

PERFORMANCE EVALUATION OF RAJASTHAN STATE ROAD TRANSPORT CORPORATION

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Abstract- Rajasthan state road transport is an important transport service for the public sector. It provides transport service not only in Rajasthan but also in other states of India. The main objective of the corporation's services is public welfare so it provides its services at very low fares and gives many concessions in the fares to PH, Sick, freedom Fighters, widows and the families of soldiers who died in war. It also provides various types of bus services like Ac, Deluxe Volvo etc. The main object of this study is to evaluate its operational and financial condition analysis. We executed a comparative study to using various parameters of the corporation.

Key words- operational performance, financial performance, load factor, earning per kilometers, profit per kilometers.

INTRODUCTION

Rajasthan state road transport was established by the government of Rajasthan on 1st October 1964 under the road transport Act, 1950. The corporation has 56 depots across the state and 3 depots outside the state are Indore, Ahmedabad and Delhi. It provides various bus services to passengers viz Ac, Volvo, Deluxe, Express, Ordinary, A /C Sleeper, Volvo- services in fleet for all category of passengers. It has approx. 5000 buses in its fleet and it also covers 14 lakh average km. per day. It provides transport services for approx. 8 lakh average passengers per day. The board of the corporation has one chairman and 11 operators. The main objective of the study is to analyses the economic performance of RSRTC ,and operational and financial parameters of the corporation.

LITREATURE REVIEW

Doron Nissim & Stephen H Peman (1999)

In their research article used financial statement as a tool for equity valuation for financial performance analysis. In addition, they include standard profitability ratios. Financial statement analysis is used as a tool to make predictions about the financial situation of a firm in the future.

Mukesh Anand(2009)

In his study he examined three specific depots operated by the Rajasthan State Road Transport Corporation. He has done a comparative study keeping in view their cost and revenue.

Sanjay Tiwari(2011)

Examined the Haryana State road transport undertaking using by comparative financial performance analysis. The study is based on many variable viz net profit/loss, total revenue, fuel and lubricant cost, staff costs, tires and tubes cost etc.In his study found that several state road transport undertakings has been suffering from financial distress and the main causes of financial distress is bureaucratic structure and organization.

Dr. Sachin Agarwal, Dr. Vk Gupta(2015)

In their paper he describes the financial statement of RSRTC through financial analysis. They states that financial analysis can be done through ratio analysis, comparative analysis, and trend analysis. This study examines the long term earnings and liabilities. In which they have found that RSRTC is incurring loss on a regular basis because their expenses are more than their income.

Mr.Ingle Sngapal Prkash (2016)

studied about the various problem of Maharashtra state road transport corporation .He found that MSRTC is facing various problems viz increasing accidents, managerial inefficiency ,unemployment, competition from private transport and the increasing burden of social responsibilities etc.

G.V. Chalam and Dr. Nohmaan Ali(2016)

In their study, different zones of APSRTC a comparative study has been done and it has been concluded that the fleet utilization is satisfactory due to the efficiency of the organization. Apart from this, the corporation has given the best performance in the condition of roads, purity of diesel, controlling accidents and breakdowns.

Objective of the study

- To evaluate the operational and financial performance of RSRTC through financial statement analysis.

Scope of study

The present study is confined to operation management of passenger transport services of RSRTC. To evaluate the data from 2010 to 2016. The study also covers those aspects which are related to operational efficiency of RSRTC. In this study we focus on analyzing the various factors that are operational performance indicators like fleet held, operated, utilization of buses both hired and owned vehicle, load factor, rate of accident, ratio of breakdown, Desial and Oil top up per kilometer, etc. and further discussed in the study the financial variable like earning per kilometers and profits per kilometers.

Research Methodology- The study is based on secondary data collected from bulletins, Annual Reports of RSRTC government document, Rajasthan Economic survey, books, websites, newspapers and magazine etc. The time period of the study is from 2010 to 2016.

Table-1 Comparative analysis on fleet held, fleet operated, fleet utilization of selected years from 2010-11 to 2015-16

Year	Fleet held		Fleet (operated)no.	Fleet Utilization%
	Corporate	Hired		
2010-11	4357	119	4476	4162.68
2011-12	4314	69	4383	4120.02
2012-13	4271	209	4480	4076.80
2013-14	4451	223	4674	4206.60
2014-15	4493	211	4704	4327.68
2015-16	4343	186	4529	4030.81

Table-1 presents fleet utilization has been obtained through fleet held and fleet operated by the corporation. In which we have come to know that the fleet has been used efficiently by the corporation. The maximum fleet held by the corporation was in 2014-15 and the minimum held fleet was in 2011-12. The fleet operation of the corporation, it was maximum in the year 2014-15 and the minimum in the year 2012-13. Based on the above data the fleet utilization was highest in the year 2011-12 and the minimum utilization was in the year 2013-14. We got a clear picture of the corporation's fleet utilization which reveals the efficiency of the corporation.

