% or more disability and escorts (49,462), accredited journalists (3,047), freedom fighte**rs,** Kalaimamani awardees (81) and **HIV/AIDS** patients (3,331).

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Concession Fare Schemes:

1. Cancer Patients (Beneficiaries- 5,643)
2. Drama Artists along with their instruments (Beneficiaries- 10,064)

- Concessional-fare categories: cancer patients (5,643) and drama artists with their instruments (10,064).

ii) Special Concession for Students

To promote literacy and ensure wider access to education, the Government provides free travel concessions to students in all State Transport Undertaking buses, except buses operated by the State Express Transport Corporation Tamil Nadu Limited. This initiative supports students in pursuing education, acquiring skills, improving employment opportunities and achieving financial stability.

1. All Schools, including Private Schools recognised by the Government (Standards I to XII)
2. Government Polytechnics
3. Government Industrial Training Institutes
4. Government Engineering / Arts and Science Colleges
5. Community Colleges

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6. Government-Aided Private Industrial Training Institutes
7. Government Music Colleges
8. Chennai Corporation Industrial Training Institutes
9. National Child Labour Project

iii) 50% Travel Concession

1. Private Colleges recognised by the Government
2. Private Polytechnics recognised by the Government
3. Private Engineering Colleges recognised by the Government

The total financial commitment towards the 50% travel concession is Rs.2,105.96 Lakh during the current financial year.

The Government ensures reimbursement of all concession amounts mentioned in items i, ii and iii to the State Transport Undertakings.

- Students of Government institutions travel free in all **STU** buses except **SETC**; private colleges, polytechnics and engineering colleges get 50% concession, costing **Rs.2,105.96** lakh this year.

iv) Monthly "Travel as you Please" Tickets

Certain sections of workers in urban areas depend on public buses for making multiple trips each day in Chennai, Madurai,

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Coimbatore, Salem, Tiruchirappalli, Tirunelveli, Vellore, Tiruppur, Erode and Thoothukudi. For their work-related travel, monthly "Travel as You Please" passes are issued at a fare of Rs.1,000, subject to prescribed conditions, enabling unlimited travel.

In addition, MTC (Chennai) Ltd. issues a Rs.2,000 "Travel as You Please" pass, enabling unlimited travel on all categories of buses, including air-conditioned services.

- Monthly 'Travel as You Please' passes cost **Rs.1,000** in nine cities; **MTC** issues a **Rs.2,000** pass valid on all categories including air-conditioned services.

v) One Third Concession Bus Pass

The One-Third Concession Bus Pass Scheme is available to the general public for affordable travel in City/Town and Mofussil buses. The scheme enables regular commuters to travel at a concessional rate and helps reduce their overall travel expenditure. It provides a convenient and economical travel option for workers, students, traders and other passengers. By improving affordability and accessibility, the scheme encourages greater

use of public transport and supports the daily mobility needs of the public.

vi) Group Ticket Concession

A 10% discount is offered for group bookings consisting of 10 or more passengers in the State Express Transport Corporation Tamil Nadu Limited, subject to the applicable terms and conditions.

vii) Children up to 5 years are permitted to travel without bus fare

viii) Exclusive 50% Discount for Frequent Travelers on SETC Buses

Passengers who book more than five trips in a calendar month on SETC buses are eligible for a special 50% discount from the sixth trip onwards within the same month.

2.12 Employees Related Welfare Measures

2.12.1 Wage Settlement

In accordance with Section 12(3) of the Industrial Disputes Act, 1947, wage settlement negotiations are periodically held between the Management and Trade Unions for specified

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categories of employees in the State Transport Undertakings. Since 1977, a total of 15 wage settlements have been successfully implemented. The 15th wage settlement, which came into effect from 1st September 2023, is presently in force.

- Fifteen wage settlements have been made under Section 12(3) of the Industrial Disputes **Act 1947** since **1977**; the 15th took effect from 1 September **2023**.

2.12.2 Other Welfare Measures

The State Transport Undertakings are actively implementing various welfare measures aimed at improving the well-being of their employees and their families.

1. Service Weightage / Review benefits;
2. Collection batta to the driver and conductor;
3. Incentive to the Technical and Administrative staff who are covered under 12(3) wage settlement;
4. Bonus and Pongal incentive;
5. Leave benefits;
6. Steering Allowance;
7. Subsidized canteen facilities and sweets for Deepavali Festival;

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8. Free uniform and Washing allowances;
9. Marriage Advances to the dependents;
10. Reimbursement of legal fees;
11. Reimbursement of license renewal charges;
12. Funeral expenses of Rs.3,000/- to the Family of Deceased Employee;
13. Free Travel passes to the children for attending Colleges/Schools;
14. Family Benefit Fund of Rs.5,00,000/- to the Family of the Deceased Employee;
15. Holiday Home facility at Kodaikanal, Courtallam and Kanniyakumari;
16. Regular Medical Checkup;
17. Free eye testing for Drivers;
18. New Health Insurance Scheme for serving employees;
19. Free Family Travel Pass provided to an Employee and his Family for traveling up to 5,500 kms for one year;
20. Festival Advance of Rs.20,000 per year;
21. Pension Scheme 1998 has been continuously implemented for those recruited on or before 31.03.2003 and the

- Employee welfare includes a Family Benefit Fund of **Rs.5,00,000** for a deceased employee's family, funeral expenses of **Rs.3,000,** a festival advance of **Rs.20,000** and holiday homes at Kodaikanal, Courtallam and Kanniyakumari.

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total strength of pensioners as on 31.07.2026 is 1,00,172;

22. Crew restrooms at each depot and at major bus stands;
23. Yoga and Special training (Refresher) programme to overcome depression and related health problems.
24. Monthly high digital collection conductors awarded for encouraging cashless transactions;
25. Special gift also given to Conductors for highest collection, to Drivers for highest KMPL and to others for their duty performance;
26. Pickup and drop facility for crew in buses during late night and early morning;
27. Seats reserved for wards of employees of State Transport Undertakings in Government Engineering College, Erode, Government Medical College, Perundurai & Government Polytechnics, Chromepet, Bargur & Thirunelveli.

2.12.3 TNSTC Employees' Pension Fund Trust

The Pension Scheme was introduced in 1998, replacing the coverage earlier available to

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employees of State Transport Undertakings (STUs) under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. For effective administration of the scheme, the TNSTC Employees Pension Fund Trust was established on 01.09.1998.

The Trust is responsible for scrutinising and approving pension proposals, disbursing monthly pension to eligible retired employees, beneficiaries under the Voluntary Retirement Scheme (VRS) and the legal heirs of deceased employees covered under the scheme. In addition, the Trust verifies and issues Pension Payment Orders and addresses grievances raised by pensioners.

Employees who were on the payroll as on 01.09.1998, as well as those recruited on or before 31.03.2003, are covered under this scheme, benefitting 1.28 lakh employees. During the financial year 2025-26, pension benefits were extended to 98,013 beneficiaries, with an annual pension disbursement of

- The **TNSTC** Employees Pension Fund Trust, established **01.09.1998**, covers employees on the rolls then and those recruited up to **31.03.2003**. Pensioners number 1,00,172 and the monthly payout averages **Rs.237.32 crore**.

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Rs.2,380.41 crore. The average monthly pension payout amounts to Rs.237.32 crore.

2.12.4 Settlement of Statutory Retirement Dues

State Transport Undertakings do not have sufficient financial resources to independently meet their statutory retirement benefit obligations, such as Provident Fund, Gratuity, Surrender Leave, Commutation and the Contributory Pension Scheme. To ensure the timely settlement of these retirement benefits, the Government extends financial support in the form of Share Capital Assistance, Short-Term Loans and Ways and Means Advances.

2.13 Accident Claim Settlement Fund

Unlike personal and commercial vehicles, buses operated by the Tamil Nadu State Transport Undertakings are not covered under the Vehicle Insurance Scheme. In the event of an accident, the victims are required to pursue compensation claims through the Hon'ble

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Courts, which often results in delays in settlement.

To ensure timely compensation to accident victims and to the legal heirs of deceased persons, the Government established a dedicated Corpus Fund during 2010-2011. Initially, the fund received an annual contribution of Rs.40 crore, comprising Rs.20 crore from the Government and Rs.20 crore from the State Transport Undertakings. This corpus has now enhanced to Rs.60 crore, with Rs.30 crore each being contributed by the Government and the State Transport Undertakings. The fund is administered by the Tamil Nadu Transport Development Finance Corporation Limited, Chennai.

Further, to strengthen accident prevention measures, provide compensation and meet toll fee expenditure, a cess was introduced for all passengers with effect from 20.01.2018. The Tamil Nadu State Transport Corporation

- **STU** buses are not covered by vehicle insurance, so a corpus fund was created in **2010-11** - now **Rs.60 crore** a year, **Rs.30 crore** each from Government and the STUs, administered by **TNTDFC**.

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Accident Compensation and Toll Fee Fund Trust was established to manage the collection of this cess and to facilitate the settlement of related claims.

The details of the cess collected from passengers are as follows:

S. No.	Ticket Fare	Cess Collected from Passengers	
		Town	Mofussil
1.	Up to Rs.25	1	1
2.	Rs.26 to Rs.50	1	2
3.	Rs.51 to Rs.75	1	3
4.	Rs.76 to Rs.100	1	4
5.	Rs.101 to Rs.200	_	5
6.	Rs.201 to Rs.300	_	6
7.	Rs.301 to Rs.400	_	7
8.	Rs.401 to Rs.500	_	8
9.	Above Rs.501	_	10

During the period from 20.01.2018 to 31.07.2026, a total amount of Rs.4,296.65 crore has been collected under the cess fund. Out of this, Rs.1,805.76 crore was utilised towards toll fee payments, while Rs.2,088.67 crore was allocated for the settlement of 34,064 accident claims.

- A cess of Re.1 to **Rs.10** per ticket collected since **20.01.2018** has raised **Rs.4,296.65 crore**, of which **Rs.1,805.76 crore** went to toll fees and **Rs.2,088.67 crore** to accident compensation.

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This includes 26,453 cases, involving an amount of Rs.1,525.58 crore, which were settled through the Hon'ble Courts, and 7,611 cases settled before the Lok Adalat, with compensation amounting to Rs.563.09 crore.

2.14 Awards at National Level

Year	Award Name	Awarded By	Date	Total Awards	Winner STUs
2021-22	Heroes on the Roads - Safety Drivers Award	ASRTU	18.04.2022	14	TNSTC (Villupuram / Salem / Coimbatore / Kumbakonam / Madurai / Tirunelveli) - 2 awards each; MTC and SETC - 1 award each
2022-23	Award for Excellence - Best Intelligent Transport System (ITS)	Ministry of Housing and Urban Affairs	06.11.2022	1	MTC
2022-23	Award for Excellence in Effective Grievance Redressal	Urban Infrastructure Institute	07.11.2022	1	SETC
2022-23	National Public Bus Transport Excellence Award	ASRTU	15.03.2024	17	TNSTC Madurai - 6; TNSTC Kumbakonam - 5; SETC - 3; TNSTC Salem - 2; TNSTC Villupuram - 1
2023-24	"NammaPayani Dashboard" - SKOCH Award 2024	SKOCH	09.12.2024	1	SETC
2023-24	National Public Bus Transport Excellence Award	ASRTU	08.03.2025	19	TNSTC Kumbakonam - 5; TNSTC Madurai / Salem - 4 each; SETC - 3; MTC - 2; TNSTC Villupuram - 1
2024-25	Urban Mobility India Award - Best Public Transport	City with the Best Public Transport System - Institute of Urban Transport, Ministry of Housing and Urban Affairs	09.11.2025	1	MTC
2024-25	Empowering Women through Transport - Women Travel Scheme	SKOCH Group	20.09.2025	1	MTC
Total Awards					**55**

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Tamil Nadu State Transport Undertakings (STUs) have consistently earned recognition for their excellence in delivering public transport services and have received several prestigious awards for their outstanding performance.

