



PERFORMANCE EVALUATION: A CASE STUDY OF ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

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:

Transportation is crucial for the long-term progress of any region or country. The Andhra Pradesh State Road Transport Corporation was established in 1958 and has grown significantly since its inception. It has 129 depots, 50,415 employees and 10,412 buses, covers over 75 lakh kilometres and carries over 1.5 lakh passengers daily as per 2021-22. The corporation faces financial and operational challenges due to competition, government lenience, and operational dilemmas. Factors contributing to this include heavy competition from private sector operators, lack of professionalism, lack of administration conviction, and objective direction in turnaround strategies. The objective of the study is to assess the financial, physical, and operational performance of APSRTC during 2017-18 to 2021-22.

To fulfil the objective the secondary data was collected from A.P.S.R.T.C., Vijayawada, books, journals and publications. This work divided into three areas and analyses the performance evaluation of APSRTC concluded with suggestions.

Key words: APSRTC Financial, Operational, Physical performance.

Introduction:

Transportation is crucial for the movement of people, goods and materials across various infrastructure systems, ensuring the long-term progress of any region or country. It is considered a top priority for society to fulfil economic, social and cultural needs as economic compulsions have become a "mobility factor." Therefore, transportation is essential for achieving lasting progress.

Andhra Pradesh State Road Transport Corporation (APSRTC) was established on January 11th, 1958, following the Planning Commission's recommendations. The corporation had a fleet of 609 buses, 16 depots and 5081 employees at the time of its formation. Under the Road Transport Corporations Act of 1950, the APSRTC took over assets and liabilities from its predecessor, the Andhra Pradesh State Road Transport Department. APSRTC began operations in 1932 with 27 buses and 166 employees. Over time, it expanded to 204 buses operating from over 700 stations and depots. The corporation covers over 75 lakh kilometres and carries over 1.5 lakh passengers. It has over 20 regional managers and seven zones, with its headquarters in Hyderabad. After state bifurcation state it has divided in to Andhra Pradesh State Road Transport Corporation and Telangana State Road Transport Corporation.

In the year 2021-22 the APSRTC has 129 depots, 50,145 employees and operating 10,412 buses. It covers 90,295 trips daily, earning Rs.1585.5 cores and maintaining average daily earnings of Rs.1585.5 cores. The corporation operates 36.14 lakhs passengers daily, maintaining arrival punctuality of 71.63% and departure punctuality of 94.07%. However, it operates with a loss of Rs.1146 crores as of 31-Apr-2022. APSRTC operates 42 lakh kilometres daily with 12,000 buses and transports 62 lakh passengers daily.

Advancements in mobile technology and APP-based solutions offer potential for developing a comprehensive unified solution to cover all APSRTC business activities, including passenger ticketing, cashless payments, central command stations, bus passes, courier and parcel booking, vehicle tracking, and passenger information systems.

Need of the Study:

The study aims to evaluate the performance of APSRTC with an exceptional focus on turnaround. The corporation faces difficulties in acquiring new customers and retaining existing ones due to fierce competition from private transport companies. With advanced technology in booking services and information about travel availability, customers are becoming more dynamic. This indicates a severe competition among transport companies to attract fleeting customers with transient brand loyalty.

Objectives:

The objective of the research paper is to evaluate the financial, operational and physical performance of APSRTC.

Research Methodology:

This research study collected secondary data from A.P.S.R.T.C., Vijayawada, including books, journals, periodicals, magazines and publications.

Performance Evaluation of APSRTC:

The performance evaluation of APSRTC is discussed in three aspects like financial, operational and physical during 2017-18 and 2021-2022.

Financial Performance of APSRTC:

Financial performance is a comprehensive analysis of a corporation's financial health, focusing on assets, liabilities, revenue, expenses, equity and profitability. The analysis helps firms improve capital structure, increase revenue, enhance cash flow and reduce expenses. Table-1 examines the financial performance of APSRTC between 2017-18 and 2021-2022. The traffic earning were Rs. 4507.53 crores in 2017-18, increased to Rs. 4842.53 crores in 2018-19; decreased to Rs. 2217.86 crores in 2020-21 and increased to Rs. 3448.93 crores in 2021-22. The average basic fare was 82.8 paise in 2017-18, decreased to 80.8 paise in 2018-19, and increased to 99.49 paise in 2021-22. In 2017-18, the occupancy ratio was 72.96%; increased to 77.75% in 2018-19 and decreased to 63.57% in 2021-2022.

