



## Working & Performance of UPSRTC

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### Abstract

The State Transport Undertakings (STUs) in India are regarded as one of the major public utilities and important constituents of the nation's infra-structure. They provide cost effective and efficient transport services to the people of their respective regions and adjoining states. The Corporation's buses carry people from their far-off scattered locations of households to work as centers, improve mobility, minimize regional disparities-poverty and untouchability and, thus, contribute to the overall socio-economic reconstruction of the economy. Therefore, the development of healthy transport system is a pre-requisite for the economic development of the state. This paper reveals the facts about the working and performance of UPSRTC and the role of UPSRTC in social-economic development of Uttar Pradesh state of India.

**Keywords:** Public Sector Undertakings, UPSRTC, Hired buses, Fleet Size, Roadways, Efficiency & Effectiveness.

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### **1. INTRODUCTION:**

The passenger road transport services in the state of U.P. were started on 15th May, 1947 with the operation of bus service on Lucknow-Barabanki route. In 1948, the Road Transport Corporation Act was passed by the central government to enable the state government to form corporations for running the passenger services. This Act having been declared Ultra-virus, another Act known as Road Transport Corporation Act, 1950 was passed in parliament with a view to provide autonomy, uniformity & efficiency of administration in running the state road transport services. Subsequently, in Jan. 01, 1972, erstwhile U.P. govt. roadways was reconstituted as UPSRTC under provisions of Road Transport Corporation, Act 1950 with the objective of developing the road transport sector correlated to which, would be the over-all development of trade & industry, coordinating the road transport services with other mode of transport and providing the adequate, economical and efficiently coordinated road transport services to the residents of the state. Now, UPSRTC is providing its services in U.P. and other adjoining states in north India.

### **2. OBJECTIVES OF THE STUDY:**

- (1) To highlight the objectives and financial performance of UPSRTC;
- (2) To examine the role of UPSRTC in the socio-economic development of U.P. and
- (3) To point out the problems due to which the UPSRTC is incurring losses and suggest some measures to improve its performance.

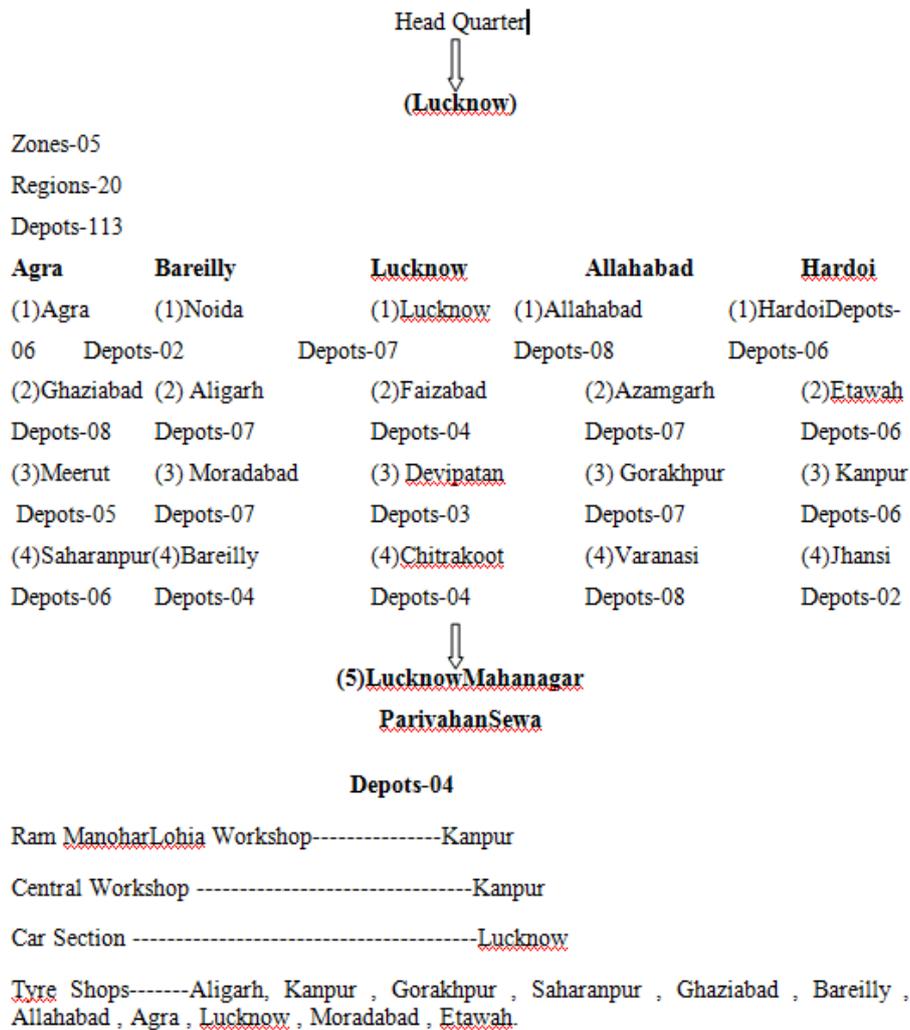
At the time of establishment, UPSRTC had a fleet of 4253 buses which were operating on 1123 routes over a total of 122 thousand kms. of road length at an average route length of 109 kms. The Corporation earned kms , operated at that time, were 228.8 millions while the total no. of passengers carried by its buses were 251.3 millions. By the end of decade, the fleet of corporation had attained a strength of 5679 buses, the operations increased to 1782 routes over a road length of 263 thousand kms. There was an increase in fleet strength of 6198 buses in 6th five year plan. At the end of 7th five year plan , the fleet size increased to 8161 buses . During 8th five year plan, 2722 buses were replaced with new buses and 3142 buses were auctioned. At the end of 9th five year plan, 2427 buses were replaced and 3785 buses were auctioned. In October 30, 2003, UPSRTC was reconstituted with the services in the state of Uttaranchal, forming a separate Corporation. During 10th five year plan, 5274 buses were inducted and 4818 buses were removed from the fleet. In 11th five year plan, 4518 buses were inducted and 4189 buses were removed from the fleet. At the end of 2011-12, the Corporation had 6890 own buses and 1763 hired buses. During the 12th five year plan, the Corporation targets to purchase 8450 new buses to bring its fleet size to 13040 buses by the end of the plan period in 2017. At present , UPSRTC has a fleet size of 9500 buses, operating over 03 million kms., catering to the travel needs of over 1.4 million people and earning Rs.70 million per day. It has 300 bus stations, out of which 249 are in its owned premises and 51 in rented premises. U.P. government has also started U.P. Road Safety Scheme, 2014, for the safety of operations of vehicles on national highways, state highways, P.W.D. roads and to control the road accidents in the state.

