

## **Chapter-V**

### **APSRTC – PROFILE AND PERFORMANCE**

#### **SECTION – A**

#### **Profile and Organisation**

A.P. State Road Transport Corporation is the focus organization of the present study. The profile and organization of the corporation and the performance scenario over the years constitute the subject matter of the present chapter. The chapter is presented in three sections – Section A, B and C. The profile and organization of the APSRTC is presented in Section-A covering introduction and genesis, nationalization of road transport services in Andhra Pradesh, passenger services of APSRTC, the social responsibility focus of the Corporation, the distinctive status of the Corporation, the organizational structure and the administration. Section-B presents the operational scenario and performance of APSRTC in terms of fleet utilization, route kilometers, composition of revenue and cost, bus productivity, economics of operation etc.,

Financial position and performance of the APSRTC is the theme of Section-C. It presents the capital structure analysis, the position of investments and borrowings, fixed assets composition, credit strength of the Corporation etc., In addition, a ratio analytical evaluation on the performance of the Corporation is also prominently focus on the trends in the performance track of the Corporation.

## **Introduction and Genesis**

The progress of the State depends upon the degree of mobility provided to the people by the government. Road transportation plays a crucial role in the state in ensuring mobility of people for economic and social development. Public transport forms the backbone of the transportation. APSRTC is an organisation committed to the man on move and society at large and had started service in June, 1932 as a unit of Nizam State Railways and as Road Mechanical Transport Services Division with 27 buses brings the transportation to the door step of the villages of the state contributing to the overall development of the state.

The State of Andhra Pradesh earlier consisted of two regions, the Telangana region which consisted of Nine Districts of Old Hyderabad State and the Andhra region, comprising of Eleven Districts. In the Telangana area Road Transport Services were run by Nizam's State Railway since the year 1932. In the initial stages these services were run by the Commercial Department of Nizam's Railway. A full-fledged department popularly known as Road Transport Department (RTD) was however formed in the year 1936 to run and expand Nationalised Services throughout the Nizam's dimensions. In the year 1950 the Nizam's State Railway got merged with the Indian Railways on an agency basis till 31<sup>st</sup> October, 1951.

The Road Transport Department was run as Government Department of the Hyderabad State. Soon after taking over control from the Railway the Government of Hyderabad decided to form a Corporation but unfortunately this could not be done. After the reorganization of the state and the consequent formation of Andhra Pradesh State, Road Transport Department continued to work as a Government Department with its services operating only in Nine Districts of Telangana. The private operators were running their buses in the Andhra area. The Government was denationalizing the bus services in Telangana and setting the clock back or of extending nationalization to the rest of 11 Districts of the State.

In pursuance of the above decision and recommendations of the Planning Commission that wherever Road Transport Services are run by a State, a Corporation should be formed so that it may provide the necessary economy and lead to a more efficient administration, the APSRTC was established with effect from 11<sup>th</sup> January, 1958.

The Introduction of Nationalised Services in the Andhra Area started in a phased programme in Krishna District from 01<sup>st</sup> April, 1958. The Vijayawada, Guntur routes were the first nationalised routes with the introduction of 45 buses. The nationalisation was completed in Krishna District on 10<sup>th</sup> September, 1959. By then three depots has been set up with a fleet strength of 227 buses. The nationalisation of Krishna District and West Godavari had its set backs on account of the private sectors obtaining stay orders from the Supreme Court. Even before the nationalisation in West Godavari District on 01<sup>st</sup> Day of November, 1960, six depots were established with a total fleet of 24 buses.

The Present Corporation owes its origin to the former Road Transport Department (RTD) of the Nizam State Railways. Historically the proposal for the inception of the RTD originated from the Government rather than from the Railways. The Revenue Department in 1931 expressed the desire “We want throughout the dominion coordinated service with a combined road rail timetable. The Railways had at first ‘no very great inducement’ to undertake road services on a large scale. But, ‘we should say no’, said the Agent, ‘if the Government is convinced that the road agencies must be taken away from the small owner and placed in the hands of a large organization’.

Accordingly, the Nizam State Railways was operating the Road Transport Services in the Old Hyderabad State which included the present 9 Districts of Telangana of Andhra Pradesh State from the year 1932. With 27 buses of 24 seating capacity each, the Passenger Transport was organized as a separate unit by the then Nizam State Railways. The initial stages of the Commercial Department of Railway ran these services. Further, the RTD did not have the status of an independent department except as a fairly self-contained branch of the Commercial Department. In brief, it was organizationally more a part of the Railway’s earnings plan than an independent venture all on its own.

Up to 1951, the Road Transport Department was run as an ancillary to the Railways. Due to the federal financial integration in 1950, the Nizam State Railways were merged with the Indian Railways. Consequently, the Road Transport Department of the former Nizam State Railways was separated and managed by the Indian Railways on an agency basis till 31<sup>st</sup> October, 1951. However, this was terminated and with effect from 1<sup>st</sup> November, 1952, and the State Government managed the RTD through its Home Department.

Later on after taking over from the Indian Railways, the Government of Hyderabad decided from a Corporation under the Road Transport Corporation Act, 1950. Consequent upon the reorganization of States and the formation of Andhra Pradesh State, the Road Transport continued to run the Road Services in the Telangana Region. However, private operators were operating the road transport services in Andhra Region at that time. Thus, the Andhra Pradesh Government was faced with the dilemma of either going for nationalisation of road transport services in the Andhra Region or denationalizing the same in the Telangana Region.

Meanwhile, the Government decided infavour of progressive nationalisation of road transport services in the Andhra Region. Thus, in pursuance of the decision to extend nationalisation to the entire State, and on the recommendations of the Planning Commission that wherever Transport Services are run by a State a Corporation should be formed so that it may provide the necessary economy and lead to more efficient functioning and administration.

The APSRTC was established with effect from 11<sup>th</sup> January, 1958 as per G.O.MS. No.38. Home (Transport) Department, Government of Andhra Pradesh, dated on 6<sup>th</sup> January, 1958. Rules under the Road Transport Corporation Act, (1950), were also framed and issued by the Government. Since, 1958 onwards, the Corporation has been carrying on its activities as a Statutory Corporation providing clean, comfortable, and courteous commuter services at an economic fare to cater the transportation needs of the public with in and outside the State.

## **Nationalisation and Operational Progress of Road Transport Services in Andhra Pradesh**

The Corporation came into existence on 11<sup>th</sup> January, 1958. The programme of nationalisation of Road Transport Services in Andhra Pradesh was carried out in a phased manner. The Passenger Road Transport Services in Krishna district were first attempted to be nationalised from 01<sup>st</sup> April, 1958. However, it could not be implemented due to the private operators obtaining stay order from the Supreme Court. As and when the private operators' license period was over, the Corporation nationalised the Passenger Road Transport Services and completed its work in Krishna District on 10<sup>th</sup> September, 1959.

Soon after the completion of nationalisation of Services in Krishna District, the Corporation moved into the West Godavari District for nationalizing the road services with effect from 01<sup>st</sup> June, 1960. Because of serious setback of the Corporation in Krishna District, the Corporation completed the process of nationalisation on 01<sup>st</sup> November, 1960.

The next phase was taken up in Guntur District with effect from 01<sup>st</sup> January, 1961. However, the private operators obtained stay orders and hence the Corporation could compel the nationalisation into effect only at the end of March, 1962. The Corporation took up Kurnool District in the next phase of the nationalisation program but could not go ahead because of stay orders obtained the private operators. Thus, the Corporation had completed the nationalisation of Road Transport Services in the above three districts with in a span of five years in spite of the fact that there were impediments in the process and the Corporation had to go very slow during the period.

By the end of the Third Plan Period, nationalisation of the Road Transport was almost completed in Nine Districts of Telangana (presently Ten Districts) and Three Coastal Districts of Andhra Area, viz., Krishna, West Godavari and Guntur. As the Corporation could not go ahead in the nationalised Passenger Road Transport Services in Kurnool District due to the stay orders of the Supreme Court, it started operating services in full monopoly, and semi- competitive sectors and full competitive sectors. Consequently, the services of the Corporation were operating on the Southern Side and East Godavari, Visakhapatnam and Srikakulam on the Eastern Side and the services were being introduced in the non-nationalised sector.

By 1969-70, the Corporation had completed nationalisation in 12 out of the then existing 21 Districts of the State. In terms of road coverage, the nationalisation was to the extent of 60.58 per cent. The same increased to 62.02 per cent by 1970-71.

In 1973-74, the Corporation devoted the first half of the year to the consideration of its progress and the second half to the expansion and implementation of nationalisation schemes duly approved by the Government in the Rayalaseema Area. The Corporation during the year had published 275 schemes, of which 208 were implemented by the end of the year. The Corporation formulated proposals for the Fifth Plan period and completed proposed nationalisation of services in the State by the end of the Plan period. Thus, after a gap of nearly ten years, the Corporation could again take up the schemes of nationalisation.

By the 1974-75, the corporation could complete the entire nationalisation of services in 13 districts, i.e., nine Telangana Districts, Krishna, West Godavari, Guntur and Kurnool and partly in the Districts of Prakasam, Cuddapah, Ananthapur, Chittoor, East Godavari and Vizag. The percentage of nationalisation in terms of road coverage works out to 76.11 per cent. The Nationalisation of road services both in terms of routes and buses was the highest from 1973-74 onwards the exceptions being 1974-75 and 1980-81. This Nationalisation has resulted in the phenomenal growth of both the fleet and personnel of the corporation.

The Andhra Pradesh State Government in 1978 had declared its policy of providing bus facilities to all the villages in the State. The APSRTC was entrusted with the responsibility of fulfilling this task. The APSRTC chalked out a time bound programme and connected 1137 villages in the State by the end of June, 1978. Further, 484 schemes involving 512 buses on 777 routes were prepared under Village Link Transport Scheme. These schemes were aimed at providing mechanized transport facility to 3211 unconnected villages in the State with a scheduled 1.22 lakh kilometer range. The decade (1970-1980) had contributed to a massive spurt in the operations of the APSRTC.

In pursuance of the policy of nationalization of the entire passenger road transport services in the State, APSRTC implemented various schemes. By the end of 1981-82, in 15 out of 23 districts in the State, covering the whole of Telangana region and the heartlands of Coastal Andhra and Rayalaseema regions, the operation of APSRTC amounted to a virtual monopoly in the sense that only a few intensive routes and some urban and suburban services excluded from its purview. APSRTC covered about 83 percent of the geographical area of the State, representing 75 percent of the total volume of bus operations in 1981-82.



The APSRTC emerged as the second biggest nationalized transport undertaking in the country in 1981-82, next only to the Maharashtra State Road Transport Corporation (MSRTC). By the end of 1981-82, the APSRTC had a fleet of 7433 buses and employed a total of 65244 employees.

The number of routes operated by the APSRTC increased to 2577 with a route length of 41194 kms by the end of 1981-82. There were 111 operating depots, organized under six regions, operated 62.07 crore vehicle kilometers and carried 128.45 crore passengers during 1981-82. The APSRTC had gross revenues of Rs.195051 crores in 1981-82 and revenue expenses aggregated to Rs.210.37 crores.

During the decade of 1980-90 the APSRTC has laid emphasis on efforts to provide passenger amenities by constructing modern bus stations with waiting halls/space, restaurants, toilet facilities etc., in important towns and cities besides construction of shelters at wayside villages and road junctions. In 1991-92, the APSRTC operated 14264 buses by employing 117835 employees through 177 operating depots controlled by seven regions. The APSRTC buses were operated on 6643 routes covering a route length of 759000 kms. A total of 8301.66 crore seat kilometers were operated and carried 357.09 crore passengers. The gross revenues of APSRTC were 923.49 crores and the total expenditure accounted to Rs.954.62 crores. By the end of 1991-92, the APSRTC was having 324 bus stations and 1265 bus shelters. The important aspect relating to the bus passenger transport during the decade was that, the Government through Motor Vehicles (Amendment) Act, 1988, partly deregulated the road passenger transport and withdrawn the priority and preferential treatment given earlier to the State Owned Transport Undertakings in grant of permits etc. As a result the competition to the APSRTC got intensified.

During 1990s the Corporation concentrated on computerizing all of its activities for the efficient functioning of the organization. In 1994, the APSRTC introduced Metro-Liner and Metro-Express services in its city operations. In 1996, the Corporation introduced climatizers (Air Conditioned buses) on important routes.

It was in the year 1998, the APSRTC introduced air conditioned sleeper coaches by taking lead in introducing such services among the State Transport Undertakings (STUs) in the country. In 1999, APSRTC secured a place in 'Guinness World Record' for owning largest fleet of buses (18397 buses). By the year 2000-01 the APSRTC operated its services with 128796 workforce maneuver 19084 buses in 8631 routes covering a route length of 896642 kms. The Corporation offered 11530.76 seat kilometers by carrying 403.74 crore passengers through its 211 operating depots controlled by 23 regions and 6 zones with the Central Office located at Hyderabad. The gross earnings of the APSRTC rose to Rs.2750.17 crores during the year 2000-01 with 723 bus stations and 1849 bus shelters.

During the decade 2000-10, APSRTC continues to maintain its supremacy in the passenger road transport sector in the world with an effective fleet of 22,780 buses, 773 bus stations, 210 Depots and 1,881 bus shelters up to 31<sup>st</sup> March, 2012. The buses of the Corporation cover 77.48 lakhs kilo meters and carry 136.65 lakhs people to their destinations every day. They connect 23,338 villages to all major towns and cities in A.P which constitutes 83.01 per cent of road transport. APSRTC operates to City and Mofussil areas. The buses of the Corporation also ply to important towns and cities in the neighboring states of Tamilnadu, Karnataka, Maharashtra, Goa, Orissa and Chattisgarh.

### **Intra-State Passenger Services Of APSRTC**

In line with the policy of the State Government directive to provide an efficient, adequate, economical and properly coordinated mass transport system in Andhra Pradesh State, about 95 per cent of the stage carriage sector has been nationalised and brought under the operational orbit of APSRTC.

In pursuant to the policy of the Government to provide mechanized local transport to all villages in the State the Corporation has provided transport facility to 24336 revenue villages in the State which are connected by motorable roads. APSRTC was operating buses on rural, urban/ town and the sub-urban routes in the twin cities of Hyderabad and Secunderabad, Warangal, Vijayawada, Visakhapatnam Tirupathi and Kothagudem towns / cities.

### **Inter -State Passenger Services of APSRTC**

APSRTC is operating 1423 buses on 519 inter-state routes connecting the states of Karnataka, Tamilnadu, Maharashtra, Orissa, Chattisgarh, Goa and Union Territory of Pondicherry. These routes are under operation in pursuance of inter state agreements entered into by the Government of Andhra Pradesh with neighbouring States.

### **Social Responsibility Focus**

APSRTC endeavors to provide free travel /concession in fare to different categories of commuters to travel by its buses operating both in cities / town and mofussil areas as per the policy of State Government. Monthly Season Tickets (MST) are issued to general commuters traveling upto a maximum distance of 100 kms everyday.

These tickets are issued into two types viz., Ordinary MST and Express MST. The rate of this ticket is fixed on the basis of 20 days one up and one down fare allowing the holder to perform travel on all days of the month including Sundays, holidays etc.

Free concessional bus passes issued to different categories of commuters.

<b>Category</b>		<b>Extent of Concession Allowed</b>	
1.	Students below 12 years		100%
2.	Girl students up to X class		100%
3.	Students of High school/College/ Technical & Higher Educational Institutions		
		City	50%
		Rural	35%
4.	Physically handicapped and Escorts (In cities, escorts are charged 15/-per quarter)	City	100%
		Rural	50%
5.	Accredited Journalists	City	100%
		Rural	66.6%
6.	Freedom fighters of A.P.		100%
7.	M.L.As, their spouses and M.Ps of A.P.		100%

The APSRTC has introduced several promotional schemes for specific target groups viz., BARAT (Bus Advance Reservation Any Time), Return Journey Ticket, Tirumala Link Ticket, Travel As You Like Tickets, TREATS (Travel Regularly and Earn Additional Free Trip Scheme), RTC-GIFT (Gain Instant Free Travel Scheme), CAT (Concessional Annual Travel ) Card and Concessions to students, physically challenged, freedom fighters and politicians.

## **APSRTC Distinctive**

The Andhra Pradesh State Road Transport Corporation is a state owned public utility service organisation whose primary objective is to serve the society by providing efficient, economical and reliable transport facility.<sup>1</sup> APSRTC is the largest transport undertaking in the world and has secured a place of distinction in 'Guinness Book Of World Records' and entered number of times. The various aspects of distinctiveness are:

### **1. Largest Road Transport Corporation**

APSRTC has a fleet of 22,780 buses as on 31<sup>st</sup> March, 2012 covering a route length of 77.48 lakhs km daily and a network of 773 bus stations and 1,881 bus shelters. It has 1,15,317 human resource, the highest among the other State Road Transport Corporations (SRTCs).

### **2. Highest Passenger Turnover**

APSRTC transports around 113.82 lakhs people daily.

### **3. Largest Fleet of Buses**

APSRTC operates 22,780 buses daily.

### **4. Bus Fleet Utilisation**

APSRTC put on road 98% of its total effective fleet.

### **5. First Transport Depot**

The bus depot set up was introduced by APSRTC in September 1965.

### **6. First Articulate Double Decker**

APSRTC introduced a semi articulated double deck bus in city services in 1962.

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1 . Dr.Yarlagadda Srinivasulu, Marketing Of Passenger Transport Services, APH Publishing House, New Delhi, 2006, p.100.

## **7. Largest Bus Terminus**

Imlibun Bus terminus of APSRTC at Hyderabad was inaugurated on 11<sup>th</sup> August, 1994. The 8-hectare complex, completed at a cost of Rs.13 crores has 74 platforms for incoming and outgoing busses, a waiting hall of 7,380 sq.mts. and shopping complex of 3,455 sq.mts besides a 5000 sq.mts area for private parking. With 1,690 bus departures daily and computerized reservation facility the station records a turnover of around 1,00,000 commuters every day. APSRTC has 210 bus depots as on 31<sup>st</sup> March, 2012, out of which the first bus depot was computerized as far back as 1986.

## **8. First Indigenous Trailor**

APSRTC introduced an indigenous design trailer on Hyderabad city road in 1972.

## **9. Aerodynamic Bus**

A fuel-efficient aero-dynamic bus was introduced on Nov 26, 1987 by APSRTC.

The Corporation was the first to start the night express services, introduced advance seat reservation system, non-stop services, luxury bus services and air-conditioned sleeper coaches and much ahead of other public sector passenger transport Corporations in the country.

The dedicated services of its workforce, managerial efforts and technical controls have enabled the Corporation to win awards for achieving efficiency in fuel conservation. The Corporation won fuel efficiency (Mofussil & Urban), highest tyre performance award and Transport Minister's Trophy for lowest accident record in 2006-07 and 2007-08.

## **Organisation Of The Corporation**

Organisation is a mechanism which facilitates different people to work effectively together.<sup>2</sup> An effective organisation structure facilitates the process work, systems and people. It is necessary for any business enterprise to create, develop and maintain organisation structure especially for public road transport organisations require a distinct organisational pattern to suit the demands of the passengers. The organisation structure of APSRTC has undergone several changes over the years. Hence, an attempt has been made to study the organizational structure and changes that have taken place since the inception of the public passenger transport in Andhra Pradesh.

## **Organisational Structure in The Beginning**

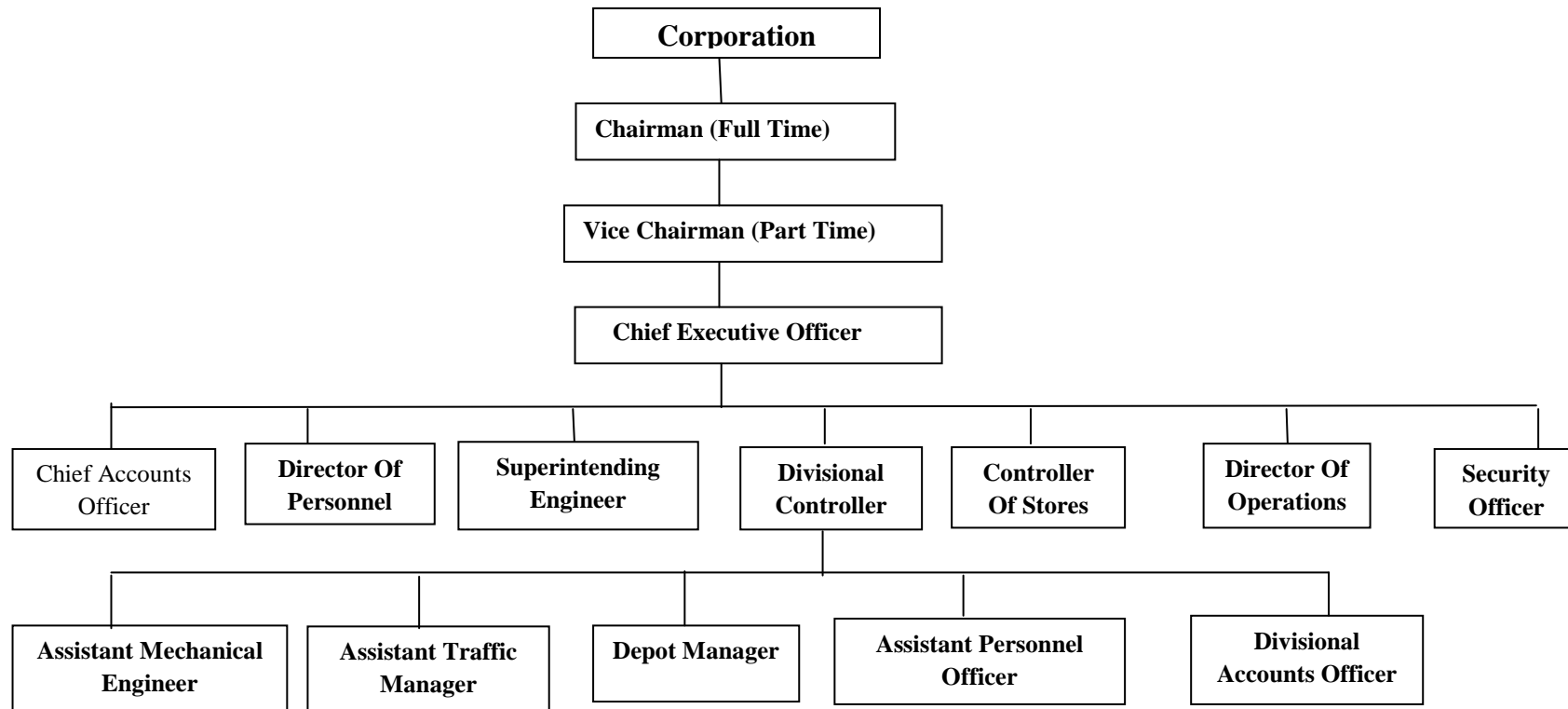
The A.P. State Road Transport Corporation before taking the present Corporation form in 1958, right from its inception in 1932, functioned as Road Transport Department (RTD) and it was headed by the Road Transport Superintendent. The Road Transport Superintendent was responsible for supervising the Departments of Mechanical Engineering (Maintenance) and Stores & Purchases and he was assisted by a Deputy Road Transport Superintendent who was in charge of Traffic and Administration Departments<sup>3</sup>. In 1957-58, a consulting agency, M/s. IBCON (Pvt., ) Ltd., studied the organization structure and recommended that appoint a Chief Engineer to assist the Road Transport Superintendent by bearing the responsibility of Mechanical Engineering, Civil Engineering and Stores and Purchases Departments. Finally, the recommendation was accepted by the RTD.