In 2017-18, the earning per kilometer was Rs. 10,567; in 2018-19, it increased to Rs. 11,208 and decreased to Rs. 8,325 in 2021-22. In 2017-18 the gross income was Rs.5,582.73 crores, which increased to Rs. 6023.17 crores in 2018-19 and decreased to Rs.4189.27 crores in 2021-22. The loss was Rs. -1205.39 crores in 2017-18; it decreased to Rs. -961.28 crores in 2018-19. In 2019-20 the profits were Rs.1252.90 crores and in 2020-2021 the losses are Rs.-2982.33 crores and in 2021-2022 the losses are Rs.-2943.64 crores. Gross earnings per kilometer were 3571 paise in 2017-18 and increased to 3638 paise in 2021-22. In 2017-18, the gross cost per kilometer was 4341 paise, increased to 6195 paise in 2021-22.

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

Parameter	Unit	2017-18	2018-19	2019-20	2020-21	2021-22
Traffic earning	Rs./Crs.	4507.53	4842.53	4781.81	2217.86	3448.93
Average basic fare	PS.	82.8	80.8	99.49	99.49	99.49
Occupancy ratio	%	72.96	77.75	75.32	63.98	63.57
Traffic Earning per Kilometer	Rs.	10567	11208	10998	6112	8325
Gross income (P&L)	Rs./Crs.	5582.73	6023.17	5846.77	2691.79	4189.27
Profit/loss	Rs./Crs.	-1205.39	-961.28	1252.90	-2982.33	-2943.64
Gross Earning Per kilometer	PS.	3571	3822	3828	3656	3638
Gross cost per kilometer	PS.	4341	4432	4649	7706	6195

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

In the assessment period, total traffic earning decrease of Rs.1058.6 crores, the average basic fare increases 16.69 paise. The occupancy ratio was decreased 9.39% and the traffic earning per kilometer decreases to Rs. 2242. The gross income decreases to Rs.1393.46 crores and the total loss was 6839.74 crores in the study period. The gross earnings per kilometer increases to 67 paise and gross cost per kilometer increased to 1854 paise in the study period.

Operational Performance of APSRTC:

The operational performance is the process of tracking and evaluating how well an organization's plan is being implemented to make sure the desired outcomes are obtained. It entails looking forward in order to better predict and comprehend how to maximize the several management points.

Table-2 presents that, the operational performance of the corporation in terms of selected indicators from 2017-18 to 2021-22. Operating kilometers in 2017-18 were 156.34 crores km and increased to 157.63 crores km in 2019-20, it showed a decline of 115.3 crores km in 2021-22. Vehicle utilization was 366 km per day in 2017-18, decrease to 203 km in 2020-21 and increased by 279 km per day in 2021-2022. In 2017-18 the average seating capacity was 47.72 percent and it decreases to 47.29 percent in 2021-22. The cancellation rate was 3.91 percent in 2017-18; it increased to 51.66 percent in 2020-21 and it decreases to 22.76 percent in 2021-22.

In 2017-18 fleet utilization was 99.63%; it increased to 99.71% in 2018-19; decreased to 47.67% in 2020-2021 and increases to 84.97% in 2021-22. The daily passenger carried per day was 66.4 lakhs in 2017-18; increased to 71.29 lakhs in 2018-19 and decreased to 24.76 lakhs in 2021-2022. The tyre life increased from 2.01 km/Lkhs in 2017-18 to 2.35 km/Lkhs in 2021-22. In 2017-18 the accident rate was 0.08 percent in 2017-18 and it decreased to 0.06 percent in 2021-22. In the assessment period, the kilometers operated decreased 41.04 crores kms and vehicle utilisation decreased to 87 km. The cancellations increased to 18.85 percent; the passenger carried per day decreased by 41.64 lakhs and accident rate decreased to 0.02 per cent during 2017-2018 to 2021-2022.