- **2021-22:** Association of State Road Transport Undertaking (ASRTU) honoured 14 winners with the *Heroes on the Roads – Safety Drivers Award* on 18.04.2022.
- **2022-23:**
  - MTC received the Award of Excellence in Urban Transport – City with the Best Intelligent Transport System (ITS) from the Ministry of Housing and Urban Affairs on 06.11.2022.
  - SETC was also recognised with the Award for Excellence in Effective Grievance Redressal System by Urban Infra Business on 07.11.2022.
  - In addition, Association of State Road Transport Undertaking (ASRTU) honoured

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17 winners with the National Public Bus Transport Excellence Award on 15.03.2024, reaffirming the commitment of Tamil Nadu State Transport Undertakings to innovation, performance, effective management, safety and service excellence. Out of the total of 69 awards, Tamil Nadu Government Transport Corporations secured 24% of first prizes, 26% of second prizes and 25% of the total prizes.

- **2023-24:** SETC received the *SKOCH* Award – 2024 for the NammaPayani Dashboard on 09.12.2024. Further, Association of State Road Transport Undertaking (ASRTU) honoured 19 winners with the National Public Bus Transport Excellence Award on 08.03.2025. Out of a total of 69 awards, Tamil Nadu Government Transport Corporations secured 32% of first prizes, 23% of second prizes and 28% of the total prizes.

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2.15 Prominent Aspects of State Transport Undertakings

2.15.1 Metropolitan Transport Corporation (Chennai) Limited, Chennai

The Metropolitan Transport Corporation (MTC), Chennai, is the exclusive provider of bus-based public transport in the Chennai Metropolitan Area, extending services to Chengalpattu, Kanchipuram and Thiruvallur districts.

Key Highlights (As on 01.08.2026):

- **Public Transport Service Contract:**
  - To bridge the gap between the revenue and expenditure of MTC, a Public Transport Service Contract (PTSC) was signed in 2023 between the Transport Department, Government of Tamil Nadu, and MTC for providing Viability Gap Funding (VGF).
  - Government of Tamil Nadu shall provide Viability Gap Fund for 100% fleet coverage for the financial year 2026–2027.

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➢ Implementation of Electric Buses in MTC (Chennai) Ltd:

- To reduce air pollution and promote sustainable urban mobility in Chennai City, MTC has undertaken the initiative to introduce Low-Floor Electric Buses as an eco-friendly public transportation system and thereby contributing towards improved traffic management and environmental sustainability in the city.
- 625 E-Buses (225 A/C & 400 Non-A/C) commenced operations from 5 depots viz., Vyasarpadi, Perumbakkam, Poonamallee, Central, and Tondiarpet-1 depots.
- In continuation to this 750 Low-Floor Electric Buses (550 AC & 200 Non-AC) will be deployed in 7 depots by two operators under the Gross Cost Contract (GCC) Model in Phase II in the financial year 2026-2027.
- To reduce the usage of private vehicles and to cater to the growing population,

- **MTC**'s 625 electric buses run from five depots - Vyasarpadi, Perumbakkam, Poonamallee, Central and Tondiarpet-1. A further 750 low-floor electric buses follow in Phase II under the Gross Cost Contract model.

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on behalf of Government of Tamil Nadu, MTC has planned to introduce an additional 1,000 Low-Floor Air-Conditioned Electric Buses under Gross Cost Contract model as an eco-friendly public transportation initiative.

- **First and Last Mile Connectivity (FLMC) services to Chennai Metro Rail Limited:**
  - Metropolitan Transport Corporation aims to enhance Metro connectivity, promote eco-friendly public transportation, and ensure seamless urban mobility in Chennai. For this MTC has planned to deploy 220 Air-Conditioned low-floor electric buses under the Gross Cost Contract (GCC) model for providing First and Last Mile Connectivity (FLMC) services to Chennai Metro Rail Limited within an approximate 4 km radius. The project comprises 70 buses of 7-metre size and 150 buses of 5-metre size.

- **MTC** plans 220 air-conditioned low-floor electric buses for first and last-mile connectivity to Chennai Metro Rail within about a **4 km** radius, and 300 seven-metre electric feeder buses with 300 more in Phase 2.

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- **Feeder Service to Major Bus terminals, Suburban Train and MRTS**
  - MTC is currently operating 146 small buses catering the public for their last mile connectivity. MTC is aiming to strengthen public transport connectivity and promote modern, eco-friendly urban mobility in Chennai. Initially, MTC has planned to deploy 300 Air-Conditioned low-floor 7-metre electric buses under the Gross Cost Contract (GCC) model as Feeder services. Based on the response and operational requirements, additional 300 Air-Conditioned low-floor 7-metre electric buses will be introduced in Phase-2.
- **Premium Bus Services:**
  - To reduce the usage of private vehicles and promote safe, reliable, and eco-friendly public transportation while ensuring seamless urban mobility, MTC has introduced as a pilot, 10 new low-floor

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Air-Conditioned electric buses as "Premium Bus" services along two routes. These buses are equipped with modern amenities such as online seat reservation, Wi-Fi, CCTV surveillance, USB charging facilities, GPS tracking, and comfortable seating. Based on the response received from the public, an additional 40 "Premium Buses" are planned to be introduced during the current year. The initiative is aligned with SDGs 3.6, 9.1 and 11.2, and indirectly with SDGs 7, 8 and 12.

- **Implementation of CNG Buses in Chennai:**
  - As part of MTC's initiative to adopt cleaner fuels, a total of 206 Compressed Natural Gas (CNG) buses are proposed to be operated from Ambattur, Kundrathur and Varadharajapuram depots to promote eco-friendly urban mobility in Chennai.

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- **Introduction of Double Decker e-Buses**

  To meet public demand, provide comfortable travel and reduce passenger density, MTC has planned to introduce 20 Double-Decker Air-Conditioned electric buses on high-demand routes.

- **Development of Depot Infrastructure (New and Existing Depots):**

  To enhance public transport capacity and meet the increasing passenger demand, MTC has planned to augment more services with new buses, including 12-meter electric buses, 7-meter and 5-meter electric buses, as well as CNG buses. To accommodate these different categories of buses, along with the existing diesel fleet, MTC has identified new depots and locations. The Government of Tamil Nadu will provide financial assistance for the upgradation of civil infrastructure and electrical upstream facilities at these locations.

- Twenty double-decker air-conditioned electric buses are planned for high-demand routes, and 206 **CNG** buses from Ambattur, Kundrathur and Varadharajapuram depots.

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- **New Depots:**

  Morai, Thamaraipakkam, Mamallapuram, Walajabad, Sriperumbudur, Gummidipoondi, Seemavaram, Keerapakkam, Thaiyur-2 and Velachery.

- **Existing Depots:**

  Anna Nagar West, Ayanavaram, Adyar, Tambaram, Besant Nagar, Chrompet, KK Nagar (West), MKB Nagar and KaviarasuKannadasan Nagar.

➢ **Exclusive Women Special Services:**

In view of significant increase in women ridership under the Government fare free travel scheme, MTC introduced Exclusive Women Special Services to enhance the safety, comfort, and convenience of women passengers. Initially, 12 buses were introduced with distinctive Pink Buses and conductor with pink uniforms.

- Exclusive Women Special Services began with 12 pink buses and conductors in pink uniforms, after women's ridership rose under the fare-free scheme.

➢ **Special Bus Service Scheme for School Students:**

To provide safe, secure and reliable transportation for school students in Chennai, Government of Tamil Nadu has introduced the "Special Bus Service Scheme for School Students", wherein dedicated buses exclusively for school students are being operated directly from school campuses during morning and evening times, aligned with school timings.

At present, MTC operates 67 dedicated special school trips covering 66 schools across Chennai city. The scheme ensures safe travel, comfortable seating, reduced crowding and timely attendance at school. It is an important initiative for improving student welfare and strengthening a sustainable and student-friendly public transport system.

- The Special Bus Service Scheme for School Students runs 67 dedicated trips covering 66 schools in Chennai, operating directly from school campuses to school timings.

2.15.2 State Express Transport Corporation Tamil Nadu Limited, Chennai

The State Express Transport Corporation Tamil Nadu Limited, headquartered in Chennai,

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is authorized to operate premium bus services across Tamil Nadu and neighbouring states, ensuring seamless connectivity through its specialized fleet.

Key Highlights:

1.Service Network:

- Operates long-distance routes over 300 km, connecting all districts in Tamil Nadu to historical, religious and commercial destinations.
- Covers neighboring states of Andhra Pradesh, Karnataka, Kerala and Puducherry.
- Operates 196 routes, including 88 interstate and 108 intrastate routes.

2.Digital Advancements:

- **E-Ticketing System**: Online and app-based ticket booking up to 90 days in advance.
- **Online Ticket Reservation System (OTRS)**: Operates across 65 reservation

- **SETC** runs long-distance routes over **300 km** on 196 routes - 88 inter-State and 108 intra-State - with online booking up to 90 days ahead through 65 reservation centres and 68 counters.

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centers with 68 counters across Tamil Nadu and neighboring states.

- For passengers travelling by reservation from locations where reservation centres are not available at the opposite end of an operated route, seats can now also be reserved online through the website for the return direction.
- Digital fare collection using POS terminals in all buses.

3. Passenger Amenities:

- A 10% fare concession is provided when onward and return tickets are booked in advance for all categories of buses. The concession is not applicable on festival and important travel days.
- Reserved seats for women passengers (four seats per bus).
- SMS notifications with trip details sent 30 minutes before departure.
- GPS-enabled buses for real-time tracking via the "Chennai Bus" app.

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Two Way Booking Discount

- 10% discount on return journey basic fare is allowed when both onward and return journey tickets are booked in a single transaction.
- Onward & Return Booking Discount will be provided for All Classes and All corporation buses.
- Onward & Return booking discount is not applicable on Weekends, Festival seasons and Auspicious Days.
- Allowed on Same Class of service for Travel on both Onward & Return.
- At any instance "Single Discount" will be applicable on valid booking tickets i.e. whichever discount is Higher.
- In the event of cancellation of tickets, the Discount provided will be withdrawn.

  Partial Cancellation of tickets is allowed.

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Frequent Traveller booking Discount

- A Passenger Booking tickets for more than 5 trips, then he is eligible under the Frequent Traveller Discount 50% on his 6^{th}Transaction.
- The Passenger Should Book all 5 Tickets in the Same Calendar Month and Should Complete the 5 Journey's to avail the Frequent Traveller Discount within Same Calendar Month.
- Passenger Name, Age, Gender, Mobile Number and Email ID should be same in all frequent Bookings.
- Passenger is eligible for frequent traveller discount when the origin and destination of his travel remains the same or vice versa. Example:- Chennai to Madurai or Madurai to Chennai.
- The discount is applicable only when one seat is booked in a transaction.
- The discount is not applicable when multiple passengers are booked in the same transaction.
- If two bookings are made for the same route on the same day, only the first

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transaction will be counted for frequent-traveller eligibility.

- Cancelled bookings will not be counted for frequent-traveller eligibility.
- Frequent Traveller Booking discount is not applicable on Festival and Auspicious Days.
- Group ticket bookings, i.e. 10 persons or more in one ticket are eligible for 10% Discount of the Fare.

Ladies Quota Seats

- There are 4 Seats/Berth allotted for ladies in all class of services.
- The unavailed seats/berths will be released for General Public 24-hours prior to the date of journey (i.e. One day before).
- If only one seat has been booked by a female passenger, the remaining vacant seat will be allowed to be booked only by female passengers or child with any adult passengers.

Differently abled persons and their Escorts

- Differently abled persons have to mention their valid ID card (issued by Govt.,) as a proof while making Online Ticket Reservation.

- At the time of boarding, a photocopy of the disability Certificate has to be handed over to the Conductor and also the Original Certificate has to be carried by the Differently Abled person and shown to the Conductor.
- If any Escort is accompanying with the Differently abled person, the ID proof of such escort has also to be produced to the conductor.
- Applicable fare concessions for differently abled persons and their escort will be provided at the time of booking.
- 2 Seats are allotted for Differently Abled Persons.
- Differently abled Persons and their Escorts can avail 75% concession.

  Note: Concession under this is applicable for travel within Tamil Nadu State only.

Senior Citizens (10% Concession)

Senior Citizens who intend to travel in SETC buses through advance reservation will be provided 10% Concession in Basic Fare. Further at the time of boarding, photocopy ID for proof of age has to be handed over to the Conductor.

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Passenger Feedback and Grievance Redressal:

- Feedback hyperlink in reserved tickets are being actively reviewed by officials.
- Dedicated WhatsApp number (94450 14448) for passenger complaints.

