SIXTEENTH KERALAM LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS
(2026-2028)

THIRD REPORT

(Presented on ……14th…… October 2026)

SECRETARIAT OF THE KERALAM LEGISLATURE
THIRUVANANTHAPURAM
2026

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Kerala State Road Transport Corporation

(Based on the audit para contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2019)

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COMMITTEE ON PUBLIC UNDERTAKINGS

(2026-2028)

COMPOSITION

Chairperson:

Prof. Abid Hussain Thangal

Members:

Shri G. R. Anil

Shri I. C. Balakrishnan

Shri Chandy Oommen

Shri Jyothikumar Chamakkala

Shri C. R. Mahesh

Shri P. Mammikutty

Shri A. C. Moideen

Shri Kurukkoli Moideen

Smt. Uma Thomas

Shri Vishnu Mohan

Legislature Secretariat:

Shri Shaji C Baby, Secretary-in-Charge

Smt. Reena V. R., Joint Secretary

Smt. Mable Antony, Deputy Secretary

Shri Ratheeshmon P., Under Secretary

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2026-28) having been authorised by the Committee to present the Report on its behalf, present this 3rd Report on Kerala State Road Transport Corporation, based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2019 relating to the Public Sector Undertakings of the State of Keralam.

The aforesaid Report of the Comptroller and Auditor General of India was laid on the Table of the House on 10.6.2021. The consideration of the audit paragraphs included in this report and the examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2023-2026) at its meeting held on 8.4.2025.

This Report was considered and approved by the Committee (2026-2028) at its meeting held on 7.10.2026.

The Committee places 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, 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 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.

Prof. ABID HUSSAIN THANGAL
Chairperson,
Committee on Public Undertakings.

Thiruvananthapuram,
14th October 2026.

REPORT
ON
KERALA STATE ROAD TRANSPORT CORPORATION

Audit Report (2018-2019)

Audit Para 5.4 - Construction and utilisation of Bus Terminals-cum-Shopping Complexes

Failure of the Corporation in augmenting non-operating income through shopping complexes due to inefficiencies in planning and implementation of projects, non-development of envisaged projects and underutilisation of completed projects.

Kerala State Road Transport Corporation (Corporation) decided (January 2005) to construct 19 bus terminals-cum-shopping complexes (BTSCs) for augmenting non-operating revenue. As of November 2019, the construction of six[1] BTSCs was completed and six[2] BTSCs were under construction, while seven[3] BTSCs were not developed. As of November 2019, the Corporation incurred ₹51 crore for 12 BTSCs (six completed and six under construction). Audit examined the level of compliance to relevant rules and procedures in the construction of six BTSCs (three[4] completed and three under construction[5]). The utilisation of commercial built-up area was examined in all the six completed BTSCs while two[6] non-developed BTSCs were

1 BTSCs at Kottarakkara, Kasargod, Kattakkada, Nedumangad, Neyyattinkara and Payyannur.
2 BTSCs at Thodupuzha, Malappuram, Haripad, Nilambur, Muvattupuzha and Pathanamthitta.
3 BTSCs at Palakkad, Kottayam, Eenchakkal, Pala, Munnar, Fort (Thiruvananthapuram) and Karunagappally.
4 BTSCs at Nedumangad, Neyyattinkara and Payyannur which were completed after 2014.
5 BTSCs at Thodupuzha, Malappuram and Haripad selected based on their cost of construction.
6 BTSCs at Kottayam and Palakkad.

randomly selected to examine the reasons for non-development. Thus, out of 19 BTSCs, 11 were covered in the audit, details of which are given in **Appendix 8**. The audit findings in this regard are discussed below:

5.4.1 Planning and implementation of BTSCs

5.4.1.1 As per Section 1601.1.6 of the Kerala Public Works Department (PWD) Manual, a revised estimate shall be prepared and got sanctioned when there are deletions, additions or alterations to the scope of the work as originally sanctioned, when there are major structural alterations from the originally sanctioned design, when the cost of a work is likely to exceed by more than five per cent of technically sanctioned amount. This shall be done as soon as any two of the above conditions are anticipated during the course of execution of the work. As per the Delegation of Powers of the Corporation, approval for the revised estimate is to be obtained from the Board of Directors (BoD).

Audit observed that there were changes to the scope of work in five[7] out of six BTSCs[8] requiring approval of revised estimate. The Corporation, however, did not obtain approval of the BoD for the revised estimates of three[9] BTSCs while in the case of Thodupuzha and Nedumangad BTSCs, the approval was obtained after a delay of 11 to 16 months. In the case of Nedumangad BTSC, the unjustified delay in

7 BTSCs at Payyannur, Neyyattinkara, Nedumangad, Thodupuzha and Haripad.
8 Selected by Audit for examining the level of compliance to relevant rules and procedures in the construction.
9 BTSCs at Payyannur, Neyyattinkara and Haripad.

approving the revised estimate delayed the payment to the contractor and therefore delayed the completion of the BTSC by a year resulting in loss of license fee amounting to ₹10.46 lakh[10].

The Corporation replied (September 2020) that as per the practice followed till 2017, bills were settled after approval of revised estimate by the Chairman and Managing Director for projects which were completed within the sanctioned amount. Since the Payyannur and Neyyattinkara BTSCs were completed before 2017 and within the sanctioned amount, approval of the BoD was not obtained. In the case of Thodupuzha and Nedumangad BTSCs, approval of the BoD was obtained and the revised estimate of Haripad BTSC was prepared for submission to the BoD.

The reply was not acceptable as the practice followed by the Corporation till 2017 was not in line with the PWD Manual. The reply was silent on the delay in obtaining approval for the revised estimate from the BoD.

5.4.1.2 As per Clauses 1.03 to 1.10 of the agreement with the architect, a preliminary design shall be submitted to the Corporation for approval which shall be revised as directed by the Corporation. The architect, thereafter, shall submit complete working drawings to commence the work. Thus, the civil works were to be commenced after the Corporation

10 Basement 12 shops (1,135 sq. ft.x ₹35 x 12 months) = ₹4,76,700 and Ground floor 9 shops (1,898 sq. ft.x ₹25 x 12 months) = ₹5,69,400.

approved the design submitted by the architect. As per Clause 1.13 of the agreement with the architect, the Corporation was entitled to claim damages or recover the fee payable to the architect if they failed to do the work in a satisfactory manner.

