

STUDY ON ANALYSIS OF PERSONNEL COST OF MAHARASHTRA STATE ROAD TRANSPORT CORPORATION

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Abstract:

Increased expenditure is an important factor which affects the performance and revenues of MSRTC. MSRTC operators with better fleet and flexibility attract a major share of the passenger MSRTC provides services to passengers at reasonable fare & provides safety to the passengers. MSRTC faces number of problem due to increased expenditure on various cost and its effect on huge losses. MSRTC provides buses all over the Maharashtra and neighbouring states. Maharashtra State Road Transport Corporation (MSRTC) providing access and connectivity across the entire state of Maharashtra. MSRTC is trying to improve productivity. This paper is focused on expenditure of personnel cost of MSRTC from 2006-07 to 2010-11. The effect of personnel cost on total revenue of MSRTC during last five years is considered. The research paper is also focused on impact of personnel cost on total revenue.

Key Words: MSRTC, Total Revenue, Expenditure, Productivity, Personnel cost.

INTRODUCTION:

In India, Public Road Transport system is very important for the movement of passengers from one place to another for the purpose of any work, education, social purposes and entertainment purposes. Road Transport Corporation Act was established in 1950. Maharashtra Road Transport Corporation (MSRTC) came into existence in 1948 and has been providing services to passengers daily during given period of time covering of Maharashtra state of India and adjoins states. MSRTC provides services to passengers at reasonable fare & provides safety to the passengers. MSRTC faces number of problem due to increased expenditure on various cost and its effect on huge losses. MSRTC provides buses all over the Maharashtra and neighbouring states. Maharashtra State Road Transport Corporation (MSRTC) providing access and connectivity across the entire state of Maharashtra. MSRTC is trying to improve productivity. MSRTC transportation in Maharashtra is completely nationalized. MSRTC connecting each and every village by bus service. MSRTC's principal slogan is "Where there is a road there is a bus service". MSRTC has made important contribution by creating a good road transport infrastructure for developing economy in the state. This research paper is focused on expenditure of MSRTC on personnel cost . Data is collected from last five years i.e. from 2006-07 to 2010-11. The study is focused on

various parameters of personnel cost like Drivers and conductors, Traffic supervisor, Total Traffic Staff, Workshop and Maintenance, Admin and others and P.F welfare and its impact on MSRTC total revenue .

OBJECTIVES:

- 1) To study the personnel cost of MSRTC from 2006-07 to 2010-11
- 2) To determine the impact of Personnel cost on total revenue MSRTC.

RESEARCH METHODOLOGY:

The research paper is focused on financial performance with reference to personnel cost of MSRTC. For this research objectives are designed and data is collected by both primary and secondary data. Primary data are collected using questionnaire and observation method. The secondary data was obtained from Profile and performance of State Transport Undertakings and research papers in journals and internet

EXPENDITURE ON PERSONNEL COST OF MSRTC FROM 2006-07 TO 2011-12:

