

# A STUDY OF SWOT ANALYSIS OF MSRTC

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## **ABSTRACT:**

Maharashtra State Road Transport Corporation provides various services to passenger all around the Maharashtra. The purpose of Maharashtra State Road Transport Corporation is to provide good connectivity in Maharashtra state. The research paper primarily focused on evaluation of physical and financial performances of MSRTC. The study is to understand the Strengths, Weaknesses, Opportunities and Threats of MSRTC during study period. The study of SWOT analysis helps to make economic development in different sectors of MSRTC and increase revenue .The study period for the research is 2007-08 to 2012-13.The data is collected from Profile and performance of STUs published by CIRT.

**KEY WORDS:- MSRTC,SWOT ANALYSIS, REVENUE, ECONOMIC DEVELOPMENT, CIRT**

## **INTRODUCTION:**

MSRTC is the life line of Maharashtra. The MSRTC transport is essential for transferring people from one place to another place. This is the basic need of people in society connected with employment, school and colleges, social and others. People preferences for buses for daily work because convenient and reasonable fare as compared to private transport. The Maharashtra State Road Transport Corporation providing bus services to adjoining state.

This research paper is focused on financial and physical evaluation of MSRTC .Total buses held, fleet utilization, Passenger carried, Manpower productivity and bus staff ration is considered in physical performance MSRTC. Total cost, total revenue, Profit/loss, increased growth of total cost and total revenue is considered in financial performance of MSRTC.

This studies helps for SWOT analysis of Maharashtra State Road Transport Corporation for research study . Data is collected from 2007-08 to 2012-13.Secondary data is used. The study is to understand the Strengths, Weaknesses, Opportunities and Threats of MSRTC during study period. The study of SWOT analysis helps to make economic development in different sectors of MSRTC and increase revenue. This paper is very helpful to make economic development.

**OBJECTIVES:**

To understand the performance of the Maharashtra State Road Transport Corporation from 2007-08 to 2012-13 .

To analyze the SWOT analysis of the MSRTC.

**RESEARCH METHODOLOGY:**

This research paper is focused on financial and physical evaluation of MSRTC .It also study the SWOT analysis of MSRTC.For the research .The data is collected from 2007-08 to 2012-13.Secondary data is used .It is collected from various Profile and Performance report of MSRTC published by CIRT and online topic related research papers, books are also used for research.

**EVALUATION OF PHYSICAL OF MSRTC :****Table-1: Evaluation of MSRTC Physical Performance (Fig.in Lakhs)**

Sr. no.	Parameters of Physical Performance	07-08	08-09	09-10	10-11	11-12	2012-13
1	Buses held as on 31 <sup>st</sup> march	14448	14797	15040	15083	15412	15937
2	Fleet utilization (%)	94.8	94.3	94.3	94.7	94.6	92.8
3	Passenger Carried (lakhs)	22402.83	23990.22	23858.31	25367.97	26003.92	26137.31
4	Manpower Productivity / daily	48.49	50.62	50.03	49.88	51.82	54.51
5	Bus /Staff ratio	6.83	6.50	6.73	6.91	6.79	6.29

It is found from the table , the MSRTC buses held every year show continuous increases from 2007-08 to 2012-13 respectively. Every year there is increase in buses .The highest MSRTC buses number is held in the year 2012-13 i.e.15937.The lowest MSRTC buses number is held in the year 2007-08 i.e.14448.

. Whenever, the fleet utilization is slightly changes. It changes from 94.8 to 92.8. The passenger carried by the Maharashtra State Road Transport Corporation shows continuously increased since 2007-08 to 2012-13 with small decrease in the year 2009-10. Maximum passenger carried is 26137.31lakhs in 2012-13 and however minimum passenger carried is 22402.83 lakhs during the 2007-08.

The manpower productivity is improved since 2007-08 to 2011-12 with small decreased during the year 2009-10 and 2010-11.The manpower productivity in the year 2012-13 is maximum i.e.54.51 and however minimum manpower productivity for the period of 2007-08 i.e.48.49.In the year 2007-08 ,the bus/staff ratio is

highest i.e.6.83. It is lowest during the year 2012-13.The bus staff ratio of Maharashtra State Road Transport Corporation is decreased since 2010-11 to 2012-13.i.e. from 6.91 to 6.29 correspondingly .

