TO STUDY THE FINANCIAL PERFORMANCE OF MAHARASHTRA STATE ROAD CORPORATION (MSRTC)-2014-2025

SWAPNIL SUNIL DHORE

Research Student

Shri Shahu Mandir College

Parvati Pune- 411009

DR. KISHOR GIRISH NAVALE

Research Guide

Shri Shahu Mandir College

Parvati Pune- 411009

Abstract

Maharashtra State Road Transport Corporation (MSRTC) is a government- owned public transport organization responsible for providing safe, reliable, and affordable road transport services across Maharashtra and neighboring states. Established to enhance connectivity between urban and rural areas, MSRTC operates a diverse fleet of buses, including ordinary, express, and luxury services, catering to millions of passengers daily. This study/research focuses on MSRTC's operational efficiency, challenges such as financial sustainability, competition from private transport, and efforts to modernize services through digital ticketing, GPS tracking, and fleet upgrades. The analysis highlights MSRTC's critical role in regional development, its social and economic impact, and strategies for improving service quality, sustainability, and customer satisfaction in the evolving public transport sector.)

(Key Words:- Maharashtra State Road Transport Corporation, Comprehensive , affordable, Sustainability, Modernize, Connectivity)

1. Introduction

The Maharashtra State Road Transport Corporation (MSRTC) is one of the most important public transport organizations in India. It plays a vital role in providing affordable, reliable, and accessible road transport services to millions of people across the state of Maharashtra. Established soon after India gained independence, MSRTC has grown into one of the largest state transport undertakings in the country. It has contributed significantly to social, economic, and regional development by connecting cities, towns, and remote rural areas.Public transport is the backbone of a developing economy, and MSRTC has fulfilled

this responsibility efficiently for decades. Popularly known as —ST‖ or —State Transport‖, the corporation has become an inseparable part of daily life in Maharashtra.

2. Types of MSRTC Services:

Ordinary (ST) Buses – Affordable and widely used by rural and urban passengers

Semi-Luxury Buses – Offer better seating and comfort

Luxury Buses – Designed for long-distance travel

Shivneri – Air-conditioned buses mainly operating between major cities

Shivshahi – Modern buses with improved facilities

Asiad and Parivartan – Services connecting long-distance routes

Night Express and Fast Passenger Services

These services cater to passengers from different economic backgrounds and travel needs.

3. Role in Rural Development

One of the most significant contributions of MSRTC is its role in **rural development**. Many villages in Maharashtra depend entirely on ST buses for transportation. MSRTC connects rural areas to cities, markets, schools, hospitals, and government offices.

Farmers use MSRTC services to transport themselves and their produce to markets. Students rely on ST buses to attend schools and colleges. Women, elderly citizens, and daily wage workers benefit from concessional fares and regular services. By ensuring connectivity, MSRTC helps reduce rural isolation and supports livelihood opportunities.

4. Social Responsibility and Concessions

MSRTC is well-known for its social responsibility initiatives. It provides fare concessions to various sections of society, including:

1. Students
2. Senior citizens
3. Freedom fighters
4. Disabled persons
5. Government employees
6. War widows

These concessions make travel affordable and promote social inclusion. MSRTC

also plays a crucial role during emergencies, elections, natural disasters, and religious events by providing special transport arrangements.

5. Technological Advancements

In recent years, MSRTC has adopted modern technology to improve efficiency and passenger experience. Some of the technological initiatives include:

1. Online ticket booking systems
2. Mobile applications for ticket reservations
3. GPS tracking of buses
4. Electronic ticketing machines
5. CCTV cameras for passenger safety

These advancements have helped MSRTC modernize its operations and compete with private transport services.

6. Challenges Faced by MSRTC

Despite its achievements, MSRTC faces several challenges. These include financial constraints, rising fuel costs, maintenance expenses, competition from private operators, and infrastructure limitations. Managing a vast fleet while maintaining service quality is a continuous challenge.