Audit observed that the Corporation noticed (September/ October 2013) significant defects in structural designs of BTSCs at Nedumangad and Thodupuzha when the civil works were in progress. So, the structural designs and estimated costs were revised later (October 2014/ February 2015). This indicated that the Corporation failed to detect the defects in the structural designs before its approval. The Corporation blacklisted (October 2014) the architect of Nedumangad BTSC only and did not assess and recover the cost of damages suffered due to the defects in design and released (October 2015) the full payment (₹9.50 lakh) to the architect of Nedumangad BTSC.

The Corporation replied (September 2020) that the architect of Thodupuzha BTSC was given only part payment and no further payments would be released. The Corporation did not engage him for any further projects. Action against the architect of Nedumangad BTSC was initiated when the project was nearing completion. Engaging another architect at that stage would have caused delay. As the work was completed, full payment was released to the architect.

The reply was not acceptable as the Corporation did not assess and recover the cost of damages from the architect despite enabling provisions in the agreements with them.

5.4.1.3 As per the Government Order (March 2013) approving the construction of BTSCs, the cost of construction was to be financed by the Corporation through Interest Free Security Deposits (IFSD) mobilised from prospective tenants. Hence, the Corporation was to ensure that the BTSCs had adequate commercial built up area and that the minimum IFSD fixed for each shop was sufficient to cover the cost of construction. Further, the Corporation issued guidelines to the architect stating that the commercial space in the building as per the design submitted by them should be prime and sufficient to justify the viability of the BTSCs.

Audit observed that the Corporation did not ensure adequacy of the commercial built up area earmarked in each BTSC so as to mobilise the required IFSD as detailed below:

Out of the three completed BTSCs examined, the Corporation could not mobilise IFSD equivalent to the cost of construction in Payyannur and Nedumangad BTSCs. The construction of Payyannur and Nedumangad BTSCs was completed in 2015 incurring ₹5.14 crore and ₹9.66 crore respectively. However, as of September 2019, the IFSD collected was only ₹3.30 crore in Payyanur BTSC and ₹6.61 crore in Nedumangad BTSC.

In respect of Payyannur BTSC, the inflow of passengers to the BTSC was low as it was located away from the main town and a considerable number of buses proceed to their destination without entering the BTSC. As of October 2019, 15 out of 40 shops in the BTSC remained vacant. The wrong selection of site for the BTSC, therefore, adversely affected the realisation of IFSD.

In the case of Nedumangad BTSC, the Corporation did not complete the construction of a standalone building with commercial built-up area of 4,390 sq. ft. as planned. The Corporation did not give any reason for not completing the construction which led to foregoing the opportunity to mobilise the IFSD for 4,390 sq. ft.

The expected IFSD[11] based on the available commercial built up area in the ongoing BTSCs at Haripad, Thodupuzha and Malappuram was ₹4.01 crore, ₹8.00 crore and ₹2.26 crore as against their estimated construction cost of ₹6.45 crore, ₹14.98 crore and ₹7.90 crore respectively. Up to September 2019, the Corporation mobilised[12] ₹1.39 crore as IFSD from Thodupuzha BTSC while no IFSD could be mobilised from Malappuram[13] and Haripad BTSCs. The Corporation stopped (March 2019) the construction of these BTSCs due to shortage of funds.

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11 Expected IFSD for all the three BTSCs was calculated @ ₹6,000 per sq. ft. approved by the BoD for Haripad BTSC as no specific rate was approved for other BTSCs.

12 Including amount receivable (₹0.47crore) from the tenants towards subsequent instalments.

13 Though the Corporation allotted one shop and collected IFSD of ₹0.08 crore, the tenant requested for refund of IFSD subsequently.

In the case of Thodupuzha BTSC, bids received in respect of 10 shops in the tender-cum-auction conducted in May 2017 were not accepted as the minimum IFSD fixed for these shops was not offered. Next tender-cum-auction was conducted in August 2018 and the Corporation allotted six shops. It was noticed that in the case of four of these shops, the minimum IFSD fixed by the Corporation was lower than the IFSD offered in the previous tender-cum-auction. Hence, the allotment of four shops in August 2018 led to reduced collection of IFSD amounting to ₹19.56 lakh

The Corporation replied (September 2020) that the expected IFSD could not be fetched due to unpredicted variations in the economic situation of the country. The plan for operating all the buses from Payyannur BTSC could not be implemented due to local and political reasons. New ways for subletting/ leasing the commercial space in Payyannur BTSC were being explored. The construction of standalone building at Nedumangad BTSC was postponed due to poor response to the tender-cum-auctions. It was now envisaged to lease out the standalone building as a whole to interested parties. In the case of Haripad, Thodupuzha and Malappuram BTSCs, the Corporation was planning to lease the entire commercial area and pre-bid meeting for the same was conducted for Haripad BTSC.

The reply was not acceptable. The Corporation could not mobilise the required IFSD in completed projects even after five years of their completion. The reply was silent on the efforts taken by the Corporation to operate all buses from the Payyannur BTSC. In the case of Nedumangad BTSC, commercial built-up area was only 16.10 per cent of the total built-up area. Considering the average IFSD actually realised for the shops already rented out, this was not sufficient to recover the cost of construction. The reply was not specific to the audit comment regarding the possibility of not recovering the cost of construction in the BTSCs under construction due to inadequate commercial built-up area.

5.4.1.4 As per Rules 4 and 17 of the Kerala Municipality Building Rules, 1999 (KMBR), permission for construction of a building shall be obtained from the Municipality concerned and deviation from the approved plan shall not be made unless a revised permit is obtained. Further, as per Section 235AA of the Kerala Panchayat Raj Act 1994, an unauthorised construction would be liable to property tax at twice the normal rate.

Audit observed that in Neyyattinkara BTSC, the Corporation did not provide 10-meter splay at both sides of the exit point as per the approved plan. The Municipality refused (January 2016) to issue the building completion certificate for Neyyattinkara BTSC due to non-adherence to the approved

plan and imposed property tax at twice the normal rate for 18 months from October 2015. This led to payment of additional property tax amounting to ₹4.57 lakh. Further, as the Municipality refused to grant license for commencing business in the BTSC stating that the construction was unauthorised, four bidders withdrew from the allotment made to them and the Corporation had to refund IFSD of ₹50.95 lakh. As agreements were executed with these four bidders to rent out the shops for two years, the withdrawal also resulted in loss of license fee for two years amounting to ₹3.44 lakh[14].

