



**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2023-2026)**

**FORTY THIRD REPORT**  
(Presented on 11<sup>th</sup> February, 2025)

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

2025

**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2023-2026)**

**FORTY THIRD REPORT**

**On**

**Kerala State Road Transport Corporation**

**(Based on the Reports of the Comptroller and Auditor General of India  
for the years ended 31<sup>st</sup> March, 2017 & 2018)**

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COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

COMPOSITION

*Chairperson:*

Shri E. Chandrasekharan.

*Members:*

Shri A. P. Anil Kumar

Shri Anwar Sadath

Shri Ahammad Devarkovil

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanān

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla

*Legislature Secretariat:*

DR. N. Krishna Kumar, *Secretary*

Shri Venugopal R., *Joint Secretary*

Shri Anil Kumar B., *Deputy Secretary*

Shri Mohanan O., *Under Secretary.*

## INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-2026) having been authorised by the Committee to present the Report on its behalf, present this 43<sup>rd</sup> Report on Kerala State Road Transport Corporation based on the report of the Comptroller and Auditor General of India for the years ended 31<sup>st</sup> March, 2017 & 2018 relating to the Public Sector Undertakings of the State of Kerala.

The aforesaid Reports of the Comptroller and Auditor General of India was laid on the Table of the House on 19-6-2018 & 24-8-2020 respectively. The consideration of the audit paragraphs included in this report and examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2021-2023) at its meeting held on 21-8-2023.

This Report was considered and approved by the Committee (2023-2026) at its meeting held on 30-10-2024.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit paragraphs included in this Report.

The Committee wishes to express thanks to the officials of the Transport Department of the Secretariat and the Kerala State Road Transport Corporation for placing the materials and information solicited in connection with the examination of the subject. The Committee also wishes to thank in particular the Secretaries to Government, Transport Department and Finance Department and the officials of the Kerala State Road Transport Corporation who appeared for evidence and assisted the Committee by placing their views before the Committee.

Thiruvananthapuram,  
11<sup>th</sup> February, 2025.

**E. CHANDRASEKHARAN,**  
*Chairperson,*  
*Committee on Public Undertakings.*

**REPORT**  
**ON**  
**KERALA STATE ROAD TRANSPORT CORPORATION**  
**(2016-17 & 2017-18)**

**Para 4.10 - Avoidable liability due to delay in collection of service tax (2016-17).**

**Delay in decision on collection of service tax from passengers of air-conditioned buses resulted in avoidable liability of ₹3.05 crore, besides penal interest of ₹61.14 lakh.**

Government of India (GoI) issued (1 March 2016) a notification mandating levy of service tax on the service of transportation of passengers by air conditioned buses with effect from 1 June 2016. Accordingly, the service tax, being an indirect tax, shall have to be paid by passengers availing such services at the rate of 6 *per cent*<sup>1</sup>. Service tax so collected by the service provider was to be paid to the Central Government on or before 5<sup>th</sup> (Offline payment)/6<sup>th</sup> (Online Payment) of the succeeding month. Failure to pay service tax on or before due date would attract penal interest. Penal interest would be 24 *per cent* per annum if amount of service tax is collected but not credited to the Central Government on or before the due date and 15 *per cent* per annum in other cases.

Kerala State Road Transport Corporation (Corporation) was established (March 1965) under the Road Transport Corporation Act, 1950 to provide road transport services and other ancillary services in the State. The Corporation operated 221 air conditioned buses as of June 2016. Since service tax on transportation of passengers by air conditioned buses would become part of the ticket fare, approval of State Government was required for its implementation as per Section 19 of the Road Transport Corporation Act, 1950.

As service tax became leviable from 1 June 2016 and in order to obviate payment of interest on delayed payment of service tax, the Corporation ought to have obtained approval of Government of Kerala (GoK) sufficiently in advance for its

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1 After abatement of 60 *per cent* on service tax of 15 *per cent*.

levy through fare hike with effect from 1 June 2016. Despite this, the Corporation requested GoK only on 13 May 2016 to take a decision as to whether the service tax was to be collected from the passengers or to remit service tax from the existing revenue of the Corporation. As the Corporation did not receive directions in this regard from GoK, the Corporation did not collect service tax from passengers of air conditioned buses and did not remit the dues on account of service tax to GoI. Approval of GoK for collecting service tax from passengers was received only on 22 November 2016. The Corporation started collection and remittance of service tax with effect from 16 December 2016 only.

Audit observed that the Corporation and GoK took about nine months<sup>2</sup> for taking final decision on the subject. As a result, the Corporation did not collect service tax amounting to ₹3.05 crore from passengers who availed service of transportation on air conditioned buses during 1 June 2016 to 15 December 2016. GoI advised (April 2017) the Corporation to make payment of the service tax on the value of service provided during 1 June 2016 to 15 December 2016 along with interest. Hence, the Corporation became liable to pay service tax from its revenue along with penal interest of ₹61.14 lakh<sup>3</sup>. The Corporation was yet to remit the same (January 2018).

Thus, the delay in decision making at the Government / Corporation level for collection of service tax coupled with non-compliance of provisions of Finance Act resulted in avoidable liability of ₹3.05 crore and penal interest of ₹61.14 lakh.

GoK stated (April 2017) that as soon as the said notification was issued, GoI was requested for granting exemption from levying the same and since the request for exemption was not accepted by GoI, permission was given (22 November 2016) to the Corporation for collecting the service tax along with ticket fare. Accordingly, the Corporation started levying the same with effect from 16 December 2016. It was further stated that the liability accrued not because of any administrative delay on the part of the Corporation.

The reply was not acceptable as GoI issued notification on 1 March 2016 with date of effect from 1 June 2016. The Corporation should have approached GoK in time

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2 About three months on the part of KSRTC and about six months on the part of GoK.

3 At the rate of 15 per cent per annum upto 31 January 2018.

for levy of service tax from passengers of air conditioned buses. But, the Corporation requested GoK only on 13 May 2016 and GoK accorded its approval on 22 November 2016 to charge service tax.

Thus, the inordinate delay on the part of the Corporation and GoK resulted in the Corporation's liability to pay service tax of ₹3.05 crore along with penal interest of ₹61.14<sup>4</sup> lakh out of its own resources. The amount of penal interest would increase if the payment is further delayed by the Corporation.