Additionally, adapting to changing passenger expectations and technological advancements requires continuous investment and planning.

7. Objectives of the Research

To assess the quality of passenger services provided by MSRTC with respect to punctuality, comfort, safety, affordability, and accessibility.

To analyze passenger satisfaction levels and identify key factors influencing the choice of MSRTC services over alternative transport modes.

To examine operational and fleet management practices of MSRTC, including route planning, maintenance, and utilization of buses.

To study the infrastructure facilities available at MSRTC bus depots and stations and their impact on passenger experience.

To evaluate the financial performance and sustainability of MSRTC in the context of rising operational costs and competition.

International Research Journal of Human Resource and Social Sciences
ISSN(O): (2349-4085) ISSN(P): (2394-4218)
Impact Factor 7.924 Volume 13, Issue 02, Feb 2026
Website- www.aarf.asia, **Email** : editoraarf@gmail.com

To analyze the role of technology and digital initiatives (e-ticketing, digital payments, tracking systems) in improving service efficiency.

To examine employee welfare, job satisfaction, and organizational challenges and their influence on service delivery.

To identify regional, social, and demographic disparities in access to MSRTC services, especially in rural and underserved areas.

To suggest policy and managerial recommendations for improving operational efficiency, service quality, and public trust in MSRTC.

8. Research Gaps

From the reviewed literature, several key themes emerge:

1. Service Quality & Passenger Satisfaction

- Most studies use **SERVQUAL and QFD** to measure service perception and identify areas for improvement.

2. Economic Performance & Cost-Benefit Analysis

- CBA models reveal insights into financial feasibility and operational choices compared with private transport.

3. Operational & Management Challenges

- Many studies stress **financial instability, organizational inefficiencies, and competitive pressures**.

4. Productivity & Structural Reform

- Some research suggests structural changes like decentralization to improve efficiency.

5. Challenges in Rural Connectivity & Public Welfare

- Several papers emphasize MSRTC's role in fulfilling social obligations even when operations are loss-making.

- **Impact of digital technologies** on operational efficiency and passenger satisfaction.

- **Comparative studies** across different state transport corporations in India.

- **Longitudinal studies** on how modernization (e.g., fleet renewal) affects MSRTC's sustainability.

- **Policy impact analysis** of government reforms, PPP models, and subsidy regimes.

9.   Review of Literature on MSRTC

1.   Comparative Cost-Benefit Model for MSRTC Services

Authors: Dr. Sunil R. Kewate, Dr. R. R. Choudhari & Chaitali R. Choudhari

Focus: This study uses a **cost-benefit analysis (CBA)** to compare MSRTC and private bus service alternatives (2017–2022). It evaluates parameters like Net Present Value (NPV), Benefit-Cost (BC) ratio, and Internal Rate of Return (IRR) to assess which service better satisfies customers and is financially viable.

Finding: The model identifies key service areas where MSRTC can improve to enhance performance and competitiveness.

Significance: Provides empirical evidence on economic performance and competitiveness against private operators.

2.   Quality Assessment Using SERVQUAL Model

Authors: Sunil R. Kewate, Dr. Rajendra R. Chaudhari & Dr. Vivek R. Gandhewar **Focus:** Applies the **SERVQUAL model** to understand passenger satisfaction and quality perceptions of MSRTC bus services.

Finding: Highlights gaps between expected and perceived service quality and suggests areas for improvement in customer service.

Significance: Useful for designing customer-centric policies in public transport.

3.   Survey for Quality Enhancement at MSRTC Bus Stations

Authors: Sunil R. Kewate, Vivek R. Gandhewar & Vaishnavi R. Holey

Focus: Conducts a **Quality Function Deployment (QFD)** survey at an MSRTC bus station in Amravati to capture user demands (5000 respondents).

Finding: Prioritizes improvements in ticket pricing and bus frequency as critical quality enhancement areas.

Significance: Offers actionable insights into improving everyday user experiences at MSRTC facilities.