The Corporation replied (September 2020) that there was no violation of KMBR in the construction of the BTSC. It did not widen the exit of the BTSC as per the design because it would be conducive for unauthorised parallel transport services that operated in the area.

The reply was not acceptable as the non-widening of exit points in line with the design approved by the Municipality was not in compliance with the KMBR. The reply also indicated that the unauthorised parallel service was a known issue which was not considered while designing the BTSC.

5.4.1.5 As per Rule 4 of KMBR, a building permit issued by the Municipality is valid for three years from the date of issue and can be extended up to nine years provided that it is extended before expiry of the original validity. As per Rule 54

14 Three shops - ₹2,85,600 (i.e. ₹25 x 476 sq. ft. x 24 months) and one shop - ₹57,960 (i.e., ₹35 x
69 sq. ft. x 24 months).

(4a) of KMBR, a certificate of approval from the Director of Fire Force and a No Objection Certificate (NOC) from Kerala State Pollution Control Board (PCB) were also required for issuing building permits. The Corporation had entrusted the architect with the responsibility of obtaining necessary statutory permissions.

Audit observed that the Corporation did not renew the building permits of Thodupuzha and Haripad BTSCs though their validity expired in December 2016 and August 2018 respectively. As the building permits were not renewed before their expiry, the Corporation faced the risk of non-receipt of further extensions. Similarly, NOC from the PCB was not obtained for Haripad and Malappuram BTSCs. For Thodupuzha BTSC, the NOC from PCB which expired in September 2019 was not renewed.

Audit also noticed that though the construction of Payyannur BTSC was completed in October 2015, the Municipality granted building numbers only in June 2016 due to non-completion of fire and safety measures. This led to delay in entering into tenancy agreements and resulted in loss of license fee amounting to ₹11.69 lakh.

The Corporation replied (September 2020) that it applied (August 2015) for renewal of the building permit of Haripad BTSC, but the same was pending. Further directions from the Municipality in this regard were being awaited. Necessary

steps would be initiated to renew the permit of Thodupuzha BTSC at the earliest. NOC from PCB was obtained after completion of the Sewage Treatment Plant (STP) works. The STP works of Thodupuzha BTSC have commenced while that of Haripad and Malappuram BTSCs were yet to commence. The firefighting works at Payyannur BTSC could not be carried out due to financial constraints.

5.4.1.6 The GoK sanctioned (December 2012/ March 2013) a special loan of ₹30 crore for meeting initial expenses related to the construction of 14 BTSCs[15]. The loan carried interest of 13.50 per cent and penal interest of 2.50 per cent in case of default. The loan was to be repaid in three years commencing from one year from the date of drawal of the loan. The Corporation was to furnish detailed statement of expenditure incurred out of the loan and utilisation certificate to the GoK. A monitoring committee was also to be constituted to ensure the completion of the BTSCs by January 2015.

Audit observed that the Corporation availed the loan during January to March 2013, but has not repaid the loan yet (October 2019). Out of the 14 BTSCs, the Corporation could complete (October 2015) only one BTSC (Payyannur) while the works of six BTSCs were stopped due to shortage of funds. The Corporation could not commence construction of seven BTSCs till October 2019 despite GoK earmarking ₹18

15 BTSCs at Payyanur, Thodupuzha, Haripad, Malappuram, Karunagappally, Munnar, Muvattupuzha, Pathanamthitta, Thiruvananthapuram, Palakkad, Pala, Kottayam, Eenchakkal and Nilambur.

crore[16] out of ₹30 crore for these BTSCs. Further, the Corporation did not adhere to the directions of GoK regarding constitution of monitoring committee, furnishing of utilisation certificate and statement of expenditure incurred.

The Corporation replied (September 2020) that directions have been issued to properly record the utilisation of all funds received from GoK and to maintain individual project-wise accounts in future.

5.4.2 Utilisation of completed BTSCs

5.4.2.1 As of November 2019, 54.39 per cent of the total commercial built-up area (88,483 sq. ft.) in the six completed [17] BTSCs remained vacant. Audit observed that the Corporation did not issue any guidelines regarding the frequency of tendering or constitute a centralised monitoring mechanism to oversee the vacancy position of commercial built-up area in the BTSCs. This lead to unjustified delay in conducting tender-cum-auction in three BTSCs as detailed below:

Though tenders were invited at regular intervals in the case of Kottarakkara and Kattakada BTSCs, commercial area of 5,357 sq.ft. (32.78 per cent) and 4,176 sq.ft. (26.40 per cent) respectively remained vacant owing to the high vacancy position in second floor in these BTSCs (Kottarakkara-3,932 sq. ft. and Kattakada-4,176 sq.ft.). Further, unlike the other

16 Munnar- ₹1 crore, Fort-Thiruvananthapuram- ₹1 crore, Palakkad- ₹2 crore, Karunagappally- ₹2 crore, Kottayam- ₹3 crore, Eenchakkal- ₹4 crore and Pala- ₹5 crore.

17 Kottarakkara, Kasargod, Kattakkada, Nedumangad, Neyyattinkara and Payyannur.

BTSCs, Kottarakkara BTSC was located separately from the already existing bus terminal. In the case of Kasargod BTSC, though tenders were invited regularly, 25,405 sq. ft. (65.59 per cent) of commercial built-up area including 6,745 sq. ft. in the second floor remained vacant due to poor demand.

In Payyannur BTSC, the Corporation did not conduct tender-cum-auction since October 2017. As of November 2019, 38.02 per cent of the total commercial built-up area of 11,632 sq. ft. remained vacant. In Neyyattinkara BTSC, 40.42 per cent of the total commercial area of 6,551 sq. ft. remained vacant since the latest tender-cum-auction conducted in June 2018. In Nedumangad BTSC, 6,934 sq. ft. out of the total commercial area of 10,038 sq. ft. remained vacant since the tender-cum-auction in December 2017. The next tender-cum-auction was conducted (March 2019) after 15 months, in which four shops (1,399 sq. ft.) were rented out.

The Corporation replied (September 2020) that it invited tenders for all the vacant shops in Payyannur BTSC in January 2020 and March 2020, but the response was poor. Though tenders were invited for 18 shops of Neyyattinkara BTSC in February 2020, only three shops could be rented out. In the case of Nedumangad BTSC, there were no responses for the latest tender invited in January 2020.