### **3. UPSRTC: ITS ROLE IN SOCIO-ECONOMIC DEVELOPMENT:**

At the time when UPSRTC was established its main aim was the development of the road transport sector correlated to which would be the overall development of trade and industry. Co-

ordination of the road transport services with other modes of transport. Now UPSRTC plays a great role in the overall process of socio-economic transformation of our developing economy. It plays a significant role in the movement of passengers, in integration of various cultures, customs and different ways of living. But it has no role in moving agriculture and industrial products because it has no goods vehicle. It is also a reason due to which UPSRTC is incurring losses every year in spite of improvement in its performance.

**ORGANISATION CHART**



**Table-1: Working & Performance of UPSRTC Region-wise**

A=April2013-May2013, B=April2012-May2012

Regions	Buses		Earned Kms(lakh)		Bus Utilization Kms/bus/day		Fuel avg. kms/Ltr.		Profit/Losses		
	A	B	A	B	A	B	A	B	A	B	+ <sub>-</sub>
Agra	594	555	128.21	122.11	354	361	5.15	5.15	158.66	25.25	133.41
GZD	541	491	113.67	108.06	344	361	5.24	5.21	507.92	143.56	364.36
MRT	751	749	157.73	140.46	344	307	5.23	5.18	311.11	139.54	171.57
SRE	459	414	95.71	85.78	342	340	5.08	4.84	247.76	159.57	88.19
ALI	568	520	118.81	110.45	343	348	5.16	5.16	372.14	273.89	98.25
MBD	568	503	122.80	108.29	354	353	5.24	5.24	317.85	50.80	267.05
BLY	512	457	121.60	107.35	389	385	5.02	4.98	316.44	257.90	58.74
HDI	505	440	115.95	105.45	376	393	5.42	5.43	665.83	385.68	280.15
ETW	401	367	86.42	84.41	353	377	5.11	5.10	228.37	168.10	60.27
KNP	522	491	98.68	96.32	310	322	5.19	5.08	-89.35	-157.41	68.06
JHN	147	140	29.01	29.51	324	346	5.18	5.16	-34.13	-76.29	42.16
LKO	790	717	161.81	148.89	336	340	5.37	5.39	258.70	-35.39	294.09
FZD	324	323	71.14	72.07	360	366	5.26	5.29	-24.41	-74.81	50.40
DPT	201	180	39.48	38.72	322	353	4.99	4.97	92.87	79.07	13.80
CHK	323	283	61.43	58.46	312	339	5.03	5.00	61.57	-35.09	96.66
ALD	529	495	113.54	109.09	352	361	5.40	5.37	-6.24	-267.66	261.42
AZM	360	318	80.63	69.45	367	358	5.39	5.33	-20.95	-181.14	160.19
GKP	634	548	136.27	116.61	352	349	5.46	5.38	156.95	-19.38	176.33
VNS	521	477	115.58	105.71	364	363	5.22	5.22	30.63	-114.33	144.96
<b>Mahanagar Parivahan Sewa</b>											
NOD	241	266	38.65	42.01	263	259	4.58	4.43	-12.34	-95.75	83.41
GZM	15	0	1.74	0.00	190	0	4.17	0.00	-41.32	00	-41.32
C/S	-	-	-	-	-	-	-	-	-8.81	-15.32	6.51
<b>TOTAL</b>	<b>9506</b>	<b>8734</b>	<b>2008.86</b>	<b>1859.20</b>	<b>346</b>	<b>349</b>	<b>5.20</b>	<b>5.16</b>	<b>3489.45</b>	<b>610.79</b>	<b>2878.66</b>

Source: upsrtc.com