4.   Management Strategies and Challenges in MSRTC

Authors: Dr. Nawale Kishor Girish & Dhore Swapnil Sunil

Focus: Analyzes **operational challenges and strategic management issues** within MSRTC, such as financial instability and competition from private operators.

Finding: Highlights inefficiencies impacting sustainability and suggests management reforms for long-term viability.

Significance: Helps planners and policymakers understand structural weaknesses within MSRTC.

5. **Analysis of Productivity and Efficiency in MSRTC**

Authors: Manisha Karne & Anand Venkatesh

Focus: Explores MSRTC's **efficiency and productivity**, including whether organizational strategies like splitting the corporation could help financial recovery.

Finding: Suggests structural and efficiency reforms may be required to enhance performance.

Significance: Contributes to broader debates on transport corporation restructuring.

6. **Profile and Challenges of MSRTC**

Source: Journal of Advances and Scholarly Researches in Allied Education

Focus: Presents a **comprehensive profile of MSRTC**, its achievements, challenges, and operational limitations over the years.

Finding: Highlights persistent financial losses and operational challenges despite MSRTC's efforts to provide connectivity.

Significance: Good foundational overview for understanding the broader context of MSRTC's service history.

7. **A Study of Problems & Prospects of MSRTC**

Author: Ingle Sangapal Prakash

Focus: Examines **major problems** faced by MSRTC including managerial inefficiencies, political interference, low capacity utilization, and issues related to pricing, accidents, and competition.

Finding: Provides insights into future opportunities and necessary reforms for MSRTC.

Significance: Classic study often cited for problem analysis in transport economics.

8. **Organization & Management of Maharashtra State Road Transport**

Authors: Sharad Mahajan & Prof. P. K. Chaudhary

Focus: Reviews **organizational structure, management issues, and historical policy context** (Road Transport Corporation Act) influencing MSRTC's operations.

Finding: Discusses how competition and governance affect the corporation's performance.

Significance: Useful for understanding institution-level challenges in public transport enterprises.

9. **Survey Based Comparative Analysis of Public & Private Services**

Authors: Rajendra R. Chaudhari, Sunil R. Kewate, et al.

Focus: Compares **service quality perceptions** between MSRTC (public) and private transport using SERVQUAL.

Finding: Identifies dimensions where public service meets or lags behind private transport offerings.

Significance: Highlights competitive pressure and areas requiring policy attention for MSRTC.

10. **Literature Summary (Secondary Source)**

Source: GE-International Journal of Management Research

Focus: A comprehensive **review of literature on state road transport** in Maharashtra, summarizing historical research on the development, problems, and improvements in MSRTC and related services.

Finding: Includes earlier historical and analytical studies, making this a helpful secondary literature synthesis.

Significance: Provides a consolidated academic perspective on transport policy and MSRTC research themes.

To study the service quality and passenger satisfaction of MSRTC.

To analyze operational and fleet management efficiency.

To examine financial and infrastructural challenges faced by MSRTC.

To assess the impact of technology adoption on service delivery.

To propose measures for improving performance and sustainability.

10. **Hypotheses of the Research on MSRTC**

1. **Service Quality & Passenger Satisfaction**

H_1: There is a significant relationship between service quality dimensions (punctuality, comfort, safety, cleanliness, and affordability) and passenger satisfaction with MSRTC services.

H₂: Punctuality and reliability have a significant positive impact on passengers' preference for MSRTC over alternative transport modes.

2. Infrastructure & Accessibility

H₃: Infrastructure facilities at MSRTC bus stations and depots significantly influence passenger satisfaction.

H₄: Poor infrastructure and lack of accessibility negatively affect the travel experience of women, elderly, and differently-abled passengers.

3. Operational & Fleet Management

H₅: Efficient fleet management practices have a significant positive effect on operational performance of MSRTC.

H₆: Age and condition of buses significantly influence service reliability and passenger comfort.