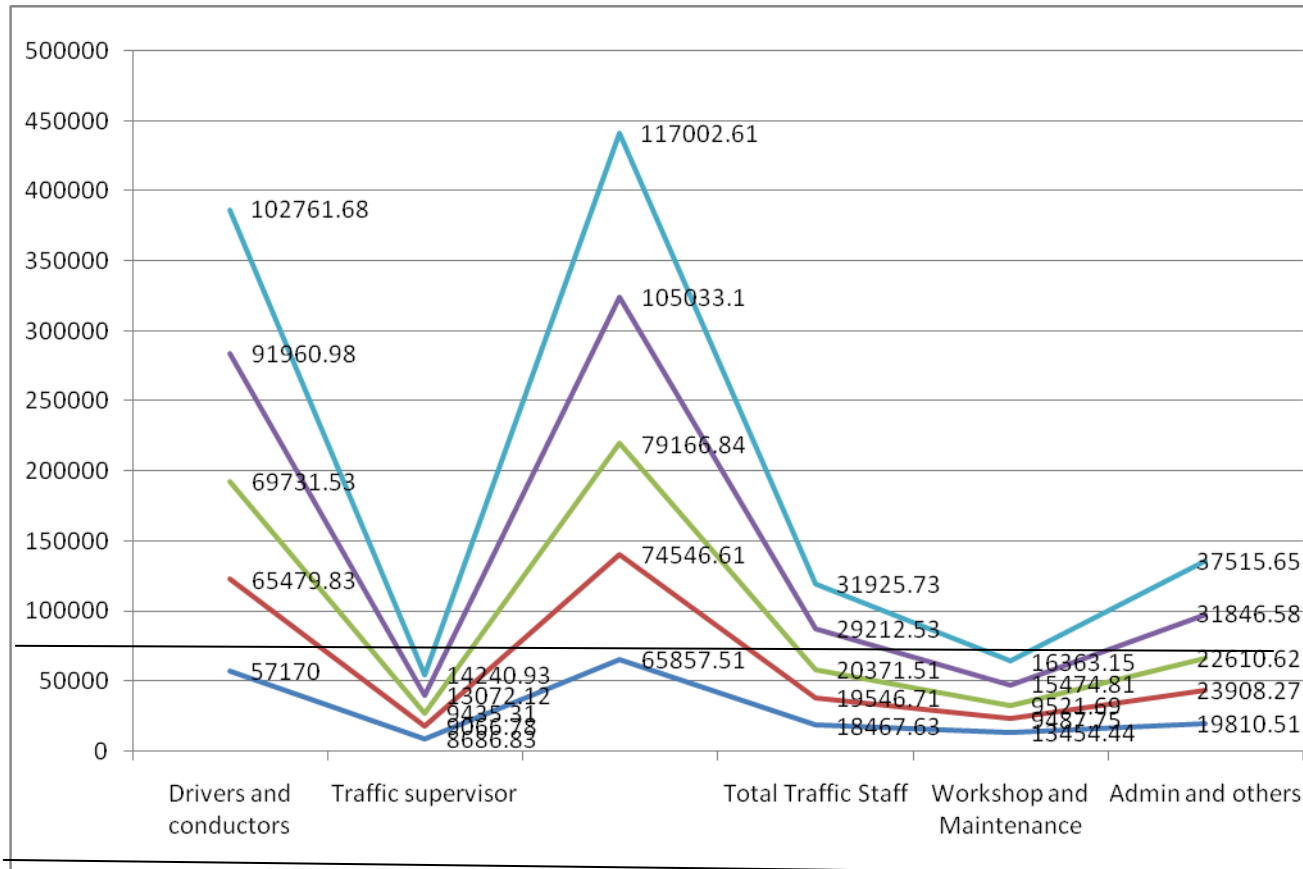
Table No:1

Sr. No	Personnel cost (in lakhs)	2006-07	2007-08	2008-09	2010-11	2011-12
1	Drivers and conductors	57170	65479.83	69731.53	91960.98	102761.68
2	Traffic supervisor	8686.83	9066.78	9435.31	13072.12	14240.93
3	Total Traffic Staff	65857.51	74546.61	79166.84	105033.10	117002.61
4	Workshop and Maintenance	18467.63	19546.71	20371.51	29212.53	31925.73
5	Admin and others	13454.44	9487.75	9521.69	15474.81	16363.15
6	P.F welfare	19810.51	23908.27	22610.62	31846.58	37515.65
	Mean	30574.49	33672.66	35139.58	47766.69	53301.63
	Maximum	65857.51	74546.61	79166.84	105033.1	117002.6
	Minimum	8686.83	9066.78	9435.31	13072.12	14240.93

From the above table, it is found that expenditure on personnel cost of MSRTC is increased every year i.e from 2006-07 to 2011-12. Expenditure on drivers and conductors is increased by 45591.68lakhs from 2006-07 to 2011-12. The average amount of expenditure is Rs30574.49lakhs during study period. The maximum amount of expenditure is on total traffic staff in the year 2006-07 i.e.65857.51 lakhs and minimum expenditure is Rs 8686.83lakhs on traffic supervisor. The average amount spend by MSRTC in the 2007-08 is Rs .33672.66lakhs. The highest amount of expenditure is Rs.74546.61 in the year 2007-08 on total traffic staff and lowest amount of expenditure is Rs.9066.78laakhs on traffic supervisor. In the year 2008-09, the amount of average expenditure is increased by 1466.92 as compared to previous year. The maximum amount is Rs.79166.84lakhs on total traffic staff and minimum expenditure in traffic supervisor i.e.94.35lakhs.

The average expenditure is increased by 12627.11lakhs in the 2010-11 as compared to previous year .The amount of expenditure is maximum in the year 2010-11 is Rs.105033.1 lakhs and minimum expenditure is

Rs.13072.12lakhs on traffic supervisor .In the year 2011-12,the average expenditure is increased by Rs.5534.94 lakhs as compared to previous year. The highest expenditure on total traffic staff is Rs.117002.6 lakhs and minimum on traffic supervisor is Rs.1440.93 lakhs. The amount of total traffic staff is highest every year during study period and lowest on traffic supervisor during 2006-07 to 2011-12.The amount is increased byRS. 51154.1lakhs from 2006-07 to 2011-12 on total traffic staff and Rs.5554.1 lakhs on traffic supervisor. Total amount of expenditure is increased every year during study period.



