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## A.P.S.R.T.C. Nellore Region: A Performance Evaluation

**Pendyala Suneel**

Research Scholar, Department of Commerce,  
Vikrama Simhapuri University College, Kavali, Andhra Pradesh, India.

**Prof. Chilumuri Srinivasa Rao**

Professor, Head and BOS Chairman, Department of Commerce,  
Vikrama Simhapuri University College, Kavali, Andhra Pradesh, India.

### Abstract:

Transport is essential to civilization and economic development since it unifies the economy and provides services. It enhances productivity, widens markets and introduces new economic stimuli. The transport sector also plays a vital role in communication systems, connecting production, marketing, distribution, and services centers. APSRTC Nellore region has 819 buses serving 42,294 passengers daily. The performance evaluation of APSRTC Nellore region, in Financial, Operational and Physical aspects to ensure an efficient, adequate, economical road transport service system in the region.

The Andhra Pradesh State Road transportation corporation (APSRTC) Nellore region has been serving lakhs of passengers in the Nellore district, with 70.30% of the population being rural. This research paper assesses the operational, financial and physical performance to identify bottlenecks and suggesting strategies for improvement. To achieve the objective the secondary data was collected from APSRTC region office regarding financial, operational and physical aspects. This work divided into three areas and analyses the performance evaluation of APSRTC Nellore region concluded with suggestions.

Key Words: APSRTC Nellore Region, performance evaluation.

### Introduction:

Transport is essential to civilization and economic development since it unifies the economy and provides services. It enhances productivity, widens markets and introduces new economic stimuli. The transport sector also plays a vital role in communication systems, connecting people, production, marketing, distribution and services centers. The bus transportation is one of the major available transports in the region to the lakhs of population to reach their destinations.

### A.P.S.R.T.C. Nellore Region :

APSRTC Nellore Region has 819 buses, with serving 42,294 passengers daily besides cargo services. Nellore division has ten depots, with the fourth place occupied by depots in the existing four-tier system. The entire APSRTC relies on the revenue of the depots. Nellore is connected by APSRTC to major parts of Andhra Pradesh, Tamil Nadu and Karnataka. Other bus services include TNSTC from Chennai and KSRTC from Bangalore.

### Statement of the Problem:

The APSRTC faces numerous financial issues such as heavy losses, high operating costs, low occupancy ratio, shortage of working capital, inability to meet interest commitments, non-repayment of loans, depreciation, lack of funds for technology updates, under utilization of vehicles. These factors negatively impact the APSRTC's Nellore Region total performance is all aspects, hence there is a need to assess the performance is all aspects i.e., financial, operational and physical.

### Objectives:

The main objective of this research paper is to assess the performance evaluation of APSRTC Nellore region in Financial, Operational and Physical aspects.

### Research Methodology:

The research proposal uses secondary sources of data for the study. Secondary information is collected from A.P.S.R.T.C., Nellore region office and research journals.

### Financial Performance of APSRTC Nellore Region:

Financial performance is a thorough evaluation of a organization's financial health, encompassing assets, liabilities, revenue, expenses, equity and profitability. The analysis helps organization to improve capital structure, increase revenue, enhance cash flow and reduce expenses.

Table -1 represents the financial performance of RTC Nellore region from 2017-18 to 2021-22. The earnings realized were Rs.31726.42 lakhs in 2017-18, increased to Rs. 33574.96 lakhs in 2018-19 and decreased to Rs. 23723.01 lakhs in 2021-22. In 2017-18 the earnings per km were 27.43 Ps/km and increase to 29.26 Ps/km in 2019-20 decreased to 28.38 Ps/km in 2021-22. The earnings per bus were Rs.10443 per day in 2017-18, increases to Rs. 10924 per day in 2018-19 and decreased to Rs. 10327 per day in 2021-22.