However, the fact remains that there was considerable gap in conducting regular tenders for renting out vacant shops in the

BTSCs. The reply was also silent on the efforts taken to rent out vacant shops in Kasargod, Kottarakkara and Kattakkada BTSCs.

5.4.2.2 As per the terms and conditions of tender-cum-auction, IFSD received from the licensee shall be refunded within three months after the contract period.

Audit observed that as of November 2019, the Corporation did not refund IFSD of ₹1.58 crore payable to 21 tenants in Payyannur, Kasargod and Malappuram BTSCs[18] . The delay in refund of IFSD ranged from 4 to 14 months.

5.4.3 Non-developed BTSCs

As per Section 2003 of the PWD Manual, 100 per cent hindrance free possession of the land should be ensured before bids are invited for a work.

Out of the ₹30 crore special loan sanctioned by GoK, ₹3 crore and ₹2 crore were earmarked for the BTSCs at Kottayam and Palakkad respectively. Audit observed that the works for construction of Kottayam and Palakkad BTSCs were awarded in March 2015 and March 2016 respectively. But the Corporation did not hand over the site to the contractors even after a lapse of 10 to 19 months as there was protest (April 2015) against re-location of employees in

18 Payyanur BTSC-10 cases – ₹87.00 lakh; Kasargod BTSC -11 cases- ₹63.39 lakh and Malappuram BTSC - one case- ₹8.00 lakh.

Kottayam BTSC. In the case of Palakkad BTSC, the Corporation could not evict the office of the Employees Co-operative Society from the site. The Corporation did not proceed with the construction of the BTSCs due to shortage of fund despite incurring ₹52.04 lakh towards consultancy and other charges.

The Corporation, meanwhile, requested (May/ July 2018) the GoK to include Kottayam BTSC under KIIFB[19] project. The Corporation obtained (July 2019) administrative sanction from the GoK for construction of Palakkad BTSC using the Legislative Assembly Constituency Asset Development Fund of ₹7.10 crore. Details of further progress in this regard were awaited (October 2019).

The Corporation replied (September 2020) that it could not make available the free possession of the land due to various political issues/ other reasons. At present, the work of Palakkad BTSC was under progress using MLA-LAC-ADS[20] fund.

Thus, the Corporation completed only six out of 19 BTSCs even after 15 years. The deficiencies in planning and implementation of the BTSCs led to delay in completion. This

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19 Kerala Infrastructure Investment Fund Board (KIIFB) was established by the GoK with the main objective of providing investment for projects in the State of Kerala in sectors like Transport, Water Sanitation, Energy, Social and Commercial Infrastructure, IT and Telecommunication etc.

20 Legislative Assembly Constituency-Asset Development Scheme (LAC-ADS) was constituted (June 2012) by GoK for creating durable capital assets under the ownership of Government for which ₹ five crore is earmarked annually to each Member of Legislative Assembly for their respective constituencies.

also resulted in loss of license fee, payment of additional property tax and refund/ inadequate collection of IFSD to the tune of ₹1.01 crore. Further, the delay in conducting tender-cum-auction to rent out the vacant spaces in the completed BTSCs resulted in underutilisation of commercial area.

Recommendation 5.4: Construction activities may be carried out complying with all the relevant rules and regulations and avoiding procedural delays in case of revision in plans. Efforts may be made to utilise the vacant spaces in completed BTSCs so that the objective of construction of BTSCs is achieved.

[Audit Paragraphs 5.4 to 5.4.3 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2019]

The Notes furnished by the Government on the Audit Paragraphs are given in Appendix II

Discussion and Findings of the Committee

Audit Para 5.4 - Construction and utilisation of Bus Terminals-cum-Shopping Complexes

5.4.1 - Planning and implementation of BTSCs

5.4.1.1-

The Senior Audit Officer gave a brief account of the audit observations. To the query of the Committee on the Audit comments, the Additional Secretary, Transport Department informed that ₹34 crore was allocated in the Plan Fund of the concerned financial year, but the amount was not

released and various civil works were carried out using MLA funds in that period. She added that the Corporation had planned to construct 19 BTSCs and the construction of bus terminals in Kottarakkara, Kasaragod, Kattakada, Nedumangad, Neyyattinkara, Payyannur, Haripad, Pathanamthitta, Pala and Palakkad were already completed. Currently, funds are allocated annually from the Plan Fund for modernization, and the remaining works are progressing using this amount in a phased manner. To a query of the Committee regarding the old building at Malappuram BTSC, the witness responded that the building would be demolished soon.

Audit Para 5.4.1.2

The audit observation was that while the civil works of the BTSCs in Nedumangad and Thodupuzha were in progress, the Corporation found significant deficiencies in their structural design, but did not assess or recover the cost of the damages caused by the said design flaws, and paid the entire amount to the architect of Nedumangad BTSC and gave a part payment to the architect of the Thodupuzha BTSC.

In response to the Committee's query regarding the audit observation, the Technical Examiner of the Finance Department stated that Government works must be executed by project management consultants approved by the Finance Department and there is no provision for appointing private firms or architects as consultants.

The Committee opined that paying the full amount despite identifying lapses on the part of the architect was inappropriate, and further noted that such issues could have been avoided if a centralized monitoring system had been place to co-ordinate the construction work.

Conclusion/Recommendation

1) The Committee observes that the Corporation failed to detect the defects in the structural designs before their approval, which led to the revision of designs and estimated costs after starting the civil works. Even after detecting these defects, the Corporation released full payment to the architect of Nedumangad BTSC and part payment to the architect of Thodupuzha BTSC. The Corporation did not assess and recover the cost of damages from the architect despite an enabling provision in the agreement with them. The Committee observes that paying the full amount to the architects despite identifying lapses in the structural designs was inappropriate and recommends to formulating a centralised monitoring mechanism to coordinate the procedures related to the construction of BTSC.

Audit Para 5.4.1.3

To a query of the Committee regarding the short collection of IFSD, the Executive Director, KSRTC informed that the IFSD system was first introduced in the construction of Kasaragod BTSC and after getting positive response there, the Corporation decided to implement the system in the case

of all BTSCs. But the public did not co-operate with the system expecting to get the shops at a lower rent since the Corporation is a Government Undertaking. In the case of Malappuram BTSC, the auction amount did not cross ₹1 lakh to ₹1.5 lakh. But in Pathanamthitta, out of the 12 shops in the ground floor, 11 shops realised ₹2.75 crore on the first day itself. But after that the project was delayed due to issues related to construction. In Nedumangad BTSC the auction amount was only about ₹4 to ₹5 lakh only.

