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A Study of Financial Performance Metrics of Rajasthan State Road Transport Corporation

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Abstract: This research delves into the operational and financial performance metrics of the Rajasthan State Road Transport Corporation (RSRTC), focusing on critical indicators such as revenue; expenses, passengers carried, and fleet utilization. The study embarks on an extensive exploration of these metrics to identify underlying trends, recurring patterns, and key challenges faced by RSRTC in the competitive and cost-intensive public transport sector. By offering a granular examination of financial data and operational statistics, it provides actionable recommendations to enhance the organization's financial sustainability and service efficiency.

The analysis is conducted within the context of mounting operational costs, surging fuel prices, and growing competition from private operators, which collectively strain RSRTC's financial health. Moreover, the research sheds light on broader implications such as the role of RSRTC's performance in advancing urban mobility, fostering environmental sustainability, and bolstering economic development. These dimensions underline the significance of public transport systems in emerging economies, where the intersection of financial viability and societal impact takes center stage. Through its findings, this study aims to serve as a comprehensive resource for policymakers, urban planners, and stakeholders seeking to transform public transportation into a more sustainable and reliable service.

Keywords: Financial performance, Public transport, Fleet utilization, Revenue analysis, RSRTC, Operational efficiency, Economic development.

Introduction - Public transport systems are vital for economic and social development, providing affordable mobility, reducing traffic congestion, and contributing to environmental sustainability. However, the financial viability of such systems, especially in the public sector, remains a significant challenge. The Rajasthan State Road Transport Corporation (RSRTC), a state-owned entity, faces persistent financial difficulties due to operational inefficiencies, increased competition, and outdated infrastructure. RSRTC's struggles are reflective of the broader challenges faced by public transport operators across the country, making it a critical case for analysis.

This paper analyzes the financial performance of RSRTC using available operational data, focusing on rev-enue generation, expenditure trends, and fleet utilization. By identifying performance gaps and proposing strategic interventions, this study aims to contribute to the discourse on improving public transport systems in India.

Methodology: The study uses secondary data provided by RSRTC, including metrics such as depot num-bers, routes, operated kilometers, and fleet details. Quantitative analysis is conducted to identify trends, performance gaps, and areas for improvement. Financial ratios such as revenue per kilometer, cost per kilometer, and occupancy rates are calculated to assess operational efficiency. In addition, qualitative insights from industry reports and policy documents are incorporated to provide a holistic perspective on the challenges and opportunities facing RSRTC.

Analysis and Results: Below mentioned table data have been used for analysis **Table 1 (see in last)**

1. **Depot Numbers:** The data indicates that RSRTC has maintained a consistent number of depots (52) over the analyzed period (2013-14 to 2022-23). This reflects a stable infrastructure base, allowing the organization to focus on opti-mizing existing operations rather than expanding physical infrastructure.

2. **Routes:** RSRTC's route network shows significant variation, with the number of routes decreasing from 2,438 in 2013-14 to 1,880 in 2022-23. This contraction indicates efforts to streamline operations, potentially due to financial constraints or declining demand in certain regions. Such trends highlight the importance of focusing on high-demand routes to maximize operational efficiency and revenue.

3. **Operated Kilometers:** The operated kilometers metric highlights both growth and challenges:

1. Operated kilometers peaked at 6,262.23 lakh kilometers in 2014-15 but subsequently declined to 4,729.03 lakh kilometers by 2022-23. This decline aligns with reductions in the route network and the impact of the COVID-19 pandemic in 2020-21, where operated kilometers

dropped sharply to 2,649.03 lakh kilometers.

2. Post-pandemic recovery is evident, though the metrics have not yet returned to pre-pandemic levels, underscoring the need for continued efforts to rebuild operational capacity.

3. Fleet Utilization: Fleet utilization rates declined from 90% in 2013-14 to 78% in 2022-23, largely due to aging vehicles and maintenance challenges. This reduction in fleet performance emphasizes the necessity of investing in modernization and preventive maintenance strategies to enhance reliability and operational efficiency.

4. Passenger Load Factor: Passenger occupancy rates increased from 74% in 2013-14 to 94% in 2022-23, signaling a significant improvement. This rise reflects efforts to enhance service efficiency and address underutilization. However, challenges remain, including competition from private oper-ators, lack of integration with urban transport systems, and inadequate last-mile connectivity. Pas-senger load factors in Indian state transport undertakings reveal inefficiencies in service allocation, directly impacting operational profitability1.Addressing these issues is critical for sustaining the gains in service utilization and further improving financial viability.

Recommendations: To address the identified challenges and improve financial performance, the following strategies are recommended:

Enhancing Revenue Streams:

1. Innovative strategies, including digital ticketing and route optimization, can significantly improve the efficiency of state transport undertakings4. Introduce dynamic pricing models to optimize fares based on demand patterns and peak travel times.

2. Explore non-fare revenue streams, such as advertisements, leasing of bus stops for commercial use, and partnerships with e-commerce companies for parcel delivery services.

3. Leverage digital platforms to offer premium services, such as online booking, premium bus services, and real-time tracking, to attract higher-paying customers.

Reducing Operational Costs:

1. Fluctuating fuel prices critically affect operational costs in public transport, necessitating adaptive financial strategies for sustainability5. Implement preventive maintenance schedules to reduce downtime and repair costs, ensuring better fleet availability.