[The Audit paragraph 4.10 contained in the Report of the C&AG for the year ended 31<sup>st</sup> March 2017]

The notes furnished by the Government on the audit paragraph are given in Appendix II

### Discussion and findings of the Committee

#### Para 4.10 – Avoidable liability due to delay in collection of service tax(2016-17).

The Committee enquired about the audit observation that the delay in decision on collection of service tax from passengers of air conditioned buses resulted in avoidable liability of ₹3.05 crore besides the penal interest of ₹61.14 lakh. The Chairman and Managing Director, Kerala State Road Transport Corporation replied that the matter is under the contemplation of CESTAT (Customs Excise & Service Tax Appellate Tribunal).

The Chairman and Managing Director admitted that there was a delay in remitting the service tax to Central Government. He added that after receiving sanction from the Government of Kerala the fare was accordingly revised and started remitting the service tax to the Central Government account. But due to acute financial crisis of the Corporation, it was impossible to remit the tax due from 1-06-2016 to 30-11-2016.

The Committee enquired about the remark in the RMT that the delay in remitting service tax was related to the passing of Finance Act. The Secretary ensured that the matter would be examined in detail and would furnish a report to the Committee.

The Committee observed that the amount of penal interest would increase if the payment is further delayed by the Corporation. So the Committee recommended that expeditious action should be taken to curtail such losses in future.

### **Conclusions/Recommendations**

1. In the month of March 2016, through a notification, KSRTC was informed that service tax should be collected from the passengers of air conditioned buses but KSRTC did not collect the service tax and remit to the Central Government on time. The Committee understands that the matter of payment of service tax of ₹3.05 crore and penal interest of ₹61.14 lakh is under the contemplation of CESTAT. The Committee cannot ignore the failure of KSRTC even if it is pointed out that the amount could not be paid due to financial crisis. The lapse on the part of KSRTC that led to this situation cannot be justified. The Committee recommends that decision taken by CESTAT in this regard should be informed to the Committee.

2. The Committee recommends to submit a report regarding the reference in the RMT furnished by the Department that the delay in remitting the service tax was related to the passing of Finance Act.

3. The Committee observes that the amount of penal interest would increase if the payment is further delayed by the Corporation. Hence the Committee recommends that expeditious action should be taken to curtail such losses in future.

### **Para 5.3 – Sharing of revenue from Build, Operate and Transfer (BOT) projects (2017-18)**

Due to non-adherence to the directions of Government of Kerala in payment of annuity by the BOT operator, the Corporation incurred an avoidable loss of interest of ₹0.40 crore. Further, the share of revenue amounting to ₹4.54 crore from the use of interest free security deposit remained to be claimed from the BOT operator.

Government of Kerala (GoK) approved (May 2007) the construction of four shopping complexes on Build, Operate and Transfer (BOT) basis by Kerala Transport Development Finance Corporation Limited (BOT Operator). The shopping complexes were to be constructed on the land owned by Kerala State Road Transport Corporation (Corporation) at Angamaly, Thampanoor, Kozhikode and Thiruvalla bus stations. In consideration of the use of land, the BOT operator was to pay the Corporation an annuity at the rate of 50 *per cent* of the net monthly income<sup>5</sup> generated from the BOT project after the construction period. The annuity was payable on quarterly basis.

The BOT operator completed the construction of all the four shopping complexes<sup>6</sup> between June 2012 and March 2016. Shops in Thiruvalla complex were not let out as the Municipality did not allot building number to the shopping complex due to violation of Fire and Safety Rules. In Kozhikode shopping complex, shops were not allotted due to court case arising from allotment of the entire space as a single block to MAK Associates, the highest bidder.

The BOT operator started allotting shops in Angamaly and Thampanoor shopping complexes with effect from August 2012<sup>7</sup> on the basis of highest monthly rent offered. As of February 2019, the percentage of allotment in these complexes was between 84 and 91 respectively.

Audit observations on sharing of revenue in these two shopping complexes are discussed below:

- According to the directions of the Government, the Corporation and the BOT operator were to execute an agreement for working out the net income. Such an agreement was not executed so far (February 2019) in respect of any of the shopping complexes.
- From the Angamaly shopping complex, the Corporation was to get ₹3.80 crore (based on the net income worked out by the BOT operator) towards

5 Income after deducting all expenses related to operation and maintenance of the shopping complex.

6 Angamaly in June 2012, Thampanoor in May 2014, Thiruvalla in October 2015 and Kozhikode in March 2016.

7 Income from pay and park derived from May 2012 onwards.

the annuity from the BOT operator during July 2012 to March 2018<sup>8</sup>. The BOT operator did not, however, pay the share of net revenue to the Corporation until November 2014 on the ground that the entire commercial space was not let out and hence, the monthly expenses, for operation and maintenance of the building was not assessable. When the Corporation took up the issue with the BOT operator in November 2014, the BOT operator paid ₹3.01 crore as annuity on provisional basis in seven tranches between November 2014 and October 2017. The delay in payment of the annuity ranged between 18 and 773 days. After October 2017, no payment was received till date (July 2018) despite ₹0.79 crore remaining recoverable towards the share of the Corporation for the period from July 2017 to March 2018.

- Similarly, in respect of Thampanoor shopping-complex, the Corporation was to get ₹0.39 crore towards the annuity from the BOT operator during January 2015 to March 2018. But no payment was received till date (July 2018).
- As the Corporation carried out its day to day operations with borrowed funds carrying rate of interest between 13 *per cent* and 14 *per cent* during 2012-13 to 2017-18, the delay in receipt of annuity from the BOT operator, resulted in loss of interest of ₹0.40 crore<sup>9</sup> to the Corporation.
- As per conditions of allotment of space, the successful bidders were to remit Interest Free Security Deposit (IFSD) equivalent to 18 times of the amount offered as monthly rent. This amount would be retained by the BOT operator until the expiry / termination of the lease period. As per the directions of the GoK, all the revenue derived by the BOT operator from the BOT project after the construction period was to be included in income.

Audit observed that the BOT operator collected ₹23.83 crore<sup>10</sup> from the tenants of the four shopping complexes during 2014-2018. Income sharing formula between the BOT operator and the Corporation did not consider the benefit derived by the

8 This includes share of income derived from parking fees during May 2012 to July 2012

9 Calculated at the average cost of borrowing of 13.42 *per cent*. ₹ 0.37 crore in case of Angamaly and ₹0.03 crore in Thampanoor shopping complexes respectively.