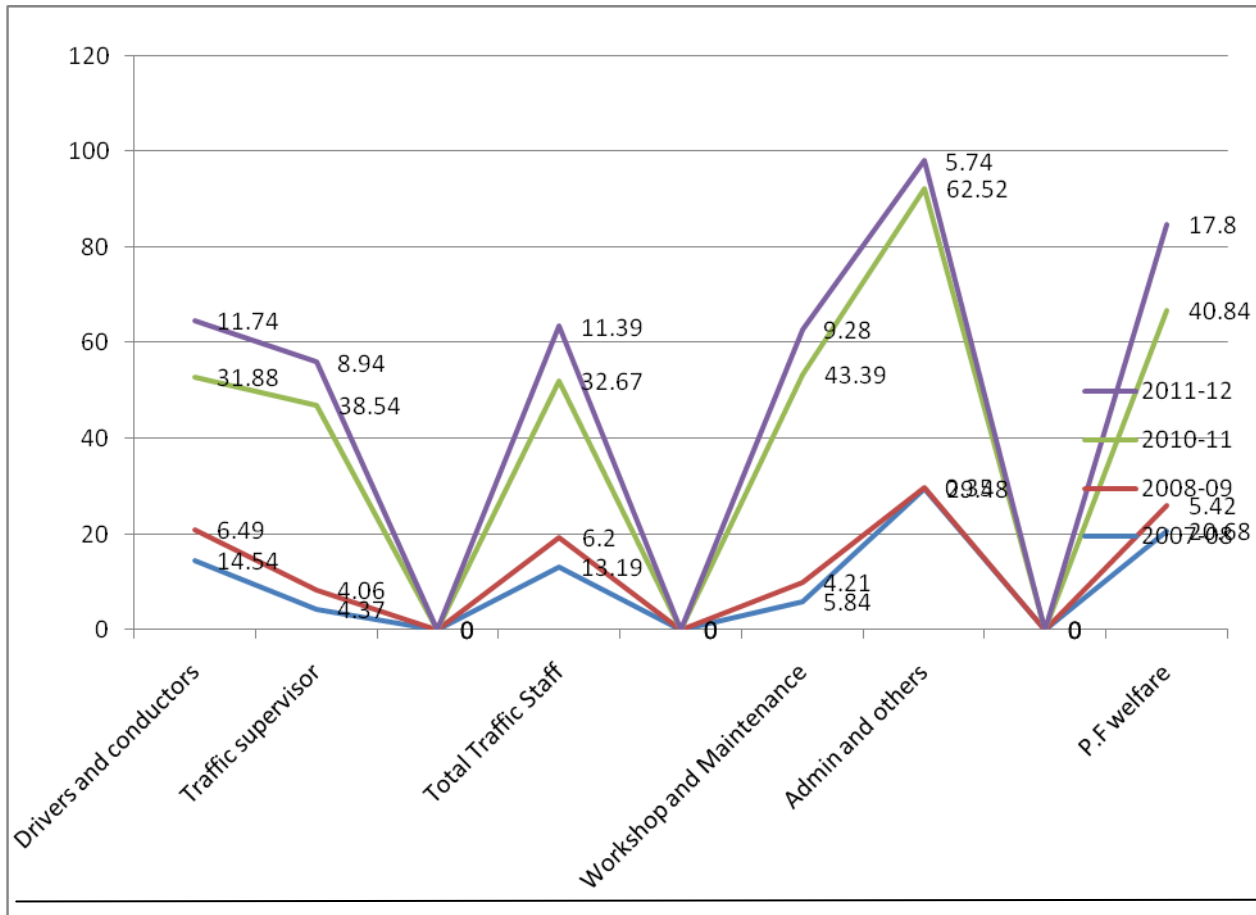
PERCENTAGE OF EXPENDITURE CHANGED OVER PREVIOUS YEAR ON PERSONNEL COST OF MSRTC FROM 2006-07 TO 2011-12:

Table No:2

Sr. No	Percentage of Expenditure changed over previous year	2007-08	2008-09	2010-11	2011-12
1	Drivers and conductors	14.54	6.49	31.88	11.74
2	Traffic supervisor	4.37	4.06	38.54	8.94
3	Total Traffic Staff	13.19	6.20	32.67	11.39
4	Workshop and Maintenance	5.84	4.21	43.39	9.28

5	Admin and others	29.48	0.35	62.52	5.74
6	P.F welfare	20.68	5.42	40.84	17.80

From the above figure, it cleared that percentage of expenditure is changed over previous year during study period i.e. from 2006-07 to 2011-12. Maximum percentage of expenditure is changed in the year 2010-11 on drivers and conductors is i.e 31.88%, Traffic supervisor is 38.54 %,total traffic staff is 32.67,workshop and maintenance is 43.39%, Admin and others is 62.52%,P.F welfare is 40.84% respectively.