The table no.1 shows that Ghaziabad Depot has the highest average income per bus and Bareilly depot has the second position. Hardoi depot has the lowest average expenditure per bus and Bareilly depot has the highest expenditure per bus after GZD depot. Aligarh depot is showing the highest average profit per bus after GZD depot and Bareilly depot has the third position. KNP, JHN, AZM, ALD, GZM and NOD depots are providing the negative results.

**Table-2: Over-all Working and Performance Of UPSRTC During last Five Years(As on 31<sup>st</sup> March.....)**

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	Growth	%
<b>Average no. of buses held:-</b>							
Corporation	7361	7310	7260	6920	7434	514	
Hired	988	1250	1486	1973	2166	193	
<b>Total</b>	<b>8349</b>	<b>8560</b>	<b>8746</b>	<b>8893</b>	<b>9600</b>	<b>707</b>	
<b>Average no. of buses on road:-</b>							
Corporation (owned)	7033	6948	6840	6670	7159	489	
Hired	987	1250	1485	1964	2159	195	

<b>Total</b>	8020	8198	8325	8634	9318	684	
<b>% of on- road buses</b>	96	95	94	96	96	0	
<b>Total earned kms. in lakh</b>							
<b>Corporation</b>	9166.12	8627.17	8985.76	8722.33	9117.64	395.31	4.53
<b>Hired</b>	1318.01	1638.56	1863.09	2399.46	2611.64	212.18	8.84
<b>Other</b>	18.02	21.18	23.39	19.48	23.74	4.26	21.87
<b>Total</b>	10502.15	10286.91	10872.24	11141.27	11753.02	611.75	5.49
<b>Bus utilization, kms/bus/day</b>							
<b>Corporation</b>	341	323	338	345	336	-9	
<b>Hired</b>	365	359	343	333	330	-3	
<b>Total</b>	344	329	339	343	335	-8	
<b>No. of passengers carried(lakhs):</b>							
<b>Corp.</b>	3850.05	3608.88	3602.21	3573.43	3603.50	30.07	0.84
<b>Hired</b>	924.67	1096.42	1309.15	1691.91	1752.59	60.68	3.59
<b>Total</b>	4774.72	4705.30	4911.36	5265.34	5356.09	90.75	1.72
<b>Occupancy Ratio:</b>							
<b>C</b>	62	64	68	66	62	-4	
<b>H</b>	77	80	86	87	83	-4	
<b>T</b>	63	66	70	70	65	-5	
<b>Total Income(lakhs):</b>							
<b>C</b>	140591.40	168116.19	187462.01	190772.94	224674.11	33901.17	17.77
<b>H</b>	19698.43	30050.86	36263.98	50708.08	63226.42	12518.34	24.69
<b>Misc.</b>	4058.53	4639.42	4465.28	4334.78	3565.10	769.68	17.76
<b>Total</b>	164348.36	202806.47	228191.27	245815.80	291465.63	45649.83	18.57
<b>Total Exp.(lakhs):</b>							
<b>C</b>	150516.98	179069.25	194128.79	209014.05	246229.42	37215.37	17.81
<b>H</b>	19080.15	28585.23	33578.07	46379.64	58879.22	12499.58	26.95
<b>T</b>	169597.13	207654.48	227706.86	255393.69	305108.64	49714.95	19.47
<b>Profit/loss(lakh)</b>							
<b>C</b>	-5867.05	-6313.64	-2201.50	-13906.33	-17990.21	-4083.88	
<b>H</b>	618.28	1465.63	2685.91	4328.44	4347.20	18.76	
<b>Total</b>	-5248.77	-4848.01	484.41	-9577.89	-13643.01	-4065.12	
<b>Dep. In lakh</b>	13803.68	12878.37	13719.04	12676.74	14598.60	1921.86	