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2 . Patankar.P.G., Road Passenger Transport In India, CIRT, Pune, 1985, p.168.

3 . Sudarsanam Padam., Bus Transport In India, Ajanta Publications, New Delhi, 1990, p.p.105-106.

**Exhibit-5.1: Organisational Structure Of APSRTC From 1958 To 1965.**



Source: APSRTC Administrative Office, Hyderabad.



### **Organisational Structure During 1958-65.**

At first the Organisational Structure of APSRTC was developed in 1958. As shown in Exhibit-5.1 a Full-time Chairman was appointed to supervise and control the activities of the Corporation. The Chairman was assisted by a Vice-Chairman, who works on Part-time basis and a Chief Executive Officer. The Government Of Andhra Pradesh nominates a public personality as a Chairman of the Corporation. The Vice-Chairman and Chief Executive Officer are nominated either from State Administration or from the employees of the Corporation.

The top management of the organization consists of Chief Accounts Officer, Director of Personnel, Superintending Engineer, Divisional Controller, Controller of Stores, Chief Engineer and Director of Operations. The Chief Executive Officer will be assisted by the Legal Advisor, Security Officer, Assistant Security and Assistant Public Relations Officer. The Divisional Controller will take care of the Depots in respect of personnel, operations, maintenance and accounts.<sup>4</sup> The Depot Managers are representing the depot operations and acting as Supervisor- In-Charge to Divisional Controller.

The functioning of the Corporation was affected by the inherent defects in the organization set-up as well as Operating (Depot) and Divisional Levels. Though the functions of the Operating Units (Depots) were defined there is a lack of integration and coordination which results organizational ineffectiveness.<sup>5</sup>

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4 . Rajeshwari.G., Public Sector Performance Of State Road Transport Corporations, APH Publishing Corporation, New Delhi, 1998, p.38.

5 . Sudarsanam Padam., *Ibid.*, p.109.

To study the operations of the Corporation with a view to improve its efficiency and reviewing the performance, four-member Committee was constituted in 1960 under the Chairmanship of Sri.S. Anantha Rama Krishnan.<sup>6</sup> The Committee highlighted the operational problems of the Corporation from gross root level, found out technical and administrative problems and also suggested their cures keeping in view the future orientation of the Corporation. However, none of the suggestions were implemented by the Corporation.

Later, in 1964, the National Productivity Council (NPC)<sup>7</sup> comprehensively studied the structure of the Corporation and submitted its report in 1965 stated that there is a need of restructuring the Corporation at operational level (Depot) as the policies of the Corporation were put into action at this level. Further, suggested that convert Depots either profit or cost centres. Moreover, the report emphasized the role of delegation of authority and power at operational and divisional level. The duties, powers and responsibilities of Depot Managers and operational staff were clearly defined for achieving operational efficiency and self-sufficiency. Depot Managers are empowered with operational flexibility for ensuring operational efficiency and are assisted by Supervisors in each functional area. The Divisional Staff are assisted by Depot-Level Staff.

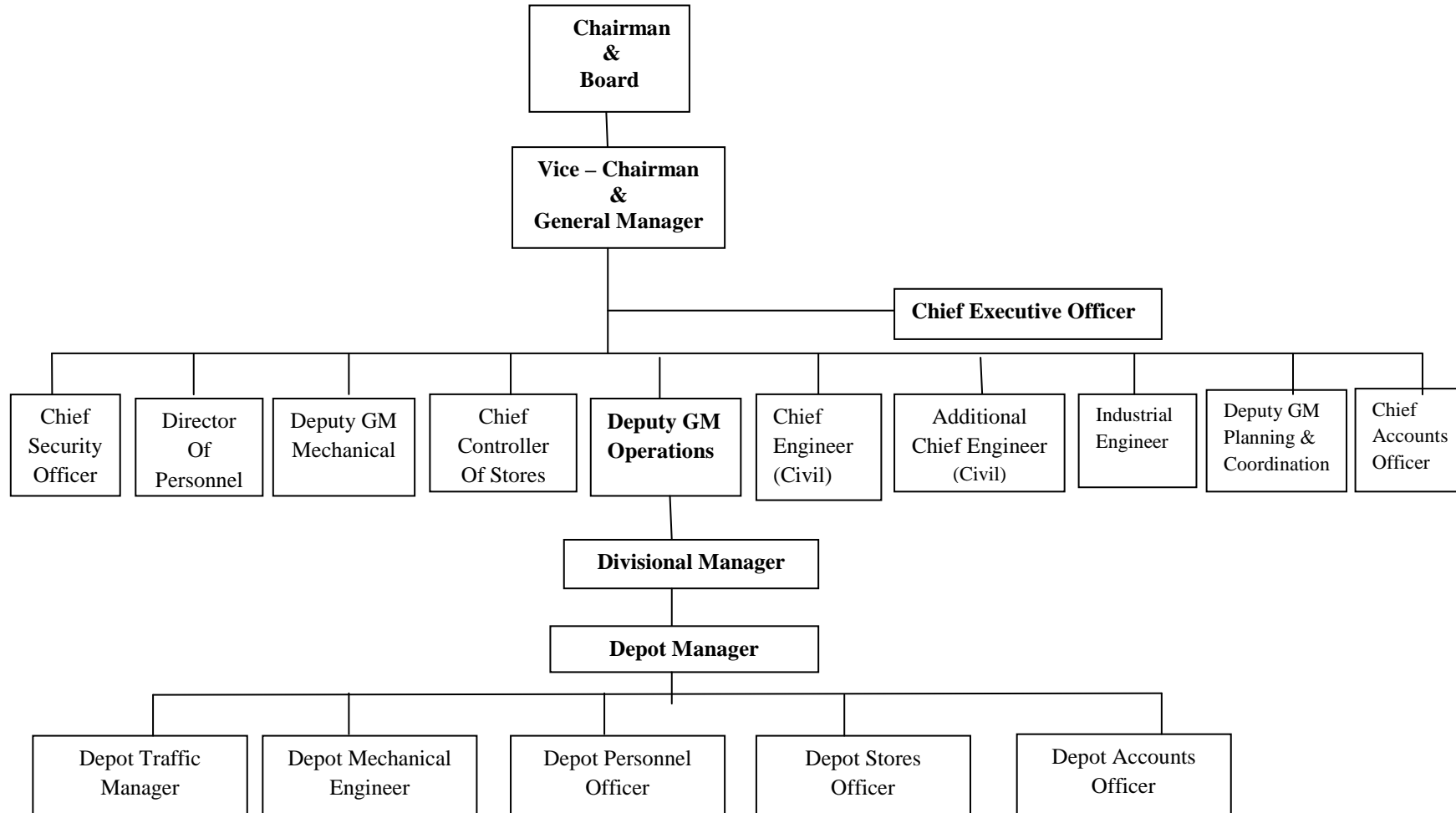
The recommendations of the NPC were accepted by the Corporation *in toto* and introduced radical changes at operational level (Depot) keeping in view the process of reorganization. The Corporation was restructured and the Depot set up was introduced in 1965.

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6 . Report Of Sri.S. Anantha Rama Krishnan, 1960.

7 . Report Of The National Productivity Council, Govt., Of India, 1965.

**Exhibit-5.2: Organisational Structure Of APSRTC During 1965-1978.**



Source: APSRTC Administrative Office, Hyderabad.

## **Organisational Structure During 1965-78**

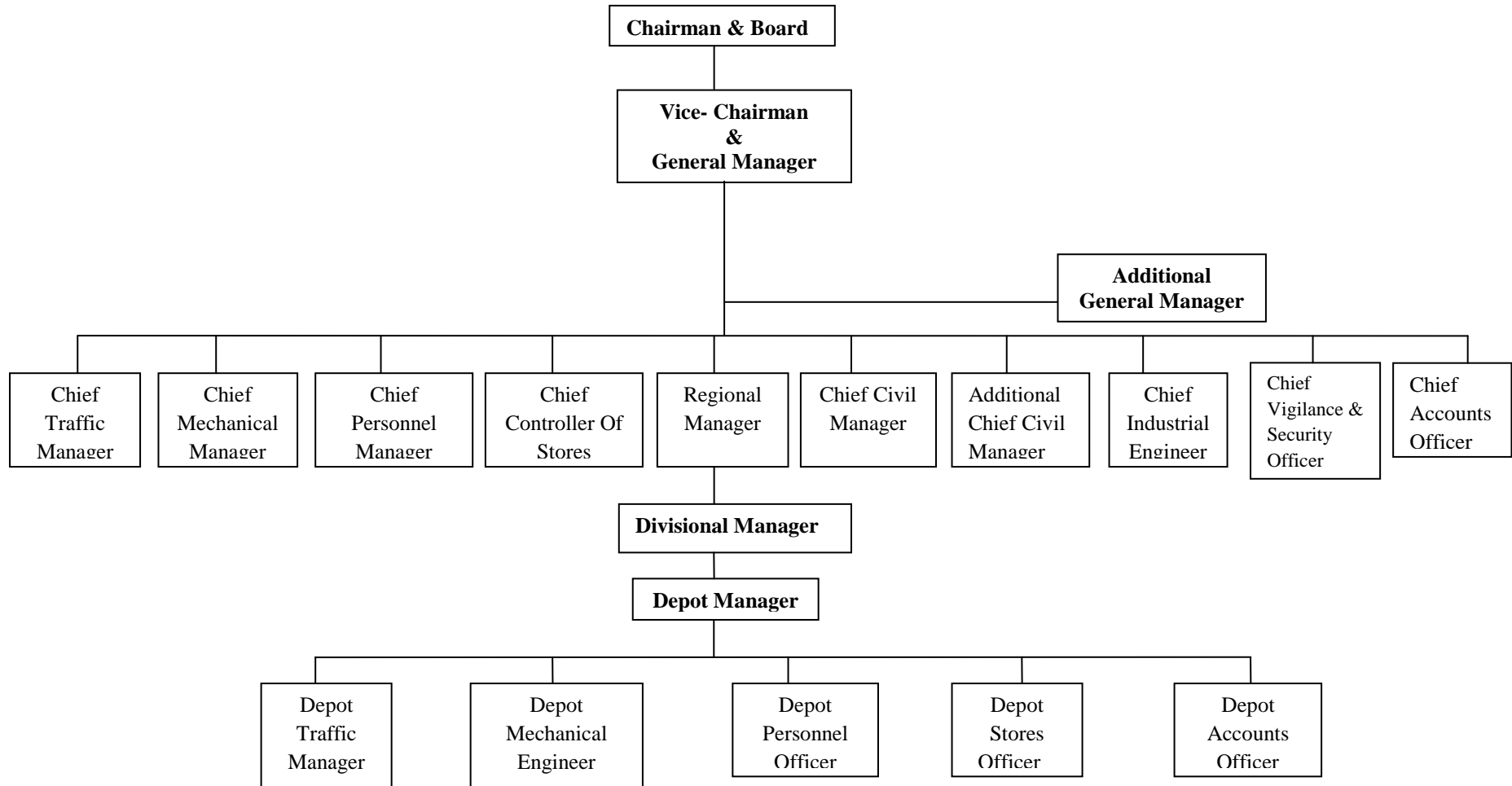
The Organizational Structure of APSRTC during 1965-78 was presented in Exhibit-5.2. The Top-Level Management consists of Vice-President, Vice-Chairman and General Manager to serve the Corporation on full-time basis. Joint General Manager was appointed to assist the Vice-Chairman and General Manager. Depot Managers at operational level and Functional Heads at Corporation level are responsible for taking necessary decisions. Divisional Controllers / Divisional Managers acting as Liaison Officers in between Workshops and Stores for making operations smoothly and effectively. The structure facilitates three managerial levels in the organization besides Chairman, Vice-Chairman, General Manager and Joint General Manager viz., Junior Officers, Senior Officers and Heads Of Departments.

The Junior Officers are appointed as Depot Managers, Accounts Officers, Assistant Traffic Managers, Assistant Mechanical Engineers, Personnel Officers, Stores Officers, Purchase Officers etc., while the Senior Officers are appointed as Divisional Managers, Works Managers, Mechanical Engineers, Controller of Stores, Deputy Chief Accounts Officers, Deputy Directors of Personnel etc.,

Heads Of Departments appointed at Corporate Level and Middle Management Level. The Director of Operations acting as Line Supervisor to all Divisional Controllers and Depot Managers. The Chief Engineer was acting as In-Charge of Workshops.

Keeping in view the growth in terms of fleet, staff, depots and divisions during 1965-1977, the Corporation implemented the Depot Setup and made Division as a coordinating unit at Middle Level.

**Exhibit – 5.3: Organisational Structure Of APSRTC From 1978 To 1994**



Source: APSRTC Administrative Office, Hyderabad.

### **Organizational Structure During 1978-1994.**

The Regional Structure of the Corporation was introduced with effect from 16<sup>th</sup> January, 1978, with the main objective of operational flexibility and autonomy. According to that the Corporation was reorganized and the operations are decentralized. The directions are flown from Head Office to Regional Level with commensurate delegation of powers.<sup>8</sup> The Head Office is confined only to policy matters<sup>9</sup> and Area / Regional Manager plays a liaison role with Head Office and assigned staffing role only.<sup>10</sup>

Exhibit-5.3 presents the organisational structure of A.P. State Road Transport Corporation during 1978-94. The echelons of the Corporation were categorized into four-tier for operational convenience viz., Top-Level, Regional-Level, Divisional-Level and Depot-Level. In this system Regional-Level and Depot-Level Managers are vested with all necessary powers, which are essential for the effective functioning of operational units (Depots). The Head Office and Divisional Levels confined to staffing role i.e., coordination of various divisions and regions.

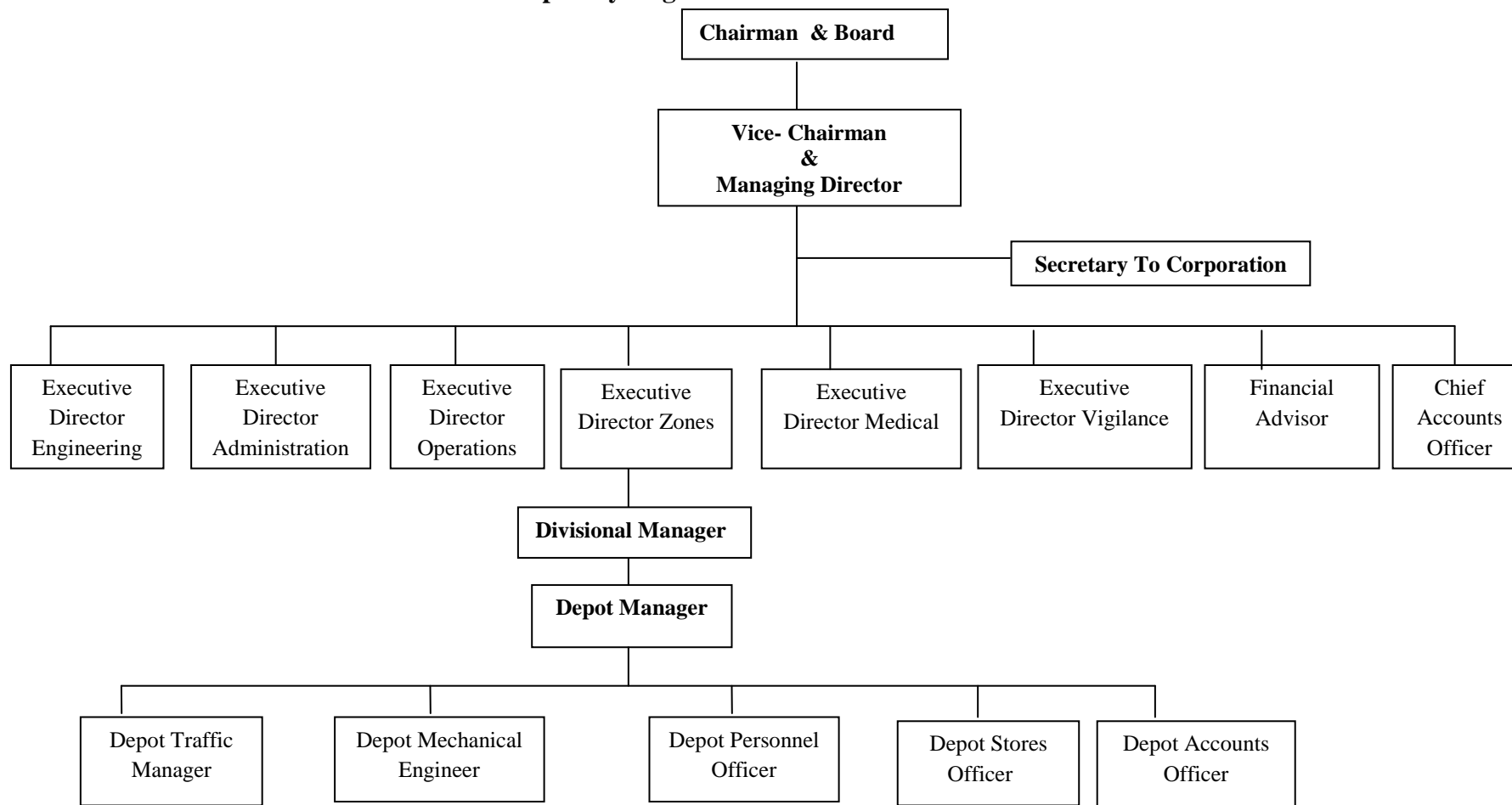
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8 . Reorganisational Proposals Of APSRTC, 1977.

9 . *Ibid.*,

10 . *Ibid.*,

**Exhibit – 5.4: Contemporary Organisation Structure From 1994 Onwards**



Source: APSRTC Administrative Office, Hyderabad.

## **Contemporary Organisation Structure From 1994 Onwards**

In May, 1994 the Corporation had initiated the concept of decentralization for further reorganization. According to that the Corporation was divided into Zones, each covering 4 revenue districts, headed by an Executive Director / Zonal Manager. Each revenue district in a region is under the control of a Regional Manager whose main function is to provide economic of operations of service at an affordable costs. The Executive Director has been delegated with powers to coordinate the functions of workshops, tyre shops, stores, civil engineering, accounts, personnel and administration.

At operational level Depot Manager was made responsible for operational performance in all spheres as well as rendering qualitative services to passengers keeping in view their levels of satisfaction. Vice-Chairman and Managing Director at Corporate-Level was responsible for the operations of Secretary to Corporation, Executive Director (Engineering), Executive Director (Administration), Executive Director (Operations), Financial Advisor, Chief Accounts Officer, Executive Director (Medical) and Director (Vigilance & Security). However, the Executive Director is in-charge to all Heads Of Departments and Senior Scale Officers. From 1958 onwards the structural changes in the Corporation were presented below:



<b>Time Period</b>	<b>Echelons in the Organisation Structure</b>
1958-65	Corporation (Central Office)-Division-Depot
1965-78	Corporation – Division – Depot*
1978-94	Corporation – Region – Division – Depot*
1994 onwards	Corporation – Zone - Region – Division – Depot*

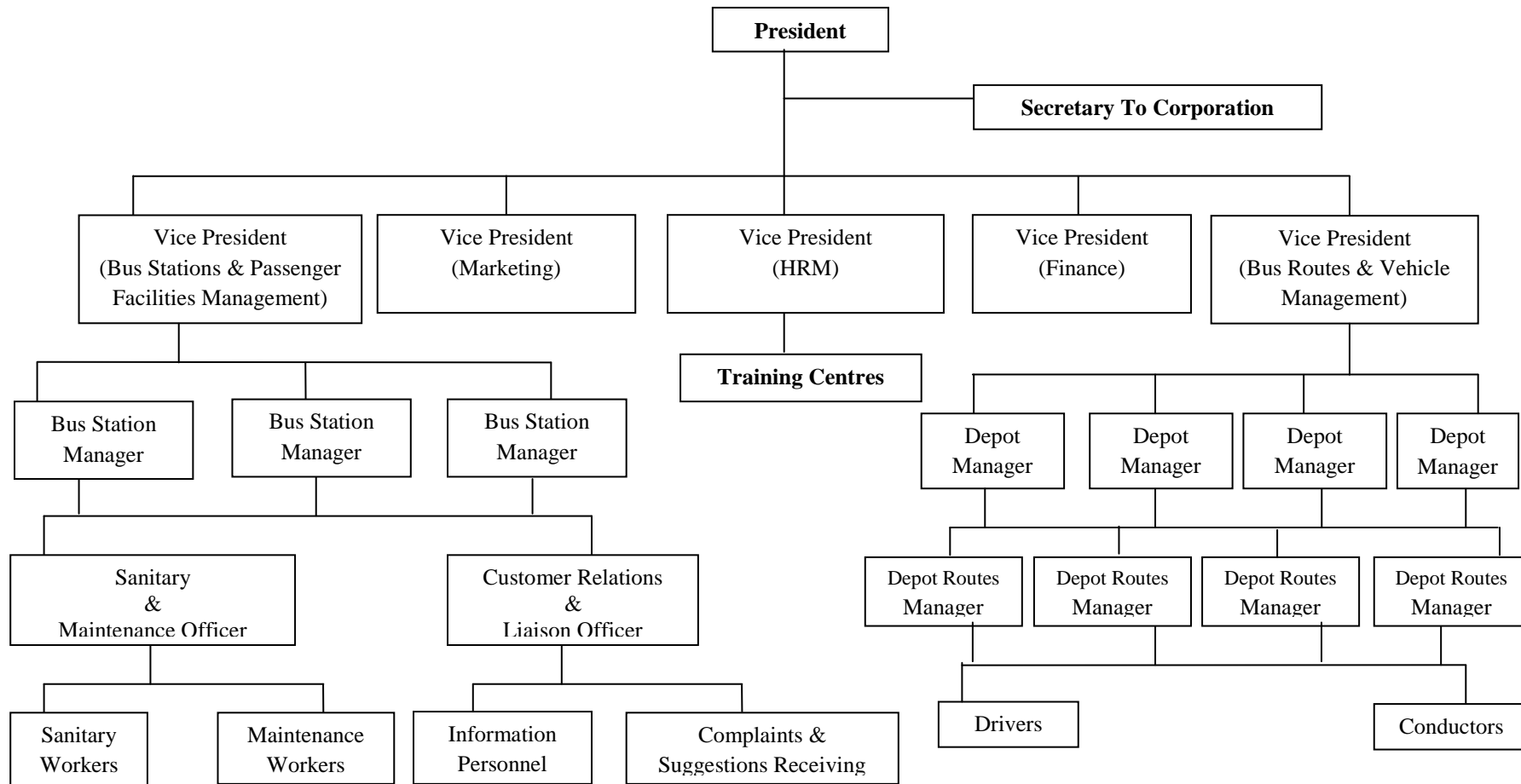
Note: \*In 1958 Depot Structure was taken care by the Supervisor-In-Charges who are not having any powers to take appropriate decisions. Whereas in 1965 structure depots were recognized as cost / profit centres, headed by Depot Managers who are vested with all necessary powers to take the appropriate decisions for the efficient functioning of bus service operations.

Source: 1. APSRTC Reorganisation Proposals, 1977.  
2. APSRTC Administrative Office, Hyderabad.

The organizational structure of APSRTC is a focus on operational performance and as shown in Exhibit-5.4, the Organisational Structure consists of Central Office, Regional Office, Depot Office and the Bus Stations to cater the needs of the public. In order to strengthen the Corporation in terms of operational and cost it is suggested that eliminate these layers between Central Office and the Frontline Office.