Financial Performance

H₇: Fare affordability has a significant impact on passenger ridership and frequency of travel using MSRTC services.

- **H₀₁:** There is no significant relationship between service quality and passenger satisfaction.

- **H₀₂:** Infrastructure facilities do not significantly influence passenger satisfaction.

- **H₀₃:** Technology adoption has no significant impact on operational efficiency.

11. MSRTC Financial Performance (2014–2025)

1. Accumulated Loss Trends

- MSRTC's *accumulated losses* rose steadily in recent years:

  ○ From **₹4,603 crore in FY 2018-19** to **₹10,324 crore in FY 2023-24** according to the MSRTC white paper — an increase of over **100% in five years**.

  ○ For **FY 2024-25**, an *unaudited loss* of approx **₹1,217 crore** was reported, indicating that losses continued.

- Historically, MSRTC has recorded **profits in only 8 of the last 45 years**, reflecting persistent financial stress.

2. Fleet Size and Composition (2014–2025)

Fleet Trends

• The MSRTC fleet **peaked around 18,275 buses in 2011-12** but later declined.

• By **2024-25**, the fleet stood at about **15,764 buses**.

• Ongoing plans include scrapping old vehicles (2,980 by 2026-27) and inducting newer buses, including e-buses and LNG/CNG buses, but fleet modernization remains slow.

3. Passenger Traffic (2014–2025)

Ridership Data

• Passenger numbers increased significantly historically, from **127.52 crore in 1981-82** to **260.04 crore in 2011-12**, but more recently **declined to approx 213.34 crore in 2024-25**.

• Daily usage remains high, with **~55 lakh commuters daily** reported in 2025.

• **Seasonal spikes:** e.g., a 25% ridership increase during Diwali 2025 following unchanged fares, indicating **price sensitivity and demand elasticity**.

4. Revenue & Operational Data

Revenue Streams

• MSRTC earnings from special initiatives in 2025 (e.g., **₹19.24 crore from package tours** Apr–Nov 2025) suggest attempts to diversify revenue.

• Digital and festival revenues (like Diwali peak periods) show **strong short-term increases**, pointing to potential benefits from operational optimization.

• Reports suggest rising **online ticket booking revenues**, reflecting increased digitization (though precise annual totals for 2014–2025 aren't fully public).

5. Operational & Service Quality Data

Service Reliability Indicators

• Public and social media sources reflect **frequent reports of breakdowns and delays**; while anecdotal, these highlight **ongoing maintenance and quality concerns**.

• Ongoing fleet scrapping and modernization signals recognition of operational challenges.

TABLE.NO. 1

Summary Table (Indicative Trends 2014–2025)		
Indicator	**Trend (2014–2025)**	**Observation**

Accumulated Losses	Increasing sharply	From ~₹4.6k crore (2018-19) to ~₹10.3k crore (2023-24)
Fleet Size	Peaked before 2012, then declined	~15,764 buses in 2024-25
Passenger Traffic	Decline from earlier highs	~213.34 crore in 2024-25
Daily Ridership	Remains high	~55 lakh daily passengers
New Initiatives	Growth in package tours & digitization	E.g., ~4,039 tours yielding ₹19.24 cr (2025)

12. Suggestions and Recommendations for MSRTC

1. Improvement in Service Quality

- MSRTC should improve **punctuality and reliability** by adopting scientific scheduling and real-time monitoring of bus operations.

- Regular **cleanliness audits** of buses and bus stations should be conducted to enhance passenger comfort.

- Safety measures such as **CCTV installation, proper lighting, and emergency helplines** should be strengthened, especially for women passengers.

2. Fleet Modernization and Maintenance

- Old and unserviceable buses should be **phased out systematically**, and the induction of new fuel-efficient and electric buses should be accelerated.

- Preventive maintenance systems using **digital maintenance logs** should be introduced to reduce breakdowns and operational downtime.