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

Parameter	Unit	2017-18	2018-19	2019-20	2020-21	2021-22
Kilometers operated	Crs	156.34	157.63	152.74	73.69	115.3
Vehicle utilization	Kms	366	365	351	203	279
Average Seating capacity	%	47.72	47.72	47.29	47.29	47.29
Cancellations	%	3.91	5.18	5.41	51.66	22.76
Feet utilization	%	99.63	99.71	99.55	47.67	84.97
Passenger carried per day	In Lks	66.4	71.29	70.05	28.81	24.76
High Speed Diesel Kilometer per Litre	Kmr/Ltr.	5.23	5.2	5.1	5.28	5.25
Tyre life	Kms/Lks	2.01	2.06	2.13	2.25	2.35
Accident rate	%	0.08	0.08	0.06	0.06	0.06
Break down rate	%	0.04	0.04	0.03	0.03	0.04

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

Physical Performance of APSRTC:

This section provides an overview of the physical performance of the Andhra Pradesh State Road Transport Corporation. In Andhra Pradesh, the APSRTC has 129 depots, covering 13 districts with having 4 zones; 50,145 employees; operating 3,800 routes and 10,412 buses. It covers 90,295 trips daily, earns Rs.1585.5 cores as per 2021-22.

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

Parameter	Unit	2017-18	2018-19	2019-20	2020-21	2021-22
No. of schedules RTC & Hire	No.	10851	10993	10946	10612	10412
Fleet held RTC & Hire	No.	11763	12027	11834	11439	11236
Employees	No.	54349	53263	51930	51339	50145
Staff to Bus Ratio	No.	5.23	4.93	4.9	4.97	4.93
Crew utilization	Kms.	191	200	206	95	165
Employee productivity	Kms.	67	70	73	35	58
New buses						
A) augmentation	No.	46	136	62	25	0
B) replacement	No.	906	775	432	229	0

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

Table-3 displays the physical performance of APSRTC from 2017-18 to 2021-22. The No. of schedules RTC & Hire in 2017-18 were 10,851; it increased to 10,993 in 2018-19 and decreases to 10,412 in 2021-22. The Fleet held RTC & Hire was 11,763 in 2017-18; increased to 12,027 in 2018-19 and decreased to 11,236 in 2021-2022.

Between 2017-18 and 2021-22, the number of employees decreased from 54,349 to 50,145. The staff to bus ratio was 5.23 in 2017-18 and decreases to 4.93 in 2021-22. Crew utilization was 191 km per day in 2017-18, increases to 206 km per day in 2019-20 and decreases to 165 km in 2021-2022. The employee productivity 67 kms in 2017-18 and decreased 58 kms in 2021-22. The augmentation buss 46 in 2017-18, increased to 136 in 2018-19 and decreased 25 in 2020-21 and 0 in 2021-2022. The replacement buses was 906 in 2017-18, decrease 229 in 2020-21 and 0 in 2021-22.

The assessment period, No. schedules RTC & Hire decreases 439 per day; the fleet held RTC & Hire per day decreased to 527. The employees are decreased to 4204 and crew utilization decreased to 26 km per day during assessment period. During 2017-18 and 2021-22 the employee productivity was decreased by 9 km per day and the augmentation & replacement of new buses are nil in 2021-22. These changes reflect a decline in the overall workforce and productivity.

Findings:

1. In the assessment period, total traffic earning decrease of Rs.1058.6 crores, the average basic fare increases 16.69 paise. The occupancy ratio was decreased 9.39% and the traffic earning per kilometer decreases to Rs. 2242. The gross income decreases to Rs.1393.46 crores and the total loss was 6839.74 crores in the study period. The gross earnings per kilometer increases to 67 paise and gross cost per kilometer increased to 1854 paise in the study period.
2. In the assessment period, the kilometers operated decreased 41.04 crores kms and vehicle utilisation decreased to 87 km. The cancellations increased to 18.85 percent; the passenger carried per day decreased by 41.64 lakhs and accident rate decreased to 0.02 per cent during 2017-2018 to 2021-2022.
3. The assessment period, No. schedules RTC & Hire decreases 439 per day; the fleet held RTC & Hire per day decreased to 527. The employees are decreased to 4204 and crew utilization decreased to 26 km per day during assessment period. During 2017-18 and 2021-22 the employee productivity was decreased by 9 km per day and the augmentation & replacement of new buses are nil in 2021-22. 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 traffic earning; occupancy ratio; earning per kilometer; gross income and to decrease losses to improve financial performance.
2. It is recommended that the APSRTC authorities should take necessary steps to improve kilometers operated per year, vehicle utilization per day; to reduce cancellations; to increase passenger carried per day to improve the operational performance of APSRTC.
3. It is suggested that, the APSRTC authorities should concentrate to increase No of schedules and fleet per day. It is recommended that the government should recruit employees based requirement immediately. It is suggest that the authorities should take necessary steps to improve crew utilization; increase employee productivity and increase and replace with new buses to improve the physical performance of APSRTC.

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