By taking into consideration the issues mentioned above, an attempt has been made in the present study to design a ‘Model Organisational Structure’ for APSRTC which is presented in Exhibit-5.5. According to this new structure the operational functions are classified into two categories. The first deals with bus routes and vehicles management and the latter focus on bus stations and passenger facilities management.

**Exhibit – 5.5: Proposed Organisational Structure Of APSRTC**



Source: APSRTC Administrative Office, Hyderabad.

## **Proposed Organisational Structure Of The Corporation**

The President and the Five Vice-Presidents constitutes the strategic body of the Corporation. A depot is the local operational unit that manages different routes of the region. The Vice-President (bus routes and vehicle maintenance) is responsible for the management of bus routes as well as vehicles and coordinates directly the operations of bus depots. The major functional activities can be grouped into two categories viz., sanitary maintenance, customer relations and liaison activities. These functions are performed by Sanitary and Maintenance, Customer Relations and Liaison Officers. The basic information relating to route timings, service provision, fare details etc., provided by them to the passengers either on request or regularly. They receive complaints from passengers and suggest measures for improving performance.

The Vice-President Human Resource Management is responsible for the staffing and development of the organisation besides providing training to the workforce at region and divisional level.

Similarly, the Vice-President Finance is in charge of finance and accounting aspects of the organisation as well as collects financial information from various divisions, prepares accounting statements that are necessary to meet statutory requirements and decision-making of the Corporation.

The Vice-President Bus stations and Passenger Facilities Management looking into the aspects of networking of all bus stations with Central Office for easy access of the information of the organisation at any point of time.

## **The Present Organisational Structure Of A.P. State Road Transport Corporation**

At present the Organisation is headed by a Board consisting of Chairman, Vice-Chairman and Managing Director and 11 Directors. It is divided into 210 depots, 23 regions, 7 zones, 15 engineering units and 8 head office units headed by Depot Managers, Regional Managers, Executive Directors (Zone), Executive Engineers and Vice-Chairman and Managing Director respectively.

The primary accounts are maintained at Depots and Regional Offices are consolidated at Regional Level. Accounts of Engineering Divisions and Zonal Offices are consolidated at Zonal Level. Head Office consolidates accounts of Head Office Units and accounts of Regions and Zones.



## SECTION – B

### OPERATIONAL SCENARIO AND INTRICACIES

**Table – 5.1: Operational Scenario Of AP State Road Transport Corporation During 1999- 2000 To 2009-2010.**

S. No.	Particulars	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	<b>Average Number Of Vehicles Held</b>												
	RTC Owned	17944 (96.67)	18026 (95.15)	17963 (93.32)	17842 (93.14)	17536 (92.24)	17615 (91.71)	17705 (90.80)	17770 (91.83)	17944 (91.26)	17096 (83.91)	17288 (81.33)	-0.37
	Hired	618 (3.33)	920 (4.85)	1286 (6.68)	1315 (6.86)	1476 (7.76)	1593 (8.29)	1794 (9.20)	1580 (8.17)	1719 (8.74)	3279 (16.09)	3967 (18.67)	20.43
	Total	18526 (100)	18946 (100)	19249 (100)	19157 (100)	19012 (100)	19208 (100)	19499 (100)	19350 (100)	19663 (100)	20375 (100)	21255 (100)	1.38
2.	<b>Average Number Of Vehicles On Road</b>												
	RTC Owned	17671 (96.74)	17844 (95.10)	17044 (92.99)	17703 (93.09)	17410 (92.19)	17512 (91.67)	17563 (90.73)	17652 (91.78)	17839 (91.22)	17013 (83.85)	17212 (81.27)	-0.26
	Hired	618 (3.26)	920 (4.90)	1284 (7.01)	1314 (6.91)	1476 (7.81)	1593 (8.33)	1794 (9.27)	1580 (8.22)	1719 (8.78)	3279 (16.15)	3967 (18.73)	20.43
	Total	18929 (100)	18764 (100)	18328 (100)	19017 (100)	18886 (100)	19105 (100)	19357 (100)	19232 (100)	19558 (100)	20292 (100)	21179 (100)	1.13

**Table-5.1: Contd.,**

S. No.	Particulars	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
<b>3. Kms Covered (in crore)</b>													
<b>a</b>	Scheduled	216.10	220.53	221.81	223.75	224.50	230.62	238.25	241.69	250.67	263.89	277.16	<b>2.52</b>
<b>b</b>	Gross	215.46	218.12	208.96	223.98	227.14	233.00	238.61	245.37	254.13	268.58	228.11	<b>0.57</b>
<b>c</b>	Effective	215.16	217.81	208.66	223.58	226.65	232.50	238.08	244.73	253.47	267.49	227.16	<b>0.54</b>
<b>d</b>	Dead	0.30	0.31	0.30	0.40	0.49	0.50	0.53	0.64	0.66	1.09	0.95	<b>12.22</b>
<b>e</b>	Operative (Effective + Dead)	215.46	218.12	208.96	223.98	227.14	233.00	238.61	238.06	254.13	268.58	228.11	<b>0.57</b>
<b>f</b>	Percentage of Dead Kms To Gross Kms	0.14	0.14	0.14	0.18	0.22	0.22	0.22	0.26	0.26	0.40	0.41	<b>11.34</b>
<b>g</b>	Percentage of Total Kms Covered To Scheduled Kms	99.70	98.90	94.20	100.10	101.18	101.03	100.15	98.49	98.08	98.24	82.30	<b>-1.90</b>

Note: 1. Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

## **Operational Scenario Of The Corporation**

The operational scenario of the A.P. State Road Transport Corporation and its analysis by different parameters in different dimensions throws more light on the state of affairs and operational status. Table-5.1 presents the detailed operational scenario of the APSRTC during 1999-2000 to 2009-10.

## **Number Of Vehicles and Ownership**

As evident from the Table -5.1, the average number of vehicles held by the Corporation which were 18526 during 1999-2000 experienced an incessant increase over the years and stood at 21255 during 2009-10 experiencing a growth rate of 1.38 per cent. Out of the total vehicles held by the Corporation, the RTC owned vehicles constituted a greater proportion ranging between 81.33 per cent (2009-10) to 96.67 per cent (1999-2000). The proportion of the owned vehicles of the Corporation experienced a marked decline over the years from 96.67 per cent during 1999-2000 to 81.33 per cent during 2009-10, thus, experienced a negative growth rate of -0.37 per cent

On the other hand the proportion of the hired vehicles, in the average number of vehicles held by the Corporation which was 3.33 per cent (618) increased during 1999-2000 to 18.67 per cent (3967) during 2009-10 with a growth rate of 20.43 per cent. Thus, the analysis clearly shows that though a lion's share of the total number of vehicles held are RTC owned, the owned proportion as dwindled and the hired component looked up. The scenario is similar in the case of the average vehicles on road.



### **Kilometers (Kms) Covered**

It could be observed from the table that the Corporation which schedule to cover 216.10 crore kms during 1999-2000 could cover effectively 215.46 crore kms leaving 0.30 crore kms dead. By the year 2009-10 the Corporation schedule to cover 277.16 crore kms but only 227.16 crore kms stood effective and leaving 0.95 crore kms dead.

A further peep into the table shows that during 1999-2000 to 2009-10 the schedule kms per coverage increased by 2.52 per cent whereas the effective kms increased by only 0.54 per cent showing a less ratio of effectiveness kilometer coverage. Moreover, the dead kms experienced an alarming growth rate of 12.22 per cent. In addition the percentage of dead kms to gross kms which was 0.14 per cent during 1999-2000 increased to 0.41 per cent registering a growth rate of 11.34 per cent. The analysis, thus, shows that over the years under review the rate of growth in the effective kms (0.54 per cent) stood low where as the dead kms experienced an alarming growth rate (12.22 per cent).

### **Growth in Routes**

Table-5.2 presents the number of routes of the Corporation and the trend of growth in routes during 1996-97 to 2009-10. As evident from the table during 1996-97 the number of routes operated by the Corporation was 7670 which increased to 8442 during 1997-98 experience an annual growth of 10.06 per cent. By 2000-01, the number of routes stood the highest at 8631, but, during the succeeding years the number of routes operated by the Corporation came down consistently to stand at 7363 by 2006-07 and finally stood at 7964 during 2009-10.

**Table-5.2: Routes Of AP State Road Transport Corporation  
During 1996-97 To 2009-10.**

Year(s)	Routes	Rate of Growth (%)
1996-97	7670	-
1997-98	8442	10.06
1998-99	8558	1.37
1999-2000	8613	0.64
2000-01	8631	0.20
2001-02	8542	-1.03
2002-03	8217	-3.80
2003-04	8365	1.80
2004-05	8045	--3.82
2005-06	7641	-5.02
2006-07	7363	-3.63
2007-08	7508	1.96
2008-09	7937	5.71
2009-10	7964	3.83

Annual Rate of Growth (ARG) = 0.59  
Compound Annual Rate of Growth (ARG) = 0.29

Note: 1. Figures in Parentheses indicate Percentage To Respective Total.

Source: Annual Reports Of APSRTC (2000-10).

The Compound Annual Growth Rate in the number of routes operated by the Corporation is only 0.29 per cent, however, the Average Annual Growth Rate in the number of routes is only 0.86 per cent. Moreover, during the years under study focus i.e., between 1999-2000 to 2009-10 the Annual Rate Of Growth in the number of routes operated by the Corporation ranged between -5.02 per cent (2005-06) to 5.71 per cent (2008-09). The analysis drives home the observation that over the years under study the number of routes operated by APSRTC has not increased.

**Table-5.3: Buses Added on Road By AP State Road Transport Corporation During 2000-01 To 2009-10.**

<b>Year(s)</b>	<b>Addition</b>	<b>Replacement</b>	<b>Total</b>
1999-2000	36 (2.31)	1520 (97.69)	1556 (100)
2000-01	109 (6.45)	1581 (93.55)	1690 (100)
2001-02	21 (1.61)	1283 (98.39)	1304 (100)
2002-03	-	668 (100)	668 (100)
2003-04	14 (0.04)	1333 (98.96)	1347 (100)
2004-05	238 (12.08)	1732 (87.92)	1970 (100)
2005-06	204 (46.04)	244 (54.46)	448 (100)
2006-07	359 (32.94)	765 (68.06)	1124 (100)
2007-08	293 (15.70)	1573 (84.30)	1866 (100)
2008-09	822 (45.12)	1000 (54.88)	1822 (100)
2009-10	1279 (58.78)	897 (41.22)	2176 (100)
<b>CARG (%)</b>	42.91	-5.14	3.41

Note: 1. Figures in Parentheses indicate Percentage To Respective Total.

Source: Annual Reports Of APSRTC (2000-10).

### **Addition and Replacement Of Buses**

Table-5.3 presents the additions and replacement of buses by the Corporation to the existing fleet. The total number of buses newly added to the fleet and replaced was 1556 during 1999-2000 were increased to 2176 during 2009-10 experiencing a growth rate of 3.41 per cent. Out of the total number of new buses added to the fleet the proportion of buses replaced and ranged between 41.22 per cent (2009-10) to 98.96 per cent (2003-04). Moreover, the number of buses replaced was 1520 during 1999-2000 came down to 897 during 2009-10. Thus, the number of replaced buses by the Corporation came down over the years both absolutely and relatively.

On the other hand, regarding the new buses added to the existing fleet it was 36 during 1999-2000, 109 during the following year (2000-01) and only 14 during 2003-04. Since 2004-05, where 238 new buses are added to the fleet the pace and trend of addition of new buses increased and thus during 2009-10, 1279 new buses are added by the Corporation to the existing fleet. Thus, the addition of new buses during 1999-2000 to 2009-10 experienced a galloping growth trend of 42.91 per cent. This is a testimony to the policy emphasis of the Corporation for introduction of modern and improved version of buses to the existing fleet.

**Table-5.4: Percentage of Fleet Utilization of APSRTC During 2000-01 To 2009-10.**

<b>Year(s)</b>	<b>Percentage Of Fleet Utilisation</b>
1999-2000	98.47
2000-01	99.00
2001-02	94.88
2002-03	99.22
2003-04	99.28
2004-05	99.42
2005-06	99.27
2006-07	99.39
2007-08	99.43
2008-09	99.52
2009-10	99.39

Source: Annual Reports Of APSRTC (2000-10).

### **Fleet Utilisation**

Table- 5.4 presents the percentage of fleet utilisation of the Corporation during 2000-01 to 2009-10. As evident from the table, all through the years under review the percentage of utilization stood high ranging between 94.88 per cent (2001-02) to 99.52 per cent (2008-09).

**Table-5.5: Vehicle Utilisation In APSRTC During 1999-2000 To 2009-10.**

<b>Year(s) / Parameters</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR</b>
Average Number of Vehicles Held	17944	18026	17963	17842	17536	17615	17705	17770	17944	17096	17288	<b>-0.37</b>
Average Number Of Vehicles On Road	17671	17844	17044	17703	17410	17512	17563	17652	17839	17013	17212	<b>-0.26</b>
Percentage Of Utilisation Of Vehicles	98.49	98.99	94.88	99.22	99.28	99.41	99.19	99.33	99.41	99.51	99.56	-
Number of Employees	131540	128796	126418	122358	119219	117400	115946	115529	113340	113370	115317	<b>-0.90</b>
Employee-Vehicle Ratio	6.51	6.99	6.79	6.68	6.53	6.31	6.31	6.16	6.13	6.04	6.05	-

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Vehicle Utilisation**

Table-5.5 presents the vehicle utilisation in APSRTC during 1999-2000 to 2009-10. As evident from the table the average number of vehicles held by the Corporation which was 17944 during 1999-2000 increased to 18026 during 2000-01 and finally stood at 17288 during 2009-10. As against this the average number of vehicles on road of the APSRTC which was 177671 during 1999-2000 increased to 17844 during 2000-01 and stood at 17212 during 2009-10. Thus, over the study period the percentage of utilisation of vehicles by the APSRTC ranged between 94.88 per cent (2001-02) to 99.56 per cent (2009-10).

The number of employees in the Corporation which were 131540 during 1999-2000 gradually came down over the years and stood at 115317 during 2009-10. This is because of the slowdown in recruitment and downsizing of human resource. Due to this Employee-Vehicle Ratio of the Corporation which was 6.51 during 1999-2000, though increased to 6.99 during 2000-01, gradually dropped down and stood at 6.05 during 2009-10. The analysis shows that, despite the sustained high levels of vehicle utilization in the APSRTC over the years under review, the number of employees and Employee- Vehicle ratio dropped down to the downsizing strategy of the Corporation.

**Table-5.6: Non - Operating Revenue and Other Income of AP State Road Transport Corporation  
During 2000-01 To 2009-10.**

(Rs. in lakhs)

S. No	Year(s) / Parameters	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Unpaid amounts	47.79 (9.66)	64.12 (20.62)	50.35 (11.8)	75.34 (16.02)	74.15 (12.81)	56.48 (6.47)	60.3 (2.87)	65.48 (2.29)	124.34 (2.71)	94.65 (4.28)	<b>0.08</b>
2.	Forfeited Deposits	95.77 (19.37)	78.65 (25.30)	107.28 (25.23)	100.66 (21.40)	140.95 (24.36)	171 (19.57)	144.22 (6.84)	150.69 (5.26)	420.72 (9.18)	260.07 (11.8)	<b>0.12</b>
3.	Pension. LS Contribution - TTD	92.38 (18.68)	0 (0)	0.04 (0.09)	0 (0)	0 (0)	0 (0)	0 (0)	0.03 (0)	0 (0)	3.49 (0.16)	<b>-0.31</b>
4.	Excess Cash	18.66 (3.77)	24.38 (7.84)	18.23 (4.28)	17.04 (3.62)	17.57 (3.04)	19.87 (2.28)	28.65 (1.37)	31.68 (1.11)	37.51 (0.82)	24.15 (1.09)	<b>0.03</b>
5.	Special Hire – Staff Cars	6.18 (1.25)	5.68 (1.82)	7.15 (1.68)	6.58 (1.40)	7.59 (1.31)	6.58 (0.75)	6.33 (0.30)	6.68 (0.23)	5.48 (0.12)	6.45 (0.29)	<b>0.00</b>
6.	Sale of Tender Forms	27.14 (5.49)	20.73 (6.68)	26.32 (6.19)	37.52 (7.98)	38.04 (6.58)	33.37 (3.81)	36.55 (1.73)	51.84 (1.81)	76.74 (1.68)	38.87 (1.76)	<b>0.04</b>
7.	Lost property	2.36 (0.47)	5.88 (1.89)	3.69 (0.86)	2.91 (0.61)	3.37 (0.59)	5.46 (0.62)	3.87 (0.19)	4.67 (0.16)	9.18 (0.20)	4.61 (0.21)	<b>0.08</b>
8.	Sale of Grass / Trees etc.	3.51 (0.70)	3.32 (1.06)	2.97 (0.69)	2.55 (0.54)	3.20 (0.55)	3.53 (0.40)	4.52 (0.21)	4.39 (0.15)	2.86 (0.06)	3.43 (0.15)	<b>0.00</b>
9.	Cost of Damages	1.13 (0.22)	1.67 (0.53)	4.63 (1.08)	5.43 (1.16)	2.78 (0.49)	5.01 (0.57)	4.00 (0.18)	4.85 (0.17)	4.68 (0.10)	3.71 (0.17)	<b>0.14</b>

**Table-5.6: Contd.,**

10.	Time Tables	1.22 (0.24)	3.53 (1.13)	0.50 (0.11)	1.60 (0.34)	1.92 (0.33)	1.27 (0.14)	0.73 (0.03)	5.14 (0.18)	0.08 (0.02)	1.91 (0.09)	<b>0.05</b>
11.	Excess Stocks	0.48 (0.09)	-	-	-	-	-	-	-	0.78 (0.01)	0.30 (0.01)	<b>-0.05</b>
12.	Notice pay	1.54 (0.31)	1.30 (0.42)	1.20 (0.28)	2.03 (0.43)	0.88 (0.15)	1.78 (0.20)	4.97 (0.23)	3.37 (0.12)	3.22 (0.07)	0.52 (0.02)	<b>-0.11</b>
13.	Subscription to House Magazine	0.04 (0.01)	0.01 (0.00)	0.01 (0.002)	0.22 (0.04)	2.27 (0.39)	2.04 (0.23)	1.99 (0.09)	2.51 (0.09)	3.05 (0.06)	0.50 (0.02)	<b>0.32</b>
14.	Training Free	0.42 (0.01)	0.98 (0.31)	27.49 (6.46)	13.59 (2.90)	65.07 (11.24)	64.7 (7.41)	42.24 (2.00)	49.23 (1.72)	70.03 (1.53)	19.89 (0.90)	<b>0.54</b>
15.	Incidental Charges etc., for Auctions	-	-	-	51.16 (10.88)	34.56 (5.98)	35.62 (4.08)	29.99 (1.42)	51.64 (1.80)	87.20 (1.90)	42.52 (1.92)	<b>-0.02</b> (2003-04 To 2009-10)
16.	Misc., Income	195.83 (39.61)	100.66 (32.37)	175.33 (41.24)	153.7 (32.68)	186.3 (32.19)	167.42 (19.15)	102.27 (4.86)	349.54 (12.19)	360.18 (7.87)	196.24 (8.87)	<b>0.02</b>
17.	Toll Plaza User Fee	-	-	-	-	-	300.02 (34.32)	1637.21 (77.68)	2083.37 (72.71)	3374.86 (73.67)	1511.89 (68.3)	<b>0.20</b> (2005-06 To 2009-10)
	<b>Total</b>	<b>494.45</b> <b>(100)</b>	<b>310.91</b> <b>(100)</b>	<b>425.19</b> <b>(100)</b>	<b>470.39</b> <b>(100)</b>	<b>578.68</b> <b>(100)</b>	<b>874.13</b> <b>(100)</b>	<b>2107.83</b> <b>(100)</b>	<b>2865.11</b> <b>(100)</b>	<b>4580.91</b> <b>(100)</b>	<b>2213.20</b> <b>(100)</b>	<b>0.11</b>

Note: 1. Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.



## **Composition Of Non-Operating Revenue Of The Corporation**

Table-5.6 presents the non-operating income and its composition during 2000-01 to 2009-10. A view of the table shows that the Corporation had an amount of Rs.494.45 lakhs as non-operating income during 2000-01 which increased to Rs.2213.20 lakhs during 2009-10 registering growth rate of 0.11 per cent. Out of the total non-operating revenue the miscellaneous income constituted a share ranging between 4.86 per cent (2006-07) to 41.24 per cent. The unpaid amounts (ranging between 2.29 per cent in 2008-09 to 20.62 per cent in 2001-02) and the forfeited deposits (ranging between 5.26 per cent in 2007-08 to 25.29 per cent in 2001-02) stood with considerable shares of the total non-operating revenue of the Corporation during 2000-01 to 2009-10.

Moreover, the toll plaza user fee started assuming a lion's share of the non-operating revenue of the Corporation since 2005-06. It is evident from the fact that during 2005-06 to 2008-09 the toll plaza user fee collected by the Corporation from the passengers increased from Rs. 300.02 lakhs (2005-06) to Rs.3374.86 lakhs (2008-09) and stood at Rs.1511.89 lakhs with a share ranging between 34.32 during 2005-06 to 77.67 per cent during 2006-07.

**Table – 5.7: Total Cost Composition of APSRTC During 1999-2000 To 2009-10.**

(Rs. in lakhs)

<b>Year(s) / Cost Components</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR</b>
Personnel Cost	101890.53 (41.00)	106746.51 (38.81)	115167.19 (40.44)	127677.32 (41.70)	131391.36 (41.54)	135919.90 (39.50)	140548.35 (37.79)	174477.23 (40.58)	164510.08 (38.06)	177727.71 (36.06)	239858.96 (41.93)	-0.76
Material Cost	78915.69 (31.77)	92331.47 (33.57)	90170.72 (31.66)	99880.60 (32.62)	104064.33 (32.90)	121802.72 (35.40)	148808.13 (40.01)	172471.17 (40.10)	175751.22 (40.67)	186704.95 (37.80)	182180.28 (31.85)	-0.77
Taxes	33802.26 (13.60)	36870.17 (13.41)	33576.75 (11.79)	32247.80 (10.53)	33927.32 (10.72)	36188.62 (10.52)	27053.91 (7.27)	26028.08 (6.05)	27935.62 (6.46)	30848.81 (6.26)	33591.40 (5.87)	-0.90
Interest	4509.88 (1.81)	6315.12 (2.30)	8691.61 (3.05)	9734.96 (3.18)	10521.85 (3.33)	10289.92 (2.99)	8459.87 (2.27)	7613.00 (1.77)	9124.70 (2.11)	11687.34 (2.37)	11463.25 (2.00)	-0.75
Payment To Hire Buses	-	-	-	-	-	-	22389.79 (6.02)	20765.25 (4.83)	24189.56 (5.60)	52793.54 (10.71)	65808.06 (11.50)	-0.27
Depreciation	16359.30 (6.58)	15988.22 (5.81)	14539.86 (5.11)	14192.69 (4.64)	11084.89 (3.50)	11578.53 (3.37)	13540.66 (3.04)	16789.59 (3.91)	17623.94 (4.08)	19095.71 (3.87)	22490.67 (3.93)	-0.86
Misc., and Others	13032.31 (5.24)	16764.06 (6.10)	22625.70 (7.95)	22438.85 (7.33)	25331.82 (8.01)	28284.23 (8.22)	11115.10 (3.00)	11867.05 (2.76)	13054.02 (3.02)	14016.85 (2.84)	16689.25 (2.92)	-0.87
<b>Total Cost</b>	<b>248509.97 (100)</b>	<b>275015.55 (100)</b>	<b>284771.83 (100)</b>	<b>306172.22 (100)</b>	<b>316321.57 (100)</b>	<b>344063.92 (100)</b>	<b>371915.81 (100)</b>	<b>429921.37 (100)</b>	<b>432189.14 (100)</b>	<b>492874.91 (100)</b>	<b>572081.87 (100)</b>	<b>-0.77</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Total Cost Composition Of APSRTC**

Table-5.7 presents the cost composition of APSRTC during 1999-2000 to 2009-10. As can be seen from the table the total cost consists of cost of personnel, material, taxes, interest, payment to hire buses, depreciation, miscellaneous and other charges. A peep into the table makes it clear that the cost of personnel and material are the two dominant cost elements in the total cost of APSRTC. As evident from the table, over the years under review, the cost of personnel as a proportion of the total cost ranged between 36.06 per cent (2008-09) to 41.93 per cent (2009-10).