4. Training & Modernization:

- The four modern training centers located in Chennai, Madurai, Tiruchirappalli and Nagercoil focuses on driver and conductor skills, including safety, fuel efficiency and stress management.
- Biometric attendance systems have been installed in all depots for workforce monitoring.
- In SETC, an online portal www.setctn.com has been developed for the employees of State Express Transport Corporation (SETC) for easy access of various employee-related services. Employees can log in to the portal to view, print and download the following particulars:

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- Employee's Personal Details
- Salary (Monthly Pay slip) Particulars
- Monthly Incentive Details
- Income Tax Statements
- Income Tax (Form-16)
- Provident Fund (PF) Details

2.15.3 Tamil Nadu State Transport Corporation (Villupuram) Limited, Villupuram

Key Developments

1. New Depots &Tyreplant :

A new depot has been opened at Vellimalai in 2026 and one new tyre plant has been opened at Elathur (Thiruvannamalai region).

2. Fleet Replacement:

A total of 933 new buses added in 2025-26.

A total of 197 chassis were replaced during the current financial year (upto 31.07.2026)

3. Technology and Sustainability

- **Biometric Attendance:**
  Implemented in 83 locations (100% implemented)
- **CCTV Installations:**
  Installed in 65 locations; expansion planned.

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- **Solar Energy:**
  Solar power generation is in operation at four locations. Solar power systems have also been installed at 20 additional locations and generation will commence shortly.

Financial & Strategic Initiatives

1. Petrol/Diesel Outlets:

A diesel retail outlet has been established and is operational at Gudiyatham depot. The process for establishing a retail outlet at Ulundurpet depot is in progress. Further, action is being taken to obtain No Objection Certificates (NOC) for establishing retail outlets at Chidambaram, Uthiramerur and Tiruttani depots.

2. Crew Rest Rooms:

A sum of Rs.1.80 crore has been allocated for improvement of rest rooms used by employees at 18 workshops, and the tendering process is in progress.

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3. Transition to Green Mobility: Converting Diesel Buses to Compressed Natural Gas (CNG).

In TNSTC, Villupuram 103 existing diesel buses have been successfully converted to CNG and put into use and 101 new CNG buses have been introduced.

4.Employee welfare and recognition :

In TNSTC, Villupuram, Transport Employee Death Aid (TEDA) fund was started and contributed by all employees. Rs.10 Lakh is being provided to the legal heirs of the employee who die while on duty and Rs.5 lakh to the deceased employee's family who die while on rest. In the year 2025-26, 111 families were provided with financial assistance to the tune of Rs.5.80 crore. In the current financial year, the legal heirs of 40 deceased employees had received a sum of Rs. 2.10 Crore.

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2.15.4 Tamil Nadu State Transport Corporation (Salem) Limited, Salem.

- The Operational jurisdiction covers 629 villages in Salem District,449 villages in Namakkal District, 475 villages in Dharmapuri District, 658 villages in KrishnagiriDistrict and 113 villages in Thirupathur District.
- TNSTC Salem operates adequate special bus services to major tourist destinations and pilgrimage centres, in addition to regular special services to meet the increased demand during weekends, fairs and festivals.

(i) During weekends as well as auspicious days, special bus facilities are being provided to the tourist places viz. Yercaud hills, Kollihills, Hogenakkal and Mettur Dam.

(ii) During festival seasons, special bus facilities are provided to pilgrimage centres including MalaiMadheswaran Temple; Shiva temples at Tharamangalam, Tiruchengode, Belur and Aragalur; Murugan temples at Kalipatti and

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Kabilarmalai; Puthiragoundampalayam (146-feet MuthumalaiMurugan Statue); and NamakkalAnjaneyar Temple.

(iii) During Summer season (May), special buses are plied to Yercaud as one day round trip. The tourist will be picked up at Salem around 8.30 am and they will be taken to 11 tourist places in and around Yercaud and will be dropped at Salem by 7.00 pm.

- TNSTC Salem is operating 29 Ghat services to hill areas including Yercaud Hills, Kolli Hills, Kalrayan Hills, Vellimalai, NallamathiHills, Pachamalai, Thottamanji and Vathalmalai, continuously benefiting tribal communities and school-going tribal students.
- TNSTC Salem "Employees Helping Hands Fund" was started with contributions from the employees. Employees who die while on duty are being provided Rs.7.00 lakh, for natural death Rs.5.00 lakh,

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Rs.4.00 Lakh in case of loss of limbs. Similarly families of Apprentices, who die due to accidents while working in the workshop premises are being paid Rs. 1.00 Lakh.

- 194 CNG buses have been introduced.
- Petrol and diesel retail outlets have been opened at Athanur in Namakkal District and Edappadi in Salem District, generating additional revenue of Rs.4.38 lakh.

2.15.5 Tamil Nadu State Transport Corporation (Coimbatore) Limited, Coimbatore

The operations of the Corporation mainlycovers Coimbatore, Nilgiris, Erode and Tiruppur Districts and also adjacent districts like Salem, Dindugal, Namakkal& adjoining States of Kerala and Karnataka, catering to city (Town), intercity (Mofussil) and hill (Ghat) routes.

Social Welfare Measures:

The Corporation has constructed and maintains bus stands at Valparai, Ooty and Gudalur, and operates roadside motels at

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Barliyar and Hasanur for the convenience of passengers. Passenger shelters with drinking water and toilet facilities have also been provided.

Employee Welfare Measures:

Social Security Scheme: Financial assistance is provided to employees who retire or who are compulsorily retired on medical grounds.

- Hill Allowances of Rs. 4,000/- every month and Winter Allowances of Rs. 500/- (Nov–Feb) are being provided.

2.15.6 Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Kumbakonam

Operational Jurisdiction and Services:

- The Corporation operates bus services across 13 districts and also provides inter-State services to the Union Territory of Puducherry, including Karaikal.
- Special services for pilgrimage sites like Velankanni Shrine, Srirangam Temple, and Navagraha Temples, along with festival-season

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services to Palani, Nagoor, and Erwadi Dargah are also being operated.

- **Revenue Augmentation**
  - A 10-kilowatt "Top Roof Panel" have been installed in the following Offices and Depots through which a saving of upto 20 % of Electricity charges is being achieved.

Kumbakonam Head Office	10.00 kW
Tiruchirappalli Regional Office	35.64 kW
Tiruchirappalli Mofussil Branch	11.88 kW
Ariyalur Branch	10.00 kW
Karaikudi Regional Office	39.72 kW

- **Special Package Tours**
  Package tours are being operated for:
  - Navagraha Temples with guide and air-conditioned weekend services.
  - Six Murugan Temples, twice a week.
- **Retail Outlets**
  Fuel retail outlet is being operated in Ramanathapuram and additional outlets planned in few other locations.

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- **Green Initiatives**
  - In order to reduce the cost of expenditure and to encourage green energy, the Corporation carried out CNG conversion of 120 Nos. of existing diesel buses and the same are being operated successfully with a cost savings of around Rs.4.00 per KM.
  - Further, 117 new BS VI CNG Town buses are being operated in Rameswaram with the objective of supporting its transition towards a carbon-emission-free municipality.
- **Road Safety**

This Corporation emphasis the need for accident preventive measures by:

  - Promoting Zero Fatality movement (Through Call Letter and Defensive Driver Flex Boards)
  - Addressing Schools and College Students.
  - Promoting Road safety campaigns in Bus stands and places of public gathering.
  - 6 Nos of Road Safety Awareness Exhibition buses developed with the Road safety stalls.

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- Helmet rally organised during road safety week.
- A Road safety park is being put up inside the Head Office premises to create awareness.

2.15.7 Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai

- **Passenger Facilities:**
  - Monthly season tickets available for City and Mofussil services
  - 30 Night city services operated for the convenience of public and traders.
  - A retail outlet for petroleum products of Bharat Petroleum Corporation Limited has been established at Ponmeni Branch of Madurai Region, generating monthly ground-rent revenue ranging from Rs.2.78 lakh to Rs.3.00 lakh. Arrangements are also being made to establish petroleum retail outlets at Checkanoorani, Dindigul Regional Office and Batlagundu branches.
  - Passenger Audio Announcement Systems (PAAS) installed in 210 city buses.

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- **Training:**
  - Advanced driver training is being imparted through a modern driving simulator at the Corporation's training centre to Corporation and private drivers involved in fatal accidents. A total of 122 drivers were trained from April 2026 to July 2026.
- **Festival & Tourist Services:**
  - Special buses are being operated to religious sites, including Veerapandi, Palani, Velankanni, AlagarKovil and Thiruchendur Temple.
  - Tourist buses to destinations like ThiruparankundramSubramaniya Swamy Temple and Kallazhagar Temple are being operated.
  - Seasonal services to Kodaikanal with advance bookings during April and May.
  - For the convenience of devotees coming from other States to worship at Madurai Meenakshi Amman Temple, special buses are operated from locations where outside vehicles are not permitted due to traffic restrictions.

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2.15.8 Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli

- The Corporation is operating buses to important pilgrim and tourist centres such as Tiruchendur, Sankarankoil, Papanasam, Srivilliputhur, Uvari, Kanniyakumari, Courtallam, Susinthiram and Thiruvattar.
- Buses are being operated to Navakailayam, Navatirupathy and Panjaboothasthalam for the benefit of pilgrimages.
- 60 additional trips for women and children are being operated in 29 routes in Tirunelveli, Thoothukudi and Nagercoil Regions.
- TNSTC Tirunelveli earns additional revenue by permitting commercial advertisements on 813 Town services and 794 Mofussil services, totalling 1,607 bus services, on a monthly rental basis. Additional revenue is also earned through advertisements on depot compound walls.

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- Electricity consumption cost has been brought down by installation of a 10-kilowatt solar rooftop panel at Tirunelveli Region Head Office and a 15-kilowatt solar panel at the corporate office.

2.16 Zero Fare Travel for Women

- The Zero Fare Travel Scheme for Women supports access to employment, education, healthcare and other essential services while reducing daily travel expenditure.
- As on 23.08.2026, women had undertaken 1023.18 crore zero-fare trips. During FY 2026-27, an average of 71.70 lakh women travelled daily, representing 68.64% of passengers in eligible Ordinary services. The estimated cumulative zero-fare value was Rs.16,408.19 crore. The scheme covered 7,537 Ordinary Town buses and 173 Ordinary Ghat buses.
- The benefit also extended to transgender persons, persons with disabilities and

- As on **23.08.2026** women had made **1,023.18 crore** zero-fare trips - **71.70 lakh** a day, 68.64% of passengers in eligible Ordinary services - worth an estimated **Rs.16,408.19 crore**. The scheme cover**s 7,537** Ordinary Town buses and 173 Ordinary Ghat buses.

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eligible escorts. As on 23.08.2026, transgender persons had undertaken 54.14 lakh journeys, persons with disabilities 813.81 lakh journeys and eligible escorts 41.54 lakh journeys. The average daily journeys during FY 2026-27 (up to 23.08.2026) were 2,662 by transgender persons, 47,402 by persons with disabilities and 2,060 by eligible escorts.

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3. FLEET MODERNISATION: NEW BUS PROCUREMENT AND RENOVATION

Tamil Nadu State Transport Undertakings (TNSTUs) are pursuing a coordinated programme to improve operational efficiency, environmental performance and passenger experience. Under various funding support, action has been taken to procure 8,390 buses, of which 2,415 are electric buses and 857 are Compressed Natural Gas (CNG) buses; the remaining are diesel buses.

Funding Support / Scheme	Programme Quantity	Buses Received up to 23.08.2026	Balance to be received
State Government Funding (2025-26) - Diesel Buses	2,254	2,254	-
State Government Funding (2025-26) - CNG Buses	746	746	-
2025-26 Additional Quantity (CNG + Diesel)	809	464	345
KfW - Diesel Buses	2,166	696	1,470
KfW - Electric Buses	500	0	500
World Bank GCC - MTC Electric Bus Project - Phase I	625	625	-
World Bank GCC - MTC Electric Bus Project - Phase II	750	0	750
CMRL Last Mile - Micro Buses (GCC - MTC Electric Bus Project)	220	0	220
Feeder Bus (GCC - MTC Electric Bus Project)	300	0	300
Double Decker Bus - MTC Electric Bus Project	20	0	20
Total	**8,390**	**4,785**	**3,605**

- The fleet modernisation programme covers 8,390 buses - 2,415 electric and 857 CNG, the rest diesel. 4,785 had arrived by 23.08.2026, leaving 3,605.