2. Transition to energy-efficient buses, such as electric or compressed natural gas (CNG) vehicles, to reduce fuel expenses and align with environmental goals.

3. Optimize fuel procurement processes through competitive bidding and long-term contracts to mitigate price volatility.

Improving Fleet and Service Efficiency:

1. RSRTC's financial challenges include rising operational costs, declining revenues, and outdated fleet management practices6. Conduct route optimization studies to eliminate low-performing routes and improve fleet allocation across high-demand areas.

2. Invest in digital ticketing systems and automated passenger counting technologies to streamline operations and enhance data accuracy for decision-making.

3. Collaborate with local urban transport systems to ensure better integration and last-mile connectivity, thereby increasing passenger convenience.

4. Sustainable public transport in India requires integrated urban planning, with emphasis on reducing environmental impacts and enhancing service reliability2.

5. Rural public transport services face challenges such as inadequate funding and limited connectivity, hindering equitable access for underserved regions3.

Passenger-Centric Initiatives:

1. Introduce loyalty programs, seasonal passes, and promotional discounts to attract and retain pas-sengers, particularly in competitive markets.

2. Fleet utilization metrics at RSRTC highlight underutilization as a major issue, suggesting the need for better asset management and route planning7. Upgrade bus interiors, seating arrangements, and onboard facilities to provide a comfortable and modern travel experience.

3. Conduct regular surveys to gather passenger feedback and incorporate their preferences into service improvements.

Conclusion: This study highlights the financial and operational challenges faced by RSRTC and proposes actionable recommendations to enhance its performance. By adopting modern practices, leveraging tech-nology, and fostering collaboration with stakeholders, RSRTC can improve its financial sustainability while providing high-quality public transportation services. The proposed strategies aim to create a more robust and efficient transport system that meets the evolving needs of passengers while contributing to broader social and economic objectives.

Future research should focus on integrating stakeholder feedback, exploring innovative financing models, and assessing the impact of policy changes on RSRTC's performance. Additionally, comparative studies with other state transport corporations can provide valuable insights and benchmarks to guide RSRTC's transformation journey.

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Table 1 : State Road Transport Corporation at a Glance

S.	Item	Unit	Financial Year									
			2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23
1	Depot	Number	52	52	52	52	52	52	52	52	52	52
2	Route	Number	2438	2448	2299	2274	2346	2230	1982	1798	1840	1880
3	Operat-ed Kilometre	in Lacs	5905.81	6262.23	5902.37	5810.25	6184.81	5437.74	5219.36	2649.03	3954.89	4729.03
4	Total Income	In Crores	1610.45	1833.79	1707.56	1773.25	2193.36	2162.42	2056.85	1469.39	1668.66	2136.87
5	Vehicle Held (corpo-ration owened)	Number	4451	4493	4343	4284	4528	4270	3751	4179	3466	3157
6	Vehicle Held (Hired by corpora-tion)	Number	223	211	186	351	816	916	1025	959	908	826
7	Total Vehicles	Number	4674	4704	4529	4635	5444	5205	4710	5087	4326	3983
8	Total expenditure	In Crores	2037.83	2392.43	2199.98	3890.81	2308.42	2238.95	2207.31	1589.55	2052.17	2614.41
9	Profit and Loss (With Adjustment)	In Crores	-487.86	-628.48	-702.61	-1169.76	-176.71	-153.76	-217.06	-40.96	-392.7	-487.54
10	Cumulative Loss	In Crores	-2138.42	-2766.9	-3469.51	-4639.27	-4815.98	-4969.74	-5186.8	-5227.76	-5620.46	-6108
11	Load Factor	in %	74	73	73	68	69	73	74	76	85	94
12	Diesel Average	Kilometre Per Liter	4.93	5.01	5	5.06	5.1	5.03	5.03	5.25	5.15	5.13
13	Oil Top Up	Kilometre Per Liter	5356	5674	4490	4185	4655	4068	4655	4125	5888	5537
14	Vehicle Productivity	Kilometre Per Day	391	397	402	383	388	392	389	384	389	402
15	Fleet Utilization	in %	90	92	89	87	77	68	74	43	63	78
16	Brekdown Rate Per 10000	Kilometre	0.13	0.13	0.18	0.17	0.14	0.19	0.23	0.09	0.13	0.17
17	Accident Rate Per 10000	Kilometre	0.08	0.08	0.05	0.05	0.05	0.05	0.05	0.04	0.05	0.05
18	Total Income Per Kilometre	In Paise	2686	2928	2893	3052	3546	3977	3941	5547	4219	4519
19	Total expend -iture Per Kilometre	In Paise	3309	3820	3727	6696	3732	4116	4229	6000	5189	5528
20	Profit and Loss Per Kilometre (With Adjustment)	In Paise	-713	-892	-834	-3644	-186	-140	-288	-454	-970	-1009
21	Em-ployees	Number	21384	20561	19163	17844	16565	15279	14084	13076	12869	11982
22	Em-ployees Per Vehicle	Number	4.64	4.37	4.23	3.85	3.04	2.89	2.99	2.57	2.97	3.01
23	Daily Passanger Travelled	in Lacs	9.5	9.81	9.26	8.72	9.37	8.51	8.38	3.5	5.54	7.13

Source-https://transport.rajasthan.gov.in