On the other hand, the ratio of material cost to total cost ranged between 31.66 per cent (2001-02) to 40.67 (2007-08). Moreover, the proportion of taxes in total cost which was 13.60 per cent during 1999-2000 rolled down to 5.87 per cent during 2009-10. Similar is the case with respect to depreciation which constituted 6.58 per cent of the total cost during 1999-2000 and came down to 3.93 per cent during 2009-10. The interest on debt accounted for a minor share of the total cost ranging only between 1.77 per cent (2006-07) to 3.33 per cent (2003-04). The analysis on the whole shows that the personnel and material cost accounted for a lion's share of the total cost of APSRTC. Therefore, for gearing the revenue surplus positively these two components of cost should be controlled through a careful monitoring.

**Table – 5.8: Route Kilometers and Profitability Of APSRTC During 1999-2000 To 2009-10.**

<b>Year(s) / Parameters</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
Number of Routes Operated at the end Of the year	8613	8631	8542	8217	8192	8132	7641	7363	7551	7701	7937	<b>- 0.81%</b>
Route Kms (in crore)	215.16	217.81	208.66	223.58	226.65	232.50	238.08	238.08	253.47	267.49	165.01	<b>-2.62%</b>
Earnings Per Km (EPK) (paise)	1084	1166	1234	1288	1377	1383	1544	1711	1759	1884	1824	<b>5.34</b>
Cost Per Km (CPK) (paise)	1155	1263	1365	1369	1396	1480	1562	1757	1705	1843	1818	<b>4.64</b>
Profit / (-) Loss Per Km(paise)	-151.85	-209.95	-272.06	-181.47	-42.02	-224.84	-42.78	-111.82	135.67	110.79	9.48	-

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Profitability Of Route Kilometers**

The route kilometers and profitability of APSRTC during 1999-2000 to 2009-10 is presented in Table-5.8. It could be seen from the table the number of routes operated by the Corporation which were 8613 during 1999-2000 gradually came down over the years to 7363 during 2006-07 and stood at 7397 during 2009-10. The route kilometers operated by the Corporation which were 215.16 crore during 1999-2000 went up to 267.49 crore during 2008-09 and stood at 165.01 crore by 2009-10. Thus, the number of routes as well as the route kilometers operated by the Corporation looked down over the years ending with 2009-10.

The Earnings Per Kilometer (EPK) which was 1084 paise during 1999-2000 crept up to 1884 paise during 2008-09 and stood at 1824 paise during 2009-10. But the Cost Per Kilometers (CPK) which was 1155 paise during 1999-2000 experienced an incessant increase to 1843 paise during 2008-09 and stood at 1818 paise during 2009-10. Thus, it is absolutely clear that during 1999-2000 to 2009-10 the Earnings Per Kilometer of APSRTC increased but it is neutralized by the increase in the Cost Per Kilometer.

Moreover, the Corporation incurred the loss per kilometer of operation during 1999-2000 to 2006-07 and could earn profit per kilometer of operation only during the last three years ending with 2009-10. Further, it can be observed that the profit per kilometer of operation which was 135.67 paise (2007-08) dropped down to 110.79 paise (2008-09) and further to 9.84 paise (2009-10).

**Table-5.9: Working Results Of AP State Road Transport Corporation  
During 1999- 2000 To 2009-2010.**

(Rs. in crores)

<b>Year(s) / Parameters</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
Total Revenue (Operating + Non-Operating)	2322.25	2535.54	2573.53	2879.60	3117.90	3212.36	3674.53	4186.21	4457.46	5039.52	5204.46	<b>8.40</b>
Total Expenditure (Operating + Non-Operating)	2275.40	2526.78	2618.45	2827.18	2950.88	3221.41	3500.06	3901.39	4100.95	4928.74	5373.05	<b>8.97</b>
Profit (+) / Loss (-) for the Year	46.85	8.76	-44.92	52.42	167.02	-9.05	174.47	284.82	356.51	407.67	-168.59	-
Net Profit / Surplus (+) / Deficit/Loss(-)	-151.85	-209.95	-272.07	-181.67	-42.02	-224.86	-42.78	-111.82	135.67	110.78	-514.55	<b>28.05</b>
Total Return On Capital Employed	-108.44	-148.49	186.85	-84.91	-63.22	-121.90	41.82	-35.49	226.91	227.64	-393.50	<b>9.99</b>
Percentage of Return On Capital Employed	-	-	-	-	12.54	-	14.86	-	59.89	41.01	-	<b>48.33 (2003-04 TO 2008-09)</b>
Net Worth	-105	-315.61	-587.71	-775.54	-817.56	-1042.42	-1085.20	-1197.02	-1061.36	-950.57	-1375.88	-

- Note : 1. Total Expenditure does not include depreciation and interest on loans. However, interest / dividend is to be paid is treated as a part of Operational Expenditure.  
2. Total Return On Capital Employed represents Profit / Loss plus total interest charged to Profit & Loss Account.  
3. Net Worth represents Capital plus Free Reserves minus Accumulated Losses.  
4. Percentage of Return On Capital Employed represents a ratio of Profit / Loss to Total Return On Capital Employed.

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Working Results Of The Corporation**

Table- 5.9 presents the working results of AP State Road Transport Corporation during 1999-2000 to 2009-10. As evident from the table the total revenue of the Corporation which was Rs. 2322.25 crores during 1999-2000 consistently increased and stood at Rs. 5204.46 crores during 2009-10 experiencing a growth rate of 8.40 per cent and on the other hand, the total expenditure of the Corporation recorded a growth rate of 8.97 per cent, during the period under reference, increasing from Rs. 2275.40 crores during 1999-2000 to Rs. 5373.05 crores during 2009-10. Further, it could be noted that the Corporation stood with the gross surplus of total revenue in a majority of years under review.

But, as can be seen from the table after depreciation and other statutory appropriations the Corporation recorded a marked and continuous net loss during all the years under reference with the exception of 2007-08, 2008-09. Over the period under review the Corporation recorded a net loss ranging from Rs. 42.02 crores (2003-04) to Rs. 514.55 crores (2009-10). Thus, the sustained amount of loss incurred by the Corporation reflects the situation of crisis and drain on the resources. In addition the scenario stands as the warning signal of the Corporation collapse and it can be a burden on the state exchequer. The negative Total Return On Capital Employed in majority of the years under review, as could be observed from the table, speaks more in this regard.

## Traffic and Non-Traffic Revenue

Table-5.10 presents the break-up of the total revenue of APSRTC during 1999-2000 to 2009-10. As evident from the table the total revenue of the Corporation which was Rs. 233325.12 lakhs during 1999-2000 increased to Rs. 445755.68 during 2007-08 and stood at Rs. 81623.08 lakhs during 2009-10. The break-up of the total revenue clearly shows that the traffic revenue is the dominant component whereas the non-traffic revenue assumes a minor share. It is as evident from the fact that, over the years under review the proportion of traffic revenue in the total revenue of the Corporation ranged between 86.84 per cent (2005-06) to 100 per cent (2009-10).

**Table – 5.10: Breakup Of Total Revenue Of APSRTC During 1999-2000 To 2009-10.**

(Rs. in lakhs)

Year(s)	Traffic Revenue	Subsidy / Reimbursement	Non-Traffic Revenue	Total Revenue
<b>1999-00</b>	224487.00 (96.21)	-	8838.12 (3.79)	233325.12 (100)
<b>2000-01</b>	244842.66 (96.39)	-	9178.07 (3.61)	254020.73 (100)
<b>2001-02</b>	238526.01 (92.61)	10000.00 (3.88)	9039.14 (3.51)	257565.15 (100)
<b>2002-03</b>	265235.78 (92.10)	13800.00 (4.79)	8962.31 (3.11)	287998.09 (100)
<b>2003-04</b>	277318.50 (88.85)	-	34801.00 (11.15)	312119.50 (100)
<b>2004-05</b>	293741.39 (91.34)	-	27838.12 (8.66)	321579.51 (100)
<b>2005-06</b>	319259.47 (86.84)	-	48377.90 (13.16)	367637.37 (100)
<b>2006-07</b>	365819.37 (87.36)	40535.00 (9.68)	12384.57 (2.96)	418738.94 (100)
<b>2007-08</b>	387913.76 (87.02)	43396.16 (9.74)	14445.76 (3.24)	445755.68 (100)
<b>2008-09</b>	65667.25 (100)	-	-	65667.25 (100)
<b>2009-10</b>	81623.08 (100)	-	-	81623.08 (100)
<b>CAGR (%)</b>	<b>-0.96</b>	-	<b>-0.80</b> (During 1999-2000 To 2007-08)	<b>-0.97</b>

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.



**Table – 5.11: Economics Of Km Operation Of AP State Road Transport Corporation  
During 1999- 2000 To 2009-2010.**

S. No.	Year(s) / Parameters	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
a	Total Route Kms (In Lakh)	8.96	8.98	8.99	9.00	9.01	9.02	9.03	9.78	9.96	9.98	10.08	<b>1.18</b>
b	Average Kms Covered Per Bus Per Day	317	315	297	320	326	332	335	347	352	360	357	<b>1.20</b>
c	Average Revenue Per Km (Paise)	10.84	11.66	12.34	12.88	13.77	13.83	15.44	17.11	17.59	18.71	18.78	<b>5.65</b>
d	Average Expenditure Per Km (Paise)	11.55	12.63	13.64	13.69	13.96	14.8	15.62	17.57	17.05	18.28	20.64	<b>5.98</b>
e	Profit (+) / Loss(-) Km (Paise)	-0.71	-0.97	-1.30	-0.81	-0.19	-0.97	-0.18	-0.46	0.54	0.43	-1.86	<b>10.11</b>

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

### **Economics Of Km Operation**

Table-5.11 presents the economics of km operation by the Corporation. As can be seen from the table the Corporation operated total route kms of 8.96 lakh during 1999-2000 which was increased to 10.08 lakh kms during 2009-10 with a growth rate of 1.18 per cent.

The average kms covered per bus per day by the Corporation during the years under review ranged between 297 kms (2001-02) to 360 kms (2008-09). The average revenue per km ranged between 10.84 paise (1999-2000) to 18.78 paise (2009-10). On the other hand, the average expenditure per km ranged between 11.55 paise (1999-2000) to 20.64 paise (2009-10). Thus, the bird's –eye-view of the revenue and expenditure per km of bus operation by the Corporation in a majority of years under reference, shows the excess of expenditure over the revenue. A further analysis shows that the loss per km of bus operation by the Corporation ranged between 0.18 paise (2005-06) to 1.86 paise (2009-10). This shows the worsening of the economics of operation of the Corporation over the years under review.

**Table-5.12: Accumulated Losses Of AP State Road Transport Corporation During 1999-2000 To 2009-10.**

(Rupees in crores)

Year(s)	Profit / (-) Loss	Accumulated Loss
<b>1999-2000</b>	-151.85	313.12
<b>2000-01</b>	-209.95	523.07
<b>2001-02</b>	-272.07	795.13
<b>2002-03</b>	-181.67	976.81
<b>2003-04</b>	-42.02	1018.83
<b>2004-05</b>	-224.86	1243.69
<b>2005-06</b>	-42.78	1286.47
<b>2006-07</b>	-111.82	1398.29
<b>2007-08</b>	135.67	1162.63
<b>2008-09</b>	110.78	1151.84
<b>2009-10</b>	-514.55	1666.40

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## Accumulated Losses Of The Corporation

Table-5.12 presents the amount of accumulated losses of the Corporation during 1999-2000 to 2009-10. As evident from the table the total amount of accumulated loss of the Corporation was Rs.313.12 crores during 1999-2000 which increased incessantly to stand at Rs.1398.29 crores by 2006-07. But, during the succeeding two years i.e., 2007-08 and 2008-09 the amount of accumulated loss no doubt looked down but by the year 2009-10 the total loss of the Corporation accumulated and stood at Rs.1666.40 crores.

**Table- 5.13: Manpower Turnover / Productivity in APSRTC  
During 2000-01 To 2009-10.**

Year(s)	Turnover (Rs. In Crores)	Man Power (Nos)	Man Power Productivity ( Turnover / Man Power)
2000-01	2450.02	126796	0.019
2001-02	2387.44	126418	0.019
2002-03	2654.91	122358	0.022
2003-04	2775.46	119219	0.023
2004-05	2936.64	117400	0.025
2005-06	3192.45	115946	0.028
2006-07	3657.94	115529	0.032
2007-08	3879.14	114699	0.034
2008-09	5000.00	134000	0.037
2009-10	4639.73	115317	0.040

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## Manpower Turnover / Productivity Of The Corporation

Table-5.13 presents the man power turnover / productivity in APSRTC during 2000-01 to 2009-10. As evident from the table the total turnover of the Corporation which was Rs.2450.02 crores during the year 2000-01 increased to Rs.5000 crores during 2008-09 and stood at Rs. 4639.73 crores during 2009-10.

The manpower turnover, which signifies the productivity of human resource, was 0.019 times during 2000-01 and shoots up to 0.040 times during 2009-10. The improvement in the manpower productivity of the APSRTC is influenced both by the increase in turnover and downsize in human resource because the manpower productivity is the function of both the value of turnover and the size of human resource.

**Table – 5.14: Bus Productivity Of APSRTC During 1999-2000 To 2009-10.**

Year(s)	Bus Stations (Nos.)	Bus Shelters (Nos.)	Bus Staff Ratio (On Held) (Nos.)	Occupancy Ratio ( %)
<b>1999-00</b>	688	1801	6.51	61
<b>2000-01</b>	723	1849	6.99	61
<b>2001-02</b>	743	1875	6.79	63
<b>2002-03</b>	756	1875	6.68	60
<b>2003-04</b>	758	1879	6.53	62.47
<b>2004-05</b>	763	1880	6.31	65.45
<b>2005-06</b>	766	1880	6.31	68.11
<b>2006-07</b>	766	1880	6.31	69.91
<b>2007-08</b>	765	1880	6.16	72.27
<b>2008-09</b>	767	1880	6.13	74
<b>2009-10</b>	767	1880	6.04	72
<b>CAGR (%)</b>	<b>1.09%</b>	<b>0.43%</b>	<b>6.05</b>	-

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.

### **Bus Productivity**

Table- 5.14 presents the bus productivity of APSRTC during 1999-2000 to 2009-10. As evident from the table, over the years under review the number of bus stations as well as number of bus shelters increased from 688 (1999-2000) to 767 (2009-10) and 1801 (1999-2000) to 1880 (2009-10) respectively. But, the Bus Staff Ratio (BSR) which was 6.51 during 1999-2000, though increased to 6.99 during 2000-2001, gradually came down to 6.04 during 2009-10.

The diving down of Bus Staff Ratio denotes the downsizing in human resources. The Occupancy Ratio (OR) which is an index of bus productivity improved over the years from 61 per cent during 1999-2000 to 74 per cent during 2008-09 and stood at 72 per cent during 2009-10.

**Table – 5.15: Productivity Jump During 1995-96 To 2009-10.**

Parameters	Units	1995-96	2002-03	2009-10
Productivity	Km / Day	40	47	72
Bus Utilisation	Km / Day	200	309	358.50
Diesel	Km / Litre	4.98	5.20	5.28
Tyre Durability	Km / Tyre	1.27 lakhs	1.52 lakhs	2.31 lakhs
Accident Rate (Lakh effective kms)	No. / 1 lakh km	0 309.19	0.10	0.11

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.

### **Productivity Jump Of The Corporation**

Table-5.15 presents the productivity jump of APSRTC during 1995-96 to 2009-10. It can be seen from the table, the additional productivity in various departments has been increasing. Productivity per day which was 40 km during 1995-96 increases to 47 km during 2002-03 and further raised to 72 kms per day during 2009-10 . However, during 1995-96 the bus utilization was 200 km per day raised to 309 km during 2002-03 and thereafter marginally increased to 358.50 km per day (2009-10).

A peep into table also reveals kilometers run per liter of oil which was 5.28 (2009-10) when compared to 4.98 (1995-96). Moreover, tyre durability was 1.27 lakhs during 1995-96 increased to 2.31 lakhs during 2009-10. Finally, accident rates are reduced to 0.10 per lakh kilometers in 2002-03 when compared to 0.19 per lakh kilometers during 1995-96 and stood at 0.11 during 2009-10.

**Table – 5.16: Quality Of Services Of APSRTC During 2000-01 To 2009-10.**

<b>Year(s)</b>	<b>Trips Scheduled To Be Operated (in lakhs)</b>	<b>Actual Trips Operated (in lakhs)</b>	<b>Regularity (%)</b>	<b>Breakdown per 10000 Effective Kms</b>
<b>2000-01</b>	526.48	516.92	98.18	0.24
<b>2001-02</b>	529.55	494.54	93.39	0.19
<b>2002-03</b>	532.02	518.04	97.37	0.18
<b>2003-04</b>	519.92	509.76	98.05	0.14
<b>2004-05</b>	522.69	510.32	97.64	0.11
<b>2005-06</b>	525.61	509.64	96.96	0.14
<b>2006-07</b>	513.45	504.37	98.23	0.12
<b>2007-08</b>	518.17	504.43	97.35	0.11
<b>2008-09</b>	528.98	518.79	98.07	0.08
<b>2009-10</b>	532.84	514.58	96.57	0.07
<b>CAGR (%)</b>	-0.89	-0.89	-	-

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Quality Of Services Of The Corporation**

Quality of services of APSRTC in terms of regularity of trips and breakdown of buses during the period 2000-2001 to 2009-10 is presented in Table-5.16. As evident from the table the trips scheduled to be operated during 2000-2001 were 526.48 lakhs against which 516.92 lakh trips were operated recording a regularity of 98.18 per cent with 510.32 lakh actual trips during 2005-06 as against 522.69 lakh trips scheduled during 2004-05 the recorded regularity 97.74 per cent. During the year 2009-10 the regularity in trips registered stands at 96.57 per cent with 514.58 lakh total trips operated as against 532.84 lakh trips scheduled to be operated. Thus, the analysis clearly shows that there has been a marginal decline in the regularity of trips operated by the Corporation over the years under review. But, it need be noted the breakdown per 10000 effective kms which was 0.24 during 2000-2001 gradually rolled down in its intensity to stand at 0.07 breakdowns during 2009-10.

## **Breakdowns & Accidents**

As can be seen from the Table-5.17, the total number of bus breakdowns which were 40383 during 1999-2000 increased to 52417 during 2000-01. But, thereafter gradually declined to stand at only 18937 during 2009-10. Thanks to the policy of the Corporation to introduce new and modern improved buses on the road in view of the competition and customer orientation. It can be further seen the average number of breakdowns per lakh kms during period under review ranged between 0.90 (2008-09) to 2.41 (2000-01).

**Table- 5. 17: Breakdowns & Accidents Of AP State Road Transport Corporation During 1999- 2000 To 2009-2010.**

S. No.	Year(s) / Parameters	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	No. of operating Depots	209	211	212	212	212	212	212	203	202	202	210	0.05
2.	(a) Total No. of breakdowns	40383	52417	40358	36800	29847	27959	30425	30135	26921	21232	18937	-7.29
	(b) Average No. of breakdowns per lakh KMs.	1.88	2.41	1.93	1.64	1.31	1.20	1.28	1.33	1.20	0.90	1.0	-6.12
3.	(a) Total No. of accidents during Year	2525	2195	1901	2198	2339	2365	2584	2868	3076	3039	2868	1.28
	(b) Average No. of accidents per lakh KMs	0.12	0.10	0.09	0.10	0.10	0.10	0.11	0.12	0.12	0.11	0.11	-0.87

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

A peep into the table also shows that the average number of breakdowns per lakh kms have considerably come down since 2006-07 to stand at only 1 break down per lakh kms during 2009-10. The analysis shows that in APSRTC it is not only the total number of breakdowns that came down but the average number of break downs also experienced a marked decline. The observed trend is due to the replacement of old buses with the improved versions. A view of the total number of accidents shows that the number of accidents which were 2525 during 1999-2000 increased to 3076 ends to at 2868 during 2009-10. Further, the average number of accidents per lakh kms ranged between 0.09 (2001-02) to 0.12 (2007-08).



**Table-5.18: Burden Due To Concessions During 1995-96 To 2009-10.**

(Rs. in lakhs)

Year(s)	Students	Blinds	Freedom Fighters & Politicians	Journalists	Senior Citizens	Others	Total	Subsidies From Government
1995-96	5471.30 (78.29)	933.05 (13.35)	231.93 (3.32)	352.56 (5.04)	-	-	6988.54 (100)	-
1996-97	6058.45 (82.35)	1221.96 (16.61)	11.45 (0.16)	64.79 (0.88)	-	-	7356.65 (100)	-
1997-98	7498.82 (75.09)	2118.62 (21.22)	13.99 (0.14)	354.47 (3.55)	-	-	9985.9 (100)	-
1998-99	8248.71 (69.74)	2914.77 (24.64)	274.29 (2.32)	389.22 (3.30)	-	-	11827.69 (100)	6.36
1999-2000	9375.96 (71.23)	3313.10 (25.17)	-	458.43 (3.48)	15.22 (0.12)	-	13162.71 (100)	-
2000-01	16891.41 (83.30)	3005.33 (14.82)	-	360 (1.78)	-	20.98 (0.10)	20277.72 (100)	-
2001-02	22651.38 (90.17)	2017.31 (8.03)	20.99 (0.08)	430 (1.71)	-	-	25119.68 (100)	10000.00
2002-03	21658.79 (80.95)	4269.29 (15.96)	254.24 (0.95)	573.98 (2.15)	-	-	26756.3 (100)	-
2003-04	-	-	-	878.94 (2.89)	-	-	30392.68 (100)	-
2004-05	27130.99 (79.63)	5802.19 (17.03)	357.62 (1.05)	781.86 (2.29)	-	-	34072.66 (100)	-
2005-06	-	-	-	1003.32 (2.65)	-	-	37821.34 (100)	-
2006-07	32845.12 (80.08)	6751.15 (16.46)	344.02 (0.84)	1076.04 (2.62)	-	-	41016.33 (100)	-
2007-08	34293.07 (79.02)	7514.69 (17.32)	324.14 (0.75)	1264.26 (2.91)	-	-	43396.16 (100)	-
2008-09	-	-	-	1507.74 (3.21)	-	-	46902.16 (100)	-
2009-10	41224.32 (76.29)	10165.36 (18.81)	267.7 (0.50)	2380.44 (4.41)	-	-	54037.82 (100)	-

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: Profile & Performance Of STUs, CIRT, (2000-10), Pune.

## **Concessions – A Burden On The APSRTC Coffers**

APSRTC being a public sector enterprise has to discharge corporate social responsibility by reaching the needy, deprived in tune with the national policy and priorities. No doubt, in consonance with this observation the APSRTC reaches the students, blind, freedom fighters, journalists, senior citizens etc by offering fare concessions. Actually, the APSRTC being an autonomous Corporation, the state government has to meet and reimburse the amount of concessions offered by the Corporation to different stated sections of the society. But, rarely the Government reimburses such subsidies leaving the total burden on the shoulders of the Corporation.