10 Angamaly ₹ 13.50 crore, Thampanoor ₹ 7.09 crore, Thiruvalla ₹ 3.20 crore and Kozhikode ₹ 0.04 crore.

BOT operator from IFSD. Considering the cost of debt incurred by the BOT operator, benefit derived by the BOT operator from the use of IFSD worked out to ₹9.07 crore<sup>11</sup> during 2014-15 to 2017-2018.

Although the benefit of ₹9.07 crore derived out of IFSD was to be shared with the Corporation, the same was not done by the BOT operator. Thus, the Corporation did not get 50 per cent (i.e., ₹4.54 crore) of this revenue.

Thus, due to non-adherence to the directions of the GoK in payment of annuity by the BOT operator, the Corporation incurred an avoidable loss of interest of ₹0.40 crore. Further, the share of revenue amounting to ₹4.54 crore from the use of IFSD remained to be claimed from the BOT operator.

GoK, while confirming (July 2019) that the Corporation and the BOT operator were yet to enter into an agreement, stated that only rental income was directly attributable to the operation and maintenance of the building and, hence, considered for calculation of annuity. GoK also replied that as per the accounts of the BOT operator, ₹502 crore was due from the Corporation towards outstanding loans and interest thereon. Government directed the Corporation to reconcile the loans accounts. Income sharing would be considered only after arriving at a final decision in these matters.

The reply of the GoK was not acceptable because as per the orders (October 2007) of the GoK, the BOT operator was to maintain full accounts of all fees including realisable fees and other revenues derived / collected on account of the use of bus terminal complex. Fifty per cent of the net monthly income was to be shared between the Corporation and the BOT operator. Hence, the benefit derived out of IFSD was also sharable. Clearance of loan liability was not to be linked with the payment of annuity as the BOT operator paid ₹3.01 crore as annuity in respect of Angamaly project to the Corporation on provisional basis even when loan of ₹502 crore was due (March 2016) from the Corporation.

**[The Audit paragraph 5.3 contained in the Report of the C&AG for the year ended 31<sup>st</sup> March 2018]**

**The notes furnished by the Government on the audit paragraph are given in Appendix II**

<sup>11</sup> Interest has been working out taking average balance (i.e., opening balance + closing balance/2) of IFSD for each financial year.

### Discussion and findings of the Committee

#### Para 5.3 – Sharing of revenue from Build, Operate and Transfer (BOT) Projects.

The Committee enquired about the audit observation that due to non-adherence to the directions of Government of Kerala in payment of annuity by the BOT operator, the Corporation incurred an avoidable loss of interest of ₹0.40 crore and the share of revenue amounting to ₹4.54 crore from the use of interest free security deposit remained to be claimed from the BOT operator.

The General Manager, KTDFC informed that KTDFC had received deposits from the general public and provided loan to KSRTC. Because KSRTC failed to repay the loan, KTDFC confronted acute financial crisis and could not even disburse salary to its employees or return the mature deposits to the investors and cases are also prevailing in this regard.

The General Manager KTDFC added that in Kozhikode, the entire space for the shopping complex was allotted as a single block to MAK Associates, the highest bidder. Now the building is in a hazardous condition and MAK Associates have to invest ₹34 crore to re-use the building and no one is taking the bid. The Secretary added that since KTDFC constructed the building in 2013 by resorting to the services of retired engineers, there have been many vigilance cases related to this.

The Secretary informed that the deposits upto ₹4500 crore to KTDFC are guaranteed by the Government and private parties are approaching the Government to invoke the Government guarantee. He added that as the building is owned by KTDFC and land owned by KSRTC, the only way to resolve the issue is to liquidate the debts.

The Committee enquired about the current status of the shopping complex at Thampanoor. The Secretary replied that the shops were allotted to Government offices before the Covid situation but they had not remitted the rent citing the Covid scenario. The Government also decided to avoid the rental payment due to Covid conditions that also led to the loss of revenue.

The General Manager, KTDFC informed that the shopping complex at Angamaly was profitable in the beginning but after the Covid situation the cinema theatre in the complex was closed down. He added that the shopping complex at Thiruvalla is confronting huge loss and a notice to remit ₹33 crore in terms of depreciation has been received from the Income Tax Department. He added that the reason for non execution of an agreement between KTDFC and KSRTC was the non fixation of rate of interest.

The Secretary put forward some suggestions before the Committee to resolve the matter. Firstly, the Government may transfer the ownership of the land to KTDFC to adjust the debts, and then to sell it off. Secondly, as the investment from the general public is about ₹ 500 crore at an interest rate of 8 per cent, the Government may increase the interest rate upto 9¼ per cent to avoid the withdrawal of the deposits. Thirdly, the Government may merge it either to KSFE or to KFC to retain the assets. Finally, the Government may put the four shopping complexes for an auction and pay off the debts and there by it can re-instate the eight permanent employees.

The Financial Advisor, KSRTC informed the Committee that the major investors are from North India due to the high interest rate compared to other states and remaining investors from Kerala are in a pitiable condition as they are not getting their mature investment back.

#### **Conclusions/Recommendations of the Committee**

4. **The Committee understands that big projects that attract huge investments are usually implemented under BOT, DBOT or BOOT schemes since Government is unable to find capital for such projects and private investment becomes the main source.**
5. **As per the norms for projects under such schemes, the financial viability of the project, the funding, the total cost of the project, rate of interest, the land value under lease, the percentage of sharing revenue between the partners and the time of returning the project will be determined by financial experts in a transparent way and MOU will be signed before the starting the project. In this context, the Committee could not find any logic why two PSUs under one Department resorted to BOT for construction of shopping complexes flouting all standard protocol of such schemes.**

6. The KTDFC, a Non- Banking Finance Company functioning under Reserve Bank guidelines was mooted to finance KSRTC by receiving deposits from public. While embarking the project, KTDFC was already reeling under financial constraints due to financing KSRTC which could not remit money, where the total amount with interest due to them totalling to around ₹500 crore. Hence, choosing KTDFC as a funding partner for construction of shopping complexes for KSRTC without handing over land, without fixing rate of interest and signing of MOU, was a huge mistake done by the Transport Department and it was like dipping a man in water who was already gasping for breath. The Committee opines that this issue perfectly illustrates a project that could fail catastrophically if a scheme with specific norms and protocols transformed with perceived needs of officials.

7. The Committee observes that construction of shopping complex at Kozhikode was unscientific such that people cannot see the name board of buses parked in the station and the buses could not easily move between two pillars and thirty one pillars of the building seen in a dilapidated condition and as per the report of IIT Madras, the building is in danger. Hence the Committee recommends that the amount for repairing the building should be worked out and the amount should be levied from the contractors under risk and cost. The officials who entrusted the work to the contractor without assessing and monitoring shall be found out and disciplinary action be taken against them.