The Committee opined that the Corporation must examine the possibility of renting out the rooms without accepting IFSD. The Committee suggested to convening a meeting in the presence of the concerned Minister in this regard and also suggested to appoint an official or to implement a centralised monitoring system for the purpose.

The witness informed that after reducing the IFSD to ten times the license fee, more rooms in the BTSC were rented out. He added that out of 36 rooms in Kannur BTSC only five were vacant; but in Kasargod BTSC, 46 rooms remained vacant, and altogether 76 rooms were vacant at present.

To a query of the Committee the witness informed that IFSD had been received from tenders in Thodupuzha, Muvattupuzha and Pathanamthitta BTSCs, but in Malappuram BTSC, no IFSD had been received. Then the Committee suggested alloting rooms to those who paid IFSD urgently to

avoid any legal proceedings that may arise against KSRTC and also suggested to utilising KSRTC buses for advertising the vacant rooms.

The Committee opined that as the vacant rooms in BTSCs , are located at different places, transferring the vacant rooms to the people who had remitted IFSD amounts locally was not practicable. Hence the Committee recommended to convene a Board of Directors meeting to discuss matters such as giving wide advertisements about the vacant rooms in BTSCs, exemption of IFSD, fixing moderate rental rates etc, and directed the Corporation to furnish a detailed report to the Committee within six months.

Conclusion/Recommendations

2) ***The Committee observes that the public do not co-operate with the IFSD system of the Corporation, expecting to get the shops in the BTSCs at a cheaper rental rate since the Corporation is a Government undertaking. So the Committee recommends that the Corporation must examine the possibility of renting out the rooms without accepting IFSD.***

3) The Committee recommends to convene a meeting in the presence of the concerned Minister to discuss the matter, and to assign responsibility to an official or implement a centralised monitoring system for this purpose.

4) The Committee observes that the Corporation has received IFSD from allottees in Thodupuzha, Muvattupuzha, and Pathanamthitta BTSCs. So the Committee recommends to issue rooms to these allottees urgently to avoid legal proceedings against the Corporation.

5) The Committee observes that the public is unaware of the vaccant rooms in the BTSCs. So the Committee recommends to display advertisements regarding the vacant rooms, in KSRTC buses.

6) The Committee recommends to convene a Board of Directors meeting to discuss matters such as giving wide advertisements about the vacant rooms in BTSCs, exemption of IFSD, fixing moderate rental rate, etc and directs to submit a detailed report on these matters within six months.

Audit Para – 5.4.1.5

5.4.1.6

To a query of the Committee about the current status of the bus terminals, the Executive Director, KSRTC replied that although there were problems related to Sewage Treatment Plant (STP) and delay in obtaining building number, BTSC at Haripad was completed after the decision of the Municipality to exclude the STP. The BTSC at Kasaragod was completed, or there were no issues relating to fire and safety clearance and the STP. Further, there was no STP issue at the Pathanamthitta BTSC also when works commenced. He added that all the works of KSRTC are now executed by PWD, but they could not get contractors for STP works even after tendering, and consequently could not complete the works on time.

To another query of the Committee, the witness responded that a meeting was convened in the presence of Minister for Local Self Government Department and the

District Collector to contemplate on the construction of the STP. He added that the STP works at Thodupuzha and Pathanamthitta were undertaken by the PWD, but could not complete the works due to the scarcity of experts in the field. He added that even private agencies failed to execute the works related to STP's, resulting delays in that work.

The Committee enquired whether it is mandatory to include STP in the DPR itself. The witness replied that in the Kasargod BTSC, being an old project it was not mandatory, but in the case of Pathanmthitta BTSC it was included in the DPR. But in the middle of the civil works, the contractor died and the electromechanical works of the project could not be entrusted to another contractor. He added that currently, it has been instructed to include the amounts for all small and large works in the DPR itself.

The Committee enquired about the status of the Malappuram BTSC for which ₹ 5 crore is allotted. The witness replied that firstly KSRTC have to submit an estimate to the Transport Department including all requirements, which will be forwarded to the Finance Department, and after getting their approval, Administrative Sanction will be accorded.

The Committee enquired why the projects proposed in 2005 have not been completed yet. The Executive Director, KSRTC replied that out of the 19 projects, the projects at Palakkad, Kottarakkara, Kasaragod, Payyannur, Neyyattinkara, Nedumangad, Kattakada and Haripad were

completed. Though the projects at Pala, Thodupuzha, Muvattupuzha, Pathanamthitta, Malappuram and Nilambur were completed, they could not start operations since the building numbers were not obtained and, the work on the remaining five projects has not been started yet.

To another query of the Committee, the Additional Secretary of the Transport Department replied that nine places, including Eanchakkal, were considered for feasibility study in PPP model, but these were abandoned due to a shortage of funds. The Managing Director, KSTRC added that there wasn't much response to the PPP model and KSRTC had decided to invite EOI and proceed with tender procedures after obtaining the permission of the Government.

The Committee observed that the problems in preparing the DPR led to the issues in implementing the project and demanded clarification for the same. The Technical Examiner admitted that there were flaws in the preparation of the DPR, and added that if the Corporation had obtained permission from the local body, it would have addressed the requirements regarding fire and safety and STP.

Conclusion/Recommendations

7) The Committee observes that the delays in the Completion of BTSCs were attributed to the problems in completing Sewage Treatment Plant, delays in getting clearance regarding fire and safety and delays in getting building numbers. So the Committee recommends that the Corporation

should include all these factors specifically in the DPR and should ensure that all necessary clearances are obtained in a time bound manner.

Audit Para 5.4.2 – Utilisation of completed BTSCs

5.4.2.1

5.4.2.2

To a query of the Committee regarding the vacant rooms in BTSCs, the Managing Director replied that the majority of rooms in the completed BTSCs were given on rent and only three rooms each in Neyyattinkara and Kattakada and one in Nedumangad remained vacant. He added that 46 rooms remained vacant in Kasargod BTSC on the first and second floor

The Committee observed that the Corporation would have to foresee the less demand for rooms in the upstairs. The Managing Director replied that they had given intimation to Government agencies, and two or three agencies including the Khadi Board had accepted the offer. He added that they were trying to solve the problems related to accessibility. To another query of the Committee, the Executive Director informed that the deposit amount has been reduced and the rooms were vacant due to factors such as scarcity of funds, decrease in the number of passengers and problems related to covid situation.

