

A STUDY ON EVALUATION OF CAPITAL STRUCTURE OF MAHARASHTRA STATE ROAD TRANSPORT CORPORATION

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ABSTRACT:

Proper utilization of road transport becomes very important and it plays a significant role in the economic development of country. The basic main objectives of M.S.R.T.C. are to provide sufficient passenger transport services to the community reasonably and efficiently. An efficient transport system is a vital input to the economic growth of the developing countries. The efficient transport system and their efficient working depend upon Manpower. The Maharashtra state has their own transport service to fulfill the need of growing cities. This research paper is focused on evaluation of capital structure of MSRTC. For this research information about capital and liabilities, fixed assets, work in progress, investment, current assets etc is collected through secondary data method. This study is very needful for MSRTC for economic development.

Key Words: *Transport, Economic Development, MSRTC, Capital structure, Fixed assets etc.*

INTRODUCTION:

Today, Road transport plays very important role .It is necessary to improve trade holds nations together and enables people to make improvement in quality of their living. Maharashtra state road Transport Corporation is helpful for people for various factors like social and cultural, education, political and commercial strategic considerations. The passenger satisfaction is a high priority for developing economy like India .The MSRTC reached every village that is connected by road. People in village give preference for bus transportation.

Due to rapid growth of population, there is pressure on the public transport for the mobility of people for their various aspirations. Today the urban transport has become a very big problem for daily commuters. The Maharashtra state has their own transport service to fulfill the need of growing cities. This research paper is focused on evaluation of capital structure of MSRTC.

For this research information about capital and liabilities, fixed assets, work in progress, investment, current assets etc. The required information is collected through secondary data method.

OBJECTIVES:

To study the capital and liabilities of MSRTC from 2006-07 to 2011-12.

To study the various parameters of total assets.

RESEARCH METHODOLOGY:

The research paper is focused on capital structure of MSRTC. For this research objectives are designed and data is collected by secondary data. The secondary data was obtained from Profile and performance of State Transport Undertakings and research papers in journals and internet websites Various Administration reports published by MSRTC (Annual reports).

EVALUATION OF CAPITAL STRUCTURE OF MSRTC (FIG. IN CRORES):

Table No:1

Year	Amount of Capital and liabilities	Total amount of fixed Assets	Work Progress in	Investment	Current Assets
2006-07	2695.95	1875.91	24.64	0.07	795.33
2007-08	3020.83	2032.91	26.04	50.91	910.97
2009-10	1885.58	570.94	34.51	189.30	1090.83
2010-11	2211.84	598.54	35.73	222.74	1354.83
2011-12	2434.11	646.50	40.19	27.66	1719.76
Average	2449.66	1144.96	32.22	98.13	1174.34
Maximum	3020.83	2032.91	40.19	222.74	1719.76
Minimum	1885.58	570.94	24.64	0.07	795.33