Source: CIRT, PUNE

During 2013-14, the average income of a Corporation buses was Rs.31.38 lakh while the average expenditure on a bus (excluding dep.) was Rs.34.39 lakh. As far as the income of a hired bus is concerned, it was Rs.29.28 lakh while the expenditure on a hired bus was Rs. 27.27 lakh. The average earned kms of a Corporation bus are 1.2736 lakh kms. while a hired bus has only 1.21 lakh kms. during the year. The growth rate in no. of passengers carried by the Corporation buses is 0.84% while the growth rate for the hired buses is 3.59%. The hired buses are continuously providing profits to the Corporation while the Corporation buses are getting losses regularly.

**Table-3: Performance of Different State Transport Undertakings (STUs)**

Name of STU	Avg. fleet held		Avg. fleet operated		Passengerskms. performed(lakh)		Total revenue		Total cost		Net profit / loss	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
<b>Year</b>	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
<b>A.P.</b>	21255	21802	21179	21701	974778	973944	439003	521486	481462	548367	-4259	-26881
<b>Arunachal P.</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Assam</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Bihar</b>	424	424	158	182	3825	4317	2147	2141	5056	3865	-2909	-1724
<b>Goa</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gujrat</b>	8609	8634	7264	7001	351545	346928	186993	207695	223303	237663	-36310	-29968
<b>Haryana</b>	3203	3249	3049	3079	143689	134796	78622	85971	102637	113704	-24015	-27733
<b>Himachal P.</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>J &amp; K</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Karnataka</b>	21078	21302	19370	19573	787068	832645	458432	530247	457675	522521	757	7726
<b>Kerala</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>M.P.</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Maharashtra</b>	22382	23261	20484	21205	702747	708665	536621	617342	575592	651682	-38971	-34340
<b>Manipur</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mizoram</b>	54	53	32	28	156	204	197	231	1425	1502	-1228	-1271
<b>Meghalaya</b>	62	50	36	32	3049	514	790	822	970	1162	-180	-340
<b>Nagaland</b>	216	203	136	130	1538	1715	1066	1150	2680	3001	-1614	-1851
<b>Odisha</b>	321	333	275	283	10821	10588	6053	6554	5177	5837	876	717
<b>Punjab</b>	1669	1766	1555	1665	4276	5500	33070	41939	40543	47467	-7473	-5528
<b>Rajasthan</b>	4602	4476	4346	4163	223273	222004	115306	123584	123308	142841	-8002	-19257
<b>Sikkim</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Tripura</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>U.P.</b>	8349	8557	8020	8196	337434	339453	165702	202800	170899	207648	-5197	-
<b>W. Bengal</b>	2232	2147	1437	1319	49115	40976	26178	26519	53069	59950	-26891	-33431
<b>Union Territory: A&amp;NIsland</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Chandigarh</b>	409	471	386	444	18819	20216	9826	11148	13738	14906	-3912	-
<b>Delhi</b>	3841	5771	3111	4330	95069	138011	56576	-	267599	325108	-211023	-325108
<b>Tamil Nadu</b>	20062	19856	18947	18679	1631827	1644687	517607	554903	582768	692989	-65161	-138086

Source: Central Institute of Road Transport (CIRT), Pune

This table shows that all of the STUs are incurring losses except Karnataka State Road transport Corporation. The main reasons behind this are that (i) public enterprises are interested only in promoting public welfare rather than aggrandizing profits, (ii) Public utilities require a large proportion of their total investments or overheads which can be met only by public enterprises, and (iii) Public enterprises enjoy monopoly position as a result of which these adopt an appropriate pricing policy without causing any harm to public welfare.