- Route-wise deployment of buses should be optimized to match demand and reduce underutilization.

- **Infrastructure Development**

- **Bus stations and depots should be upgraded with basic passenger amenities such as clean toilets, drinking water, seating, and digital display boards.**

- Facilities for **elderly and differently-abled passengers**, including ramps, tactile paths, and priority seating, should be made mandatory at major bus terminals.

- Public-private partnerships (PPP) may be explored for station redevelopment and maintenance.

3. Financial Sustainability Measures

- MSRTC should adopt **dynamic fare structures** while ensuring affordability for economically weaker sections.

- Government subsidies should be **linked to performance indicators** such as service reliability and passenger satisfaction.

- Additional revenue streams such as **advertising, parcel services, tourism packages, and station commercial spaces** should be expanded.

4. Technology Adoption and Digital Transformation

- Expansion of **online ticket booking, mobile applications, and digital payment options** should be prioritized, especially in rural areas.

- Introduction of **GPS-based real-time bus tracking systems** will improve operational control and passenger information.

- Data analytics should be used for **demand forecasting, route optimization, and revenue management**.

5. Human Resource Development

- Regular **training programs** should be conducted for drivers, conductors, and managerial staff focusing on customer service and safety.

- Employee welfare measures, including timely salary payments, health insurance, and incentive schemes, should be strengthened to improve morale and productivity.

- Transparent grievance redressal mechanisms should be established to reduce labor unrest.

13. Conclusion

The Maharashtra State Road Transport Corporation has played a remarkable role in shaping the transport system of Maharashtra for over seven decades. From humble beginnings to becoming one of the largest state transport corporations in India, MSRTC has consistently served the people with dedication and responsibility.

Despite facing challenges, MSRTC continues to evolve by adopting new technologies and improving service quality. Its commitment to public welfare, rural connectivity, and

affordable transportation makes it an indispensable institution. The MSRTC stands as a strong pillar of Maharashtra's social and economic development and will continue to serve future generations.

14. Bibliography

Academic Articles & Journals

1.   Kewate, S. R., Gandhewar, V. R., & Holey, V. R. (2021). *Survey analysis for quality enhancement of MSRTC bus station: A review research*. **International Journal of Scientific Research in Science and Technology (IJSRST)**, 8(5), 362–369. https://doi.org/10.32628/IJSRST218548

2.   *Profile of Maharashtra State Road Transport Corporation (MSRTC): Analysis of the Challenges and Achievements* (2018). **Journal of Advances and Scholarly Researches in Allied Education (JASRAE)**, 15(1), 1566–1571.

3.   Shinde, S., Wayadande, S., Shinde, S., & Gurav, R. (2024). *MSRTC Bus Automation*. **International Journal of Electronics and Computer Applications (IJEACA)**, 1(2), 36–39. https://doi.org/10.70968/ijeaca.v1i2.3

4.   Prakash, I. S. (2016). *A study of problems & prospectus of Maharashtra State Road Transport Corporation*. **International Journal of Advanced Research (IJAR)**, 4, 1495–1498.

5.   Times of India. (2025, June 23). *MSRTC losses over ₹10,000 crore, up 124% in 5 yrs, shows white paper*. **Times of India**.

5.   Times of India. (2025, Jan 3). *Digital transactions receive tremendous response from MSRTC passengers in 2025*. **Times of India**.

6.   Times of India. (2025, Oct 25). *MSRTC to scrap nearly 3,000 old buses by 2026-27, but fleet modernisation remains slow*. **Times of India**.

9.   UKEssays.com. (2025). *Maharashtra State Road Transport Corporation (MSRTC)*. Retrieved 2025.

10.   Kewate, S. R., Gandhewar, V. R., & Holey, V. R. (2021). *Survey analysis for quality enhancement of MSRTC bus station – A review research. International Journal of Scientific Research in Science and Technology (IJSRST)*, 8(5), 362–369. https://doi.org/10.32628/IJSRST218548