Table-5.18 presents the scenario of the burden of concessions during 1995-96 to 2009-10. As evident from the table the total amount of concessions offered by the Corporation amounted to Rs. 6988.54 lakhs during 1995-96 which increased to Rs.13162.71 lakhs during 1999-2000 and further to Rs.54073.82 lakhs during 2009-10. Out of the total amount of concessions, as could be seen from the table the concessions to students constitute a dominant share ranging between 69.74 per cent (1998-99) to 90.17 per cent (2001-02). Moreover, the total amount of fare concessions offered to students by the APSRTC has enormously increased over the years under review.

It is evident from the fact that during 1995-96 the amount of fare concessions offered to students was Rs.5471.30 lakhs which increased to Rs.9375.96 lakhs during 1999-2000 and further to Rs.41224.32 lakhs during 2009-10. It is followed by the amount of concessions offered by the Corporation to the blind which is a welcome feature. Thanks to the corporate social responsibility orientation and emphasis of the Corporation.

It can be observed that the amount of concessions offered to the blind was Rs.933.05 lakhs during 1995-96 which increased to Rs.3313.10 during 1999-2000 and further to Rs.10165.36 lakhs during 2009-10. Moreover, during the period under review, the proportion of the amount of concessions offered to the blind on the total amount of fare concessions by the APSRTC, ranged between 8.03 per cent (2001-02) to 25.17 per cent (1999-2000).

The amount of concessions to journalists, which is ranged between 0.88 per cent to 5.08 per cent of the total amount of concessions and also increased over the years from only 352.56 lakhs (1995-96) to Rs.458.43 lakhs (1999-2000) and further to Rs.2380.44 lakhs (2009-10). The analysis drives home the observation that the APSRTC offers huge amount of fare concessions to different sections of the society as a part of corporate social responsibility and a greater proportion of total concessions standing on account of students, the blind and the journalists. But, the State Government fails to support the APSRTC through reimbursement.

### **Corporation Concessions and Government Reimbursement**

Table-5.19 presents an analysis of concessions and reimbursement by the State Government. As evident from the table during 2000-01 an amount of Rs.200 crores are offered as fare concessions by the APSRTC, out of which only Rs.100 crores (50 per cent) reimbursed by the Government leaving the remaining Rs.100 crores as unmet burden on the Corporation. It is a case with the rest of all the years under review. Even during the year 2009-10 Rs.490.47 crores was the total amount of concessions, out of which only 24.47 per cent (Rs.120 crores) was reimbursed by the State Government leaving the major chunk of 75.53 per cent (Rs.340.47) crores as unmet burden of concessions on the spine of the Corporation.

**Table – 5.19: Concessions Of APSRTC and Reimbursements To APSRTC During 2000-01 TO 2009 -2010.**

(Rs. in crores)

Year(s)	Concessions	Govt., Sanctions	Not Reimbursed
2000-01	200.00 (100)	100.00 (50.00)	100.00 (50.00)
2001-02	355.00 (100)	90.00 (25.35)	265.00 (74.65)
2002-03	276.00 (100)	138.00 (50.00)	138.00 (50.00)
2003-04	304.00 (100)	100.00 (32.89)	204.00 (67.11)
2004-05	335.00 (100)	167.50 (50.00)	167.50 (50.00)
2005-06	368.50 (100)	100.00 (27.14)	268.50 (72.86)
2006-07	405.35 (100)	99.44 (24.53)	305.91 (75.47)
2007-08	433.96 (100)	150.00 (34.57)	283.96 (65.43)
2008-09	469.37 (100)	160.00 (34.09)	309.37 (65.91)
2009-10	490.47 (100)	120.00 (24.47)	370.47 (75.53)
<b>CAGR (%)</b>	-72.75%	-86.67%	-0.56

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

It can be further seen that on the whole during the period under review the Government sanctions reimbursements of total amount of fare concessions offered by the Corporation ranged between 24.47 per cent (2009-10) to 50 per cent (2000-01) and (2004-05). Thus, the analysis shows that the major chunk of the total fare of concessions offered by the APSRTC are left unreimbursed leaving the financial burden to the Corporation throwing it into the drain of losses. The incidence of concessions burden not reimbursed by the Government increased over the years.

In other words, the Government shuns away its responsibility of reimbursing the amount of fare concessions to the Corporation year after year and thus added fuel to the firer financial burden and losses of the Corporation.

**Table – 5.20: Motor Vehicle Tax and Other Taxes Paid By APSRTC During 2000-01 To 2009-10.**

(Rs. in crores)

<b>Year(s) / Parameters</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>20005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>20008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
Motor Vehicle Tax & Permit Fees	3651.56 (99.02)	3321.62 (98.91)	3183.63 (98.69)	3332.33 (98.20)	3513.01 (97.04)	2541.34 (93.91)	2411.02 (92.99)	2565.94 (91.78)	2793.56 (91.53)	3084.81 (91.42)	-0.77
Other Taxes	36.07 (0.98)	36.52 (1.09)	42.41 (1.31)	61.21 (1.80)	106.97 (2.96)	164.75 (6.09)	181.75 (7.01)	229.89 (8.22)	258.22 (8.47)	289.35 (8.68)	-0.10
Total Tax (MVT + Other Taxes)	3687.63 (100)	3358.14 (100)	3226.05 (100)	3393.55 (100)	3619.99 (100)	2706.09 (100)	2592.77 (100)	2795.84 (100)	3051.78 (100)	3374.16 (100)	-0.89
M.V. Tax Per Bus Held Per Year	1.97	1.75	1.65	1.73	1.84	1.32	1.24	1.30	1.37	1.45	-
Total Revenue	2535.54	2573.53	2879.60	3117.90	3212.36	3674.53	4186.21	4457.46	5039.52	5204.46	-0.77
Percentage Of Taxes On Total Revenue	145.44	130.49	112.03	108.84	112.69	73.64	61.94	62.72	55.43	64.83	-
Percentage Of MVT On Total Revenue	144.02	129.07	110.56	106.88	109.36	69.16	57.59	57.57	55.43	59.27	-

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Profile & Performance Of STUs, CIRT, (2000-10), Pune.

### **Motor Vehicle Tax (MVT) Engulfing The Revenue**

Table-5.20 presents the magnitude and incidence of Motor Vehicle Tax (MVT) and other taxes with respect to APSRTC during 2000-01 to 2009-10. The incidence of MVT is almost engulfing the total revenue and it needs a perusal and consideration for reduction of burden on the Corporation. It is evident from the table that the amount of MVT which was Rs. 3651.56 crores during 2000-2001 has not experienced any quantum jump over the years under review. It is evident from the fact that the amount of MVT was Rs. 3513.01 crores during 2004-2005 and stood at Rs. 3084.81 crores during 2009-2010. But, as a proportion of the total revenue the share of MVT accounted for 91.42 per cent (2009-10) to 99.02 per cent (2000-01). Moreover, the total taxes paid by the APSRTC as a proportion of the total revenue ranged between 55.43 per cent (2008-09) to 145.44 per cent (2002-01). It is a sorrow state of affairs to note that the amount of MVT and other taxes is almost engulfing the total revenue of the Corporation leaving no surplus. This needs the consideration of the policy makers to reduce the burden of taxes so as to provide a scope for the Corporation to stand financially.

**SECTION – C**  
**FINANCIAL POSITION AND PERFORMANCE**

**Table -5.21: Capital Structure Composition and Debt – Equity Ratio of A.P. State Road Transport Corporation  
During 2000- 01 To 2009-10.**

(Rupees in crores)

Year (s)	Paid-Up Capital			Loans Outstanding	Debt - Equity Ratio
	State Government	Central Government	Total		
2000-01	140.20 (69.65)	61.07 (30.34)	201.27 (100)	582.84	2.89
2001-02	140.20 (69.65)	61.07 (30.34)	201.27 (100)	754.07	3.74
2002-03	140.20 (69.65)	61.07 (30.34)	201.27 (100)	821.84	4.08
2003-04	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1040.98	5.17
2004-05	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1325.88	6.58
2005-06	140.20 (69.65)	61.07 (30.34)	201.27 (100)	<b>1156.99</b>	5.25
2006-07	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1095.68	5.44
2007-08	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1299.73	6.45
2008-09	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1404.46	6.97
2009-10	140.20 (69.65)	61.07 (30.34)	201.27 (100)	1410.21	7.00
CAGR	0	0	0	10.32	-

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

## **Capital Structure and Debt-Equity Ratio**

Table- 5.21 presents the composition of capital structure and Debt-Equity ratio of the Corporation. The capital structure composition of the Corporation as evident from the table exhibits two sides: (i) static and (ii) another one is growing. On the side of the paid-up capital the capital structure reflects the static picture as evident from the fact that the total paid-up capital of the Corporation stood at Rs.201.27 crores with the composition of Rs.140.20 crores from the State Government and Rs.61.07 crores from the Central Government. This shows that the Corporation rise increasingly on debt-capital.

It is evident from the fact that the amount of loans outstanding with the Corporation was Rs.582.84 crores during 2000-01 and increased to Rs.1410.21 crores during 2009-10 experiencing a growth rate of 10.32 per cent over the years under review.

The trend of debt-equity ratio over the years corroborates the fact that the outside capital component of the capital structure has been growing over the years. It could be seen from the table that during 2000-01 the debt-equity ratio of the Corporation was 2.89 per cent which increased to 6.58 per cent during 2004-05 with marginal intermittent fluctuations during the years the debt-equity ratio stood all time high at 7:1 during 2009-10. The analysis shows that the increasing reliance of the Corporation on debt capital.



**Table – 5.22: Debt Drain and Burden Of A.P. State Road Transport Corporation During 1999-2000 To 2009-10.**

(Rupees in crores)

Year(s)	Profit / (-) Loss	Payments on Debts (In terms of interest)
1999-2000	-151.85	45.09 (29.69)
2000-01	-209.95	63.15 (30.08)
2001-02	-272.07	86.91 (31.94)
2002-03	-181.67	97.34 (53.58)
2003-04	-42.02	105.21 (250.38)
2004-05	-224.86	102.95 (45.78)
2005-06	-42.78	73.15 (170.99)
2006-07	-111.82	76.13 (68.08)
2007-08	135.67	91.25 (67.26)
2008-09	110.78	116.87 (105.50)
2009-10	-514.55	114.63 (22.28)

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Comptroller and Auditor General (CAG) Reports (2000-10).

### **Debt Drain into The Profits**

Table- 5.22 presents the burden of debt drain into the profits of the APSRTC during 1999-2000 to 2009-10. As evident from the table, during the period under reference, exception during the years 2007-08 and 2008-09 the Corporation incurred financial losses ranging between Rs.42.02 crores (2003-04) to 514.55 crores (2009-10).

The debt servicing burden including interest payment also contributed to the sustained losses of the Corporation. It is evident from the fact that the amount of payments on debt in terms of interest was Rs.45.09 crores during 1999-2000 which increased to Rs.116.87 crores (2008-09) and stood at Rs.114.63 crores during 2009-10. The drain of interest burden into the profits on contribution to the losses, over the years under review, ranged between 29.69 per cent (1999-2000) to 250.38 per cent (2003-04).

### **Loans and Advances Of The Corporation**

The loans and advances of the AP State Transport Corporation consist of advances to private parties, advances to employees, deposits and others. A trend analysis of the amount of loans and advances of the corporation during 2000-01 to 2009-10 is presented in Table-5.23.

It could be seen from the table that the total amount of loans and advances of the Corporation which was Rs.5510.03 lakhs during 2000-01 increased to stand at Rs.7046.43 lakhs (2006-07), after intermittent fluctuations, and finally stood at Rs.5408.75 lakhs during 2009-10.

Moreover, a further analysis shows that advances to employees accounted for a lion's share of the total advances of the Corporation all through the years with a share ranging between 44.82 per cent (2008-09) to 86.30 per cent (2000-01). Here, it need be noted the amount of advances to employees both absolutely and relatively experienced a marked slip over the years. It is evident from the fact that the amount of advances to employees which was Rs.4753.76 lakhs (86.30 per cent) during 2000-01 came down to stand at Rs.2601.75 lakhs (48.10 per cent) during 2009-10.

**Table-5.23: Loans and Advances Of A.P. State Road Transport Corporation During 2000-01 To 2009-2010.**

(Rs. in lakhs)

<b>Year (s) / Types Of Loans &amp; Advances</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
A. Advances To Private Parties	21.78 (0.40)	21.78 (0.35)	21.78 (0.45)	21.78 (0.49)	21.78 (0.49)	21.78 (0.52)	21.78 (0.31)	21.78 (0.46)	21.78 (0.44)	21.78 (0.42)	0
B. Advances To Employees	4753.76 (86.30)	5255.39 (84.16)	3868.04 (79.74)	3437.14 (77.80)	3108.2 (69.96)	2721 (65.10)	5437.05 (77.20)	2637.18 (55.16)	2218.33 (44.82)	2601.75 (48.10)	-0.93
C. Deposits	556.55 (10.10)	768.63 (12.31)	896.91 (18.49)	891.06 (20.17)	1214.85 (27.34)	1394.5 (33.39)	1531.65 (21.70)	1739.49 (36.39)	2060.35 (41.63)	2268.52 (41.94)	-0.54
D. Others	177.94 (3.20)	198.7 (3.18)	63.83 (1.32)	68.06 (1.54)	98.26 (2.21)	41.4 (0.99)	55.95 (0.79)	381.93 (7.99)	649.05 (13.11)	516.70 (9.54)	-0.67
<b>Total ( A To D)</b>	<b>5510.03 (100)</b>	<b>6244.5 (100)</b>	<b>4850.25 (100)</b>	<b>4418.04 (100)</b>	<b>4443.1 (100)</b>	<b>4178.68 (100)</b>	<b>7046.43 (100)</b>	<b>4780.39 (100)</b>	<b>4949.52 (100)</b>	<b>5408.75 (100)</b>	<b>-0.89</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Comptroller and Auditor General (CAG) Reports (2000-10).

Deposits, as a component of total loans and advances of APSRTC, consolidated its share both absolutely and relatively. It is a fact that the Corporation diluted its proportion of advances to employees infavour of the deposits. It is an exercise of financial engineering. It is evident from the fact that the amount of deposits of the Corporation which was Rs.556.55 lakhs, constituting 10.10 per cent of the total loans and advances, increased to stand at Rs.2268.52 lakhs with a consolidated share of 41.94 per cent.

**Table-5.24: Fixed Assets Of A.P. State Road Transport Corporation During 2000-01 To 2009-2010.**

(Rs. in lakhs)

S. No.	Year (s) / Types Of Assets	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Land	3056.31 (1.70)	3078.78 (1.67)	3109.98 (1.65)	3195.16 (1.62)	3249.59 (1.49)	3243.61 (1.52)	3349.78 (1.48)	3436.88 (1.44)	3585.89 (1.42)	3795.66 (1.45)	<b>2.44</b>
2.	Buildings											
	a) Completed	26876.54 (15.02)	27820.62 (15.10)	28336.19 (15.05)	29017.64 (14.71)	29590.13 (13.48)	31951.24 (14.91)	32261.25 (14.30)	33033.84 (13.80)	33921.38 (13.5)	34761.76 (13.28)	<b>2.90</b>
	b) Work-in-Progress	1927.59 (1.07)	1647.04 (0.89)	1545.09 (0.82)	1454.31 (0.73)	2149.19 (0.98)	266.59 (0.12)	362.77 (0.16)	306.87 (0.13)	634.05 (0.25)	448.56 (0.17)	<b>-14.96</b>
3.	Plant & Machinery											
	a) Completed	8419.98 (4.70)	8657 (4.70)	8900.36 (4.73)	9302.49 (4.72)	9603.52 (4.38)	10329.9 (4.83)	11265.3 (4.99)	11540.73 (4.82)	11763.74 (4.67)	12453.32 (4.75)	<b>2.90</b>
	b) Work-in-Progress	7.03 (0.02)	10.17 (0.01)	11.44 (0.01)	6.98 (0.03)	9302.49 (4.23)	29.57 (0.01)	10.18 (0.02)	10.3 (4.30)	10.4 (4.13)	11.44 (0.04)	<b>5.56</b>
4	Vehicles											
	a) Completed	136798.23 (76.45)	142455.28 (77.4)	145347.14 (77.2)	151789.49 (76.97)	163530.48 (71.52)	167790.81 (78.5)	176252.24 (78.13)	188201.04 (78.65)	198324.99 (78.81)	207934.40 (79.46)	<b>4.76</b>
	b) Work-in-Progress	1859.78 (1.04)	365.38 (0.2)	1018.73 (0.54)	2421.33 (1.22)	2013.16 (0.92)	235.78 (0.11)	2078.16 (0.92)	2781.35 (1.16)	3405.05 (1.35)	2258.51 (0.86)	<b>2.18</b>
	<b>TOTAL</b>	<b>178945.46 (100)</b>	<b>184034.28 (100)</b>	<b>188268.93 (100)</b>	<b>197187.4 (100)</b>	<b>210136.06 (100)</b>	<b>213847.5 (100)</b>	<b>225579.68 (100)</b>	<b>239310.99 (100)</b>	<b>251645.5 (100)</b>	<b>261663.66 (100)</b>	<b>2.90</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

### **Fixed Assets Of The Corporation**

Table-5.24 presents the amount of investment in the fixed assets of the Corporation during 2000-01 to 2009-10. As evident from the table the total value of the fixed assets of the Corporation was Rs.178945.46 lakhs during 2000-01 and increased over the years to stand at Rs.261663.66 lakhs during 2009-10.

A further analysis of the composition of total fixed assets of the Corporation clearly shows that the vehicles assume dominant proportion, ranging between 76.45 per cent (2000-01) to 79.46 per cent (2009-10). The value of buildings (completed) follow with a share ranging between 13.28 per cent (2009-10) to 15.10 per cent (2001-02). Thus, the analysis shows the total assets of the Corporation is composed mainly of the vehicles and buildings where as the Plant and Machinery (the share of which range between 4.38 per cent and 4.99 per cent) and land (the share of which ranges between 1.42 per cent 1.70 per cent) accounted for a minor share of the total assets.

### **Investments Of APSRTC**

Table- 5.25 presents the investment scenario of A.P. State Road Transport Corporation during 2000-01 to 2009-10. A bird's-eye-view of the data presented clearly shows that the investments of the APSRTC project a static picture both *in toto* and in its composition.

The investments of the Corporation in equity share capital of Rs. 37.35 lakhs, insurance fund of Rs.20 lakhs and share capital in urban mass transit corporation Rs.5 lakhs remain static all through the years under reference till 2009-10.

**Table-5.25: Investments of AP State Road Transport Corporation During 2000-01 To 2009-10.**

(Rs. in lakhs)

S. No	Year (s) / Investments	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Investments Of Insurance Fund	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)	20.00 (32.08)
2	Investments In Equity Share Capital	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)	37.35 (59.90)
3	Share Capital – Urban Mass Transit Corpn., Ltd.,	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)	5.00 (8.02)
	Total	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)	62.35 (100)

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

**Table- 5.26: Deposits Of A.P. State Road Transport Corporation During 2001-02 To 2009-2010.**

(Rs. in lakhs)

S. No.	Year (s) / Deposits	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1	A.P. Transco	349.63 (51.83)	372.3 (48.28)	388.69 (46.04)	404.95 (46.71)	408.07 (51.64)	408.52 (50.06)	416.6 (63.79)	427.24 (54.38)	434.02 (53.85)	2.74%
2	A.P. Telecom	44.48 (6.59)	47.29 (6.13)	47.14 (6.13)	45.69 (5.58)	44.46 (5.26)	42.07 (5.15)	41.79 (6.39)	40.86 (5.19)	39.45 (4.90)	-1.49%
3	Others	280.46 (41.58)	351.52 (45.59)	408.27 (48.38)	416.55 (48.03)	337.75 (42.74)	365.42 (44.79)	194.62 (29.82)	317.68 (40.43)	332.36 (41.25)	2.15%
4	Personal Deposit Account with the Govt. of A.P.	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.01 (0.001)	0.00%
	Total	674.56 (100)	771.13 (100)	844.11 (100)	867.19 (100)	790.28 (100)	816.01 (100)	653.01 (100)	785.79 (100)	805.84 (100)	2.25%

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

## **Total Deposits Of The Corporation**

Table - 5.26 presents the quantum of total deposits of the Corporation during 2001-02 to 2009-10. As can be seen from the table the total deposits of the Corporation which was Rs.674.56 lakhs during 2001-02 increased at Rs.867.19 lakhs during 2004-05 and finally stood at Rs.805.84 lakhs (2009-10). A peep into the table further reveals that AP Transco continued to record as the single largest depositors to the APSRTC with a share ranging between 46.04 per cent during 2003-04 to 63.79 per cent (2007-08).

The deposits with AP Telecom are ranging between 4.90 per cent (2009-10) to 6.59 per cent (2001-02) followed by other deposits comprise of a sizeable proportion of the total deposits of the Corporation with a share ranging between 29.82 per cent (2007-08) to 48.37 per cent (2003-04). The analysis of the deposits of the Corporation clearly shows that the majority of deposits tied with A.P. Statutory Corporations.

## **Borrowings Of The Corporation**

Table-5.27 presents the amount of borrowings and the source composition of the Corporation during 2000-01 to 2009-10. As evident from the table the total amount of borrowings of the Corporation was Rs.58283.69 lakhs during 2000-01 and stood at Rs.155823.60 lakhs by 2009-10. The composition of the borrowings shows that the banks and financial institutions accounted for a major share ranging between 37.36 (2006-07) to 48.90 per cent (2007-08). It is borrowed by the LIC with a share ranging between 2.14 per cent (2009-10) to 29.04 per cent (2000-01), staff retirement benefit scheme ranging between 9.68 per cent (2000-01) to 25.80 (2009-10) and APSRTC staff benevolent-cum-thrift scheme ranging between 8.70 per cent (2008-09) to 16.83 per cent (2000-01).

**Table-5.27: Borrowings Of A.P. State Road Transport Corporation During 2000-01 To 2009-10.**

(Rs. in lakhs)

S. No.	Year (s) / Borrowings	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Life Insurance Corporation Of India	16924.70 (29.04)	21558.80 (28.59)	19619.70 (23.87)	17112.00 (16.44)	14655.40 (11.05)	12613.96 (10.90)	10073.61 (9.19)	7670.86 (5.90)	5411.62 (3.85)	3348.54 (2.14)	-0.16
2.	APSRTC Staff Benevolent-cum-thrift Scheme	9810.20 (16.83)	11884.40 (15.76)	13516.20 (16.45)	14914.40 (14.33)	16244.40 (12.25)	16179.40 (13.98)	14238.40 (13.00)	11984.80 (9.22)	12219.80 (8.70)	14069.80 (9.02)	0.04
3.	Staff Retirement Benefit Scheme	5640.63 (9.68)	9633.00 (12.77)	13794.00 (16.78)	18399.00 (17.67)	22449.00 (16.93)	21873.00 (18.90)	25905.00 (23.64)	30239.00 (23.30)	35280.00 (25.10)	40210.00 (25.80)	0.24
4.	Petroleum Conservation Research association	8.17 (0.01)	6.36 (0.01)	4.40 (0.01)	2.28 (0.01)	-	-	-	-	-	-	-1.00
5.	Banks and Financial Institutions (Secured by Hypothecation of Vehicles)	25900.00 (44.44)	32325.00 (42.87)	35250.00 (42.89)	43670.00 (41.95)	59370.00 (44.78)	46860.00 (40.50)	40940.00 (37.36)	63569.00 (48.90)	60393.00 (43.03)	69355.00 (44.50)	0.12
6.	Government Guaranteed Loans	-	-	-	10000.00 (9.60)	9270.00 (7.00)	7573.32 (6.56)	5876.64 (5.36)	10600.00 (8.16)	10600.00 (7.55)	12335.60 (7.91)	0.04
7.	Cash Credit with SBH, APSRTC Branch, Hyderabad.	-	-	-	-	-	-	-	1730.00 (1.31)	-	-	0.00
8.	Commercial Banks (Against State Govt., Guarantee)	-	-	-	-	10600.00 (7.99)	10600.00 (9.16)	10600.00 (9.67)	4179.96 (3.21)	16542.28 (11.77)	16564.04 (10.63)	0.05
	<b>Total</b>	<b>58283.69 (100)</b>	<b>75407.00 (100)</b>	<b>82184.30 (100)</b>	<b>104098.28 (100)</b>	<b>132588.80 (100)</b>	<b>115699.68 (100)</b>	<b>109568.65 (100)</b>	<b>129973.62 (100)</b>	<b>140446.70 (100)</b>	<b>155823.60 (100)</b>	<b>0.12</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).