The financial, physical and cost performance of UPSRTC shows that adequate replacement has not taken place and the number of buses scrapped is far below the no. of buses purchased. The combined effect has been that the average age of operating fleet has been raising steadily giving rise to increasing maintenance cost and decreasing reliability of service. The no. of personnel in UPSRTC is also continuously decreasing every year. The total staff of UPSRTC was decreased to 38267 in 2004 from 53516 in 1997. At present, the total staff (28, 170 ) consists of 44 first class , 184 second class officers , 22611 third class employees including over 15472 conductors & drivers & the rest fourth class employees. In addition, there are 56 part time workers. It is estimated that

40% of the total cost in STUs is personnel cost. But manpower productivity is an important part which contributes to the profitability of the STUs. It is defined as the no. of effective kms operated per employee per day. On this front, the performance of UPSRTC has not been satisfactory.

#### **4. PROBLEMS FACED BY UPSRTC:**

As the main objective of UPSRTC is not only to earn a large profit but also to provide cheap and adequate services to its passengers. It has the social responsibility to serve the masses. It issues passes to secretarial employees, freedom fighters, M.Ps, MLAs, and disabled persons and provide free services. It operates its vehicles in many remote and backward areas where the private bus owners have the fear of loss. The lack of honest and loyal staff, unsuitable and improper checking system, inadequacy of professional and committed managers, mutual understanding between the Corporations' drivers/conductors and the private bus owners to delay the corporation bus by 5 to 10 minutes, serious competition with private well maintained video coaches, operations of private vehicles on nationalized/ non-permitted routes, inadequate infra-structure facilities, old fleet, inadequate growth of services, absence of rational fare policy, high incidence of motor vehicle tax, poor customer services, absence of coherent policy framework, large scale clandestine operations and wide variations in performance are also the reasons due to which the UPSRTC is incurring losses. Bad and inadequate road network has also lead to higher transportation cost which has severely eroded international competitiveness of the economy. "Commercial vehicles in India are able to run only 200 - 250 kms per day as compared to 500 - 600 kms per day in the developed countries".

#### **5. SUGGESTIONS:**

To solve these problems, UPSRTC should face the competition and improve its services in relation to what the market is demanding. It should start an effective, sudden and systematic checking system. The checking team should consist of honest, sincere & loyal persons. UPSRTC should increase its fleet size and personnel positions to cater to the needs of the passengers. The bottom level services should be improved and all depots should be linked online to enable data flow and to evaluate their performances by the management as in KSRTC. At a time when all state government is funding ways and means to cut deficits, the success of KSRTC is definitely worth emulating. Hiring of buses is a strategic alternative at the prevailing conditions by which UPSRTC can augment its existing services without investment, free from the additional burden of employing extra staff and maintaining the hired buses. A loss making service of the corporation can become a profit making service if we take the advantage of hired buses as the manpower cost of private operators would be less and the personal supervision of private operators can mean more revenue to the bus. The setting up of an effective management control system will also help the UPSRTC to improve its performance. It will provide the necessary feedback and other relevant information. The effectiveness of management control process depends on the quality of feedback received. It is used by the top and senior managers for performance appraisal. An effective control system has both efficiency and effectiveness. Efficiency is measured by the amount of output produced per unit of output. The no. of kms run per liter of diesel, the no. of kms obtained per tyre etc. are some of the examples of efficiency. Effectiveness is the relationship

between the output and the objectives of the organization. Improving the market share on a route in a highly competitive environment indicates improved effectiveness.

#### **5. Conclusion:**

In conclusion it may be said that UPSRTC is facing a severe resource crunch which has led to shortage of spare parts and another materials for its day to day operations. Such a situation resulted in deterioration of the health of its fleet which forced it to defer its replacement plans and rise in the average age of its buses. Inability to augment its fleet has resulted in both legal & illegal competition which leads to a general decline in the service, quality and dis-satisfaction among passengers. To improve the quality and reliability of its service, UPSRTC needs to augment its fleet and match its services to the needs of the passengers. Hiring of buses may be more profitable as it will augment the existing services of UPSRTC and will reduce its extra / additional burden. As far as the socio-economic development is concerned, much remains to be done to bring the rural areas & villages of U.P. under the close purview of the UPSRTC.

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