The total income for 2017-18 was Rs.39070.75 lakhs and increased to Rs. 41825.40 lakhs in 2018-19 and increased to Rs. 24741.92 lakhs in 2021-22. The total earnings per kilometer was 3378 Ps/km and increased to 3604 Ps/km and decreased to Rs. 3355 Ps/km in 2021-22. The total expenditure was Rs.44,008.27 lakhs in 2017-18 and increased to Rs. 47,588.45 lakhs in 2018-19 and decreased to Rs. 46549.56 lakhs in 2021-22. The total cost per kilometer was 3805 Ps/km in 2017-18 and increased to 7799 Ps/km in 2020-21, and decreased to 6312 Ps/km in 2021-22. The profit and loss in 2017-18 was Rs.-4937.52 lakhs and increased to Rs.-5763.05 lakhs in 2018-19 and increased to Rs.-21807.64 in 2021-22.

Table 1: Financial Performance of APSRTC Nellore Region during 2017-18 to 2021-22.

| Parameter                   | Unit   | 2017-18  | 2018-19  | 2019-20  | 2020-21  | 2021-22  |
|-----------------------------|--------|----------|----------|----------|----------|----------|
| Earnings Realized           | Rs/Lks | 31726.42 | 33574.96 | 33159.78 | 15536.5  | 23723.01 |
| Earning Per Kilometer       | Ps/KM  | 27.43    | 28.93    | 29.26    | 28.88    | 28.38    |
| Earning Per Bus             | Rs/Day | 10443    | 10924    | 10580    | 10258    | 10327    |
| Total Income                | Rs/Lks | 39070.75 | 41825.4  | 40307.36 | 18395.17 | 24741.92 |
| Total Earning Per Kilometer | Ps/Km  | 3378     | 3604     | 3560     | 3419     | 3355     |
| Total Expenditure           | Rs/Lks | 44008.27 | 47588.45 | 45624.14 | 41960.92 | 46549.56 |
| Total Cost Per Kilometer    | Ps/Km  | 3805     | 4101     | 4029     | 7799     | 6312     |
| Profit / Loss               | Rs/Lks | -4937.52 | -5763.05 | -5316.78 | -23565.8 | -21807.6 |

Source: APSRTC Nellore Region Annual Reports from 2017-18 to 2021-22.

In the assessment period, the earning realized decreased Rs.8003.41 in lakhs and the total earnings per kilometer increased by Rs.0.95. The earning per bus decreased by Rs. 116 and the total income decreased by Rs. 14328.83 lakhs in the study period. The total earnings per kilometer decreased to 23 Ps/km from 2018-19 to 2021-22. The total expenditure increased by Rs. 2541.29 lakhs and the cost per kilometer increased to 2507 Ps/km. The total loss in the study period was Rs.-61390.75 lakhs in the study period.

### Operational Performance of APSRTC Nellore Region:

Operational performance is the systematic evaluation of an organization's plan implementation to achieve desired outcomes, focusing on anticipating and optimizing various management points to ensure successful implementation.

Table-2 presents that, the operational performance of the corporation in terms of selected indicators from 2017-18 to 2021-22. The percentage of fleet utilisation for the Nellore region was 99.58% in 2017–18, increased to 99.61% in 2019–20, decreased 47.17 in 2020–21, and increased 81.28 in 2021–22. The kilometer operated in 2017-18 was 1156.48 km/lks and decreased to 538.05 km/lks in 2020-21 and increase 835.95 km/lks in 2021-22. The occupancy ratio in 2017-18 was 73%, increase to 77% in 2018-19 and decrease 62% in 2021-22.

The vehicle utilization in 2017-18 was 381 kilometer per day, decrease to 355 kilometer per day in 2020-21 and increase 364 kilometer per day in 2021-22. The total cancellation was 4.26% in 2017-18 and increase 48.67% in 2020-21 and decrease 27% in 2021-22. The high speed diesel kilometer per liter in 2017-18 was 5.64 kilometer per liter, and increase 5.73 kilometer per liter in 2021-22. The lube oil kilometer per liter in 2017-18 was 2590 kilometer per litre, and increase 2612 kilometer per litre 2021-22. The spring consumption was 21 kgs in 2017-18 and increase to 48 kgs in 2021-22.