It could be further noted that the share of staff retirement benefit scheme as a component of total borrowings of the Corporation increased over the years where as that of LIC and staff benevolent-cum-thrift scheme gradually came down. The borrowings from commercial banks against the guarantee of State Govt., of Andhra Pradesh started assuming a significant share of the total composition of the Corporation borrowings since 2004-05.

**Table- 5.28: Composition Of Provisions Of A.P. State Road Transport Corporation During 2000-01 To 2009-10.**

(Rs. in lakhs)

<b>Year (s) / Provisions</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
A. Advances To Private Parties	21.78 (0.40)	21.78 (0.35)	21.78 (0.45)	21.78 (0.49)	21.78 (0.49)	21.78 (0.52)	21.78 (0.31)	21.78 (0.46)	21.78 (0.44)	21.78 (0.45)	0.00
B. Advances To Employees	4753.76 (86.27)	5255.39 (84.16)	3868.04 (79.74)	3437.14 (77.79)	3108.2 (69.96)	2721 (65.11)	5437.05 (77.20)	2637.18 (55.16)	2218.33 (44.82)	1969.98 (40.67)	-9.32
C. Deposits	556.55 (10.1)	768.63 (12.30)	896.91 (18.49)	891.06 (20.16)	1214.85 (27.34)	1394.5 (33.37)	1531.65 (21.70)	1739.49 (36.39)	2060.35 (41.62)	2268.52 (46.82)	16.90
D. Others	177.94 (3.23)	198.70 (3.19)	63.83 (1.32)	68.06 (1.54)	98.26 (2.21)	41.40 (1.00)	55.95 (0.79)	381.93 (7.99)	649.05 (13.12)	583.88 (12.06)	14.11
<b>Total (A To D)</b>	<b>5510.03 (100)</b>	<b>6244.5 (100)</b>	<b>4850.25 (100)</b>	<b>4418.04 (100)</b>	<b>4443.1 (100)</b>	<b>4178.68 (100)</b>	<b>7046.43 (100)</b>	<b>4780.39 (100)</b>	<b>4949.52 (100)</b>	<b>4844.16 (100)</b>	<b>-1.42</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

### **Composition Of Provisions Of The Corporation**

Composition of provisions of the corporation during 2000-01 to 2009-10 is presented in Table- 5.28. As it can be seen from the table, the total amount of provisions is composed of advances to private parties, advances to employees, deposits etc., It can be viewed from the table that the total amount of provisions of the Corporation which was Rs.5510.03 lakhs during 2000-01 increased to Rs.7046.43 lakhs during 2006-07 and stood at Rs.4844.16 lakhs during 2009-10 registering a negative Compound Annual Growth Rate of 1.42 per cent.

A bird's-eye-view of the data presented reveals that the provisions of the Corporation are dominated by the advances to the employees. The proportion of advances to employees in the total amount of provisions of the Corporation ranged between 40.67 per cent (2009-10) to 86.27 per cent (2000-01). It could be further observed that upto the year 2006-07 the advances to employees, which signifies the welfare gesture of the Corporation, assumed a dominant share of the total provisions ranging between 65.11 per cent (2005-06) to 86.27 per cent (2000-01). But, during the three years ending with 2009-10 advances to employees as a proportion of total amount of provisions of the Corporation dwindled to 55.16 per cent , 44.82 per cent, and 40.67 per cent during 2007-08, 2008-09 and 2009-10 respectively. Thus, the Corporation initiative a diversion of its provisions to deposits. It is evident from the fact that deposits as a component of total provisions, which assumed a share of 10.10 per cent during 2000-01, consolidated to stand at 46.82 per cent during 2009-10.

**Table-5.29: General and Administration Expenses and Other Charges Of A.P. State Road Transport Corporation  
During 2000-01 To 2009-2010.** (Rs. in lakhs)

S. No	Year (s) / Expenses	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Books and periodicals	42.64 (11.29)	42.31 (8.83)	40.69 (10.55)	52.73 (12.80)	53.47 (13.91)	53.21 (7.61)	55.13 (7.26)	79.57 (8.28)	80.97 (7.68)	80.17 (7.08)	0.07
2.	Conveyance	39.26 (10.39)	37.43 (7.81)	45.29 (11.74)	73.68 (17.89)	69.37 (18.04)	68.76 (9.83)	68.8 (9.06)	98.43 (10.20)	100.3 (9.51)	104.35 (9.21)	0.11
3.	Surrender of Bus Pass	59.92 (15.86)	27.09 (5.65)	6.64 (1.71)	49.88 (12.11)	53.25 (13.86)	63.42 (9.07)	29.98 (3.95)	45.97 (4.78)	76.51 (7.25)	61.12 (5.40)	0.00
4.	Service / Clerical Charges	19.12 (5.06)	20.63 (4.30)	13.09 (3.38)	13.92 (3.38)	10.43 (2.71)	6.51 (0.93)	25.41 (3.35)	9.17 (0.95)	12.13 (1.15)	10.73 (0.94)	-0.06
5.	Bank Commission & Charges	21.42 (5.67)	19.77 (4.12)	22.45 (5.81)	21.27 (5.16)	24.29 (6.31)	40.4 (5.77)	67.15 (8.85)	76.94 (8.0)	81.77 (7.75)	85.17 (7.52)	0.17
6.	Donations	2.00 (0.53)	-	0.03 (0.008)	-	-	0.05 (0.007)	-	-	-	-	-
7.	Police Charges	9.07 (2.41)	18.09 (3.78)	12.22 (3.16)	13.74 (3.34)	12.40 (3.22)	7.45 (1.06)	6.65 (0.87)	7.29 (0.76)	5.70 (0.54)	5.01 (0.44)	-0.06
8.	Railway Passes & PTOs	13.63 (3.61)	10.39 (2.17)	13.57 (3.51)	8.3 (2.02)	2.86 (0.74)	6.83 (0.97)	7.23 (0.95)	1.24 (0.13)	1.14 (0.11)	0.39 (0.03)	-0.33

**Table-5.29 Contd.,**

9.	Honoraria	12.29 (3.25)	10.42 (2.17)	13.29 (3.44)	9.45 (2.29)	4.03 (1.04)	20.61 (2.94)	4.17 (0.55)	4.97 (0.52)	4.67 (0.44)	4.83 (0.42)	-0.10
10.	Membership Fee	7.47 (1.97)	5.35 (1.12)	11.01 (2.85)	2.00 (0.48)	10.37 (2.70)	9.86 (1.41)	17.27 (2.28)	6.45 (0.67)	11.83 (1.12)	12.70 (1.12)	0.06
11.	Initial Expenses for Loans	8.87 (2.35)	2.58 (0.54)	5.72 (1.47)	6.28 (1.52)	5.10 (1.32)	2.74 (0.39)	13.04 (1.72)	10.52 (1.09)	8.84 (0.84)	9.98 (0.89)	0.01
12.	Sitting fee & TA to Board Directors	7.46 (1.97)	3.19 (0.68)	6.33 (1.64)	15.63 (3.79)	3.91 (1.01)	21.47 (3.07)	47.14 (6.21)	18.96 (1.97)	1.91 (0.18)	23.38 (2.06)	0.14
13.	Strike Expenses	0.11 (0.03)	102.16 (21.31)	9.74 (2.52)	1.01 (0.24)	2.59 (0.68)	102.4 (14.64)	2.25 (0.29)	0.14 (0.01)	0.43 (0.04)	6.34 (0.55)	0.57
14.	Fees for other Services	2.88 (0.76)	14.34 (2.99)	6.13 (1.58)	8.6 (2.08)	4.9 (1.27)	29.21 (4.16)	3.79 (0.50)	1.98 (0.21)	88.29 (8.37)	44.50 (3.92)	0.36
15.	Other Misc. Expenditure	131.69 (34.85)	165.56 (34.54)	179.62 (46.55)	135.51 (32.89)	127.51 (33.18)	166.91 (23.86)	176.00 (23.20)	241.28 (25.10)	277.53 (26.32)	247.51 (21.85)	0.07
16.	ATB Agents Commission	0	0	0	0	0	99.38 (14.21)	234.99 (30.96)	358.65 (37.30)	302.73 (28.71)	432.36 (38.17)	0.00
	<b>Total</b>	<b>377.83 (100)</b>	<b>479.32 (100)</b>	<b>385.83 (100)</b>	<b>412.01 (100)</b>	<b>384.47 (100)</b>	<b>699.24 (100)</b>	<b>758.98 (100)</b>	<b>961.57 (100)</b>	<b>1054.74 (100)</b>	<b>1044.99 (100)</b>	<b>0.12</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).  
2. Comptroller and Auditor General (CAG) Reports (2000-10).

## **General and Administration Expenses Of The Corporation**

Table-5.29 presents the scenario of general and administration expenses and the composition during 2000-01 to 2009-10. As evident from the table the total amount of general and administration expenses of the Corporation which was Rs.377.83 lakhs during 2000-01 consistently increased over the years and stood at Rs.1132.54 lakhs during 2009-10 registering a growth rate of 0.12 per cent.

A compositional analysis of the general and administration expenses further reveals that books and periodicals, surrender of bus pass and bank commission and other charges together and conveyance constituted the highest share of 43 per cent during 2000-01 and 33 per cent during 2008-09 finally stood at 29.21 per cent during 2009-10.

Moreover, the other miscellaneous expenses stood at the single largest item of general and administration expenses with a share ranging between 23.20 per cent (2007-08) to 46.55 per cent (2002-03).

## **Welfare and Superannuation Charges**

Table- 5.30 presents the welfare and superannuation charges of APSRTC during 2000-01 to 2009-10. It could be seen from the table, the total amount of the welfare and superannuation charges incurred by the Corporation was Rs.83.64 lakhs during 2001-02 which increased to Rs.125.43 lakhs during 2008-09 and finally stood at Rs.120.72 lakhs during 2009-10 with a growth rate of 0.04 per cent during the period under reference.

Out of the total welfare and superannuation charges the workmen compensation, funeral expenses and other welfare expenses assumed a dominant share all through the years under review.

**Table-5.30: Welfare & Superannuation and Other Charges of A.P. State Road Transport Corporation  
During 2000-01 To 2009-2010.**

(Rs. in lakhs)

S. No	Year (s) / Expenses	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Workmen's Compensation	17.89 (21.38)	25.35 (28.50)	61.63 (47.58)	33.49 (33.25)	21.41 (25.40)	47.92 (40.58)	22.19 (24.23)	29.21 (23.48)	15.49 (12.35)	24.92 (20.64)	0.04
2.	Canteen	12.53 (14.98)	12 (13.50)	14.33 (11.06)	13.06 (12.97)	12.5 (14.83)	11.66 (9.88)	13.54 (14.78)	18.42 (14.81)	17.80 (14.19)	18.13 (15.02)	0.04
3.	Leave Salary Contribution	6.72 (8.03)	8.05 (9.05)	7.55 (5.83)	6.03 (5.99)	4.90 (5.82)	11.18 (9.47)	5.61 (6.13)	8.13 (6.54)	4.64 (3.70)	6.08 (5.04)	-0.01
4.	SBF, ARTSCO and CCC	9.54 (11.41)	9.34 (10.50)	6.34 (4.90)	6.12 (6.07)	5.97 (7.08)	5.87 (4.97)	5.85 (6.39)	12.63 (10.15)	17.60 (14.03)	9.27 (7.68)	0.00
5.	Funeral Expenses	8.24 (9.85)	9.16 (10.3)	14.22 (10.97)	14.44 (14.34)	14.69 (17.43)	15.67 (13.27)	16.67 (18.20)	25.85 (20.78)	38.13 (30.40)	28.08 (23.26)	0.15
6.	Labour Welfare Fund	6.12 (7.32)	5.62 (6.32)	6.14 (4.74)	5.80 (5.75)	5.57 (6.62)	5.58 (4.73)	5.51 (6.01)	5.28 (4.24)	5.72 (4.56)	5.59 (4.63)	-0.01
7.	Ex-gratia to family of deceased employees	2.36 (2.82)	0.22 (0.20)	0.09 (0.05)	1.23 (1.22)	0.08 (0.09)	0.09 (0.08)	1.0 (1.09)	0.17 (0.13)	2.34 (1.87)	3.36 (2.78)	0.04
8.	Conveyance Allow, to PHC employees	1.29 (1.56)	1.73 (1.95)	2.61 (2.01)	2.7 (2.68)	2.78 (3.29)	2.41 (2.04)	2.37 (2.59)	2.39 (1.92)	2.64 (2.10)	2.72 (2.25)	0.09
9.	Other Welfare Expenses	18.95 (22.65)	17.49 (19.70)	16.70 (12.89)	17.86 (17.73)	16.39 (19.44)	17.66 (14.96)	18.85 (20.58)	22.33 (17.95)	21.07 (16.80)	22.57 (18.69)	0.02
	<b>Total</b>	<b>83.64 (100)</b>	<b>88.94 (100)</b>	<b>129.6 (100)</b>	<b>100.73 (100)</b>	<b>84.29 (100)</b>	<b>118.03 (100)</b>	<b>91.58 (100)</b>	<b>124.41 (100)</b>	<b>125.43 (100)</b>	<b>120.72 (100)</b>	<b>0.04</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

During the period under the study the share of workmen compensation paid by the Corporation in the total welfare and superannuation charges, ranged between 12.35 per cent (2008-09) to 47.58 per cent (2002-03). The share of the funeral expenses ranged between 9.85 per cent (2000-01) to 30.40 per cent (2008-09). The share of other welfare expenses also stood sizeable and ranged between 16.80 per cent (2007-08) to 22.65 per cent (2000-01).

### **Repairs and Maintenance Charges Of The Corporation**

Table- 5.31 presents the repairs and maintenance charges of the Corporation and its head-wise composition. As evident from the table the total amount of repairs and maintenance charges of the Corporation which was Rs.167.66 lakhs during 2000-01 went up to Rs.395.75 lakhs during 2008-09 and stood at Rs.209.77 lakhs during 2009-10. The compositional analysis of the repairs and maintenance charges of the Corporation further reveals that the water charges constituted a sizeable proportion, of the total, ranging between 30.53 per cent (2004-05) to 61.78 per cent (2009-10). It is followed by the cleaning material with a share ranging between 15.70 per cent (2000-01) to 41.76 per cent (2005-06), pre-delivery inspection and testing charges between 9.88 per cent (2007-08) to 30.97 per cent (2000-01). Further, the compositional analysis shows that the licenses paid by the APSRTC, ranging between 6.09 per cent (2001-02) to 2.17 per cent (2009-10).

**Table- 5.31: Repairs, Maintenance and Other Charges Of A.P. State Road Transport Corporation  
During 2000-01 To 2009-2010.**

(Rs. in lakhs)

S. No.	Year (s) / Expenses	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CAGR (%)
1.	Water Charges	59.99 (35.78)	59.82 (37.80)	68.35 (41.69)	76.36 (42.07)	90.26 (30.53)	95.93 (31.44)	101.3 (33.38)	117.53 (35.52)	132.3 (33.68)	129.59 (32.75)	8.93
2.	Cleaning Material	26.30 (15.69)	26.91 (17.00)	28.06 (17.12)	28.44 (15.67)	106.11 (35.90)	127.42 (41.76)	120.46 (39.70)	116.61 (35.24)	142.2 (36.08)	164.98 (41.69)	22.63
3.	Pre-delivery Inspection / Testing Charges	51.93 (30.97)	41.89 (26.47)	36.399 (22.20)	47.47 (26.15)	62.76 (21.23)	50.59 (16.58)	43.8 (14.43)	32.61 (9.88)	38.07 (9.67)	44.68 (11.29)	-1.66
4.	Rent on Gas Cylinders	17.08 (10.19)	13.86 (8.76)	16.23 (9.90)	14.93 (8.22)	14.81 (5.00)	14.92 (4.90)	17.11 (5.64)	20.02 (6.05)	23.06 (5.86)	16.95 (4.28)	-0.08
5.	Material Issued to lab / Agencies for Testing	5.10 (3.04)	4.93 (3.11)	3.69 (2.25)	3.07 (1.70)	4.42 (1.49)	5.2 (1.70)	5.3 (1.75)	3.45 (1.04)	4.69 (1.20)	18.46 (4.66)	15.36
6.	Factory Licences	4.73 (2.82)	9.64 (6.09)	8.64 (5.27)	7.68 (4.23)	8.55 (2.89)	7.47 (2.44)	9.42 (3.10)	10.36 (3.13)	10.81 (2.74)	8.60 (2.17)	-6.43
7.	Rebate on early delivery of Vehicles	1.38 (0.82)	0.02 (0.01)	-	0.69 (0.38)	4.62 (1.56)	0.66 (0.22)	2.76 (0.91)	27.04 (8.17)	40.18 (10.21)	9.79 (2.47)	24.32
8.	Petroleum Licences	1.15 (0.68)	1.21 (0.76)	2.58 (1.57)	2.88 (1.58)	4.16 (1.40)	2.94 (0.96)	3.31 (1.09)	3.22 (0.97)	2.76 (0.70)	2.70 (0.68)	9.95
	Total	167.66 (100)	158.28 (100)	163.94 (100)	181.52 (100)	295.68 (100)	305.12 (100)	303.46 (100)	330.84 (100)	394.07 (100)	395.75 (100)	10.01

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).



**Table-5.32: Sundry Debtors Of A.P. State Road Transport Corporation During 2000-01 To 2009-2010.**

(Rs. in lakhs)

<b>Year (s) / Debtors</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CAGR (%)</b>
A. Dues From Private Parties	1611.07 (30.32)	1705.94 (18.04)	1856.49 (31.85)	1562.33 (25.97)	1966.09 (28.57)	3030.92 (37.27)	2672.13 (7.09)	2494.10 (3.79)	3217.58 (3.76)	4155.15 (3.27)	-0.71
B. Dues From Government	2982.24 (56.12)	3155.45 (33.37)	3431.26 (58.87)	3883.42 (64.55)	4291.80 (62.37)	4392.75 (54.01)	34259.09 (90.96)	62394.47 (94.91)	81288.23 (95.12)	122336.49 (96.24)	3.55
C. Dues From Employees	144.93 (2.72)	198.96 (2.10)	188.53 (3.23)	232.48 (3.87)	218.58 (3.17)	227.67 (2.80)	217.19 (0.58)	213.75 (0.33)	237.14 (0.28)	230.49 (0.18)	-0.82
D. Other Amounts To Be Regularized	575.91 (10.84)	4396.37 (46.49)	352.13 (6.05)	337.99 (5.61)	404.95 (5.89)	482.08 (5.92)	517.32 (1.37)	640.52 (0.97)	720.72 (0.84)	396.89 (0.31)	-0.92
<b>TOTAL (A TO D)</b>	<b>5314.15</b> <b>(100)</b>	<b>9456.72</b> <b>(100)</b>	<b>5828.49</b> <b>(100)</b>	<b>6016.22</b> <b>(100)</b>	<b>6881.40</b> <b>(100)</b>	<b>8133.42</b> <b>(100)</b>	<b>37665.73</b> <b>(100)</b>	<b>65742.84</b> <b>(100)</b>	<b>85463.66</b> <b>(100)</b>	<b>127119.02</b> <b>(100)</b>	<b>1.65</b>

Note: Figures in Parentheses indicate Percentage To Respective Total.

Source: 1. Annual Reports Of APSRTC (2000-10).

2. Comptroller and Auditor General (CAG) Reports (2000-10).

### **Sundry Debtors Of The Corporation**

Table- 5.32 presents the quantum of sundry debtors of the Corporation during 2000-01 to 2009-10. As can be seen from the table, the total debtors of the Corporation which was Rs.5314.15 lakhs during 2000-01 increased to Rs. 85463.66 lakhs during 2008-09 and finally stood at Rs. 127119.02 lakhs during 2009-10. A peep into the table further reveals that dues from Government continued to record as the single largest debt component to APSRTC with a growth rate of 1.54 per cent.

The other customers also constitute a small proportion of the total debtors of the Corporation with a share ranging between 0.84 per cent (2008-09) to 46.49 per cent (2001-02). The analysis of the sundry debtors of the corporation clearly shows that around fifty per cent of debts are due from Government and the remaining are either due by private parties or employees of the Corporation which signifies the financial fragility of the Corporation.

## **A Ratio Analytical Performance Focus**

In the kit of Financial Statement Analysis (FSA) Ratio Analysis assumes a place of significance. The balance sheet and profit and loss account which respectively present the financial position and operational performance of the corporation stand as the x-ray of the corporate body. The analysis of ratios throws more light and presents a day per insight into the performance of any entity. A ratio analytical approach could certainly help focus on the multi-dimensional performance scenario of the corporation over the select time-frame. Therefore, the present chapter provides a canvas of the ratio analytical focus on the performance of A.P. State Road Transport Corporation during the period under study i.e., 2000-01 to 2009-10.

### **Liquidity Analysis**

The liquidity analysis discloses the short-term solvency or financial position of a concern. The short-term obligations are met by realizing amounts from current, floating or circulating assets. The sufficiency or insufficiency of current assets should be assessed by comparing them with short-term (current) liabilities.<sup>1</sup>

### **Meeting Current Obligations**

The current ratio of APSRTC during 2000-01 to 2010-11 is presented in Table-5.33. As evident from the Table-5.33 the current ratio of the corporation which was 0.76 during 2000-01 stood at 0.78 during 2009-10. Moreover, over the years under review the current ratio of the corporation ranged between 0.5 (2005-06) to 0.78 (2009-10). The analysis helps to observe that in no year under reference the corporation recorded the current ratio even equal to unity. The analysis thus shows that the liquidity position in terms of current ratio of the A.P. State Road Corporation is not satisfactory.

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1 . Shashi K.Gupta and R.K.Sharma., Management Accounting, Kalyani Publishers, New Delhi, 2010, p.4.9.

### **Quick / Acid-Test Ratio**

The quick/acid test ratio of the corporation for the period under review is further presented in Table- 5.33 which evinces that the quick ratio of the corporation experienced oscillations over the years. As could be seen from the Table-5.33, the quick ratio of 0.57 in 2000-01 no doubt increased to 0.69 in 2003-04 but came down to 0.41 in 2005-06. It laddered up to 0.88 in 2008-09 and stood at 0.74 in 2009-10. Thus, over the years under reference the quick ratio experienced a marginal improvement by the end of the period. But, it can be observed that in all the years under the review the quick ratio of the corporation registered below unity indicating the low-level of liquidity position.