The Committee enquired whether there is a centralized monitoring system to find out the people who need the vacant

rooms. The Managing Director replied that tendering was being done after weekly reviews at the Chief Office level. Then the Committee opined that KSRTC could rent out the vacant rooms either to Government offices or to the needy without any deposits. The Managing Director assured that the suggestion of the Committee would be implemented. He added that a software named Rental Management System would be implemented so that the public would be made aware of the vacant rooms in the BTSCs.

The Committee inquired why the amount was not disbursed to the Contractor who completed the work of BTSC at Malappuram at a cost of ₹7.90 crore about six years ago. The Financial Advisor, KSRTC replied that budget provisions are allotted every year and the revenue income was much less for the years 2019, 2020 and 2021 due to covid pandemic. He added that the expenditure for construction works were met from the Plan Fund, but the Plan Fund allocation was much less after the financial year 2018-19.

To a query of the Committee regarding the pending bills, the witness responded that about ₹15 crore was pending and ₹158.70 crore is allocated in plan fund of this year. The Committee enquired whether the pending amount of the current year would be disbursed from the plan fund of the succeeding year. The witness replied that it was not possible to provide specific statistics on payment according to criteria

and that part payments were made in many cases. The Committee criticized the attitude of the witness and opined that there should be specific criteria for the payment of the pending bills and should be more precise details relating to which year the payments had been made. The witness replied that some contractors file litigation in the court and payment is given to them as per the direction of the court.

The Committee opined that the Corporation must fix a criteria for the disbursement of pending bills. The Managing Director opined that the bills should be disbursed to the contractors who have completed the work earlier. The Additional Secretary, Transport Department assured the Committee that a criteria for the disbursement of pending bills will be formulated based on the discussions of this meeting.

The Managing Director informed that due to the changes in the fire and safety norms, the contracts had to be retendered to other contractors. The Senior Audit Officer pointed out that in Neyyattinkara, the Municipality did not issue the building number due to the absence of a DPR and changes in the approved plan. The Managing Director replied that such contractors were blacklisted and subsequently completed the work.

Conclusion/Recommendations:

8) The Committee recommends to constitute a centralized monitoring system to identify the individuals who need vacant rooms in the BTSCs. The Committee also recommends to rent

out the vacant rooms either to Government offices or to the needy without accepting any deposits.

9) The Committee observes that the Corporation did not follow any specific criteria for the disbursement of pending bills to the contractors who had completed the construction of BTSCs. So the Committee recommends to formulate a specific criteria for the disbursement of pending bills to these contractors.

Thiruvananthapuram,
2026.

Chairperson,
Committee on Public Undertakings.

APPENDIX – I
SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATION

Sl. No.	Para. No.	Department Concerned	Conclusions/Recommendations
1	1	Transport	The Committee observes that the Corporation failed to detect the defects in the structural designs before their approval, which led to the revision of designs and estimated costs after starting the civil works. Even after detecting these defects, the Corporation released full payment to the architect of Nedumangad BTSC and part payment to the architect of Thodupuzha BTSC. The Corporation did not assess and recover the cost of damages from the architect despite an enabling provision in the agreement with them. The Committee observes that paying the full amount to the architects despite identifying lapses in the structural designs was inappropriate and recommends to formulating a centralised monitoring mechanism to coordinate the procedures related to the construction of BTSC.
2	2	Transport	The Committee observes that the public do not co-operate with the IFSD system of the Corporation, expecting to get the shops in the BTSCs at a cheaper rental rate since the Corporation is a Government undertaking. So the Committee recommends that the Corporation must examine the possibility of renting out the rooms without accepting IFSD.

3	3	Transport 1.	The Committee recommends to convene a meeting in the presence of the concerned Minister to discuss the matter, and to assign responsibility to an official or implement a centralised monitoring system for this purpose.
4	4	Transport 2.	The Committee observes that the Corporation has received IFSD from allottees in Thodupuzha, Muvattupuzha, and Pathanamthitta BTSCs. So the Committee recommends to issue rooms to these allottees urgently to avoid legal proceedings against the Corporation.
5	5	Transport	The Committee observes that the public is unaware of the vaccant rooms in the BTSCs. So the Committee recommends to display advertisements regarding the vacant rooms, in KSRTC buses.
6	6	Transport	The Committee recommends to convene a Board of Directors meeting to discuss matters such as giving wide advertisements about the vacant rooms in BTSCs, exemption of IFSD, fixing moderate rental rate, etc and directs to submit a detailed report on these matters within six months.

7	7	Transport	The Committee observes that the delays in the Completion of BTSCs were attributed to the problems in completing Sewage Treatment Plant, delays in getting clearance regarding fire and safety and delays in getting building numbers. So the Committee recommends that the Corporation should include all these factors specifically in the DPR and should ensure that all necessary clearances are obtained in a time bound manner.
8	8	Transport	The Committee recommends to constitute a centralized monitoring system to identify the individuals who need vacant rooms in the BTSCs. The Committee also recommends to rent out the vacant rooms either to Government offices or to the needy without accepting any deposits.
9	9	Transport	The Committee observes that the Corporation did not follow any specific criteria for the disbursement of pending bills to the contractors who had completed the construction of BTSCs. So the Committee recommends to formulate a specific criteria for the disbursement of pending bills to these contractors.

Action taken Report (Additional Details) on Para 5.4 of audit report related to KSRTC contained in the report of Comptroller and Auditor General of India for the year ended 31st March, 2019.

<table>
<tr><th>Sl. No.</th><th>Department Concerned</th><th>Para No.</th><th>Remarks</th><th>Action Taken</th></tr>
<tr><td>1</td><td>Transport</td><td>5.4</td><td>About Construction and utilisation of Bus Terminals-cum-Shopping Complexes, audit remarks as follows: Failure of the Corporation in augmenting non-operating income through shopping complexes due to inefficiencies in planning and implementation of projects, non-development of envisaged projects and under utilisation of completed projects.</td><td>KSRTC Planned to construct 19 Bus Terminal Cum Shopping Complexes to generate more non-fare revenue. Out of this, the construction of 10 BTSCs were completed at various places such as Kottarakkara, Kasaragod, Kattakkada, Nedumangad, Neyyatinkara, Payyanur, Harippad, Pathanamthitta, Pala & Palakkad.