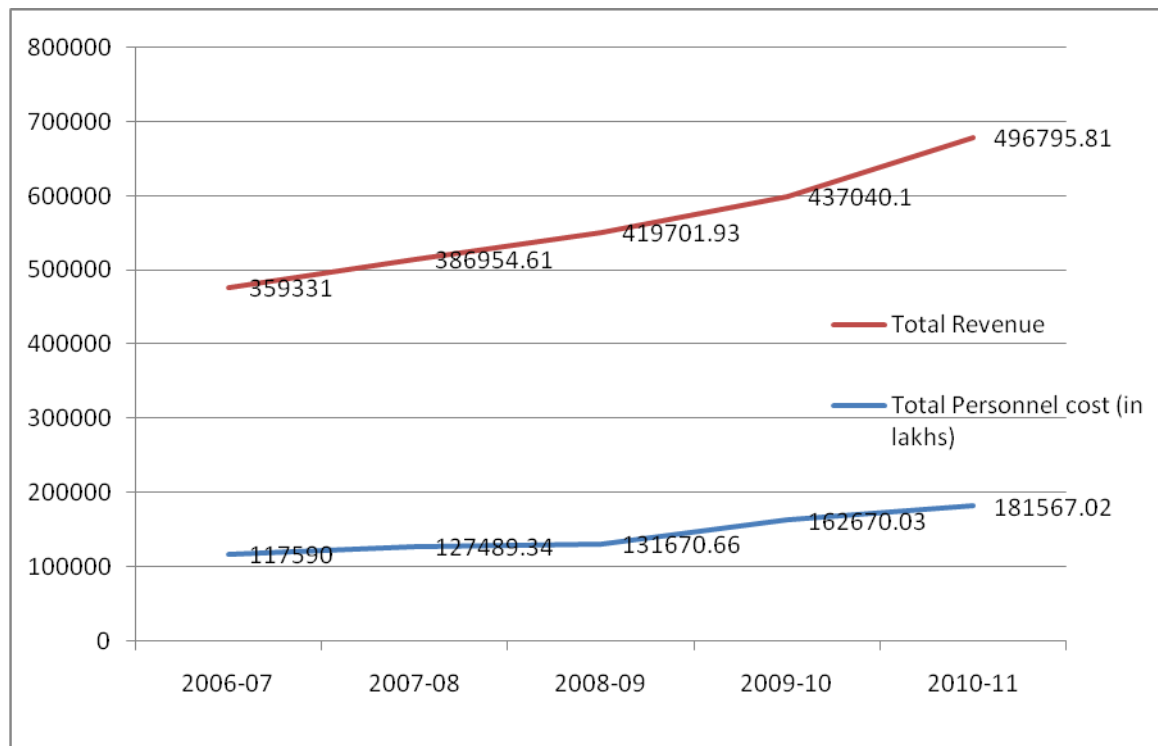
TOTAL EXPENDITURE OF PERSONNEL COST FROM 2006-07 TO 2010-11

Table No:3

Year	Total Personnel cost (in lakhs)	Total Revenue
2006-07	117590	359331
2007-08	127489.34	386954.61
2008-09	131670.66	419701.93
2009-10	162670.03	437040.10
2010-11	181567.02	496795.81
Average	144197.4	419964.7
Maximum	181567	496795.8
Minimum	117590	359331

From the above table, average expenditure on personnel cost is Rs.144197.4lakhs. The total personnel cost is maximum in the year 2010-11 i.e. Rs.181567 lakh and minimum is Rs.117590 lakhs. The amount of expenditure is increased every year i.e. from Rs.117590 lakhs to 181567.02 lakhs in the year 2006-07 to 2010-11.

The amount of total revenue is increased every year i.e. from Rs.35933 lakhs to Rs.496795.81 lakhs. The average total revenue is Rs.419964.7 lakhs. The maximum total revenue during study period i.e. from 2006-07 to 2010-11 is Rs.496795.8 lakhs and minimum is Rs.359331 lakhs.



Findings :

During 2006-07 to 2011-12 amount of expenditure on personnel cost of MSRTC is increased every year. The average amount of expenditure is Rs.30574.49 lakhs.

In 2008-09, the amount of average expenditure is increased by 1466.92 as compared to previous year.

The amount of total traffic staff is highest every year during study period and lowest on traffic supervisor during 2006-07 to 2011-12. The amount is increased by Rs. 51154.1 lakhs from 2006-07 to 2011-12 on total traffic staff and Rs.5554.1 lakhs on traffic supervisor.

Maximum percentage of expenditure is changed in the year 2010-11 as compared to remaining years.

Average expenditure on personnel cost is Rs.144197.4 lakhs.

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