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The Government is implementing a comprehensive and well-structured bus procurement programme covering different propulsion technologies, namely diesel, CNG and electric buses. The programme also includes various categories of buses, such as low-floor city buses, standard-floor town buses, mofussil buses, ghat buses, microbuses, feeder-service buses, multi-axle luxury buses and double-decker electric buses.

An integrated programme is also being implemented to enhance services through smart ticketing and contactless transactions, GPS-enabled real-time tracking and technology-based scheduling. Passenger safety, particularly for women and children, is supported through CCTV surveillance in buses and bus stands in Chennai, while mobility cards and multimodal integration enable seamless interchange across modes. Premium services, onboard Wi-Fi and smart mobility applications further improve accessibility. Together, these measures aim to

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build an efficient, environmentally sustainable and future-ready public transport system.

3.1 Externally Aided Projects

i) KfW Funding for Procurement of Diesel and Electric Buses

Under Phases I and II of the project, 2,166 BS-VI diesel buses and 500 electric buses are being procured at a cost of Rs.2,316 crore. The BS-VI diesel buses have been allocated to MTC and TNSTC-Villupuram, Salem, Coimbatore, Kumbakonam, Madurai and Tirunelveli as shown below.

- KfW Phases I and II fund 2,166 **BS-VI** diesel buses and 500 electric buses at **Rs.2,316 crore**. Phases III to V propose 9,161 more - 7,661 diesel and 1,500 electric.

State Transport Undertaking	Diesel Buses	Electric Buses
MTC	497	320
TNSTC (Villupuram)	365	0
TNSTC (Salem)	313	0
TNSTC (Coimbatore)	226	80
TNSTC (Kumbakonam)	329	0
TNSTC (Madurai)	373	100
TNSTC (Tirunelveli)	63	0
Total	**2,166**	**500**

Further, 500 electric buses have been allocated to Chennai, Madurai and Coimbatore. Software and hardware infrastructure for the

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STUs, Passenger Information Systems and an integrated solution for operations management are also being implemented.

Under Phase I, 552 BS-VI low-floor buses have already been inducted into public service. Final inspection of the remaining 1,614 BS-VI standard-floor buses was completed on 20.05.2026, and all of them will be brought into operation shortly.

Phases III, IV and V propose the procurement of further 9,161 buses through KfW assistance, comprising 7,661 diesel buses and 1,500 electric buses. Execution of the agreement for these phases is planned as part of future implementation.

S. No.	Funding Support	No of Diesel Buses	No of Electric Buses
1	KfW - Phase 3	2369	750
2	KfW - Phase 4	2369	650
3	KfW - Phase 5	2923	100

The revised comprehensive outlay for Phases I and II is Rs.2,658.88 crore.

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This amount covers bus procurement, civil and electrical works at electric-bus depots, ERP, ICT backend software, consultancy and establishment of the Project Implementation Unit. The project is financed through a KfW loan of Rs.1,667.20 crore, a grant of Rs.21.52 crore and State share capital of Rs.970.16 crore. As on 09.07.2026, Rs.835.20 crore has been received under the project, against which an expenditure of Rs.682.58 crore has been incurred.

ERP implementation is in progress in MTC, TNSTC-Coimbatore and TNSTC-Madurai.

ICT backend software is being implemented in six STUs, excluding MTC and SETC. 2,309 buses have been connected to the ICT backend system.

Thus, the KfW-supported programme integrates fleet renewal, depot infrastructure and digital systems within a single modernisation framework for sustainable bus transport.

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ii) JICA-Assisted Chennai Intelligent Transport System (MTC)

In MTC, the JICA-assisted Chennai Intelligent Transport Systems (CITS) - City Bus System (CBS) Project is being implemented at a total cost of Rs.136 crore, of which JICA funds 51% and the Government of Tamil Nadu funds 49%. Its components are the Automatic Vehicle Location System (AVLS), Passenger Information System (PIS), Depot Management System (DMS), Staff Mobile Application, Data Centre and Integrated Command and Control Centre (ICCC). Chennai Smart City Limited (CSCL) is the implementing agency and releases milestone-based payments to the System Integrator.

As on 31.07.2026, Onboard Units (OBUs) have been installed in the entire MTC fleet, and the Depot Management System and Staff Mobile Application have been implemented in all 33 depots. Under the Passenger Information System, display boards have been installed and

- The **JICA**-assisted Chennai Intelligent Transport System costs **Rs.136 crore**, 51% **JICA** and 49% State, and covers **AVLS**, passenger information, depot management and an Integrated Command and Control Centre - expected to benefit about **35 lakh** passengers a day.

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made operational at 605 of the 616 identified locations, comprising 500/500 two-line, 95/96 four-line and 10/20 ten-line display boards. The tender for the Integrated Command and Control Centre is currently under evaluation.

On full implementation, the project is expected to benefit about 35 lakh passengers every day through real-time bus arrival information, improved bus operations management, better service reliability and enhanced passenger services. Installation of the remaining Passenger Information System displays, establishment of the ICCC, system integration and final Go-Live activities are in progress.

iii) World Bank-Assisted Project for Improvement of Metropolitan Transport Corporation (Chennai) Services

Under the World Bank-supported Chennai City Partnership Programme, the Public Transport Service Contract is a key intervention.

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The agreement between the Government of Tamil Nadu and Metropolitan Transport Corporation (Chennai) Limited seeks to improve fleet efficiency, establish transparent performance-linked funding and support the induction of new buses through innovative operating models.

The project cost is approximately Rs.959.40 crore, financed in the ratio of 70% by the World Bank and 30% by the Government of Tamil Nadu. Under the Public Transport Service Contract, the Government provides Viability Gap Funding.

Under the Public Transport Service Contract, MTC received Viability Gap Funding (VGF), linked to the achievement of Key Performance Indicators (KPIs), amounting to Rs.31.36 crore in FY 2023-24, Rs.391.49 crore in FY 2024-25 and Rs.392.42 crore in FY 2025-26.

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In Phase I, 625 electric buses are being operated from 5 depots under the Gross Cost Contract (GCC) model.

In Phase II, action is being taken to operate another 750 electric buses under the Gross Cost Contract (GCC) model from 7 depots.

3.2 Government of India-Assisted Project - Women Safe City Project

Implemented under the Nirbhaya Scheme of Government of India with support from the Central and State Governments, the Safe City Project is intended to make buses, bus terminals, depots and other public transport spaces safer for women and to enable them to travel and access opportunities without fear of gender-based violence or harassment.

The project provides surveillance cameras in 2,500 buses and at 66 bus terminals, depots and units, along with panic buttons for emergency communication with MTC.
A Command Control Centre at the MTC premises monitors the 2,500 buses in real time and

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coordinates responses whenever a panic button is activated.

The sanctioned project cost is Rs.72.71 crore, shared by the Government of India and the State Government in the ratio of 60:40. Of this, Rs.55.94 crore has been received and Rs.49.68 crore utilised. As on 31.07.2026, 1,711 of the 2,500 buses have been brought under the Management System and work is in progress for the remaining 789 buses. Among the 66 identified depots and bus terminals, 47 locations have been integrated.

- The Safe City Project under the Nirbhaya Scheme costs **Rs.72.71** crore shared 60:40 with the Centre; 1,711 of 2,500 buses and 47 of 66 depots and terminals have been integrated.

3.3 E-Governance and Smart Service Delivery Systems

i) Online Ticket Reservation System for STUs (OTRS)

Tickets can be booked through the official website, mobile application, franchisee counters and travel aggregators, with passengers able to plan journeys 90 days in advance.

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OTRS franchisee counters function at 65 locations in Tamil Nadu and neighbouring States. At present, 2.45 lakh seats in 4,927 buses are available for online bookings with an average daily booking of 20,930 seats, while the recorded peak was 42,898 seats.

Access to OTRS is being widened through additional travel-aggregator integrations. The existing mobile application has been upgraded with more passenger-oriented features and easier navigation.

(ii) Automatic Fare Collection System (AFCS)

The Automatic Fare Collection System modernises fare collection across the Tamil Nadu State Transport Undertakings by accepting credit and debit cards, QR codes, UPI, NCMC and mobile wallets. It reduces cash handling and revenue leakage, enables real-time transaction monitoring and provides data for operational decisions. Digital tickets presently

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constitute 31% of transactions in SETC, 20% in MTC and 10% in the other STUs.

The State Bank of India has entered into Memoranda of Understanding with all 8 STUs to provide Electronic Ticketing Machines and software, including operation and maintenance, for 10 years without capital investment by the STUs. The respective STUs are required to provide the necessary depot infrastructure and ticket rolls.

As part of the NCMC-compliant AFCS initiative, MTC launched the Singara Chennai NCMC as a seamless multimodal payment facility with real-time revenue monitoring.

The Singara Chennai NCMC operates as an offline wallet card for quick transactions. Its extension to other STUs is planned, and AFCS transaction data will support route rationalisation and the planning of future services.

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iii) E-Auctioning System

All STUs use a structured e-auction mechanism for the disposal of condemned buses, scrap and related items. The process, facilitated by the National Informatics Centre (NIC), promotes transparent and competitive bidding and helps secure favourablerealisation from the assets. During FY 2026-27 (upto July 2026), Rs.2,892.62 Lakh has been earned through e-auction of condemned buses, scrap and related items.

(iv) Travel Planning App

Under the JICA-assisted CITS-CBS Project, a Passenger Mobile Application is being developed to furnish real-time bus information which will make journey planning more convenient for commuters.

(v) Chennai One App

The Chennai One App, developed by the Chennai Unified Metropolitan Transport Authority (CUMTA), is an integrated mobility platform providing commuters with seamless

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access to MTC bus, Chennai Metro Rail and suburban railway services through a single mobile application.

The application facilitates multimodal journey planning, real-time bus tracking, digital ticket and bus-pass purchase, cashless payments and QR-based ticket validation, thereby simplifying ticketing and improving passenger convenience and access to public transport information. As on 31.07.2026, it had recorded 19,67,450 downloads.

Further, during the period from September 2025 to July 2026, 1,75,23,346 digital tickets and 3,48,795 digital passes have been issued through the platform, demonstrating significant public adoption of the Government's integrated digital mobility initiative.

- The Chennai One app, integrating **MTC** bus, Metro Rail and suburban rail, recorded 19,67,450 downloads by **31.07.2026**, issuing **1.75 crore** digital tickets and **3.48 lakh** digital passes since September **2025**.

(vi) Integrated Passenger Grievance and Complaints Redressal Helpline

A 24 x 7 grievance redressal facility provides passengers with immediate assistance,

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strengthens accountability and supports safer and more dependable public transport services.

The Integrated Passenger Grievance and Complaints Redressal Helpline, accessible through the toll-free number 149, functions as a 24 x 7 voice-call helpdesk for all eight State Transport Corporations. Dedicated operators assist persons travelling in buses, waiting at bus stops or bus stands and members of the public by registering complaints or grievances and providing required information.

- The Integrated Passenger Grievance and Complaints Redressal Helpline on toll-free 149 is a 24x7 voice helpdesk for all eight corporations; the Arasu Bus website and the @arasubus handle on X carry public information.

Every complaint is forwarded to the concerned Transport Corporation, where it is tracked and disposed of through an assigned User ID.

The helpline covers complaints relating to bus operations, bus stands and crew behaviour and also provides information on special bus operations.

Up to July 2026, 94,007 complaints were received through the integrated helpline, of which 99% have been resolved.

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(vii) Common Arasu Bus Website for All Transport Corporations

The Arasu Bus website (www.arasubus.tn.gov.in) has been launched for the use of passengers and the general public.

The portal provides links to the MTC website, Chennai Bus App, Online Ticket Reservation System, Government of Tamil Nadu, Institute of Road Transport, Tamil Nadu Transport Development Finance Corporation and Chennai Metro Rail Limited.

(viii) Arasu Bus Social Media - X Platform

@arasubus is the official Arasu Bus handle on X, formerly Twitter. It centrally disseminates news, special bus-operation details, announcements, Government Orders and press releases issued by the Transport Department and the STUs. Relevant posts are tagged to @TNDIPRNEWS and news channels for wider and faster public communication.