The shops and spaces available at the said places are lendiing out on yearly basis.

The construction of 4 BTSCs are in progress and not completed. They are Thodupuzha, Malapuram, Nilambur, Muvattupuzha. The present level of Construction of said Bus Terminal cum Shopping Complexes are as follows.

<table>
<tr><th>PLACES</th><th>% of Completion</th></tr>
<tr><td>Thodupuzha</td><td>Almost completed, due to financial difficulties

contractors bills are not paid.</td></tr>
<tr><td>Malapuram</td><td>70%</td></tr>
<tr><td>Nilambur</td><td>70%</td></tr>
<tr><td>Muvattupuzha</td><td>95%</td></tr>
</table>
</td></tr>
</table>

The details of construction of remaining 5 was of Bus Terminal cum Shopping Complexes at Kottayam, Enchakkal, Munnar, Fort, Karunagapally are shown below.

PLACES	Level of work completed
Kottayam	Not Started
Enchakkal	Not Tendered
Munnar	Work not tendered
Fort	Work not yet started
Karunagapally	Work not started

The reason for non-starting projects is due to financial crisis. The work can be started subject to availability of plan fund/MLA fund.

2		Para. 5.4.1	Planning and implementation of Bus Terminal cum Shopping Complexes.	
		Sub Para 5.4.1.1	Audit observed that there were changes to the scope of work in five out of six BTSCs requiring approval of revised estimate. The Corporation, however, did not obtain approval of the BoD for the revised estimates of three BTSCs while in the case of Thodupuzha and Nedumangad BTSCs, the approval was obtained after a delay of 11 to 16 months. In the case of Nedumangad BTSC; the unjustified delay in approving the revised estimate delayed the payment to the contractor and therefore delayed the completion of the BTSC by a year resulting in loss of license fee amounting to 10.46 lakh. Audit report also says that the reply from the KSRTC was not acceptable as the practice followed by the Corporation till 2017 was not in line with the PWD Manual. The reply	Approval of Board of Directors for revised estimate of Payyanur, Nedumangad, Neyyattinkara and Thodupuzha were obtained. Thodupuzha BTSC works started on 01/2023. Due to difference in measurement as per schedule, revised estimate was prepared. In the case of Thodupuzha also the same happened. Civil wing have taken initiative for preparing estimate, e-tendering and awarding the work of Electrification, Fire Fighting and STP. Due to the financial crisis and non payment of bills, the contractors are unwilling to restart the work. It may be noted that the delay in approval for the revised estimate is not the reason for the non-completion of construction works in time. The lack of sufficient fund is the main reason for the delay in completion of projects.

			was silent on the delay in obtaining approval for the revised estimate from the BoD.	
		Sub Para 5.4.1.2	Audit observed that the Corporation noticed (September/October 2013) significant defects in structural designs of BTSCs at Nedumangad and Thodupuzha when the civil works were in progress. So, the structural designs and estimated costs were revised later (October 2014/February 2015). This indicated that the Corporation failed to detect the defects in the structural designs before its approval. The Corporation blacklisted (October 2014) the architect of Nedumangad BTSC only and did not assess and recover the cost of damages suffered due to the defects in design and released (October 2015) the full payment (Rs. 9.50 lakh) to the architect of Nedumangad BTSC. The Corporation reply was not acceptable as the Corporation did not	The revised estimate of various civil works in KSRTC shall be prepared and submitted before the Board of Directors for getting approval. The approval of Board of Directors for revised estimate of Payyanur, Nedumangad, Neyyattinkara and Thodupuzha were obtained. Thodupuzha BTSC works started on 01/2023. Due to difference in measurement as per schedule, revised estimate was prepared. In the case of Thodupuzha also the same happened. Civil wing have taken initiative for preparing estimate, e-tendering and awarding the work of Electrification, Fire Fighting and STP. Due to the financial crisis and non payment of bills, the contractors are unwilling to restart the work. It may be noted that the delay in approval for the revised estimate is not the reason for the non-completion of construction works in time. The lack of sufficient fund is the main reason for the delay in completion of projects.

			assess and recover the cost of damages from the architect despite enabling provisions in the agreements with them.	
		Sub Para 5.4.1.3	Audit observed that the Corporation did not ensure adequacy of the commercial built up area earmarked in each BTSC so as to mobilise the required IFSD as detailed below: Out of the three completed BTSCs examined, the Corporation could not mobilise IFSD equivalent to the cost of construction, in Payyannur and Nedumangad BTSCs. The construction of Payyannur and Nedumangad BTSCs was completed in 2015 incurring ₹5.14 crore and ₹9.66 crore respectively. However, as of September 2019, the IFSD collected was only ₹3.30 crore in Payyanur BTSC and ₹6.61 crore in Nedumangad BTSC. In respect of Payyannur BTSC, the inflow of	Cost of construction of Bus Terminal Cum Shopping Complexes met by the Corporation through IFSD. The Corporation has been ensured that the minimum IFSD fixed for each shop is sufficient to cover the cost of the construction of each shops. But it may be noted that Interest Free Security Deposit (IFSD) is collected through auction procedure. The bidders are not interested to quote the minimum amount fixed by the Corporation. The short fall in collecting the IFSD from Payyanur is that the Bus Terminal cum Shopping Complexes is situated far away from the main town. While drafting the projects, it is assumed that more services will be started and operated through the said Bus Terminal cum Shopping Complexes. More number of services were operated through Bus Terminal cum Shopping Complex at Payyanur at the initial stage. But after covid some services were cancelled due to the shortage of travellers. Now more services are started gradually from Payyanur. Large no.of commuters are depending