8. The Committee also noticed that the building is with KTDFC and the land is with KSRTC and hence an amicable solution for the project is remote. Hence the Committee strongly recommends that suitable plans should be evolved to settle the problem amicably between KSRTC and KTDFC and no more new projects for constructing shopping complexes in KSRTC bus stations in other districts should also be ventured into till the settlement of the present crisis.

Thiruvananthapuram,  
11<sup>th</sup> February, 2025.

E. CHANDRASEKHARAN,  
*Chairperson,*  
*Committee on Public Undertakings.*

APPENDIX-I			
SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS			
Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations
(1)	(2)	(3)	(4)
1	1	Transport	In the month of March 2016, through a notification, KSRTC was informed that service tax should be collected from the passengers of air conditioned buses but KSRTC did not collect the service tax and remit to the Central Government on time. The Committee understands that the matter of payment of service tax of ₹3.05 crore and penal interest of ₹61.14 lakh is under the contemplation of CESTAT. The Committee cannot ignore the failure of KSRTC even if it is pointed out that the amount could not be paid due to financial crisis. The lapse on the part of KSRTC that led to this situation cannot be justified. The Committee recommends that decision taken by CESTAT in this regard should be informed to the Committee.
2	2	Transport	The Committee recommends to submit a report regarding the reference in the RMT furnished by the Department that the delay in remitting the service tax was related to the passing of Finance Act.
3	3	Transport	The Committee observes that the amount of penal interest would increase if the payment is further delayed by the Corporation. Hence the Committee recommends that expeditious action should be taken to curtail such losses in future.

4	4	Transport	The Committee understands that big projects that attract huge investments are usually implemented under BOT, DBOT or BOOT schemes since Government is unable to find capital for such projects and private investment becomes the main source.
5	5	Transport	As per the norms for projects under such schemes, the financial viability of the project, the funding, the total cost of the project, rate of interest, the land value under lease, the percentage of sharing revenue between the partners and the time of returning the project will be determined by financial experts in a transparent way and MOU will be signed before the starting the project. In this context, the Committee could not find any logic why two PSUs under one Department resorted to BOT for construction of shopping complexes flouting all standard protocol of such schemes.
6	6	Transport	The KTDFC, a Non-Banking Finance Company functioning under Reserve Bank guidelines was mooted to finance KSRTC by receiving deposits from public. While embarking the project, KTDFC was already reeling under financial constraints due to financing KSRTC which could not remit money, where the total amount with interest due to them totalling to around ₹500 crore. Hence, choosing KTDFC as a funding partner for construction of shopping complexes for KSRTC without handing over land, without fixing rate of interest and signing of MOU, was a huge mistake done by the Transport Department and it was like dipping a man in water who was already gasping for breath. The Committee opines that this issue perfectly illustrates a project that could fail catastrophically if a scheme with specific norms and protocols transformed with perceived needs of officials.

7	7	Transport	<p>The Committee observes that construction of shopping complex at Kozhikode was unscientific such that people cannot see the name board of buses parked in the station and the buses could not easily move between two pillars and thirty one pillars of the building seen in a dilapidated condition and as per the report of IIT Madras, the building is in danger. Hence the Committee recommends that the amount for repairing the building should be worked out and the amount should be levied from the contractors under risk and cost. The officials who entrusted the work to the contractor without assessing and monitoring shall be found out and disciplinary action be taken against them.</p>
8	8	Transport	<p>The Committee also noticed that the building is with KTDFC and the land is with KSRTC and hence an amicable solution for the project is remote. Hence the Committee strongly recommends that suitable plans should be evolved to settle the problem amicably between KSRTC and KTDFC and no more new projects for constructing shopping complexes in KSRTC bus stations in other districts should also be ventured into till the settlement of the present crisis.</p>

## APPENDIX-II

## NOTES FURNISHED BY GOVERNMENT ON THE AUDIT PARAGRAPH

**ACTION TAKEN REPORT OF AUDIT PARA. 4.10 OF THE C&AG REPORT FOR THE YEAR ENDED ON 31.03.2017, RELATED TO AVOIDABLE LIABILITY DUE TO DELAY IN COLLECTION OF SERVICE TAX IN K.S.R.T.C**

Para No.	Observation	Action Taken
4.10	Delay in decision on collection of service tax from passengers of air-conditioned buses resulted in avoidable liability of ₹3.05 crore, besides penal interest of ₹61.14 lakh.	<p>The Kerala State Road Transport Corporation provides public road transport throughout the state of Kerala and inter state services to the neighbouring States. Air conditioned and non Air conditioned buses are used for achieving the object of providing cost effective, speedy and comfortable journey to the passengers. Even though a tax on services was introduced by the Central Government in 1994, the service of providing public transport through Stage Carriers (Buses) was not within the purview of Service Tax on services provided through Air conditioned Stage Carriers with effect from 01-06-2016 by withdrawing the exemption provided under Notification 25/2012-ST dated 20.06.2012 as amended. On receipt of information about the introduction of Service Tax from the Consultant, all Unit Officers were alerted about the introduction of Service Tax from the Consultant, all Unit Officers were alerted about the introduction of Service Tax on Ticket Fare of Air conditioned buses and directed to collect such tax along with ticket fare vide letter dated 09-05-2016 subject to approval of Government. Copy of the letter is annexed as Annexure A.</p> <p>On 13-05-2016, The Chairman &amp;</p>

Managing Director, KSRTC in letter no.TR/2/000195/2016 addressed to the Secretary, Transport (B) Department, Government of Kerala explained the impact of paisa 90 as Service Tax on existing minimum fare of Rs.15/- in JnNURM Air conditioned Buses And Rs. 76/- on the fare of Rs. 1270/- to Bangalore. The letter also expressed the fear as to whether such a hike will keep away the passengers from KSRTC buses. Alternatively, if the Service Tax is to be borne by KSRTC, then on an average Rs. 45,00,000/- per month expense will accrue to the Corporation. Copy of letter dated 13-05-2016 is enclosed as **Annexure -B.**

On 13-07-2016, Tax Cell (Chief Office) after collecting details from all units, the Service Tax liability for June 2016 was estimated to be Rs.40,92,028/- and directed the budget section to arrange payment. Copy of letter TC1/001153/16 dated 13-07-2016 is enclosed as **Annexure -C.**

The process of determination of Tax liability continued every month. Notwithstanding the absence of any decision from the Government as to whether to collect the Service Tax from Passengers or to bear it from the existing fare, the same could not be remitted to the account of the Central Government due to acute financial crisis.