The Mechanical Cancellation in 2017-18 was 0.03% and decrease 0.02% in 2021-22. The average tyre life kms/lakhs in 2017-18 was 2.03 lakhs kilometers and increase 2.5 lakhs kilometers in 2021-22. The RC tyre life in 2017-18 was 0.56 lakhs kilometers and increased to 0.74 lakhs kilometers in 2021-22. The retain tyre factor in 2017-18 was 2.08% and decrease 1.85% in 2021-22. The percentage of new tyre scrap in 2017-18 was 1.38% and decreases to 1.25% in 2021-22.

Table -2: Operational Performance of APSRTC Nellore Region during up to 2017-18 to 2021-22

| Parameter                             | UNIT      | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---------------------------------------|-----------|---------|---------|---------|---------|---------|
| % of Fleet Utilization                | (%)       | 99.58   | 99.52   | 99.61   | 47.17   | 81.28   |
| Kilometer Operated.                   | KMs/Lks   | 1156.48 | 1160.38 | 1133.42 | 538.05  | 835.95  |
| Occupancy Ratio                       | (%)       | 73      | 77      | 73      | 63      | 62      |
| Vehicle Utilization                   | KMs/Day   | 381     | 378     | 362     | 355     | 364     |
| Total Cancellation                    | (%)       | 4.26    | 4.11    | 6.71    | 48.67   | 27      |
| High Speed Diesel Kilometer per Litre | KMs/Ltrs. | 5.64    | 5.73    | 5.64    | 5.73    | 5.73    |
| Lube oil Kilometer per Litre          | KMs/Ltrs. | 2590    | 2612    | 2590    | 2612    | 2612    |
| Springs Consumption                   | Kgs       | 21      | 30      | 30      | 29      | 48      |
| Mech.Cancellation.                    | (%)       | 0.03    | 0.03    | 0.02    | 0.01    | 0.02    |
| Break Down Rate                       | NOs.      | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    |
| Avg.Tyre Life                         | KMs/Lks   | 2.03    | 2.11    | 2.28    | 2.41    | 2.5     |
| New Tyre Life                         | KMs/Lks   | 1.05    | 1.14    | 1.1     | 1.16    | 1.16    |
| Reduction in consumption in Tyre Life | KMs/Lks   | 0.56    | 0.57    | 0.62    | 0.71    | 0.74    |
| Retain tire factor                    | (%)       | 2.08    | 2.04    | 2       | 1.88    | 1.85    |
| New tire scrap rate                   | (%)       | 1.38    | 1.63    | 1.3     | 1.11    | 1.25    |

Source: APSRTC Nellore Region Annual Reports from 2017-18 to 2021-22.

In the assessment period, the total percentage of fleet utilization decrease to 18.3%; the total kilometer operated decrease 320.53 lakhs kilometers; The total occupancy ratio reduce 11%; the total vehicle utilization decreases to 17 kilometer per day, The total cancellation increases to 22.74 %; the the total lube oil kilometer per liter increase 22 kilometers/ltrs.; The total spring consumption decreases 27kgs, The Mechanical cancellations decreased by 0.01% during 2017-18 to 2021-22. The total average tire life increased by 0.47 lakhs kilometers; new tire life kilometers/lakhs increased by 0.11, reduction in consumption tire life increased by 0.18 lakhs kilometers, retain tyre factor decreased by 0.23%, and the percentage of new tyre scrap rate decreased by 0.13% during assessment period.

### Physical Performance of APSRTC Nellore Region:

The APSRTC Nellore region has 10 depots, covering 37 mandals; connecting 711 villages; operating 229 routes as per 2021-22.

Table-3 displays the physical performance of APSRTC Nellore region from 2017-18 to 2021-22. The region APSRTC has Schedules 773 in 2017-18 and increase 793 in 2019-20 and decreases to 761 in 2021-22. Fleet held was 829 in 2017-18 and increase 868 in 2019-20 and decreases to 825 in 2021-22.

Want of crew was 0.06% in 2017-18 and increase 0.09% in 2019-20 and decreases to 0.03% per day in 2021-22.