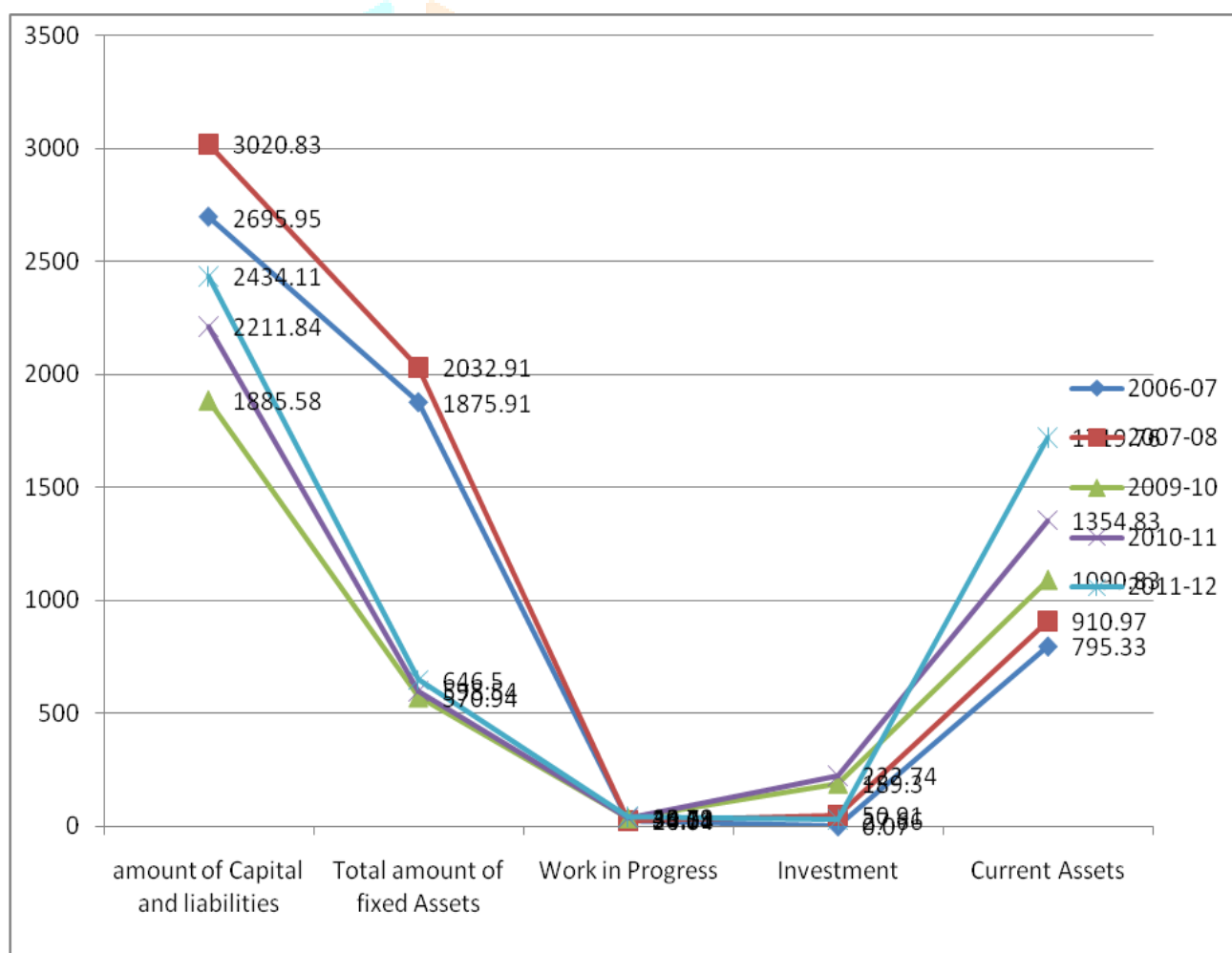
From the above table it is understandable that the average amount of capital and liabilities is Rs.2449.66 crores from 2006-07 to 2011-12. The amount of capital and liabilities is increased from 2009-10 to 2011-12 i.e Rs.1885.58 to Rs.2434.11 crore during study period. The maximum amount of capital and liabilities is 3020 crore in the year 2007-08 and is decreased by 11.35.25 crore in next year. Minimum amount is 1885.58 in the year 2009-10 and is increased in next year by Rs.326.26 crore. It includes State Government contribution, Central Government contribution, General and other reserves, Cumulative profit and loss, Debentures, Loan from IDBI, Loan from other banks, Loan from LIC, Public Deposits and others.

Total amount of fixed assets is Rs. 5724.8 crore. The average amount of fixed assets is Rs.1146.96 during 2006-07 to 2011-12. The maximum amount of total assets is Rs.2032.91 during study period and minimum is Rs.570.94 crore. Fixed amount includes the amount of land, building, passenger buses, other vehicles, plant and machinery, furniture and others and office equipments.

The amount of work in progress is Rs.32.22 average .the amount of work in progress is increased every year i.e. from 24.64 to 40.19(Rs. 15.55 crore).The amount of maximum work in progress during study period is 40.19 in the year 2011-12 and minimum is Rs.24.64 in the year 2006-07.

The amount of investment is increased from 2006-07 to 2010-11 i.e 0.07 to222.74 crores respectively and it is decreased by 195.08 crores in the year 2011-12.The average amount of investment is Rs.98.136 crores during study period. The highest investment is Rs.222.74 crores in the year 2010-11 and is minimum Rs.0.07 crores in the year 2011-12.

The average Current assets of of MSRTC during study period are 1174.34 crores. It is continuously increased from 2006-07 to 2011-12 i.e. from 795.33 cores to 1719.76 crores respectively. The maximum amount of current assets is Rs.1719.76 crores and minimum is Rs.795.33 respectively. It considers the amount of stores inventory, sundry debtors, advances and deposits, cash and others.



FINDINGS:

1. It is found that the average amount of capital and liabilities is Rs.2449.66 crores during study period.

2. The maximum amount of capital and liabilities is 3020 crores in the year 2007-08 and is decreased by 11.35.25 crores in next year.
3. Total amount of fixed assets is Rs. 5724.8 crores. The average amount of fixed assets is Rs.1146.96 during the year 2006-07 to 2011-12.
4. The amount of work in progress is increased every year i.e. from 24.64 to 40.19(Rs. 15.55 crores).
5. Investment is decreased by 195.08 crores in the year 2011-12.
6. Current assets is continuously increased from 2006-07 to 2011-12 i.e. from 795.33 cores to 1719.76 crores respectively.

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