On 25-10-2016, the Secretary, Transport Department, Government of Kerala sought detailed statistics on the subject matter and the particulars were provided vide letter TC1/001153/16

dated 28-10-2016. Copies of letters are annexed as **Annexure -D1 and D2.**

On 22-11-2016 the Government of Kerala issued order GO (Rt) NO. 446/2016/Trans dated 22-11-2016 permitting KSRTC to collect Service Tax along with the fare of Air conditioned buses. Copy of the said letter is enclosed as **Annexure -E.** After receipt of sanction from the Government, the fare was accordingly revised and started depositing the Service Tax to the Central Government account. However due to acute financial crisis of the Corporation, it was impossible to remit the Tax due from 01-06-2016 to 30-11-2016.

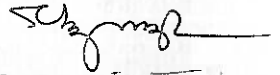
The main objection of the C&AG is that even though the notification is issued on 01-03-2016 with its effective date from 01-06-2016, the Corporation sought permission only on 13-05-2016 and ought to have obtained permission sufficiently in advance. This is factually in correct. As submitted above, no notification was issued on 01-03-2016 as a part of Finance Bill 2016 but only an amendment was brought in to an existing Notification 25/2012-ST. By proposing to amend existing Notification 25/2012-ST, the proposal was to exclude the existing exemption available to Air conditioned stage carriers. Being the Service Tax introduced for the first time on the ticket fare of Stage Carriers, the Corporation awaited the passing of the Finance Bill by the Parliament for taking further actions since provisional collection of Taxes Act, 1931 was not

made applicable to Chapter V of Finance Act, 1994 that remained as the statute for Service Tax. Hence the amendment to levy service tax on the ticket fare of Air conditioned buses got statutory sanction only after passage of the Finance Bill by parliament and it becomes an Act.

Soon on receipt of the information that the Finance Bill is passed without any change in this subject, the Corporation proceeded in seeking direction of the Government and hence there was no delay on the part of the Corporation to seek permission from the Government. The Finance Act came into existence only on 14-05-2016. While making the observation of delay on the part of the Corporation, the C&AG failed to consider this aspect and proceeded with the objection without appreciating the fact that provisional collection of taxes Act, 1931 is not applicable to Service Tax as in the case of Central Excise and Customs duties hitherto scrutinized by C&AG. The delay alleged on the part of the Corporation is due to the misconception that a new tax was introduced on 01.03.2016 which had the backing of provisional collection of Taxes Act, 1931 and the Corporation did not seek direction from Government on time. From the above submissions, it can be seen that the Corporation immediately sought permission from Government when the amendment of Notification 25/2012-ST got statutory backing through legislative sanction when the

parliament passed the Finance Bill, 2016.

The non payment of Service Tax for an amount of Rs. 3.05 Crores with interest as pointed out in the audit report happened not due to any lapse or administrative delay on he part of the Corporation but only due to acute financial crisis on a day to day basis will stand testimony to the efforts taken by the Corporation on the subject matter and to prove that there was no lapse or delay on the part of the Corporation. Hence the observation may be dropped.



വിജ്ഞാപനം

2012

ഗവ: സർവ്വകലാശാല സെക്രട്ടറി  
 ഗവ: സെക്രട്ടറിയേറ്റ്, തിരുവനന്തപുരം  
 ഫോൺ: 0471 2510204



കേരളാ സ്റ്റേറ്റ് റോഡ് ട്രാൻസ് പോർട്ട് കോർപ്പറേഷൻ.

ട്രാൻസ് പോർട്ട് വേൾ, ഫോർട്ട്, തിരുവനന്തപുരം. 695 023

ഫോൺ നം : 0471-2471011, ഫാക്സ് : 0471-2478685/2462679

E-mail: [mdkeralartc@yahoo.com](mailto:mdkeralartc@yahoo.com), web: [www.keralartc.com](http://www.keralartc.com)

നം : ടി.സി/00709/15

ബുക്ക് വിഭാഗം

തീയതി : 09/05/2016

മെമ്മോറാണ്ടം

വിഷയം :- സേവന നികുതി (Service Tax) നിരക്ക് വർദ്ധന, എയർകണ്ടീഷൻഡ് ബസ് ട്രാവലിൽ മേൽ നികുതി ഈടാക്കൽ തുടങ്ങിയവ സംബന്ധിച്ച്.

സൂചന :- കേന്ദ്രധനകാര്യ മന്ത്രാലയത്തിന്റെ 334/8/2016-TRU New Delhi നമ്പർ പ്രകാരമുള്ള 29/2/16-ലെ ഉത്തരവ്.

മേൽ സൂചനപ്രകാരം ടാക്സബിൾ സേവനങ്ങൾക്ക് മേൽ ചുമത്തിയിരിക്കുന്ന നിലവിലെ സേവനനികുതിയുടെ നിരക്ക് കൃഷികല്യാൺ സെന്റർ എർ പ്ലെസ് തനിയത്തടട 15% ആയി ഉയർത്തിയിരിക്കുന്നു. പുതുക്കിയ സേവന നികുതി നിരക്ക് 2016 ജൂൺ മാസം 1-ന് തീയതി മുതൽ നിലവിൽ വരുന്നതാണ്.

നാളിതുവരെ സേവനനികുതിയുടെ പരിധിയിൽ ഉൾപ്പെടാതിരുന്ന സ്റ്റേജ് ക്യാരേജ് സർവ്വീസും (എയർകണ്ടീഷൻഡ് ബസ്സുകൾ മാത്രം ) ടി നികുതിയുടെ പരിധിയിൽപ്പെടുന്നതായിരിക്കും.

ആകയാൽ 2016 ജൂൺ മാസം 1-ന് തീയതി മുതൽ എയർകണ്ടീഷൻഡ് ബസിലെ യാത്രാ ചാർജ്ജിന് മേൽ 40% നികുതി ഈടാക്കേണ്ടതാണ്. നികുതിയിൽ കിഴിവ് (അബേറ്റ് മെന്റ്) അനുവദിച്ചിട്ടുള്ളതിനാൽ ടിക്കറ്റ് ചാർജ്ജിന്റെ 40% വരുന്ന തുകയ്ക്ക് മാത്രം നികുതി, ഈടാക്കിയാൽ മതിയാവും. അതിൻ പ്രകാരം ഓരോ ടിക്കറ്റിനും ഫെയറിന്റെ 6% നികുതി കൂടി ചേർത്ത് ചാർജ്ജ് ഈടാക്കേണ്ടതാണ്.