The handle also responds to passenger queries and grievances, publicises special

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services and offers, and carries awareness messages on the benefits of public transport, safety practices and environmentally responsible travel, thereby providing access between the transport administration and commuters.

(ix) Online Bus Pass Issuing System

a. Differently Abled Persons, Freedom Fighters, Tamil Scholars and Tamil Award Winners

The Online Bus Pass Issuing System digitises application, renewal and pass management. Applicants can upload supporting documents and make secure online payments, while QR codes printed on the passes enable verification by conductors.

With software support from TNeGA, the facility introduced in MTC was later extended to the remaining 6 STUs. It covers differently abled persons, including persons with intellectual or locomotor disabilities and visually impaired persons, as well as Freedom Fighters,

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Tamil Scholars, Tamil Award Winners and Kalaimamani Award Winners.

b. School and College Students Pass

Prior to the Academic Year 2024-25, school bus passes were processed manually through physical applications collected from schools and printed after following due procedures.

The process was digitised through the EMIS portal from Academic Year 2024-25. Approximately 35 lakh bus-pass cards were issued in 2024-25, compared with 20 lakh in 2023-24.

During Academic Year 2025-26, 60.08 lakh school bus passes were issued through EMIS, which was 35 lakh more than the previous year. A further 2.03 lakh cards were issued to college, polytechnic and ITI students through EMIS.

- School bus passes went digital through the **EMIS** portal in **2024-25**: **60.08 lakh** passes were issued in **2025-26**, **35 lakh** more than the previous year, with 2.03 lakh more for college and polytechnic students.

c) Police Personnel Pass

Nearly 1.24 lakh police personnel, up to the rank of Inspector are permitted to travel within the district in which their police station is situated. An online system is being developed,

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in coordination with the Police Department and TNeGA, to allow the concerned police stations to upload personnel data and download the corresponding bus passes.

(x) Biometric Attendance System

The Biometric Attendance System improves workforce administration by recording attendance accurately through fingerprint or facial verification and ensuring timely reporting of staff. Integration with payroll enables accurate salary calculation and reduces administrative effort and cost.

Biometric attendance has been introduced in all 8 STUs at Corporate and Regional Offices, depots, workshops, training units and other establishments. The systems provide secure real-time monitoring and cover 100% of employees.

(xi) CCTV-Based Video Surveillance System for STUs

CCTV surveillance protects the physical assets of the STUs by covering buses, depots,

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workshops, Corporate Offices, Regional Offices and other units.

Night-vision cameras enable 24 x 7 surveillance, deter unauthorised entry and preserve visual evidence for incident review. Centralised control centres support live monitoring, and integration with access-control systems strengthens site security.

All STUs have adopted CCTV security systems and 83.48% of the assets have been covered so far.

(xii) Online Submission of Life Certificates by Pensioners

TNeGA has developed a dedicated online portal to enable pensioners to establish continued eligibility from home or nearby digital centres without repeated visits to offices. The facility reduces paperwork and administrative delay, particularly benefiting elderly, differently abled and remotely located pensioners. Real-time verification supports timely pension

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disbursement, limits errors and fraudulent claims and lowers administrative cost.

The portal facilitates 1,00,172 pensioners of the Tamil Nadu State Transport Undertakings to submit their life certificates online. Encryption and multi-factor authentication safeguard pensioner information. At present, 5,520 pensioners have submitted their life certificates through the portal.

(xiii) Digitisation of Workflows through e-Office in Transport Department-Associated Offices

Through TNeGA, the Government of Tamil Nadu is extending the National Informatics Centre e-Office application to Government and quasi-Government organisations. The system replaces paper-based file movement with an automated workflow that accelerates processing, improves decision making and provides traceable file movement. Encryption and role-based access control protect official information, while reduced paper use

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supports environmentally responsible administration.

e-Office implementation has commenced in all eight STUs, the Institute of Road Transport and the Motor Vehicle Maintenance Department, and a portion of their files are now processed electronically. Tamil Nadu Mobility and Logistics Corporation Limited has achieved 100% digitisation of intra-office file movement. The programme is intended to progressively eliminate manual movement of files throughout the Transport Department and improve administrative service delivery.

3.4 Full Body Renovation of Old Buses

To enhance passenger comfort and for an extended operational life of buses, the Government undertakes full body renovation of vehicles falling within the prescribed category. The renovation works include replacement of damaged body panels, doors and windows, complete repainting, upgrading of headlights, taillights and interior lighting, replacement of

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passenger seats with more comfortable materials, installation of new flooring and replacement of the ceiling to improve insulation and the overall appearance of the buses.

During FY 2025-26, a total of 761 buses were taken up for full body renovation, of which 655 buses had been completed as on 23.08.2026. These renovated buses will be operated for a further period of five years from the date of their deployment.

3.5 Face Lifting of Old Buses

Facelifting works were undertaken for 1,419 buses whose chassis were in good condition but whose bodies need improvement. The works included repairs to the platforms, footboards, safety doors, roofs, front, rear and side body panels, windows and passenger seats. The programme was intended to improve passenger safety and comfort, enhance the appearance and functionality of ageing buses, modernise the existing fleet at a comparatively lower cost, improve public perception of

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Government bus services and extend the useful operational life of the buses by a minimum of three years.

3.6 Passenger Safety Initiatives and Measures

3.6.1 Installation of Safety Doors in Buses

Safety doors form a protective barrier against accidental falls and injuries while passengers travel in buses. By regulating entry and exit, they help prevent boarding or alighting from moving buses, footboard travel and theft.

In compliance with safety requirements, the Government is progressively equipping all State Transport Undertaking buses with doors. Of the total fleet of 21,198 buses, 98.54% have been provided with safety doors, ensuring safer access for children, senior citizens, persons with disabilities and other passengers.

- Safety doors are fitted on 98.54% of the 21,198 buses, and Side Under-Run Protection Units on 8,408 of 10,341 town buses - 81.31%.

Six STUs have achieved 100% door coverage. MTC has achieved 95.06% coverage, with the remaining 170 buses being small buses. TNSTC Madurai has achieved about 94% coverage.

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3.6.2 Side Under-Run Protection Units for Buses

Side Under-Run Protection Units (SUPUs) shield passengers and vulnerable road users, including pedestrians, cyclists and motorcyclists, by preventing persons or smaller vehicles from entering the space beneath a bus or coming into contact with its rear wheels during boarding, alighting or a collision, thereby reducing the likelihood of serious injury or fatality.

Side Under-Run Protection Units can also limit structural damage during accidents.

Across the STUs, 8,408 of 10,341 town buses have been provided with Side Under-Run Protection Units, representing a coverage of 81.31%.

The remaining 1,933 buses are low-floor buses; accordingly, 100% of the eligible standard-floor town bus fleet has been covered. SUPUs are proposed to be extended to mofussil buses.

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3.7 Integrated Link Tickets for Long-Distance and Town-Bus Connectivity

Integrated link tickets connect long-distance services with town buses through a single advance-reservation transaction. Passengers can transfer without purchasing a separate ticket, which simplifies payment and reduces interchange time.

A link ticket is valid from 4 hours before the departure and for 4 hours after the arrival of the long-distance bus. It costs Rs.40 in Chennai and Rs.30 in Coimbatore and is purchased through OTRS along with the advance reservation. So far, 3,16,907 passengers have availed the facility.

Following its implementation in Chennai, the link ticket facility has been extended to Coimbatore. By strengthening first and last mile access to long-distance services, it lowers the overall travel burden and contributes to decongestion.

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3.8 Strategies to Enhance Non-Fare Box Revenue in STUs

The STUs are expanding non-fare revenue by making better commercial use of their buses and immovable assets through advertising, leasing, digital-platform monetisation and value added services, thereby reducing dependence on passenger fares.

The avenues for generating non-fare box revenue are set out below.

S. No.	Description
1	Commercial development of bus depots and bus terminals
2	Advertisements in Bus body
3	Other advertisements inside buses
4	Other forms of advertising
5	Next-bus-stop announcements
6	Bus parking at motels and rental income
7	Luggage and parcel services
8	Sale of scrap
9	Lease of land or buildings
10	Retail outlets for the sale of petrol, diesel, etc.
11	Driving schools and training schools

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S. No.	Description
12	Contract carriage services
13	Rental income from shops
14	Courier services
15	Logistics and cargo services in TNSTC buses

3.8.1 Commercial Development and Modernisation of Bus Depots and Terminals

MTC bus depots and terminals are being modernised and commercially developed through agencies such as CMDA, CMRL and GCC, with the dual objective of improving passenger amenities and ensuring more productive utilisation of the properties.

CMDA has completed the modernisation of six bus terminals and is undertaking modernisation/ redevelopment works at five additional locations, viz., Iyyappanthangal, Avadi, Vallalar Nagar, Thiruvanmiyur and Padiyanallur. CMRL has taken up works at Anna Nagar West, Vadapalani, Mandaveli and Thiruvottiyur, including reconstruction of the

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Thiruvottiyur Bus Terminus-cum-Depot and development of commercial complexes at the Vadapalani and Mandaveli bus terminals. GCC is also undertaking modernisation of the Ennore and Tollgate bus terminals.

In addition, six MTC-owned terminals have been taken up for improvement at a total cost of Rs.7.50 crore, of which the works at Besant Nagar has been completed. A comprehensive depot transformation programme covering rest rooms, bus-washing systems, maintenance equipment and other essential depot infrastructure are also being implemented.

3.8.2 Retail Fuel Outlets on STU-Owned Lands

Vacant land available at STU depots, Regional Offices and Corporate Offices are being considered for revenue-generation. Many of these properties are located in commercially viable places, giving them substantial potential for revenue generation.

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Tamil Nadu has a very large vehicle population and ranks second nationally, which has encouraged oil companies to propose retail fuel outlets on STU land. Under the proposed arrangement, the oil companies develop the infrastructure, supply fuel, pay rent for the land and share sales-based commission, while the STUs operate the outlets.

Of the 372 locations identified, feasibility reports have been completed for 195 and 41 have been found viable. The following eleven fuel stations had started functioning.

- Adyar-Gandhi Nagar (MTC)
- J.J. Nagar West, Mogappair - (MTC)
- M.K.B. Nagar - (MTC)
- Perambur - (MTC)
- Athanur - (SLM)
- Edappadi - (SLM)
- Ramanathapuram - (KUM)
- Gudiyatham - (VPM)
- Ponmeni - (MDU)
- Kattabomman Nagar - (TNV)

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- Ranithottam Depot-I - (TNV)

3.8.3 Parcel and Cargo Services in STU Buses

Passenger-fare revenue remains the principal source of income for the STUs, comprising onboard ticket collections, concessional fares and reimbursement for fare free bus travel. To improve financial sustainability, the STUs need to diversify their revenue sources.

With the objective of increasing non-fare revenue from STU buses, a computerised parcel and cargo forwarding service is proposed. The service will cover booking, storage, forwarding, delivery, movement tracking and grievance redressal. Parcels and cargo will be collected, transported in STU buses and delivered to customers. The initiative is expected to generate commercial revenue and help reduce recurring losses of the STUs.

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Implementation is proposed under a PPP model. The STUs will provide storage and transport facilities for parcel and cargo movement, while the private operator will manage the remaining activities. Revenue will be received by the STUs from the private operator in accordance with the contractual terms.

For the project, Tamil Nadu Mobility and Logistics Corporation Limited has appointed a consultant to prepare the feasibility report. A draft feasibility report has been submitted, and implementation will be taken forward after obtaining the views of Government departments and the Tamil Nadu Infrastructure Development Board (TNIDB).

3.9 State Condemnation Policy

As per the Ministry of Road Transport and Highways (MoRTH) Notification G.S.R. 29(E), dated 16.01.2023, all vehicles owned by the Central and State Governments, including vehicles of State Transport Corporations, Public

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Sector Undertakings and Autonomous Bodies, are required to be scrapped on completion of 15 years from the date of initial registration, irrespective of their physical condition or extent of usage, with effect from 01.04.2023.

The bus condemnation and replacement policy of the State Government provides a structured mechanism for systematic fleet renewal by taking into account the age of the vehicle and kilometres operated. The policy is periodically reviewed and updated in line with advancements in vehicle technology, changing road conditions, availability of eco-friendly mobility options such as electric and CNG powered buses, and improvements in maintenance practices.