Table-2 Comparative analysis on Kms. operated and Vehicle utilization of the selected year from 2010-11 to 2015-16.

Year	Kms operated (in lakhs)	Vehicle utilization (kms)
2010-11	5992.01	394
2011-12	6066.24	405
2012-13	5024.33	397
2013-14	5995.81	391
2014-15	6262.23	397
2015-16	5902.37	402

Table-2 On the basis of the above figures, we came to know that the operated kilometer of the corporation was the maximum in 2014-15 and the minimum operated kilometer was in 2012-13. Apart from this, if we talk about the vehicle utilization, it was maximum in 2011-12 and minimum in 2013-14. Vehicle utilization is the number of kilometers per vehicle driven on the road per day. It represents the operational efficiency of the vehicle utilization. The higher vehicle utilization shows to the reduction of the fixed cost of the corporation.

Table-3 Comparative analysis on earnings (EPK), and load factor of select years from 2010-11 to 2015-16

Year	Earning (in cr.)	Rate of earning (paisa)	Load factor
2010-11	1217.42	2032	74
2011-12	1398.63	2306	73
2012-13	1443.32	2445	72
2013-14	1610.45	2686	74
2014-15	1833.79	2928	73
2015-16	1707.56	2893	73

Table-3 Based on given data, the total gross income of the corporation was maximum in 2014-15 and minimum in 2010-11. Load factor shows the average load on a bus route. It is affected by various factors such as the type of routes; time of operation, availability of alternative modes of transport etc. The higher load factor shown the more profitable in the operation. Fleet utilization, vehicle utilization are only indicator of performance but the load factor has direct impact on revenues.

Table-4 Comparative analysis of the rate of accidents and rate of breakdowns from 2010-11 to 2015-16

Year	Rate of accidents (no.)	Rate of Breakdown(no.)
2010-11	.08	.13
2011-12	.07	.18
2012-13	.07	.18
2013-14	.08	.13
2014-15	.06	.13
2015-16	.06	.18

Table-4 The main aim of RSRTC is to provide an efficient, adequate and economical services to the public. The services provided by the corporation has been evaluated on the basis of accident rates and breakdown rates. Based on the given figures, the minimum accident rate of the corporation is .06, while the maximum accident rate is .08 . Breakdown means the stoppage of the vehicle on the road which may be due to mechanical fault or due to other failures. A breakdown not only leads to inconvenience to the passengers but also causes loss of revenue to the corporation. Based on the given data, the maximum breakdown occurred in 2011-12 and the minimum breakdown occurred in 2014-15.

Table-5 Comparative analysis on oil top up and Desial average per k.m from 2010-11 to 2015-16.

Year	Oil top up per km	Desial average per km
2010-11	5204	5.05
2011-12	5328	4.97
2012-13	5066	4.93
2013-14	5366	4.93
2014-15	5674	4.93
2015-16	4490	5.01

Table-5 The maximum oil top up used in 2014-15 and the minimum is in 2015-16. Fuel consumption is measured with the help of kilometers driven per liter of Desial, which indicates the efficient usage of Desial in terms of kms run per liter of Desial. The KMPL is calculated by dividing the gross kilometers operated by vehicles by the total Desial consumed. KMPL is affected by a number of factors, both internal and external. The Internal factors such as age of vehicle, condition of vehicle, maintenance of vehicle, driving efficiency etc. are directly under the control of the corporation. The external factors, like road condition, purity of Diesel etc. are outside the control of the corporation.

Table 6 Comparative Analysis of EPK,CPK, Profit/loss per km of selected years from 2010-11 to 2015-16.

Year	Earning per km	Cost per km	Profit/Loss
2010-11	2032	2356	-309
2011-12	2306	2520	-214
2012-13	2445	3015	-570
2013-14	2686	3399	-713
2014-15	2928	3820	-892
2015-16	2893	3727	-834

Table 6 shows the gap between revenue and cost had described the loss situation in a corporation. The maximum loss of the corporation has been in 2014-15 and the minimum loss has been in 2011-12. The reasons for losses are fare concessions to various sections of the society, inadequate replacement of fleet, burden of social obligations, low fare rates, inefficient working of the organization, and operation in uneconomical routes.

Conclusion

The analysis on the year wise performance of the RSRTC reveals

- Fleet utilization reflects the operational status of the corporation. Under the corporation fleet has been operated efficiently but the output is not satisfactory.
- Vehicle utilization is measured in terms of the kilometers obtained per vehicle per day. The efficiency of vehicle utilization reduces the fixed cost burden.
- The corporation has also performed better in load factor, the rate of accidents and breakdowns has also reduces. The economic performance of the RSRTC is disappointing because it gives fare concessions to various sections of the society, inadequate replacement of fleet, burden of social obligations, low fare rates, inefficient working of the organization, operation in uneconomical routes.
- Cost of the corporation is more than its profits. The corporation must focus on the earnings and must reduce the expenditure.

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