ഓരോ മാസവും സർവ്വീസ് ടാക്സ് ഇനത്തിൽ ഈടാക്കുന്ന തുകയുടെ വിവരം തൊട്ടടുത്ത മാസം 2-ന് തീയതിയ്ക്ക് ചുൻപ് സൂപ്രണ്ട്, ബുക്ക് സെക്ഷൻ എന്ന വിലാസത്തിൽ അറിയിച്ചേണ്ടതുമാണ്.

ഇതിൽ വിഴുവരുത്തുന്ന ഉദ്യോഗസ്ഥർക്ക് രേൽ കർശനനടപടികൾ  
കൈക്കൊള്ളുന്നതാണ്.  
Service Tax rate 15% w.e.f. 1/6/2016

ABC

എക്സിക്യൂട്ടീവ് ഡയറക്ടർ (ഭരണം)

h

സ്വീകർത്താവ്  
യൂണിറ്റാഫീസർമാർ,  
വർക്ക്ഷോപ്പ് അധികാരികൾ,  
ചീഫ് ഓഫീസിലെ എല്ലാ സെക്ഷനുകൾ,  
കെ.യു.ആർ.ടി.സി.

കോപ്പികൾ  
ഫയൽ, കരുതൽഫയൽ.



കേരള സ്റ്റേറ്റ് റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ

ട്രാൻസ്പോർട്ട് സെക്ഷൻ ഫോർട്ട് തിരുവനന്തപുരം 695 023 ഫോൺ 0471-2471011  
വെബ്സൈറ്റ് www.mal.gov.in ഇമെയിൽ crtd@kerala.gov.in ഫാക്സ് 0471-2462679  
ഇന്റർനെറ്റ് വെബ്സൈറ്റ് www.crd.kerala.gov.in ഫോൺ 0471-2471011 എക്സറ്റൻഷൻ 246

നമ്പർ : ടിആർ2/000195/2016

തീയതി .13.05.2016

ചെയർമാൻ & മാനേജിംഗ് ഡയറക്ടർ

സെക്രട്ടറി  
ഗതാഗത(ബീ)വകുപ്പ്  
സർക്കാർ സെക്രട്ടറിയേറ്റ്,  
തിരുവനന്തപുരം.

സർ,

വിഷയം കൃഷികല്യാൺ സെസ്സിനായി തുക സമാഹരിക്കുന്നതിലേക്ക് 0.5% സേവന നികുതി എല്ലാ എയർകണ്ടീഷൻഡ് സ്റ്റേജ് ക്യാരേജുകളിലും ഏർപ്പെടുത്തുന്നത് സംബന്ധിച്ച് -  
സൂചന കേന്ദ്രധനകാര്യ മന്ത്രാലയത്തിന്റെ 29.02.2016-ലെ D.O.F.No.334/8/2016-TRU നമ്പർ ഉത്തരവ്.  
(പകർപ്പ് ഉൾക്കൊള്ളിക്കുന്നു).

കൃഷികല്യാൺ സെസ്സിനായി തുക സമാഹരിക്കുന്നതിലേക്ക് 0.5% അധിക സേവന നികുതി 01.06.2016 മുതൽ നിലവിലുള്ള 14.5% സേവനനികുതിയോടൊപ്പം കൂട്ടി ചേർത്ത് (ആകെ 15%) എല്ലാ എയർകണ്ടീഷൻഡ് സ്റ്റേജ് ക്യാരേജുകളുടെയും യാത്രാനിരക്കിൽ ഏർപ്പെടുത്തി കൊണ്ട് കേന്ദ്രധനകാര്യ മന്ത്രാലയം മേൽ സൂചന പ്രകാരം ഉത്തരവായിരിക്കുകയാണ് അതിൻപ്രകാരം നികുതിയിൽ കിഴിവ് (അബേറ്റ്മെന്റ്) അനുവദിച്ചു കഴിഞ്ഞിട്ടുള്ള ടിക്കറ്റ് നിരക്കിന്റെ 40% തുകക്ക് സേവന നികുതി ഈടാക്കേണ്ടതുണ്ട്. ഇൻറം പദ്ധതി പ്രകാരം സർവ്വീസ് നടത്തുന്നത് ഉൾപ്പെടെയുള്ള എയർകണ്ടീഷൻഡ് ബസ്സുകളിലെ നിലവിലുള്ള നിരക്കിന്റെ 6% തുക കൂടി നികുതിയായി യാത്രക്കാരിൽ നിന്നും ഈടാക്കേണ്ടി വരുന്നതാണ്.

ഉത്തരത്തിൽ കണക്കാക്കുമ്പോൾ ഇൻറം എയർകണ്ടീഷൻഡ് ബസ്സിന്റെ മിനിമം നിരക്കായ 15 രൂപക്ക് 90 പൈസ കൂടി സേവന നികുതിയായി ഈടാക്കേണ്ടി വരും. അതുപോലെ തിരുവനന്തപുരം ബാസ്റ്റർ മൾട്ടി ആക്സിൽ വോൾവോ / സ്കാനിയ നിരക്കായ 1270 രൂപയോടൊപ്പം 76 രൂപ കൂടി യാത്രക്കാരിൽ നിന്നും ഈടാക്കേണ്ടി വരുന്നതുമാണ്. ഈ രീതിയിൽ നിരക്ക് വർദ്ധിപ്പിക്കുന്നത് യാത്രക്കാരെ കെ.എസ്.ആർ.ടി.സി യുടെ ബസ്സുകളിൽ നിന്നും അകറ്റുമോയെന്ന് ആശങ്കിക്കേണ്ടിയിരിക്കുന്നു അതോടൊപ്പം പല നിരക്കുകളിലും പൈസയുടെ ക്രമത്തിൽ

വിശ്വവിപര്യയാലോചനാ സമിതിയുടെ റിപ്പോർട്ടിൽ ഇടപെടുന്നതിനായി പരാതികൾക്കും പ്രാദേശിക നിലവിലുള്ള സർവ്വീസുകളുടെയും കാര്യങ്ങളിലും കെ.എസ്.ആർ.ടി.സി കരുതുന്നു.