As per G.O. (Ms) No. 70, Transport (A) Department, dated 08.07.2021, SETC buses shall be replaced upon completion of 7 years or 12 lakh kilometres, whichever is earlier. In respect of buses operated by the other

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State Transport Undertakings, the replacement norm is 9 years or 12 lakh kilometres, whichever is earlier.

As on 01.08.2026, the average age of the STU fleet is 5.52 years against the maximum life span of 15 years prescribed by the Ministry of Road Transport and Highways. However, replacement of buses is determined not merely by the permissible statutory life span, but also by their operational condition, maintenance cost, fuel efficiency, reliability, safety and passenger service requirements.

Timely replacement of over-aged and high mileage buses is essential to reduce recurring maintenance expenditure, breakdowns and service disruptions, while improving fuel efficiency and fleet availability. Induction of modern buses with better seating, suspension, ventilation, accessibility, safety features and passenger amenities will provide a more comfortable and reliable travel experience. Such

- Central rules require Government vehicles to be scrapped at 15 years from **01.04.2023**; the State's own **STU** replacement norm is 9 years or **12 lakh** kilometres, whichever is earlier.

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improvements are also necessary to retain existing passengers and attract commuters from private stage carriage services, particularly on mixed public–private transport routes, thereby strengthening the competitiveness and public service role of the State Transport Undertakings.

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4. GREEN INITIATIVES

4.1 Procurement of Environment-Friendly New Buses

Action has been taken to procure 2,415 electric buses and 857 CNG buses with support from KfW, the World Bank and the State Government. Of these, 625 electric buses and 857 CNG buses have been received and are in operation. The remaining buses are proposed to be received by March 2027. The programme supports a progressive transition towards a cleaner and more sustainable public transport system.

Financial Assistance / Scheme	Fuel Type	Total No. of Buses	Total No. of Buses Received (as on 23.08.2026)	No. of Buses Yet to be Received
State Government Financial Assistance (2025-26)	CNG Buses	746	746	0
State Government Financial Assistance (2025-26) Additional Quantity	CNG	111	111	0
KfW (German Development Bank)	Electric Buses	500	0	500
World Bank GCC - MTC Phase I	Electric Buses	625	625	0

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Financial Assistance / Scheme	Fuel Type	Total No. of Buses	Total No. of Buses Received (as on 23.08.2026)	No. of Buses Yet to be Received
World Bank GCC - MTC Phase II	Electric Buses	750	0	750
CMRL Last-Mile - Mini Bus Service (GCC - MTC)	Electric Buses	220	0	220
Feeder Bus Service (GCC - MTC)	Electric Buses	300	0	300
Double-Decker Buses - MTC	Electric Buses	20	0	20
Total		**3272**	**1482**	**1790**

4.2 Conversion of Diesel Buses into CNG Buses

Compressed Natural Gas (CNG) is a cleaner alternative fuel that produces lower emissions than conventional diesel. CNG buses also offer improved fuel efficiency and lower operating costs. CNG is comparatively more readily available and lower priced in Nagapattinam District.

A study has estimated that the operating cost of CNG buses is approximately 13.24% lower than that of diesel buses.

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The State Transport Undertakings currently operate 507 buses converted from diesel to CNG and 857 new CNG buses. The converted buses comprise 61 in MTC, 78 in SETC, 103 in Villupuram, 69 in Salem, 27 in Coimbatore, 120 in Kumbakonam, 39 in Madurai and 10 in Tirunelveli.

- 507 diesel buses have been converted to **CNG** - 61 **MTC**, 78 **SETC**, 103 Villupuram, 69 Salem, 27 Coimbatore, 120 Kumbakonam, 39 Madurai and 10 Tirunelveli - alongside 857 new **CNG** buses.

CNG deployment is therefore being promoted to reduce operating cost and emissions while ensuring passenger-safety requirements.

4.3 Pilot Initiative for Conversion of Diesel Buses into Electric Buses

As part of the transition towards green and sustainable public transport, an innovative pilot initiative is proposed to convert existing diesel buses into electric buses.

In the first phase, 100 diesel buses of about seven years of age are proposed to be converted by removing the existing diesel drivetrain and installing an Electric Drivetrain Kit and Traction Battery Pack. The initiative may be

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implemented under the Gross Cost Contract model.

The initiative is expected to extend the useful life of existing buses, enable reuse of public assets, reduce diesel consumption, air pollution and greenhouse-gas emissions, lower operating costs and accelerate deployment of electric buses.

4.4 Rooftop Solar Power in STU Buildings

The State Transport Undertakings are installing rooftop solar power systems at bus depots, Regional Offices and Corporate Offices to utilise otherwise unoccupied roof space for clean-energy generation. These systems reduce dependence on conventional electricityand carbon emissions, and facilitate the export of surplus power to the grid, wherever permissible.

Initial funding for the installation of rooftop solar systems is being provided through TNTDFC. Of the 373 locations identified, feasibility studies have been completed at

280 locations, of which 191 locations have been found suitable.

Rooftop solar power systems have been installed in 45 locations with an aggregate installed capacity of 498.50 kW. These systems currently generate approximately 1,994 kWh per day, 49,850 kWh per month and 5,98,200 kWh per year. This results in annual savings of approximately Rs.53.80 lakh and an annual reduction of about 426 tonnes of CO_2 emissions.

- Rooftop solar is installed at 45 **STU** locations with 498.50 kW capacity, generating about 5,98,200 kWh a year, saving **Rs.53.80 lakh** and cutting about 426 tonnes of CO2.

S. No.	State Transport Undertakings	No. of Locations	Solar PV Install-ed (kW)	Estimated Energy Generated per Day (kWh)	Estimated Energy Generated per Month (kWh)
1	MTC	3	30.00	120.00	3,000
2	SETC	1	10.00	40.00	1,000
3	TNSTC–Villupuram	20	214.00	856.00	21,400
4	TNSTC–Salem	4	80.00	320.00	8,000
5	TNSTC–Kumbakonam	8	107.00	428.00	10,700
6	TNSTC–Coimbatore	3	13.00	52.00	1,300
7	TNSTC–Madurai	3	9.00	36.00	900
8	TNSTC–Tirunelveli	2	20.00	80.00	2,000
9	IRT	1	15.50	62.00	1,550
Total		45	498.50	1,994.00	49,850

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Rooftop solar-generation facilities are proposed to be extended to the remaining 146 feasible locations. The proposed expansion will strengthen energy self-sufficiency, reduce electricity expenditure and environmental impact, and align the operations of the STUs with national and global sustainability objectives.

4.5 Inclusive, Green and Technology Enabled Mobility

Under the green-mobility programme, 625 electric buses are in operation and a programme for induction of 2,415 electric buses is being implemented. In addition, 507 diesel buses have been converted to CNG and 857 CNG buses have been added under fleet modernisation. Rooftop solar generation and carbon-credit monetisation support a progressive reduction in diesel dependence and greenhouse-gas emissions. A pilot programme is also proposed to retrofit 100 conventional diesel buses into electric buses.

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5. ROAD SAFETY INITIATIVES

5.1 Road Safety in Tamil Nadu

As on 01.07.2026, Tamil Nadu has a total registered vehicle population of 405.73 lakh. Of this, transport vehicles constitute 16.92 lakh, while non-transport vehicles account for 388.81 lakh. The substantial presence of two-wheelers and other non-transport vehicles makes road safety a continuous and important priority for the State. In this context, the safety performance of State Transport Undertaking buses is reviewed on a regular basis, with specific focus on driver training, vehicle fitness, passenger safety devices, accident analysis and coordinated action with other departments.

5.2 Road Safety Initiatives of State Transport Undertakings

Prevention of road accidents remains one of the key objectives of the road safety measures undertaken by the Government of Tamil Nadu. These initiatives are implemented in coordination with departments such as Police,

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Highways, Transport, Health and Education, with the broader vision of achieving an "Accident-Free Tamil Nadu." The Transport Commissionerate works in close coordination with the State Transport Undertakings to implement various road safety measures, including:

- Installation of automatic door closers.
- Provision of mirrors to improve visibility in blind spots especially along ghat roads.
- Identify and investigate routes where accidents occur most and take preventive measures
- Upskilling towards Safe Driving to drivers
- Improvement of resting facilities for crew members.

5.3 Measures Taken by STUs to Reduce Road Accidents

State Transport Undertakings have introduced several proactive measures to reduce road accidents, including the following:

- Strict prohibition of mobile phone usage and alcohol consumption while on duty, with stringent penalties for violations.

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- Conduct of random breath analyser tests for drivers before commencement of duty.
- Surprise inspections by the Police and Transport Department to detect cases of intoxication.
- Identification, mapping and rectification of blind spots in coordination with the departments concerned.
- Strict disciplinary action against drivers who are repeatedly involved in fatal accidents
- Regular training programmes for drivers and conductors, including yoga and meditation to reduce stress.
- Upgradation of crew restrooms with modern amenities, including air-conditioning facilities, across 185 locations, while works are in progress in additional 48 depots.

5.4 Accident Involving STU Buses-Statistics

The year-wise details of fatal accidents and fatalities involving STU buses are furnished below:-

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Year	No. of Fatal Accidents	Total Fatalities
2021 (COVID-19 period)	675	725
2022	917	987
2023	830	936
2024	953	1,020
2025	847	940
2026 (01.01.2026 to 31.07.2026)	481	519

During the period from 01.01.2026 to 31.07.2026, fatal accidents decreased by 3% and fatalities decreased by 5% compared with the corresponding period of 2025.

Category-wise analysis for the period from 01.01.2026 to 31.07.2026 indicates that two-wheelers accounted for 54% of fatal accidents and 52% of fatalities, while pedestrians accounted for 29% of fatal accidents and 27% of fatalities. Passenger-related incidents accounted for about 7% of fatal accidents and fatalities.

These passenger-related incidents highlight the need for strict enforcement of door-closure procedures and safe boarding and alighting practices. Accordingly, targeted safety

- Fatal accidents involving **STU** buses: 917 in **2022**, 830 in **2023**, 953 in **2024**, 847 in **2025** and 481 up to July **2026**. Two-wheelers account for 54% of fatal accidents and pedestrians 29%.

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supervision, route-level risk assessment, refresher training, counselling and enforcement measures are being prioritised for high-risk categories and accident-prone routes.

5.5 Road Safety Month

Tamil Nadu observes Road Safety Month every year during January to create greater public awareness on road safety. The observance is aimed at educating citizens on traffic rules, safe driving practices and the serious consequences of negligence on roads.

As part of these initiatives, various activities such as awareness campaigns, workshops, seminars and road safety exhibitions are organised to engage people across all age groups. These programmes highlight the importance of responsible road behaviour and contribute towards creating a safer road environment for all.

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6. SUSTAINABLE DEVELOPMENT GOALS:

Tamil Nadu's Commitment to Sustainable Future

6.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs), adopted under the United Nations 2030 Agenda, provide a framework for inclusive growth, social equity, resilient infrastructure, clean energy, sustainable cities, climate action and accountable institutions. Public transport contributes to these objectives by connecting people to opportunity, while using road space and energy more efficiently than individual motorised travel.

As per the NITI Aayog SDG India Index 2023-24, Tamil Nadu secured a composite score of 78 and was placed third among the States. The Transport Department supports this performance through inclusive mobility, road-safety measures, clean-fleet transition, renewable energy, digital systems and institutional strengthening.

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The Department contributes directly to SDG 11 - Sustainable Cities and Communities, particularly Target 11.2 on safe, affordable, accessible and sustainable transport. Its programmes also advance SDG 3 on road safety and health, SDG 4 on access to education, SDG 5 on gender equality, SDG 7 on clean energy, SDG 8 on productive employment, SDG 9 on resilient infrastructure and innovation, SDG 10 on reduced inequalities, SDG 12 on resource efficiency, SDG 13 on climate action, SDG 16 on transparent institutions and SDG 17 on partnerships.

6.2 Public Transportation and SDG 11

Public transportation is central to SDG 11.2 because it provides safe, affordable and accessible mobility for all, with particular attention to women, children, senior citizens, transgenders, persons with disabilities and commuters from economically vulnerable sections.