#### EVALUATION OF FINANCIAL PERFORMANCE:

The Maharashtra State Road Transport Corporation, the total revenue(TR) is defined as the total amount earned by the organization. The total cost is the expenditure done by Maharashtra State Road Transport Corporation. The (TC) total cost divided in various components like personnel, material, miscellaneous, depreciation, tax and interest.

**Table 2: FINANCIAL EVALUATION OF MSRTC :**

Year	Amount of total Revenue	Increased growth in % as compared to previous year	Amount of Total cost	Increased growth in % as compared to previous year	Amount of Profit/Loss
2007-08	386954.61	-	371031.93	-	15922.68
2008-09	419701.93	8.46	301431.24	18.75	118270.7
2009-10	437040.10	4.13	429937.40	42.63	7102.7
2010-2011	496795.81	13.67	493867.00	14.86	2928.81
2011-12	560506.58	12.82	554109.47	12.19	6397.11
2012-13	605512.87	8.03	648396.17	17.01	-42883.3
Mean	484418.7	-	466462.2	-	17956.45
Maximum	605512.9	-	648396.2	-	118270.7
Minimum	386954.6	-	301431.2	-	-42883.3

From the above table, it is very easy to understand that the Maharashtra State Road Transport Corporation, The growth of (TR) total revenue is found tremendous during study period. This shows increased every year .The (TR) total revenue is improved from Rs.38695.61 lakhs in the year to Rs.605512.7lakhs in the year 2007-08.The total revenue is average Rs.484418.7lakhs.

.The increased growth of percentage as compared to previous years is changed from 4.13 %to 13.67% during the study period.

The cost of total MSRTC is improved from Rs.301331.24 lakhs in the year 2008-09 to Rs. 648396.17 lakhs in the year 2012-13. Total cost is decreased during the year 2008-09 i.e.Rs.301431.24 lakhs. The average total cost(TC) during study period is Rs.466462.2lakhs.

The profit and loss overall position of the Maharashtra State Road Transport Corporation is good in research study period. Maharashtra State Road Transport Corporation earned good earnings from 2007-08 to 2011-12. MSRTC is in good earnings for the five years during study period and is in loss in the year 2012-13 i.e Rs.-42883.3 lakhs.The study period , MSRTC recorded as maximum Rs.118270.7lakhs during the year 2008-09

and minimum Rs.-42883.3lakhs loss .Average profit of Maharashtra State Road Transport Corporation is Rs.17956.45lakhs.

### SWOT ANALYSIS OF MSRTC:

#### Strength of MSRTC:

- 1) TR (Total revenue) of Maharashtra State Road Transport Corporation is good during the study period.
- 2) Profit level is seen well. The MSRTC average percentage of profit is Rs.17956.45
- 3) Every year, there is increase of buses during study period.
- 4) The average passenger carried is seen well, i.e.24137.3
- 5) Providing good services to satisfy the passengers.

#### .Weakness of MSRTC:

- 1) Bus staff ratio is high
- 2) Total cost is increased every year .The average total cost is 466462.2.
- 3) Need to control expenditure on total cost.
- 4) Higher the Total cost is than total income in the year 2012-13, Maharashtra StateRoadTrasport Corporation is in loss.
- 5) Less innovative Bus facilities.
- 6) Loss due to fare concessions

#### Opportunity:

- 1) Fleet strength is used on profitable routes.
- 2) Increasing the passenger carried .
- 3) Provide various facilities at Bus stations.
- 4) Earning revenue through advertisements on body of buses.
- 5) Use of Profit for future development.

#### Threats:

- 1) Increasing competition from Private transport system.
- 2) Facilities provided by private players are more than MSRTC.
- 3) Competitors booking points are more

**CONCLUSION:**

Total cost(TC) amount is seen increased from last six years i.e.2007-08 to 2012-13.The percentage of total revenue is highest i.e. 13.67% in the year 2010-11. Rs.484418.7 is the average revenue. Total cost of Maharashtra State Road Transport Corporation during every year is increasing i.e.2008-09 to 2012-13 with small decreasing during 2008-09.The highest expenditure of TC is Rs.648396 within the year 2012-13.The increased total overall cost is maximum in the year 2009-10 i.e.42.63%.MSRTC was suffering in loss Rs.-42883.3in the 2012-13 .Since 2008-09 to 2011-12,Maharashtra State Road Transport Corporation within profit. It has to focus on private competitors. MSRTC has to increase the facilities for passenger. This will help to earn more profit for corporation. Whole cost of expenditure needs to control.

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