### **Cash Cushion To Meet Current Obligations**

Absolute cash ratio indicates the position of available cash for meeting current liabilities. Cash interval measure gives an idea about the number of days' operating expenses that can be met out of the currently available cash.<sup>2</sup> The cash ratio trend of the corporation during 2000-01 to 2009-10 is presented in Table – 5.33. It could be seen from the Table-5.33 that the cash ratio of 0.32 in 2000-01, though stood at 0.38 in 2004-05 phenomenally came down to stand at 0.03 in 2009-10. The glaring dilution of cash ratio of corporation over the years absolutely signifies the depletion in the cash cushion maintenance by the corporation.

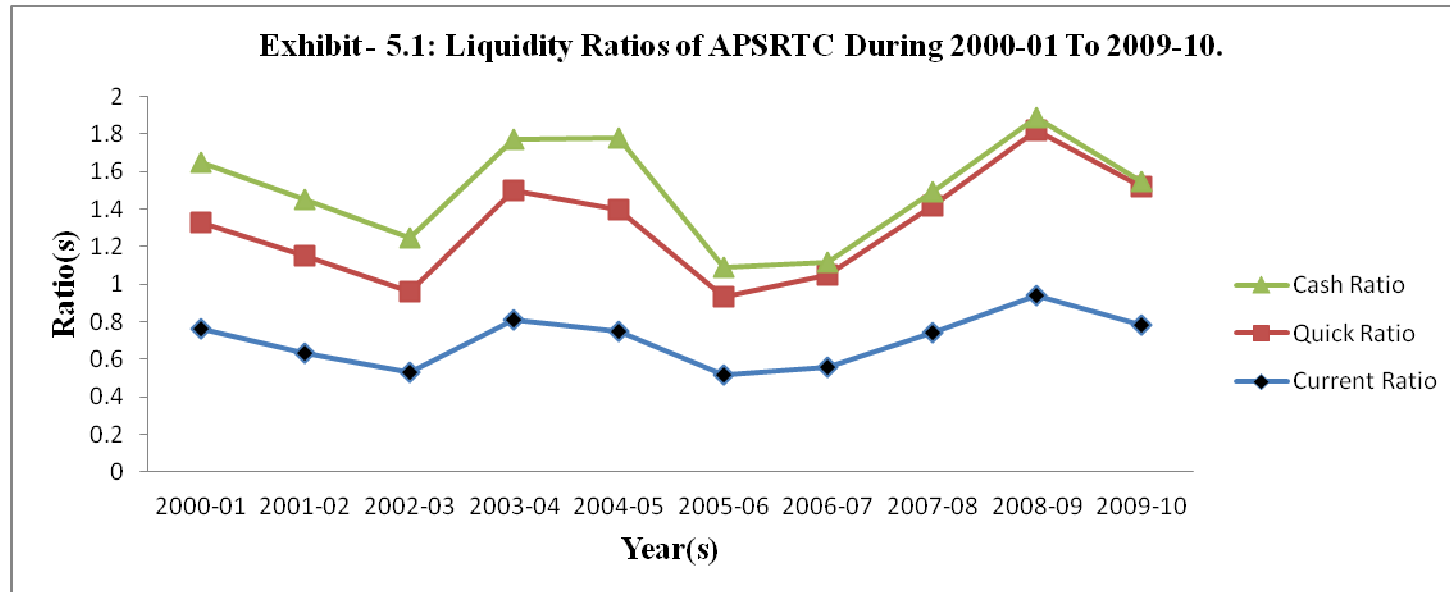
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2. Mridu Agarwal and Alok Agarwal., Financial Statement Analysis, Law Point Publications, Kolkata, 2006, p.10.41.

**Table-5.33: Liquidity Ratios of APSRTC Ltd., During 2000-01 To 2009-10.**

Ratio(s)	Year(s)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Current Ratio</b>	0.76	0.63	0.53	0.81	0.75	0.52	0.56	0.74	0.94	0.78
<b>Quick Ratio</b>	0.57	0.52	0.43	0.69	0.65	0.41	0.49	0.68	0.88	0.74
<b>Cash Ratio</b>	0.32	0.3	0.29	0.27	0.38	0.16	0.07	0.07	0.07	0.03

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).

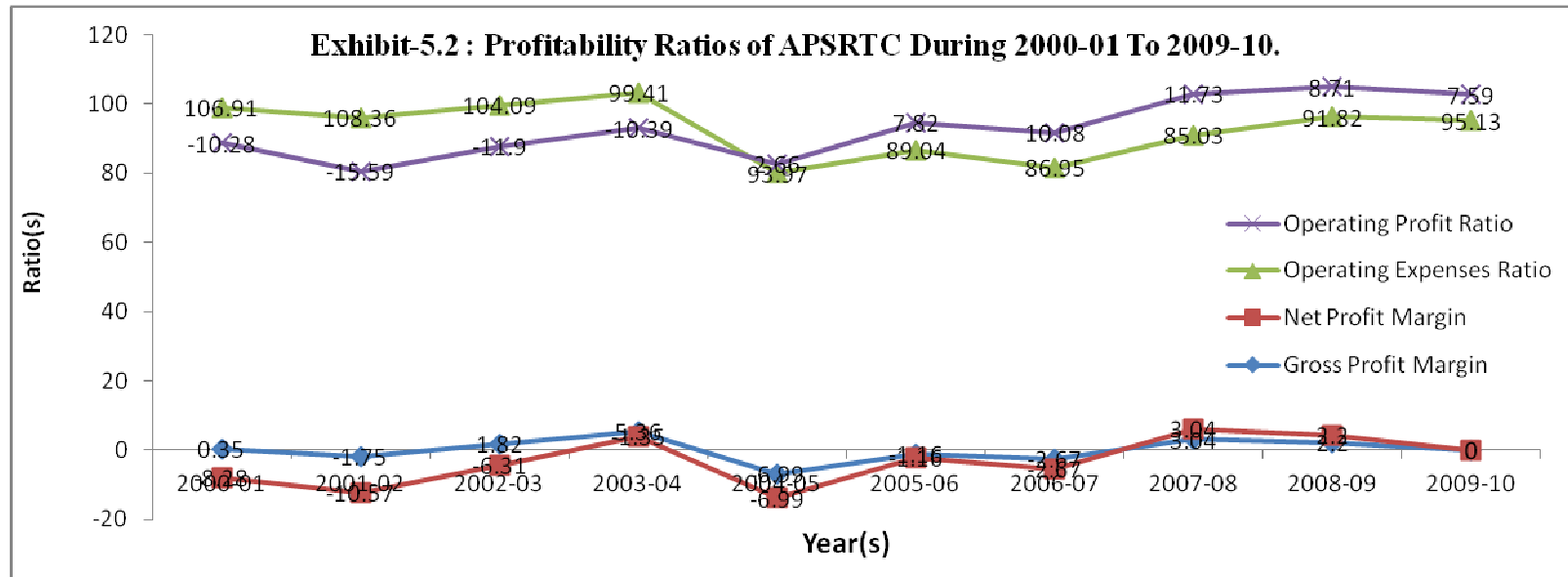


Source: Table-5.33.

**Table-5.34: Profitability Ratios of APSRTC During 2000-01 To 2009-10.**

Ratio(s)	Year(s)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Profit Margin	0.35	-1.75	1.82	5.36	-6.99	-1.16	-2.67	3.04	2.20	0.00
Net Profit Margin	-8.28	-10.57	-6.31	-1.35	-6.99	-1.16	-2.67	3.04	2.20	0.00
Operating Expenses Ratio	106.91	108.36	104.09	99.41	93.97	89.04	86.95	85.03	91.82	95.13
Operating Profit Ratio	-10.28	-15.59	-11.90	-10.39	2.66	7.82	10.08	11.73	8.71	7.59

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).



Source: Table-5.34.

## **Gross Profit Margin**

As evident from the Table- 5.34 the Gross Profit Ratio shows fluctuating trend. It is ranged in between -1.75 per cent (2001-02) and 5.36 per cent (2003-04) It is also evident from the table-5.5 that the gross margin of APSRTC dropped down in the year 2000-01 to 0.35 per cent. In 2001-02 it further declined to -1.75 per cent. Though the gross margin stood at 5.36 per cent in the year 2003-04, it steeply declined to -6.99 in the year 2004-05 and the same trend continued in the following years. But from 2007-08 onwards the ratio experienced a positive trend and stood at 3.04 per cent and 2.20 per cent in the year 2008-09.

## **Net Profit Margin**

Table-5.34 exhibits that on the whole the APSRTC has suffered losses during 2000-01 through 2006-07. But, the Corporation has made profits during all the remaining years under review. The profitability of the Corporation is ranged between -10.57 per cent (2001-02) and +2.20 per cent (2007-08) during these years. However, though during the year 2007-08 the Corporation has showed improvement in profitability with a net margin of 3.04 per cent, it dwindled down to 2.20 per cent in 2008-09 and to a dismal scenario in 2009-10.

Thus, the analysis shows that the corporation could not cut an impressive picture of profitability over the years under the review. Moreover, it drives home the observation that on the path of the profitability the performance of the Corporation is at the low key and it could not turn the corner.

### **Operating Expenses Ratio**

The Operating Expenses Ratio measures the cost of operations of the corporation per rupee of revenue. From the table-5.34, it is evident that APSRTC is affected by a number of factors beyond the control of the Corporation. In the year 2000-01 the ratio was higher at 106.91 per cent and increased to 108.36 per cent in the year 2001-02. Due to control in costs of operation the ratio was positively came down to 104.09 per cent in the year 2002-03 and further to 99.41 per cent in the year 2003-04 and 85.03 per cent in 2007-08. Thereafter the ratio looked up to 91.82 per cent in the year 2008-09 and finally reached to 95.13 per cent in 2009-10 indicating that there is an imperative need for control of costs of the Corporation.

### **Operating Profit Ratio**

Operating Profit Ratio is considered to be a yardstick of operational efficiency. Moreover, the table-5.34 reveals that the APSRTC could not convert revenue into net operating profit. This may be due to under utilization of current as well as fixed assets. The ratio ranged in between -15.59 and +11.73 during the years 2001-02 and 2007-08. But, the negative trend was observed during 2000 to 2003 of the study which indicates inefficiency of operations of the Corporation. However, it is evident that there is a marginal improvement in the ratio from the year 2004 to 2010 as the revenue of the Corporation is increasing.



## **Return On Investment Ratios**

The Investment Ratios are used to represent the return on the pool of funds supplied by the shareholders and lenders. Prominent among these ratios are Return On Equity (ROE), Return On Investment (ROI), Return On Capital Employed (ROCE), Return On Total Assets (ROTA), Return On Net Worth (RONW) and Credit Strength Ratio. Return on Equity reflects how well the firm has used the resources of owners and Return on Shareholders' Investment. Moreover, the Return On Investment (ROI), the Return On Capital Employed (ROCE) measures the efficient employment of capital and Return On Total Assets (ROTA) focuses on profitability performance of assets of the Corporation during 2000 to 2010. However, the unsecured lenders of a firm (such as suppliers) examine the net worth of the company to assess the risk of default through the Credit Strength Ratio.

### **Return On Investment (ROI)**

This ratio indicates the overall profit efficiency of a firm and reveals how well the resources of a firm are being used.<sup>3</sup> Table-5.35 shows the Return On Investment (ROI) of APSRTC during 2000-01 to 2009-10. It can be observed that ROI of APSRTC is too much inconsistent and rose from 2007 onwards because of substantial increase in its profit before tax. Prior to 2007 it shows a negative trend in the return on total assets due to significant increase in Corporation expenses. Though ROI declined decreased from -0.58 per cent in 2000-01 to -0.63 per cent in 2001-02, it was highest in 2007-08 with +0.11 per cent and then it declined to +0.06 per cent in 2008-09.

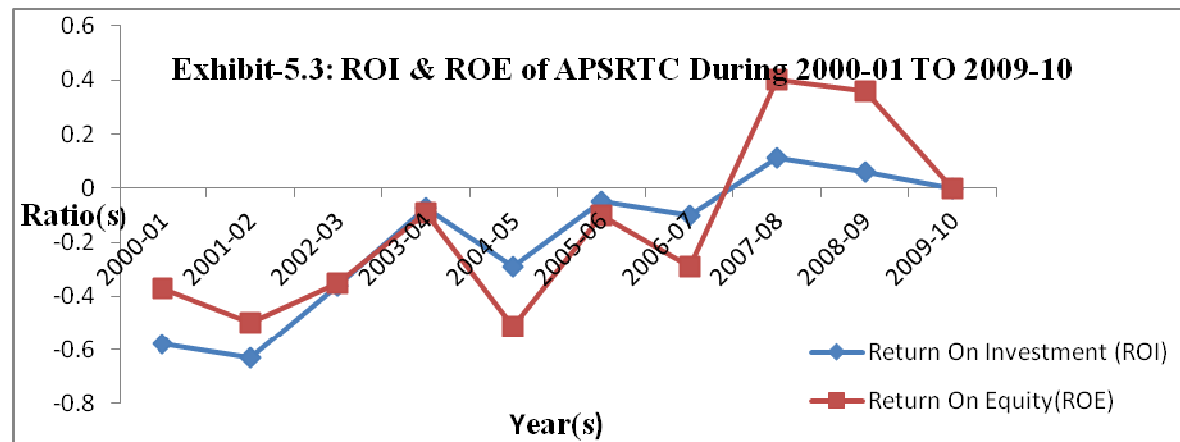
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3 . Shashi.K.Gupta and R.K.Sharma., Management Accounting – Principles & Practices, Kalyani Publishers, Ludhiana, 2009, p.4.58.

**Table-5.35: Investment Ratios Of APSRTC During 2000-01 To 2009-10.**

Ratio(s)	Year(s)									
	(in per cent)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Return On Investment (ROI)</b>	-0.58	-0.63	-0.36	-0.07	-0.29	-0.05	-0.10	0.11	0.06	0.00
<b>Return On Equity(ROE)</b>	-0.37	-0.50	-0.35	-0.09	-0.51	-0.10	-0.29	0.40	0.36	0.00
<b>Return On Capital Employed (ROCE)</b>	-0.02	-0.07	-0.01	0.07	-0.04	0.07	0.04	0.19	0.18	0.05
<b>Return On Total Assets (ROTA)</b>	-10.33	-11.09	-4.87	3.31	-5.14	1.91	-1.35	8.09	6.14	2.71
<b>Return On Net Worth (RONW)</b>	-1.46	-1.96	-1.22	-0.28	-1.59	-0.28	-0.68	0.89	0.72	0.00
<b>Credit Strength Ratio</b>	0.51	0.72	0.78	0.80	1.39	1.50	2.90	3.39	4.68	0.51

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).



Source: Table-5.35.

### **Return On Equity (ROE)**

Return On Equity (ROE) reflects the profitability and the owners' capital. The corporation being a public sector undertaking the Government contributes to the equity capital and stands as the sole owner. The Return On Equity of the corporation as evident from the table-5.35 reflects a pathetic scenario. It is evident from the fact that the ROE of the corporation during 2000-01 to 2009-10 ranged between -0.51 per cent (2004-05) to 0.40 (2007-08). Moreover, the corporation ended with a dismal performance with regard to the ROE during 2009-10.

### **Return On Capital Employed (ROCE)**

The Capital Employed represents the amount of investment in Fixed Assets (Net Fixed Assets) plus Net Current Assets. The ROCE helps to gauge the profitability generated by the Corporation on the capital employed. As could be seen from the Table-5.35 the performance of the corporation in terms of ROCE appears to be not impressive and encouraging. It is evident from the fact that the ROCE of the corporation during 2000-01 to 2009-10, ranged in between -0.07 per cent to 0.19 per cent (2007-08). Though, the ROCE started recording positive since 2005-06 and registered the highest at 0.19 per cent during 2007-08. It is still at a low key as in no year it has registered even at 1 per cent.

### **Return On Total Assets (ROTA)**

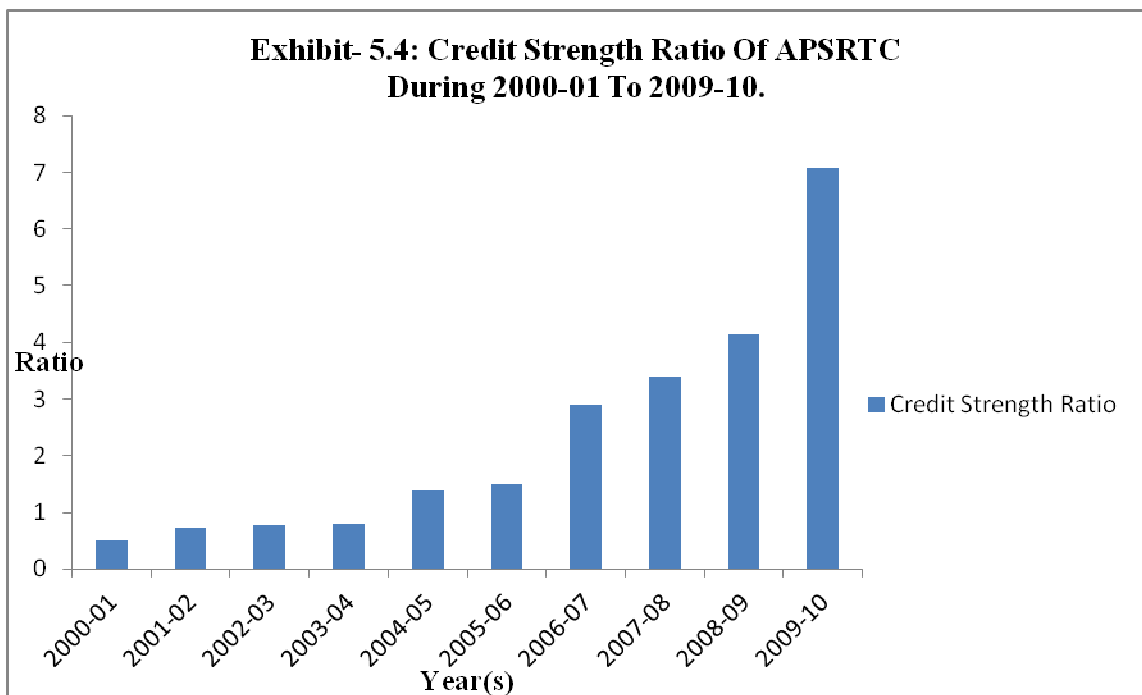
This ratio focuses on operating performance of assets of the Corporation during 2000 to 2010. The Return On Total Assets (ROTA) ratio of APSRTC is presented in Table- 5.35. The level of inconsistency in the ratio could be seen from the table all through the years. The Return On Total Assets ratio of the Corporation recorded negative but with a degree of difference in intensity. Over the period under reference (2000-01 to 2009-10) the Return On Total Assets ratio of the corporation ranged between -10.33 (2000-01) to +8.09 (2007-08).

### **Return On Net Worth (RONW)**

Net Worth is the shareholders' equity and the return on net worth reflects the Corporation's earning power on net worth. As evident from the table- 5.35 the Return On Net Worth (RONW) of the corporation stood negative during 2000-01 to 2006-07. It ranged in between -0.28 per cent (2003-04) to -1.96 per cent (2001-02). It could turn the corner in a positive direction during 2007-08 (0.89 per cent) and stood at 0.72 per cent during 2008-09. Again during 2009-10, the Return On Net Worth recorded at dismal scenario. The analysis clearly shows that though the corporation could register a positive note with regard to RONW by the year 2007-08 it could not sustain the trend as the Return On Net Worth experience wide fluctuations and dived to the ground by 2009-10.

## Credit Strength Ratio

The credit strength ratio of APSRTC during 2000-01 to 2009-10 is presented in Table – 5.35. A peep into the table shows that credit strength ratio followed a regular upward trend. In 2000-01 it was 0.31 and went up to 7.08 in 2009-10 which means the Corporation's increasing dependence on current liabilities and is a serious concern and fatal if the Corporation does not have enough current assets to meet the current liabilities. However, it is in between 1.39 and 1.50 during 2004-05 and 2005-06 which is considered to be satisfactory. During 2006-07 it was 2.90 and increased to 3.40 in 2007-08 and further to 4.14 in 2008-09. Keeping in view the incremental trend of the ratio the Corporation must take the required attention if current liabilities increase beyond certain multiple of net worth.



Source: Table-5.35.

## Leverage Status

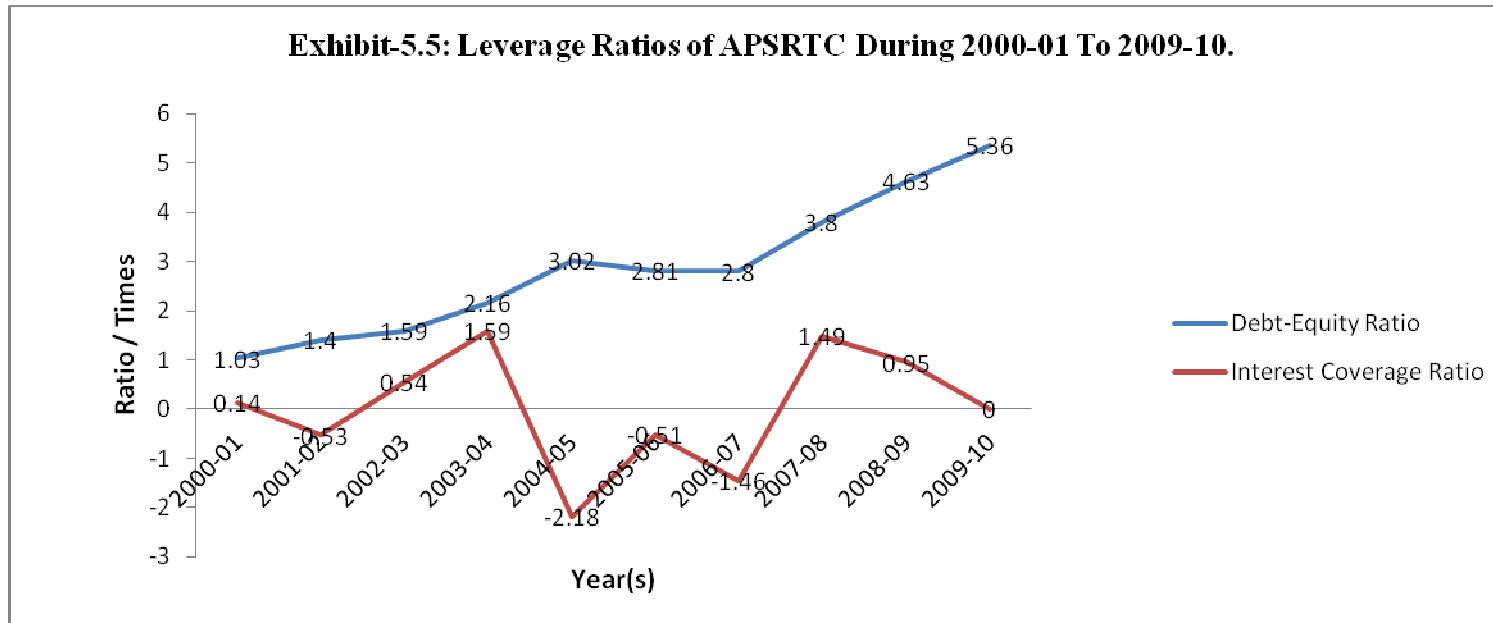
Capital Structure ratios provide an insight into the extent to which non-equity capital is used to finance the assets of the firm.<sup>4</sup> The leverage ratio, as indicated by the Debt-Equity ratio of A.P. State Road Transport Corporation during 2000-01 to 2010-11 is presented in Table-6.4. The ratio of debt to equity very much signifies the structural strength of any organization financially. Though the leverage contributes to the wealth maximization objective an increasing debt is a burden and increases the risk perception. The leverage ratio is analysed in this perceptual dimension.