Table 3: Physical Performance of APSRTC Nellore Region during 2017-18 to 2021-22

| Parameter                    | Unit | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|------------------------------|------|---------|---------|---------|---------|---------|
| Schedules                    | Nos. | 773     | 784     | 793     | 787     | 761     |
| Fleet Held RTC               | Nos. | 829     | 846     | 868     | 851     | 825     |
| Want of Crew                 | (%)  | 0.06    | 0.07    | 0.09    | 0.02    | 0.03    |
| Rate of Accident             | Nos. | 0.07    | 0.05    | 0.06    | 0.06    | 0.04    |
| Staff to Bus Ratio (on Sch.) | Nos. | 5.86    | 5.64    | 5.56    | 5.48    | 5.4     |
| Staff to Bus Ratio (on Held) | Nos. | 5.38    | 5.14    | 4.98    | 4.97    | 5.04    |
| Crew Utilization             | KMs  | 188     | 194     | 200     | 103     | 118     |
| Empl. Productivity           | KMs  | 69      | 71      | 73      | 37      | 43      |

**Source:** APSRTC Nellore Region Annual Reports from 2017-18 to 2021-22.

Rate of accident was 0.07 in 2017-18 and decreases to 0.04 per day in 2021-22. Staff to Bus Ratio (on schedule) was 5.86 in 2017-18 and decrease 5.4 in 2021-22. Staff to Bus Ratio (on held) was 5.38 and decreases to 5.04 per day in 2021-22. Crew utilization was 188 kms in 2017-18 and decrease 118 kms in 2021-22. Employee productivity was 69 kms in 2017-18 and decrease 43 kms per day in 2021-22.

### Findings:

1. In the assessment period, the earning realized decreased Rs.8003.41 in lakhs and the total earnings per kilometer increased by Rs.0.95. The earning per bus decreased by Rs. 116 and the total income decreased by Rs. 14328.83 lakhs in the study period. The total earnings per kilometer decreased to 23 Ps/km from 2018-19 to 2021-22. The total expenditure increased by Rs. 2541.29 lakhs and the cost per kilometer increased to 2507 Ps/km. The total loss in the study period was Rs.-61390.75 lakhs in the study period.
2. In the assessment period, the total percentage of fleet utilization decrease to 18.3%; the total kilometer operated decrease 320.53 lakhs kilometers; The total occupancy ratio reduce 11%; the total vehicle utilization decreases to 17 kilometer per day, The total cancellation increases to 22.74 %; the the total lube oil kilometer per liter increase 22 kilometers/ltrs.; The total spring consumption decreases 27kgs, The Mechanical cancellations decreased by 0.01% during 2017-18 to 2021-22. The total average tire life increased by 0.47 lakhs kilometers; new tire life kilometers/lakhs increased by 0.11, reduction in consumption tire life increased by 0.18 lakhs kilometers, retain tyre factor decreased by 0.23%, and the percentage of new tyre scrap rate decreased by 0.13% during assessment period.
3. The assessment period, the total schedules decreased 12; want of crew decreased 0.03 percent; the rate of accident decreased 0.03. During 2017-18 and 2021-22 the total BSR (on-schedule) decreased 0.46; the total BSR (on-held) decreased 0.34; crew utilization decreased 70 kms and employee productivity decreased 26 kms. These changes reflect a decline in the overall workforce and productivity.

### Suggestions:

1. It is suggested that the APSRTC authorities and Govt. of Andhra Pradesh should take necessary steps and make policies to improve earning realized ; total earning per bus; and total income and to decrease total expenditure and to decrease losses to improve financial performance.
2. It is recommended that the APSRTC authorities should take necessary actions to improve percentage of fleet utilization; kilometers operated; occupancy ratio; vehicle utilization; and reduce total cancellation percentage to improve the operational performance of APSRTC.
3. It is suggested that, the APSRTC authorities should concentrate to increase total schedules want of crew per day. It is suggested that the authorities should take necessary steps to improve crew utilization and employee productivity to improve the physical performance of APSRTC.

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