എന്നാൽ നിലവിലുള്ള ടിക്കറ്റ് വരുമാനത്തിൽ നിന്നും കെ.എസ്.ആർ.ടി.സി നേരിട്ട് ഈ തുക അടക്കുകയാണെങ്കിൽ പ്രതിദിനം ശരാശരി ഒന്നര ലക്ഷം (1.5 ലക്ഷം) രൂപയും, പ്രതിമാസം 45 ലക്ഷം രൂപയും ചിലവാക്കേണ്ടി വരുമെന്നാണ് കണക്കാക്കിയിരിക്കുന്നത്.

01.06.2016 മുതൽ 6% നികുതി ടിക്കറ്റ് നിരക്കിനൊപ്പം ഈടാക്കി അടയ്ക്കുകയോ, നിരവധിയുള്ള വരുമാനത്തിൽ നിന്നും നേരിട്ട് അടയ്ക്കുകയോ ചെയ്യേണ്ടി വരുമെന്നതിനാൽ ഇക്കാര്യത്തിൽ അടിയന്തിരമായ തീരുമാനം സർക്കാരിൽ നിന്നും ഉണ്ടാകണമെന്ന് കെ.എസ്.ആർ.ടി.സി അഭ്യർത്ഥിക്കുന്നു.

വിശ്വസ്തതയോടെ,  
*[Handwritten Signature]*  
 ചെയർമാൻ ആന്റ് മാനേജിംഗ് ഡയറക്ടർ  
 AP 13/5/16 15/16

**KERALA STATE ROAD TRANSPORT CORPORATION**  
**Proceeding**  
**Abstract**

KSRTC--Payment of Service Tax for Transportation of passengers by air--conditioned stage carrier- ₹40, 92,028/- (Rupees Forty lakh ninety two thousand and twenty eight only)--  
 Sanctioned --Orders issued

**TAX CELL (Chief Office)**

No: TC1/001153/16

Date: 13.07.2016

Read: (1) Finance Act 2016  
 (2) Note from EDPC dtd 02.07.2016  
 (3) File No. TR2/000195/16

ORDER

As per reference 1<sup>st</sup> cited, transportation of passengers by air-conditioned stage carrier has been made as a taxable service and hence the Corporation has to remit Service Tax to the department concerned for the said service

As per reference 2nd cited, the amount of service tax payable on account of the same has been certified as ₹40,92,028/- (Rupees forty lakh ninety two thousand and twenty eight only).

Hence sanction is accorded for payment of ₹40,92,028/- (Rupees Forty lakh ninety two thousand and twenty eight only) to the Department of Customs, Central Excise and Service Tax towards service tax on the transportation of passengers by air-conditioned stage carrier for the month of June 2016

This has the concurrence of the Chairman & Managing Director.

Financial Advisor & Chief Accounts Officer

To

Budget Section: that section is requested to prepare a contingent bill for the purpose and arrange payment immediately

Copy to : IA Section, Cash Section. SF & F.



GOVERNMENT OF KERALA

നമ്പർ: ട്രാൻസ്-A278/2016-ട്രാൻസ്

ഗതാഗത (എ) വകുപ്പ്,  
തിരുവനന്തപുരം.  
തീയതി: 25.10.2016

സെക്രട്ടറി

ചെയർമാൻ & മാനേജിംഗ് ഡയറക്ടർ  
കേരളം സ്റ്റേറ്റ് റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ  
തിരുവനന്തപുരം

സർ,

വിഷയം: - ഗതാഗത വകുപ്പ് - കെ.എസ്.ആർ.ടി.സി.യുടെ എയർ കണ്ടീഷൻഡ് ബസുകളിൽ നിന്നും സേവന നികുതി ഇറക്കാക്കുന്നത് - സംബന്ധിച്ച്.

സ്വചനം: - തരങ്കളുടെ 13.05.2016-ലെ ടി.ആർ.2000185/2016 നമ്പർ കത്ത്.

സുചനയിലേക്ക് ശ്രദ്ധ ക്ഷണിക്കുന്നു. കേന്ദ്ര ധനകാര്യ മന്ത്രാലയത്തിന്റെ 29.02.2016-ലെ ഡി.ഒ.എഫ് നം. 394/8/2016-റ്റി.ആർ.യു നമ്പർ ഉത്തരവിന്റെ വെളിച്ചത്തിൽ കെ.എസ്.ആർ.ടി.സി എയർ കണ്ടീഷൻഡ് ബസുകളിൽ സേവന നികുതി ഇറക്കാക്കുന്നതു സംബന്ധിച്ചുള്ള വിശദവിവരങ്ങൾ കൃത്യമായ രീതിയിലിവിവര കണക്കുകൾ സഹിതം മടക്കത്തപാലിൽ സർക്കാരിൽ ലഭ്യമാക്കാൻ താല്പര്യപ്പെടുന്നു.

വിശ്വസ്തതയോടെ,  
വിജയശ്രീ. കെ.എസ്.  
അഞ്ചൻ സെക്രട്ടറി  
സെക്രട്ടറിയ്ക്കു വേണ്ടി

അംഗീകാരത്തോടെ

സെക്ഷൻ ഓഫീസർ



**KERALA STATE ROAD TRANSPORT CORPORATION**  
**TRANSPORT BHAVAN, FORT, THIRUVANANTHAPURAM - 695 023**  
Telephone No: 0471-2471011, Fax: 0471-2478685/2462679  
 E-mail: [mkkeralartc@yahoo.com](mailto:mkkeralartc@yahoo.com), Web: [www.keralartc.com](http://www.keralartc.com)

No TC1 /001153/16

Date: 28.10.2016

The Secretary to Government  
 Department of Transport  
 Thiruvananthapuram

Sir,

Sub. KSRTC- Service Tax on transportation of passengers by air-conditioned stage carriage – Reg.

Ref. (1) Letter No.Trans- A2/78/2016 - Trans of the Under Secretary, Department of Transport, Thiruvananthapuram

(2) Letter of the office No. TR2/000195/2016 dated 13.05.2016

Kind attention is invited to the references cited

As per notification No. 25/2012-ST of the Department of Finance as amended by notification No.09/2016-ST dated 01.03.2016 the service of transportation of passengers by air- conditioned stage carriage has been taxed by providing abatement @ 60%.