**Table- 5.36: Leverage Ratios of APSRTC During 2000-01 To 2009-10.**

Ratio(s)	Year(s)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Debt-Equity Ratio (in per cent)</b>	1.03	1.40	1.59	2.16	3.02	2.81	2.80	3.80	4.63	5.36
<b>Times Interest Earned Ratio (in times)</b>	0.14	-0.53	0.54	1.59	-2.18	-0.51	-1.46	1.49	0.95	0.00

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).

4 . George Foster., Financial Statement Analysis, Pearson Education, First Indian Reprint, Singapore, 2002, p.65.



Source: Table-5.36.

### **Increasing Debt Burden**

As it is evident from the Table – 5.36 the debt equity ratio of 1.03 in the year 2000-01 increased to 4.63 in 2008-09 and further to 5.36 in 2009-10. No doubt, APSRTC being an organisation with quick and continuous stream of cash flows, a higher Debt-Equity ratio is not burdensome as against the industry standard. But, it could be with an observance of the fact that the corporation is otherwise geared at a higher Debt-Equity ratio which indicates the increasing burden of debt.

## **Interest Coverage Ratio**

The ratio indicates safety and assurance of the debt holders as to their return on their lending.<sup>5</sup> For assessing the interest coverage the times interest earned ratio of the corporation during 2000-01 to 2009-10 is presented for analysis in Table-5.36. As evident from the table the times interest earned ratio of APSRTC experienced wide fluctuations over the years under reference. The ratio of 0.14 times in 2000-01, though positively stood at 1.59 in 2003-04, came down to -1.46 times in 2006-07 and finally stood at dismal in 2009-10. Thus, the trend of interest coverage by the APSRTC is mostly on a negative note which requires an analytical insight under review for improving the financial image of the corporation.

## **Turnover Ratios and Reflections on Efficiency of Asset Utilisation**

Various aspects of the efficiency with which assets are utilized can be gleaned from turnover ratios. The activity / turnover ratios are calculated and analysed in different dimensions, to reflect upon the efficiency of managing different assets by the corporation. In the comparative turnover ratio analysis based on the time series data, a higher or increasing turnover ratio signifies a greater efficiency and *vice versa*.

Total Assets turnover ratio is indicative of how many times annual sales cover total assets and as accounts receivable pertain only to credit sales. An estimate of the average collection period is obtained by dividing 365 by the accounts receivable turnover ratio. The magnitude of inventory turnover ratio can be affected markedly by inventory valuation rules.

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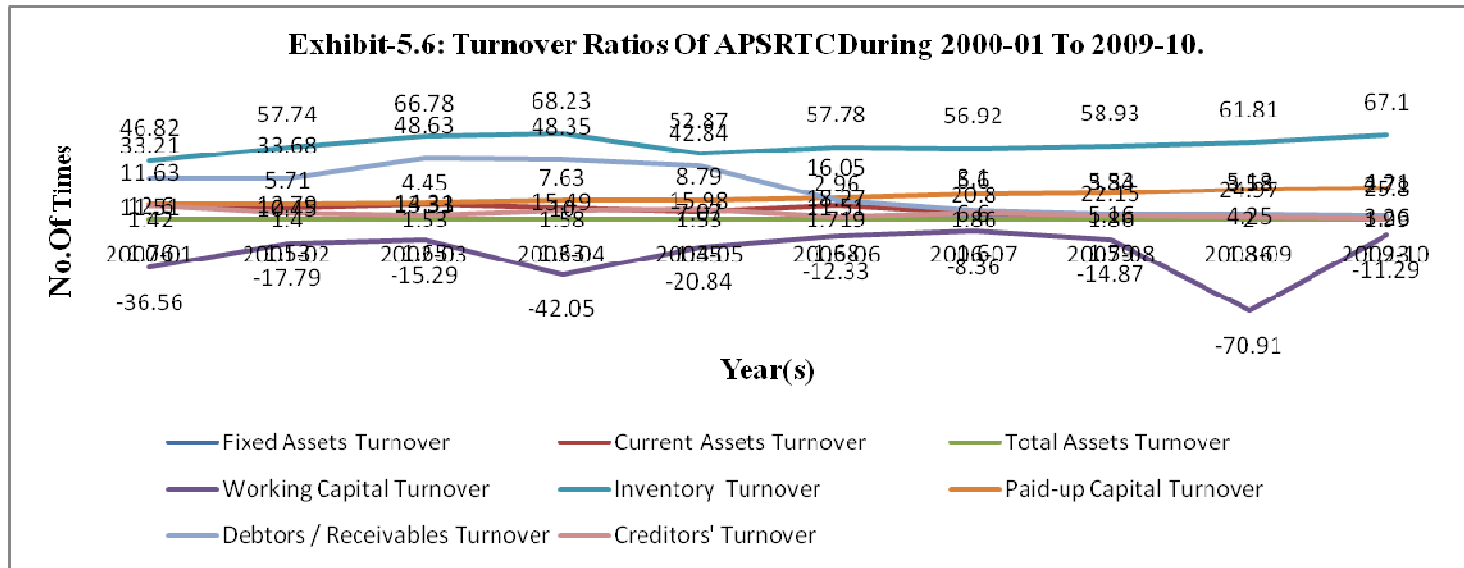
5 . Gokul Sinha., Financial Statement Analysis, PHI Learning, New Delhi, p.116.



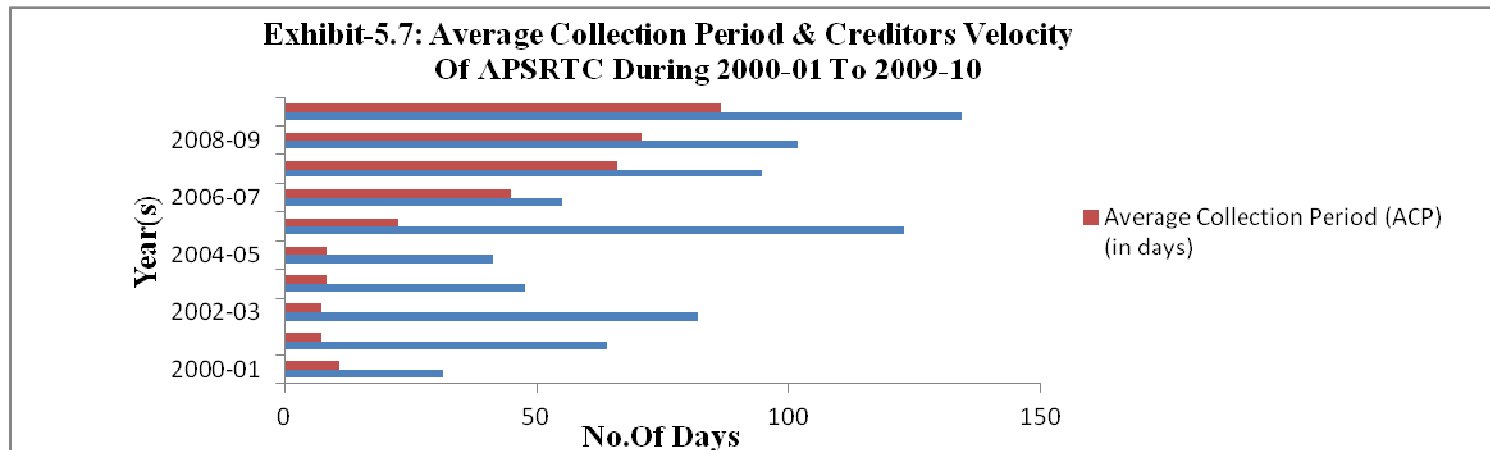
**Table-5.37: Turnover Ratios of APSRTC During 2000-01 To 2009-10.**

Ratio(s)	Year(s)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Fixed Assets Turnover</b>	1.42	1.40	1.53	1.58	1.53	1.719	1.86	1.86	2.00	1.99
<b>Current Assets Turnover</b>	11.51	10.45	13.33	10.00	7.07	11.51	6.60	5.16	4.25	3.26
<b>Total Assets Turnover</b>	1.76	1.53	1.65	1.63	1.35	1.68	1.60	1.59	1.36	1.23
<b>Working Capital Turnover</b>	-36.56	-17.79	-15.29	-42.05	-20.84	-12.33	-8.36	-14.87	-70.91	-11.29
<b>Inventory Turnover</b>	46.82	57.74	66.78	68.23	52.87	57.78	56.92	58.93	61.81	67.10
<b>Paid-up Capital Turnover</b>	12.60	12.79	14.31	15.49	15.98	18.27	20.80	22.15	24.97	25.80
<b>Debtors / Receivables Turnover</b>	33.21	33.68	48.63	48.35	42.84	16.05	8.10	5.53	5.13	4.21
<b>Average Collection Period (ACP) (in days)</b>	10.99	7.51	7.55	8.52	8.52	22.73	45.07	66.00	71.10	86.60
<b>Creditors' Turnover</b>	11.63	5.71	4.45	7.63	8.79	2.96	6.60	3.84	3.58	2.71
<b>Creditors' Velocity (in days)</b>	31.36	63.90	81.88	47.83	41.49	123.12	55.25	94.82	101.69	134.29

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).



Source: Table-5.37.



### **Total Assets Turnover**

This ratio signifies the ability of Corporation to generate revenue from all financial resources committed to total assets. Table-5.37 presents the decadal summary of total assets turnover ratios of AP State Road Transport Corporation. The total assets turnover of the Corporation is 1.76 times in 2000-01 implies that the Corporation generates revenue of Rs.1.76 for one rupee investment in total assets i.e., fixed and current assets together.

As can be observed from the table-5.37, the efficiency of utilizing total assets of the corporation has come down over the years to 1.59 (2007-08), 1.36 (2008-09) and further to a low of 1.23 (2009-10) indicating an alarming decline in the turnover of total assets.

### **Turnover Of Fixed Assets**

The fixed assets turnover ratio of the corporation during 2000-01 to 2009-10 is presented in Table-5.37. As evident from the fixed assets turnover ratio of 1.42 times in 2000-01 gradually increased, though with a marginal set back in 2001-02 (1.40) to 2 times in 2008-09 and stood at 1.99 times by the end of 2009-10. The trend of the ratio drives home the observation the corporation registered a marginal improvement gradually over the years in the efficiency of fixed assets utilization. This further brings out the fact that the decline in the efficiency of the corporation in utilizing the total assets is largely due to the dived down in the efficiency of utilizing current assets components as can be supported by the following analysis.

### **Current Assets Turnover**

The turnover of current assets reflects a different scenario as can be seen from the Table-5.37. It is evident from the table that the current assets turnover ratio of the corporation which was high at 11.51 in 2000-01, though stood at 13.33 in 2002-03, experienced a marked drop down to stand at a low of 3.26 by the year 2009-10. Especially over the past 5 years a glaring decline is experienced from 11.51 (2005-06) to the all time low of 3.26. This unequivocally shows the efficiency of the corporation in managing current assets has experienced an alarming downtrend over the period under review.

### **Working Capital Turnover**

The working capital turnover ratio of the corporation is presented in Table-5.37. As could be seen from the table-5.37 all through the years the working capital turnover ratio of the corporation recorded negative but with a degree of difference in intensity. Over the period under reference (2000-01 to 2009-10) the working capital ratio of the corporation ranged between -8.36 (2006-07) to -70.91 (2008-09). Between 2008-09 and 2009-10 though the working capital turnover ratio witnessed an improvement, remained still negative at -11.29.

The analysis thus shows that the efficiency of the corporation remained negative all through the years with respect to the utilization of working capital in generating revenue.

### **Efficacy Of Inventory Management**

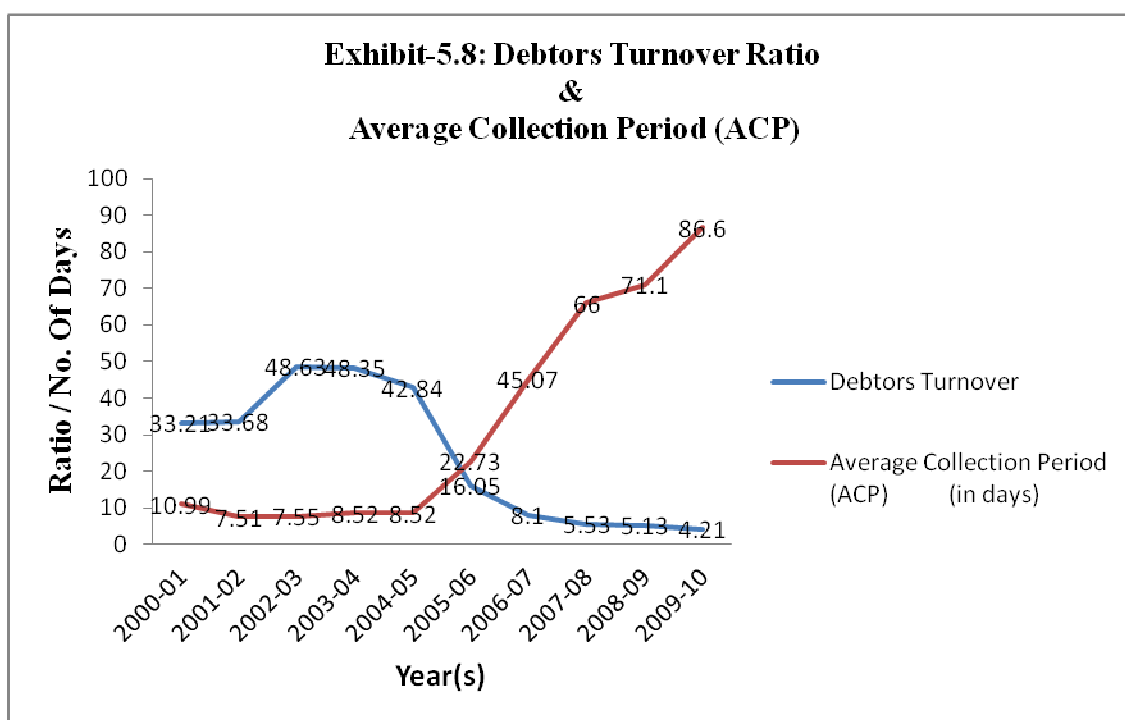
Inventory turnover ratio reflects the efficiency in management of inventory. The inventory turnover ratio of the corporation during 2000-01 to 2009-10 is presented in Table-5.37. A peep into the table-5.37 shows that the ratio of 46.82 in 2000-01 went up to 68.23 in 2003-04 but dropped down to 52.87 in 2003-04 where from a consistent uptrend in the inventory turnover ratio could be observed. It stands at 67.10 at the end of 2009-10. The analysis thus clearly shows that the turnover of inventory is fairly high and good in the Corporation signifying an improved efficiency in managing the inventory.

### **Efficiency Of Managing Debtors**

The level of efficiency of managing debtors can be assessed through an analysis of the ratio of debtors turnover and the trend over the years. The debtors turnover ratio of the corporation during 2000-01 to 2009-10 is presented in Table-5.37 which evinces that the ratio of 33.21 in 2000-01 looked up to 48.63 in 2002-03 but thereafter dropped down to 42.33 in 2004-05. Further, a drastic and consistent decline could be observed in the debtors' turnover ratio of the corporation from a high of 48.63 in 2002-03 to 4.21 in 2009-10. The range of the ratio over the years, between 4.21 (2009-10) and 48.63 (2002-03) and also the glaring decline in the ratio clearly shows that the efficiency of the corporation in managing debtors witnessed a dilution over the years under reference especially during the past five years ending 2009-10.

### Increasing Lag In Collection Period (ACP)

The ACP further reflects more on this aspect and it is presented for analysis in Table-5.37. As evident from the table the Average Collection Period of 10.89 days during 2000-01, though came down subsequently to stand at 8.52 days in 2004-05, crept up to 22.73 days in 2005-06 and finally stood at 86.60 days in 2009-10 experiencing an incessant growth and lag in collection period over the years especially during the past years. The delay in collection of dues from the Government and Government Agencies stances the dominant reason for the situation.



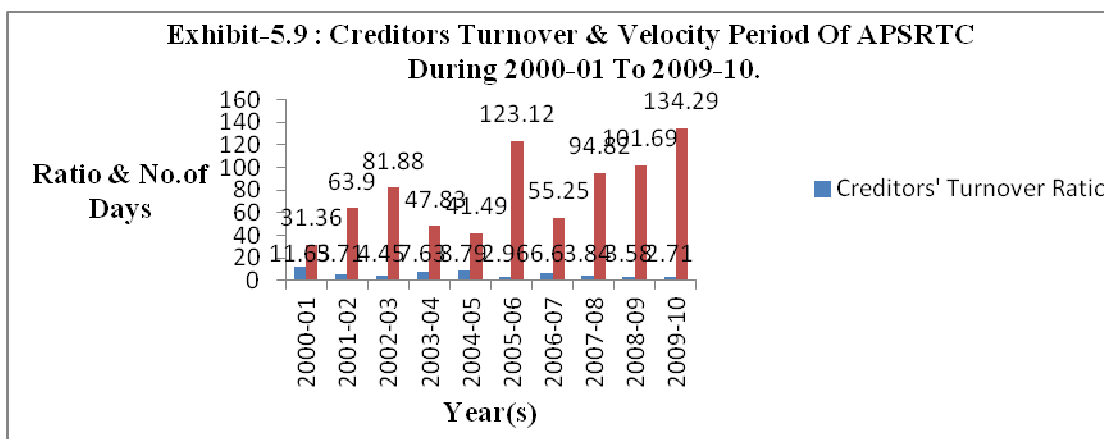
Source: Table-6.37.

### **Creditors Turnover Ratio**

This ratio assesses the managing efficiency of accounts payables of the AP State Road Transport Corporation. The Table-5.37 also elucidates the decadal performance of payables during 2000-01 to 2009-10. The creditors / payables turnover ratio of 11.63 in 2000-01 decreased to 5.71 in 2001-02. The ratio further declined to 4.45 in 2002-03 and thereafter the ratio increased to 7.63 and 8.79 in 2003-04 and 2004-05 which indicates the speed with which the payments are made to the trade creditors. The ratio declined to 2.96 in 2005-06 and reached to 6.60 in 2006-07 thereafter continuous decline was observed in 2007-08, 2008-09 and 2009-10. Higher creditor turnover ratio is good because it will decrease the average payment period.

### **Creditors' Velocity**

The Creditors' Velocity Period throws further light on payables period and it reflects in Table-5.37 . It is observed from the table, that suppliers extended more liberal credit to the Corporation over the years. While in 2009-10 the credit enjoyed by the Corporation was 134.29 days and it was 101.69 days in 2008-09 that means the Corporation's dependence on suppliers increased heavily. However, shorter average payment period of 31.36 days in 2000-01 indicates less period of credit enjoyed by the Corporation. During 2001-02 to 2007-08 the period ranged between 41.49 and 123.12 days which indicate deteriorated credit period for the corporation over the years of study.



Source: Table-5.37.

### Capital Turnover Ratio

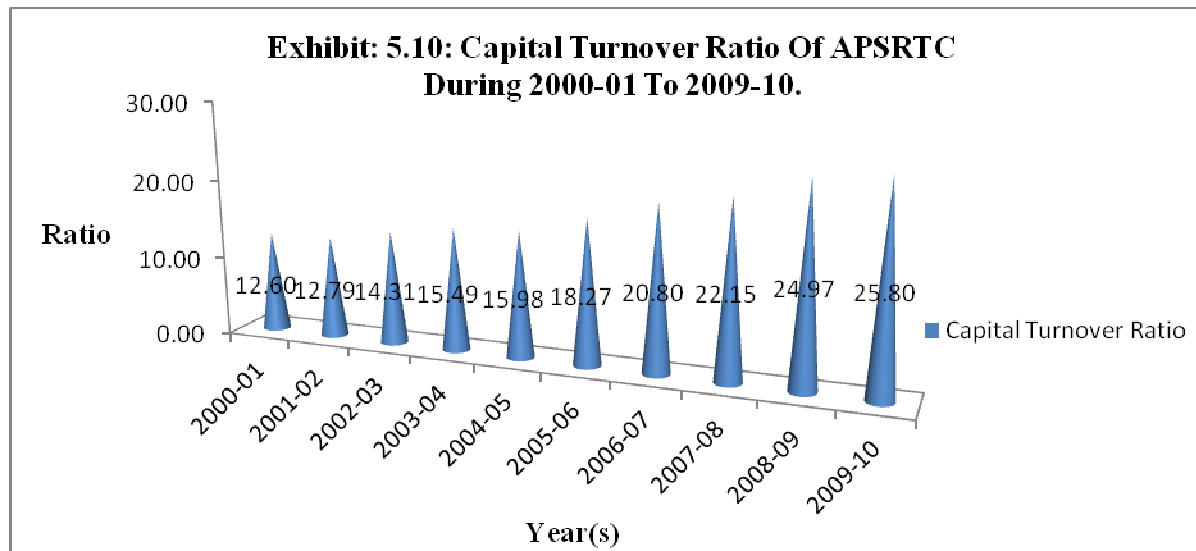
Table- 5.38 indicates the capital turnover ratio of AP State Road Transport Corporation during 2000-01 to 2009-10. As it can be seen from the Table - 5.4 the capital turnover ratio of the Corporation which was 12.60 during 2000-01 stood at 25.80 during 2009-10. It is evident from the above table, there is an increase in ratio to 12.79 in 2001-02 and thereafter it was increased to 14.31 in 2002-03. There was a slight increment from 15.49 in 2003-04 to 15.98 in 2004-05. The ratio reached to 18.27 in 2005-06 and it was 20.80 in 2006-07. Thereafter there observed an increase in the ratio in 2007-08 (22.15) and 2008-09 (24.97). This no doubt indicates that the Corporation is using its capital well and moreover the incremental trend of the ratio as observed over the years under reference reveals that the Corporation is effectively invested its capital to generate revenues. It should be noted that the Corporation had not been infusing any additional equity into the capital structure over the years and in turn it has been relying on external funds. For a healthy financial scenario the Corporation needs to focus on strengthening its capital base.



**Table-5.38: Capital Turnover Ratio Of APSRTC During 2000-01 To 2009-10.**

Ratio	Year(s) (in per cent)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Turnover	12.60	12.79	14.31	15.49	15.98	18.27	20.80	22.15	24.97	25.80

Source: Compiled and Computed From Various Annual Reports Of APSRTC, (2000-10).



Source: Table-5.38.

## **Chapter Summary**

The present treatise discussed the profile and performance, operational scenario and financial position of A.P.State Road Transport Corporation. APSRTC is an organisation which is committed to the man on move and society at large and had started service in June, 1932 and acknowledged as the single transport Corporation having the largest fleet in the world. The organisation structure of APSRTC has undergone several sea changes over the years.

The operational scenario throws light on modus operandi of operational affairs and financial position revealed the financial status of the Corporation. Among operational parameters, fleet vintage, vehicle utilisation, composition of costs, profitability of route kms, economics of kms operations, manpower and bus productivity are important. Service quality parameters include break-downs and accidents, concessions and reimbursements by Govt.,

Financial position and performance of the Corporation evaluated on the basis of capital structure composition, loans and advances, borrowings and provisions of the Corporation besides assets portfolio and composition of costs. Liquidity, leverage, investment and turnover reflections of the Corporation assume a place of significance in the evaluation of financial strengths and weaknesses.