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Tamil Nadu's eight STUs operate a fleet of 21,198 buses, including 19,283 scheduled services, over 10,160 routes. They cover about 84.75 lakh kilometres per day and carry approximately 2.12 crore passengers daily, connecting urban centres, rural habitations, hill areas and inter-State destinations with affordable public transport.

The principal initiatives and their measurable contribution to the Sustainable Development Goals are summarised below:

Sustainable Development Goals	**Initiatives; Key Values**
Advances SDG 9 and SDG 11 by providing widespread, affordable and resilient mobility and by reducing dependence on private vehicles.	**Public Transport Network:** 21,198 buses, 19,283 scheduled services, 10,160 routes, 84.75 lakh km operated per day and about 2.12 crore daily passengers.
Advances SDG 5, SDG 8, SDG 10 and SDG 11 by improving access to employment, education, healthcare and public services and by reducing household transport expenditure.	**Zero Fare Travel for Women:** 1023.18 crore journeys up to 23.8.2026; average 71.70 lakh women passengers per day; 7,537 ordinary town buses and 173 ordinary hill buses covered.
Advances SDG 10 and SDG 11 by removing mobility barriers for vulnerable and differently situated passenger groups.	**Inclusive Travel:** 54.14 lakh journeys by transgender persons, 813.81 lakh journeys by persons with disabilities and 41.54 lakh journeys by eligible escorts; average daily journeys of 2,662, 47,402 and 2,060 respectively during FY 2026-27 (upto 23.08.2026)

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Advances SDG 9, SDG 10 and SDG 11 through accessible infrastructure, improved reliability, rural and urban connectivity and first- and last-mile integration.	**Fleet modernisation:** New-bus procurement programme; 4,785 buses received as on 23.08.2026; includes 1,375 low-floor buses and 627 mini / last-mile connectivity buses.
Advances SDG 7, SDG 11, SDG 12 and SDG 13 through cleaner energy, improved resource efficiency, lower level pollution and verified greenhouse-gas reduction.	**Green mobility:** average diesel use of about 16 lakh litres per day is being progressively reduced through 625 operational electric buses, a 2,415-electric-bus programme, 507 CNG-converted buses, 857 OEM CNG buses
Advances SDG 7, SDG 12 and SDG 13 by promoting renewable power, lowering electricity expenditure and reducing carbon emissions.	**Renewable energy:** rooftop solar systems in 45 locations with 498.50 kW capacity, which generates about 5,98,200 kWh annually, thereby resulting in savings of about Rs.53.80 lakh and reduce approximately 426 tonnes of CO2 per year.
Advances SDG 3 and SDG 11 through safer vehicles, driver training, CCTV, panic buttons, automatic doors, data-led accident review and safer passenger practices.	**Road safety:** fatal accidents reduced from 496 to 481 and fatalities from 544 to 519 during 01.01.2026 to 31.07.2026 as compared with the corresponding period of 2025, representing a reduction of 3% and 5% respectively
Advances SDG 9, SDG 11 and SDG 16 by improving service reliability, transparency, revenue accountability, passenger information and evidence-based governance.	**Digital and institutional systems:** electronic ticketing, online reservation, digital payments, vehicle tracking, passenger information systems, control centres, grievance platforms and data dashboards.

6.3 Strategic Priorities for Sustainable Mobility

The Department will continue to strengthen its SDG contribution by expanding reliable services, accelerating electric and CNG mobility,

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improving first- and last-mile connectivity, increasing low-floor and universally accessible buses, strengthening passenger and road safety, scaling up digital systems, promoting renewable energy and carbon accounting and improving financial sustainability through route optimisation and non-fare revenue.

Through these measures, Tamil Nadu will continue to position public transport as a principal instrument for sustainable, inclusive and climate-resilient development.

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7. TAMIL NADU MOTOR VEHICLES MAINTENANCE DEPARTMENT

The primary objective of the Tamil Nadu Motor Vehicles Maintenance Department is to undertake economical and efficient repair and maintenance of approximately 20,808 Government vehicles operating across the State. The Department also operates 10 fuel-dispensing stations for Government vehicles.

- The Motor Vehicles Maintenance Department maintains about 20,808 Government vehicles through 20 automobile workshops, runs 10 fuel stations and repaired 42,711 vehicles between April **2025** and July **2026**.

Apart from vehicle maintenance, the Department undertakes inspection, valuation and auction of vehicles confiscated by departments including Prohibition and Excise, Forest, Police, Revenue and Civil Supplies, in accordance with the Government orders in force.

The Secretariat Service Station, located near the Chennai Secretariat, undertakes minor repairs and provides refuelling facilities for vehicles used by VIPs and senior Government officials.

The Motor Vehicles Maintenance Department operates 20 Government

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Automobile Workshops located across the State, including Chennai and various district headquarters, together with three Regional Deputy Directorates.

The Government Central Automobile Workshop in Chennai, managed by the General Manager, plays a vital role in maintaining the vehicles used in the convoy of the Hon'ble Chief Minister and Hon'ble Ministers, VVIPs, Secretaries to Government and other officials. The workshop also undertakes the maintenance of advanced, fuel-efficient and safety-oriented hi-tech vehicles procured by various State Government departments.

To improve service quality and reduce vehicle downtime, "Modernisation and Upgradation of Government Automobile Workshops" was implemented in the workshops located in Madurai, Coimbatore, Vellore, Kancheepuram and Cuddalore at a cost of Rs.53 lakh.

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Driver Training Centres are functioning at the Government Automobile Workshops in Madurai, Tiruchirappalli and Salem to provide refresher training to drivers of Government department vehicles. Infrastructure facilities for accommodating drivers attending training at the Madurai centre have been provided at a cost of Rs.50 lakh.

Infrastructure facilities at the Government Automobile Workshops in Tiruchirappalli and Salem have been upgraded at a cost of Rs.110 lakh for the accommodation and convenience of Government drivers attending refresher training programmes, and the works have been completed.

Electronic diagnostic tools for new-generation vehicles have been installed at the Government Automobile Workshops in Coimbatore, Tirunelveli, Thanjavur, Vellore and Kancheepuram at a cost of Rs.30 lakh.

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Modernisation and upgradation works have been completed at the Government Automobile Workshops in Thanjavur, Tirunelveli, Erode, Dindigul and Dharmapuri at a cost of Rs.100 lakh.

A sum of Rs.102.64 lakh has been sanctioned for the installation of CCTV surveillance systems with LED display in all 20 Government Automobile Workshops and in the Directorate of the Motor Vehicles Maintenance Department. The work has been entrusted to the Electronics Corporation of Tamil Nadu Limited (ELCOT) to strengthen security and facilitateeffective monitoring of workshop activities. The installation work is currently in progress.

Government Mobile Workshops are operated at Madurai, Tiruchirappalli, Thanjavur, Dindigul, Salem, Tirunelveli, Dharmapuri, Kancheepuram, Vellore and Coimbatore to service Government vehicles in areas where

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Government Automobile Workshops are not available.

The Department undertook repair works on a total of 42,711 vehicles during the period from 01.04.2025 to 31.07.2026. In addition, 1,524 vehicles were inspected and certificate for condemnation issued under various categories.

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8. RAILWAY PROJECTS – INTER-DEPARTMENTAL COORDINATION

The Transport Department serves as the nodal agency for acquisition of land required for railway infrastructure projects undertaken by Southern Railway in Tamil Nadu. These projects include construction of new railway lines and doubling of existing railway tracks. The Department works in close coordination with District Collectors and the Commissionerate of Land Administration to facilitate and expedite land acquisition and land alienation / transfer. It also liaises with the Government of India and other stakeholders to support effective planning, coordination and timely execution of railway development projects across the State. The following projects are in progress in the State:

S. No.	Name of the Railway Projects	Name of the Districts covered	Land Acquisition (Patta Lands) in Hectare	Land Transfer (Govt. Lands) in Hectare
1.	Doubling of Broad Gauge Railway Line between Villupuram and Dindigul	Villupuram Tiruchirappalli Perambur Ariyalur Kallakurichi Cuddalore Dindigul	146.58.71	43.27.41
2.	Doubling of Broad Gauge Railway Line between Madurai and Thoothukudi	Madurai Virudhunagar Thoothukudi	90.58.02	21.15.56

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S. No.	Name of the Railway Projects	Name of the Districts covered	Land Acquisition (Patta Lands) in Hectare	Land Transfer (Govt. Lands) in Hectare
3.	Doubling of Broad Gauge Railway Line between Kanniyakumari and Thiruvanathapuram i. Kanniyakumari-Nagercoil ii.Nagercoil-Eraniel iii.Eraniel-Parasala	Kanniyakumari	50.30.53	6.05.13
4.	Formation of 3rd and 4th New Railway Line between Chennai Beach-Korukkupet	Chennai	0.05.06	0.60.83
5.	Formation of 4th New Railway Line between Korukkupet- Ennore	Chennai	0.44.93	0.28.68
6.	Formation of New Broad Gauge Railway Line between Morappur and Dharmapuri	Dharmapuri	78.11.38	13.68.56
7.	Formation of New Broad Gauge Railway Line between Chengalpattu-Villupuram	Chengalpattu	2.89.14	3.39.03
8.	Formation of New Broad Gauge Railway Line between Madurai-Thoothukudi via Aruppukottai (Phase-1 & 2)	Madurai Virudhunagar Thoothukudi	717.29.61	77.27.22
9.	Formation of New Broad Railway Line between Tindivanam - Tiruvannamalai	Villupuram Tiruvannamalai	229.23.19	46.44.36
NEW RAILWAY LINE PROJECTS				
10	Formation of New Broad Gauge Railway Line between Mannargudi-Pattukottai	Thanjavur Tiruvarur	177.02.25	26.56.01
11	Formation of New Broad Gauge Railway Line between Thanjavur-Pattukottai	Thanjavur	119.00.70	31.63.70

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9. THE INSTITUTE OF ROAD TRANSPORT

9.1 Introduction

The Institute of Road Transport (IRT) was established in 1976 at Chennai with the primary objective of undertaking research and training in the transport sector. At present, IRT mainly focuses on driver training for the public and Government Departments, including Light Motor Vehicle (LMV) and Heavy Vehicle Driver Training, refresher training for drivers of the State Transport Undertakings (STUs), and skill-development programmes for transport employees at various levels. In addition, IRT functions as a procurement agency for major items required by the State Transport Undertakings and also undertakes the recruitment process for Drivers cum Conductors for the STUs. Through these activities, IRT plays an important role in developing skilled drivers, strengthening human resources, improving professional driving standards, promoting road

- The Institute of Road Transport, established at Chennai in **1976**, runs heavy and light vehicle driver training, refresher courses and procurement for the STUs. Its 'Women on Wheels' programme trained 314 women this year.

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safety, and supporting the operational requirements of the STUs.

9.2 Heavy Vehicle Driver Training Schools

The Institute of Road Transport is at present running Heavy Vehicle Driver Training (HVDT) Schools at Gummidipoondi and Tiruchirappalli & in 15 places in association with the State Transport Undertakings as given below:

1.	Tiruvallur	6.	Madurai	11.	Pollachi
2.	Vellore	7.	Dindigul	12.	Erode
3.	Villupuram	8.	Tirunelveli	13.	Kumbakonam
4.	Salem	9.	Nagercoil	14.	Karaikudi
5.	Dharmapuri	10.	Virudhunagar	15.	Pudukkottai

Sponsored programmes through Tamil Nadu Skill Development Corporation, Tamil Nadu Urban Livelihood Mission and Tamil Nadu Urban Habitat Development Board are also conducted.

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The number of candidates trained in Heavy Vehicle Driver Training (HVDT) Course and Refresher Training Course are given below.