The value for payment of Service Tax will be 40% of the total value of tickets. The rate of Tax will be @ 15% of the 40% of the value of tickets .Hence 15% of taxable portion of the value of tickets will be equal to 6% of the full value of the same

$$\text{e.g. } 100 \times \frac{40}{100} \times \frac{15}{100} = 100 \times \frac{6}{100}$$

Hence the Government has not given any direction to the Corporation to levy tax on the same no amount has been collected from the passengers in air- conditioned buses on account of Service Tax till now. But the tax liability for the same from 1.6.2016 to 30.9.2016 has amounted up to ₹ 18556006/-

Details given

Month	Service Tax	No. of Days Delayed up to 30/9/2016	Interest @ 15%	Total (₹)
June 16	40,92,028	117	1,96,754	42,88,782
July 16	48,29,807	86	1,70,697	50,00,504
August 16	45,17,975	55	1,02,119	46,20,094
September 16	46,03,224	24	45,402	46,48,626
Total	1,80,43,034		5,14,972	1,85,58,006

Yours faithfully,

Chairman and Managing Director

**S.SUJATHA**  
 Dy. CAO..*Amli*.....  
 KSRTC  
 Thiruvananthapuram



## GOVERNMENT OF KERALA

Abstract

Transport Department - Kerala State Road Transport Corporation - Collection of Service Tax from passengers at the rate of 6% along with the ticket charges of all air conditioned stage carriages belonging to KSRTC - Orders Issued

TRANSPORT (A) DEPARTMENT

G.O.(Rt)No.

446/2016/TRANS Dated, Thiruvananthapuram, 22/11/2016

- Read: 1. DOF No 334/8/16-TRU dated 29.02.2016 of the Government of India, Ministry of Finance Department of Revenue.  
2. Letter No TR2/000195/2016 dated 13.05.2016 from the Chairman & Managing Director, KSRTC, Thiruvananthapuram.

ORDER

As per section 149 of the Central Finance Act, 2016, item No (i) of section 66D(O) of the Central Finance Act 1994, the item ie, "service of transportation of passengers, with or with out accompanied belongings" was deleted with effect from 01.06.2016 from the negative entry list. Hence, service tax is applicable to Stage carriage buses. But the hon air-conditioned buses are exempted from the service tax as per the Central Act.

As a result service tax for the services being rendered to the passengers of the air-conditioned stage carriage buses have to be collected with effect from 01.06.2016. Since 15% service tax, including the Krishi Kalyan Cess, is applicable with effect from 01.06.2016, 60% abatement is available and hence 9% of the 15% cess is to be exempted and the remaining 6% is to be collected from the passengers.

3) As this service tax is to be remitted by collecting it along with the ticket charges or by directly from the income of the Corporation with

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effect from 01.06.2016 at the rate of 6%, the Chairman & Managing Director, KSRTC, vide letter read as 2nd paper above, requested immediate decision of the Government in this regard.

4) Government have examined the matter in detail and are hereby accord sanction to KSRTC to collect the service tax from the passengers at the rate of 6% (six) along with the ticket charges of all Air conditioned stage carriage buses belonging to KSRTC.

By order of the Governor  
**K.R. JYOTHILAL**  
**SECRETARY**

To: - The Chairman & Managing Director, Kerala State  
 Road Transport Corporation,  
 Thiruvananthapuram  
 The Chief Engineer, KSRTC (Buildings),  
 Thiruvananthapuram.  
 The Principal Accountant General (A&E) Kerala,  
 Thiruvananthapuram.  
 The Principal Accountant General (Audit) Kerala,  
 Thiruvananthapuram.  
 Finance (P.U.A) Department  
 Ref. File No. 793440/PUA2/16-Fin dated  
 23.08.2016)

Stock file / Office copy

The S&PRD [Web & New Media Division], Thiruvananthapuram

Forwarded/By order

*[Signature]*

Section officer

Action Taken Report on Audit para 5.3 of C&AG Report for the year ended on 31.03.2018 relating to loss of interest due to delayed receipt of annuity in K.S.R.T.C.

Audit Para. No.	Recommendations	Action Taken
5.3	<p>Due to non-adherence to the directions of Government of Kerala in payment of annuity by the Build, Operate and transfer (BOT) operator, Kerala State Road Transport Corporation incurred an avoidable loss of interest of Rs.0.40 crore. Further, the share of revenue amounting to Rs.4.54 crore from the use of interest free security deposit remained to be claimed from the BOT operator.</p>	<p>Kerala State Road Transport Corporation incurred an avoidable loss of interest of Rs.0.40 crore due to non-adherence to the orders of Government of Kerala in receipt of annuity from KSRTC - KTDFC BOT Projects. KSRTC had given permission to KTDFC to build Bus Terminal cum Shopping Complexes, as per the Government orders at Thiruvananthapuram, Angamaly, Thiruvalla and Kozhikode Depots.</p> <p>The amount sanctioned by the Government to build Bus Terminal cum Shopping Complexes at Thiruvananthapuram, Angamaly, Thiruvalla and Kozhikode depots owned by KSRTC are as follows.</p> <ol style="list-style-type: none"> <li>1. Thiruvananthapuram - Rs. 55.94 Crores</li> <li>2. Angamaly - Rs.29.04 Crores</li> <li>3. Thiruvalla - Rs. 35 Crores</li> <li>4. Kozhikode - Rs.43.21 Crores</li> </ol> <p>It was stipulated by Government that, KTDFC should execute a Memorandum of Understanding with KSRTC, regarding the operation of BOT Terminals and the rental income generated from these projects should be mutually shared.</p> <p>KSRTC has received only an amount of Rs. 3,01,71,700/- from KTDFC towards annuity fee from Angamaly BOT project as on 30.06.2017. In spite of demanding the balance amount several times, no amount was received from KTDFC.</p> <p>KTDFC has intimated KSRTC vide letter No. KTDFC/BOTD/Common/03/07/2019 dated 28.02.2020 that a decision has been taken in the 164<sup>th</sup> Board Meeting of KTDFC to adjust the</p>

		<p>Annuity Amount in the interest amount to be paid by KSRTC to KTDFC which arose as a result of pending dues towards the loan repayment taken by KSRTC from KTDFC.</p> <p>Thus the balance Annuity amount from Angamaly BOT as well as from the remaining three BOTS are not paid to KSRTC by KTDFC.</p> <p>KSRTC has requested that the Annuity should be paid to KSRTC and that there cannot be any adjustment of dues to be paid by KSRTC, and that KTDFC should enter into an agreement. Steps are being initiated in a faster pace to enter into agreement with KTDFC in all four BOT projects.</p>
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*V. Jayasree*

VJAYASREE. K.S  
Joint Secretary to Government  
Transport Department,  
Government Secretariat, TYPOL.  
Ph: 0471 2518284

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2025

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