S. No.	Description	Number of CandidatesTrained		
		From Inception to upto March 2026	Current Year 2026–27 (upto July 2026)	Total Upto July 2026
A	**HVDT Driving Training**			
1	Gummidipoondi	28313	208	28521
2	Trichy	3738	49	3787
3	Other TNSTC HVDT Centre	35117	149	35266
Total		**67168**	**406**	**67574**
B	**Refresher Training Programmes- Gummidipoondi Center**	**75250**	**559**	**75809**

9.3 Light Motor Vehicle (LMV) Driver Training Schools

Two Driver Training Schools were started during 1997, one at Chennai and another at Tiruchirappalli for imparting LMV Training. Apart from training for the general public and through sponsored schemes, refresher courses and skill test for drivers of other departments like

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Greater Chennai Corporation are also conducted. During the current year (FY 2026-27), special training programme - "Women on Wheels" was organised through Tamil Nadu Skill development Corporation exclusively for women and 314 women havesuccessfully completed their training to drive LMVs and auto rickshaws:

Details of number of candidates trained in LMV Driving are given below:

S. No.	Description	Number of Candidates Trained		
		From Inception to upto March 2026	FY 2026-27 upto July 2026	Total (upto July 2026)
A	**LMV Driving Training**			
1.	Taramani, Chennai	4,336	297	4,633
2.	Trichy	1,433	7	1440
Total		**5769**	**304**	**6073**
B	Refresher TrainingProgrammes at Taramani Training Center	46933	356	47289

9.4 Skill Up-gradation Training Programme

The Institute conducts skill up-gradation training programmes for officers and other staff

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of the State Transport Undertakings at IRT, Taramani, as per the Annual Calendar. Up to March 2026, a total of 47,291 STU employees have benefited from these training programmes.

The Institute also conducts Executive and Non-Executive Departmental Examinations for employees of all the State Transport Undertakings which is mandatory for further promotion to the next level.

9.5 Publication of IRT

The Research Wing of IRT has published many Research Reports pertaining to transport. The Research Wing has also formulated an Accident Investigation Manual.

A Journal titled "Journal of Road Transport" is published by IRT containing information on road transport, road safety and accident analysis. Quarterly accident analyses received from the State Transport Undertakings are compiled and published in the Journal.

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9.6 Procurement Activities

The Institute of Road Transport acts as the coordinating agency for procurement of bus chassis, tyres, buses, bus body building, printing and supply of tickets, basic materials required for tyre retreading and lubricants for the State Transport Undertakings.

9.7 Educational Institutions

The Institute of Road Transportwas managing the following educational institutions with special reservations for the wards of State Transport Undertaking's employees.

1. Government Erode Medical College & Hospital, Perundurai (Formerly IRT Perundurai Medical College & Hospital, Perundurai).
2. Government Engineering College, Erode (Formerly Institute of Road and Transport Technology, Erode)
3. Government Polytechnic Colleges at Chromepet, Bargur& Tirunelveli (Formerly

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IRT Polytechnic Colleges at Chromepet, Bargur& Tirunelveli)

The Perundurai Medical College & Hospital has been transferred to the Health and Family Welfare Department from Academic Year 2019–20 with protection of the special reservation for wards of State Transport Undertaking employees.

From Academic Year 2021–22, the former Institute of Road and Transport Technology was converted into a Government Engineering College with protection of reservation for wards of STU employees.

From Academic Year 2022–23, the IRT Polytechnic Colleges were similarly converted into Government Polytechnic Colleges with protection of the reservation.

So far the colleges have produced 1,969 Doctors, 11,648 Graduate Engineers and 13,135 Diploma Engineers.

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10. TAMIL NADU MOBILITY AND LOGISTICS CORPORATION LIMITED (TNMLC)

Tamil Nadu Mobility and Logistics Corporation Limited (TNMLC), formerly known as Pallavan Transport Consultancy Services Ltd (PTCS), was established in April 1984 as a Government of Tamil Nadu undertaking. TNMLC is committed to providing high-quality consultancy services in the field of road transport.

So far, TNMLC has successfully executed about 67 consultancy projects across diverse domains, including Traffic and Transportation Engineering, Intelligent Transportation Systems and Digitization etc.

Currently TNMLC has undertaken the following ongoing Projects.

1. Online Ticket Reservation System (OTRS) for Tamil Nadu State Transport Undertakings.

- **TNMLC**, formerly Pallavan Transport Consultancy Services, was established in April **1984** and has executed about 67 consultancy projects; it handles **EV** charging under **PM** E-**DRIVE** at **Rs.34.61 crore**.

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2. EV Charging Infrastructure Development - Establishment of Electric vehicle public charging stations under the PM E-DRIVE scheme through funding by MHI, GOI for Rs.34.61 crores
3. Integrated Passenger Grievance and Complaints Redressal System for Tamil Nadu State Transport Undertakings
4. Unified Website for Tamil Nadu State Transport Undertakings branded as "Arasu Bus"
5. Monitoring the Implementation of Automatic Fare Collection System
6. Study of alternate fuel (CNG) use for bus operations.
7. Introduction of Logistics and Cargo Operations in STUs
8. Monitoring the Issuance of Student Bus Passes through EMIS
9. Online Bus Pass Issuance for
   a) Differently Abled Individuals
   b) Freedom fighters.

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c) Tamil Scholars / Award Winners etc

d) Online Bus Pass Issuance for Police Personnel up to the rank of Inspector

10. Monitoring installation of retail outlets at STU premises

11. KfW-assistedclimate-friendly modernisation of bus services in major cities of Tamil Nadu.

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11. CONCLUSION

SAFE, SMART, INCLUSIVE AND SUSTAINABLE PUBLIC TRANSPORT

Tamil Nadu's public transport system remains the backbone of daily mobility, social inclusion and balanced regional development. In 2026-27, with a fleet of 21,198 buses operated by eight State Transport Undertakings, the system provides town, mofussil, ghat and long-distance services to about 2.12 crore passengers every day. It connects cities, towns and villages with educational institutions, healthcare facilities, workplaces, industrial centres and markets, while maintaining one of the most affordable fare structures in the country.

The ongoing fleet modernisation programme represents a significant step towards creating a cleaner, safer, accessible and passenger-friendly transport system. Under the programme, 8,390 new buses are planned for procurement, of which 4,785 buses had been

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received as on 23.08.2026. The programme includes low-floor buses, electric buses, CNG buses, mini buses, last-mile connectivity buses and non-air-conditioned mofussil buses. Full-body renovation, installation of safety devices, strengthening of depots, adoption of cleaner fuels and improvement of maintenance systems will further enhance passenger comfort, reliability and environmental performance.

Tamil Nadu's future public transport strategy will focus on developing a technology-enabled and zero-emission-ready bus transport system. Air-conditioned electric buses, low-floor services, premium electric buses, feeder services and metro rail-linked last-mile connectivity will be progressively expanded, particularly in major urban centres. Gross Cost Contract models may be adopted wherever appropriate to reduce the Government's upfront capital investment, ensure predictable operating costs, improve fleet availability and maintain professional service standards.

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Electric buses will remain the immediate priority in the transition towards clean mobility. At the same time, the feasibility of adopting emerging zero-emission technologies, including hydrogen driven buses, may be explored through pilot projects. Their adoption for long-distance, high-capacity and specialised services will depend on technological advancement, safety standards, fuel availability, infrastructure readiness and cost-effectiveness.

Digital technology will form the foundation of the next-generation transport system. Real-time vehicle tracking, Automatic Fare Collection Systems, National Common Mobility Card integration, passenger information systems, CCTV surveillance, panic buttons, AI-enabled control centres, predictive maintenance, digital depot management, route analytics, enterprise dashboards and mobile-based passenger services will be progressively strengthened. These measures will improve punctuality, operational reliability,

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revenue accountability, maintenance planning and passenger convenience.

Passenger safety will remain a non-negotiable priority. Future buses will progressively incorporate Advanced Driver Assistance Systems, collision-warning systems, lane-departure alerts, driver-fatigue monitoring, speed-monitoring devices, camera-based safety systems and enhanced braking assistance. Driver training, refresher courses, simulator-based learning, counselling, road safety audits, accident-data analysis and behaviour-based monitoring will also be strengthened to reduce accidents and improve public confidence.

The financial sustainability of the STUs will be pursued without compromising affordable fares and public-service obligations. Measures such as route rationalisation, improved fleet utilisation, digital revenue monitoring, expansion of non-fare revenue, parcel and cargo services, commercial utilisation of depot assets,

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energy efficiency, preventive maintenance and cost benchmarking will be implemented.

By continuing to prioritise safety, accessibility, passenger comfort, financial discipline and citizen-centric governance, reliable and quality public transport services will be ensured for passengers across Tamil Nadu.

A.Vijay Tamilan Parthiban
Minister for Transport

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ANNEXURE

DEMAND No. 48

TRANSPORT DEPARTMENT

BUDGET ESTIMATE 2026-27

(Rupees in thousands)

Sl. No.	Head of Department	Revenue	Capital	Loan	Total
1	Transport Department Secretariat	8,596,15,53	3,945,81,07	941,53,09	13,483,49,69
2	Motor Vehicles Maintenance Department	77,41,02	55,00	-	77,96,02
Total		8,673,56,55	3,946,36,07	941,53,09	13,561,45,71

- Transport is Demand No.48. Budget Estimate **2026-27**: revenue **Rs.8,673.57 crore**, capital **Rs.3,946.36 crore** and loans **Rs.941.53 crore** - **Rs.13,561.46** crore in all.



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay chaired a review meeting at the Secretariat on 17.06.2026 to review the activities of the Transport Department and the schemes proposed for implementation.

1



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay flagged off 300 new buses procured for the Tamil Nadu State Transport Undertakings at a cost of Rs.127.21 crore for public transport service at the Secretariat on 25.06.2026.



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay after flagging off 300 new buses at the Secretariat on 25.06.2026 travelled in a newly inducted MTC bus operating on Route No.29A.



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay travelled in a newly inducted MTC bus on Route No.29A after inaugurating the services of 300 new buses at the Secretariat on 25.06.2026.

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Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay inaugurated the services of 300 new buses procured at a cost of Rs.127.21 crore for the benefit of the travelling public on 25.06.2026.

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Hon'ble Minister for Transport Thiru. A. Vijay Tamilan Parthiban chaired a review meeting on the functioning of the Tamil Nadu State Transport Undertakings at the MTC Headquarters Pallavan Illam on 08.06.2026.

6



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay inspected the MTC Electric Bus Depot at Vyasarpadi, Chennai on 13.07.2026 and reviewed the electric-bus charging operations.

7



Hon'ble Chief Minister of Tamil Nadu Thiru. C. Joseph Vijay inspected the electric buses and reviewed the charging facilities at the MTC Electric Bus Depot, Vyasarpadi, Chennai on 13.07.2026.

8



Hon'ble Minister for Transport Thiru. A. Vijay Tamilan Parthiban presented compassionate appointment orders to 17 legal heirs of deceased employees of MTC and SETC at Pallavan Illam on 07.08.2026.

9



Hon'ble Minister for Transport, Thiru. A. Vijay Tamilan Parthiban felicitated four bus crew members for promptly assisting women passengers who suffered sudden illness during their journeys and presented Rs.5,000 each from his own salary at Pallavan Illam on 07.08.2026.

10



Hon'ble Minister for Transport, Thiru. A. Vijay Tamilan Parthiban, inspected the MTC Electric Bus Depot at Vyasarpadi on 11.07.2026 and reviewed the facilities and charging infrastructure.

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Hon'ble Minister for Transport, Thiru. A. Vijay Tamilan Parthiban inspected the 41 special buses introduced by MTC as directed by the Hon'ble Chief Minister of Tamil Nadu to operate 84 trips daily from 13.07.2026 for ensuring safe and crowd-free travel for school students during morning and evening hours, on 11.07.2026.

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Hon'ble Minister for Transport Thiru. A. Vijay Tamilan Parthiban inspected the specially designed luggage/cargo compartments provided in buses for transportation of goods as part of the initiative to augment the revenue of the Tamil Nadu State Transport Undertakings on 29.07.2026.

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Hon'ble Minister for Transport, Thiru.A. Vijay Tamilan Parthiban launched the "Payani" purified drinking water scheme at PallavanIllam on 07.08.2026 under which bottled drinking water is provided at Rs.10 to passengers travelling in SETC long-distance



Hon'ble Chief Minister of Tamil Nadu, Thiru. C. Joseph Vijay flagged off 250 new buses procured for MTC and the Tamil Nadu State Transport Corporations at a cost of Rs.290.08 crore for public transport service at the Secretariat on 25.08.2026.



Hon'ble Chief Minister of Tamil Nadu, Thiru. C. Joseph Vijay, after flagging off 250 new buses procured at a cost of Rs.290.08 crore for MTC and the Tamil Nadu State Transport Corporations at the Secretariat on 25.08.2026 inspected the facilities provided in the newly inducted buses.

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