			passengers to the BTSC was low as it was located away from the main town and a considerable number of buses proceed to their destination without entering the BTSC. As of October 2019, 15 out of 40 shops in the BTSC remained vacant. The wrong selection of site for the BTSC, therefore, adversely affected the realisation of IFSD. In the case of Nedumangad BTSC, the Corporation did not complete the construction of a standalone building with commercial built-up area of 4,390 sq. ft. as planned. The Corporation did not give any reason for not completing the construction which led to foregoing the opportunity to mobilise the IFSD for 4,390 sq. ft. The expected IFSD149 based on the available commercial built up area in the ongoing BTSCs at Haripad, Thodupuzha and Malappuram was ₹4.01 crore, ₹8.00 crore and 2.26 crore as against their estimated construction cost of ₹6.45 crore, ₹14.98 crore and ₹7.90 crore respectively. Up to September 2019, the	Payyanur BTSC because all the buses are plying through there. The short fall in collecting IFSD from Payyanur and Nedumangad is that the tenderers are not interested to quote the tender for shops which are situated far away from the platform where the buses are parking and the commuters are awaited. Corporation aimed to tender, the unleased area for office purposes. The commercial wing of KSRTC has taken steps to let out these spaces for other than commercial purposes. The reason for non completion of standlone buildings, with commercial area at Nedumangad, as planned, is that Corporation is not able to find out sufficient fund from its own revenue other than IFSD. In the case of 10 shops at Thodupuzha the tender cum Auction was conducted, minimum IFSD fixed by the Corporation is not offered to the tenderers. Thus the Corporation frequently called for tenders to avoid idling of spaces. Now the condition is merely changed and most of the area can be let out to new tenders. The Audit has also observed that the main reason for the non-completion of construction BTSC is the want of fund from its own revenue. By considering the fact as mentioned for your kind notice, the audit para may be dropped.

			Corporation mobilised ₹1.39 crore as IFSD from Thodupuzha BTSC while no IFSD could be mobilised from Malappuram and Haripad BTSCs. The Corporation stopped (March 2019) the construction of these BTSCs due to shortage of funds. In the case of Thodupuzha BTSC, bids received in respect of 10 shops in the tender-cum-auction conducted in May 2017 were not accepted as the minimum IFSD fixed for these shops was not offered. Next tender-cum-auction was conducted in August 2018 and the Corporation allotted six shops. It was noticed that in the case of four of these shops, the minimum IFSD fixed by the Corporation was lower than the IFSD offered in the previous tender-cum-auction. Hence, the allotment of four shops in August 2018 led to reduced collection of IFSD amounting to ₹19.56 lakh. The reply was not acceptable. The Corporation could not mobilise the required IFSD in completed projects even after five years of their	

			completion. The reply from the KSRTC was silent on the efforts taken by the Corporation to operate all buses from the Payyannur BTSC. In the case of Nedumangad BTSC, commercial built-up area was only 16.10 per cent of the total built-up area. Considering the average IFSD actually realised for the shops already rented out, this was not sufficient to recover the cost of construction. The reply of KSRTC was not specific to the audit comment regarding the possibility of not recovering the cost of construction in the BTSCs under construction due to inadequate commercial built-up area.	

		Sub Para 5.4.1.4	Audit observed that in Neyyattinkara BTSC, the Corporation did not provide 10-meter splay at both sides of the exit point as per the approved plan. The Municipality refused (January 2016) to issue the building completion certificate for Neyyattinkara BTSC due to non-adherence to the approved plan and imposed property tax at twice the normal rate for 18 months from October 2015. This led to payment of additional property tax amounting to ₹4.57 lakh. Further, as the Municipality refused to grant license for commencing business in the BTSC stating that the construction was unauthorised, four bidders withdrew from the allotment made to them and the Corporation had to refund IFSD of ₹50.95 lakh. As agreements were executed with these four bidders to rent out the shops for two years, the withdrawal also resulted in loss of license fee for two years amounting to ₹3.44 lakh. The reply of the Corporation was not acceptable as the non-widening of exit points	At Neyyattinkara the building tax amount is fixed at normal rate from 2020 onwards. At present there are only 16 shops are vacant. After the completion of construction of BTSC of Neyyaatinkara, the Corporation has approached concerned authorities to obtain building completion certificate, But the Municipality authority had denied the approval due to some structural variations. After that all the objections raised by the concerned authorities were settled and permits has been issued by local authorities. The total shops available at Neyyatinkara is 41. Out of this 25 were let out to tenderers and 16 are on tendering stage. Earnest effort will be taken to lease out these vacant places at the earliest.

			in line with the design approved by the Municipality was not in compliance with the KMBR. The reply also indicated that the unauthorised parallel service was a known issue which was not considered while designing the BTSC.	
		Sub Para 5.4.1.5	Audit observed that the Corporation did not renew the building permits of Thodupuzha and Haripad BTSCs though their validity expired in December 2016 and August 2018 respectively. As the building permits were not renewed before their expiry, the Corporation faced the risk of non-receipt of further extensions. Similarly, NOC from the PCB was not obtained for Haripad and Malappuram BTSCs. For Thodupuzha BTSC, the NOC from PCB which expired in September 2019 was not renewed. Audit also noticed that though the construction of Payyannur BTSC was completed in October	The Corporation applied for NOC/ PCB from the concerned departments for the building at Thodupuzha & Haripad. The reason for delay in starting the function of BTSC is that local authorities raised some objections against the applications for statutory license / NOC and permits. The BTSCs now completed have all facilities as per the plan and also as per the license and permits. KSRTC, PMC has applied to get Fire NOC for Harippad BTSC and Thodupuzha BTSC. After obtaining Pollution Control Board certificate (PCB) and Fire NOC, the application will be submitted to obtain building permit to these two projects.

			2015, the Municipality granted building numbers only in June 2016 due to non-completion of fire and safety measures. This led to delay in entering into tenancy agreements and resulted in loss of license fee amounting to ₹11.69 lakh.	
		Sub Para 5.4.1.6	Audit observed that the Corporation availed the loan from Govt. of Kerala during January to March 2013, but has not repaid the loan yet (October 2019). Out of the 14 BTSCs, the Corporation could complete (October 2015) only one BTSC (Payyannur) while the works of six BTSCs were stopped due to shortage of funds. The Corporation could not commence construction of seven BTSCs till October 2019 despite GoK earmarking 18 crore 154 out of ₹30 crore for these BTSCs. Further, the Corporation did not adhere to the directions of GoK regarding constitution of monitoring committee,	It is admitted that the Govt. have sanctioned loan to meet the initial expenditure to construct the BTSC. But due to the shortage of funds some projects were not started in time and some others are not completed as per schedule. However by utilizing this fund, the works of BTSC's at Payyanur, Thodupuzha, Malappuram, Muvattupuzha, Nilambur were started and most of them are very near to completion and the Corporation utilizes the entire loan amount for the sanctioned purpose only. The said loan amount will be converted in to equity by Govt. latter. Thus there is no liability accrued on this account. It may be noted that the Govt. have sanctioned the said fund under Non plan fund (Loan).

			furnishing of utilisation certificate and statement of expenditure incurred.	
3.		Sub Para 5.4.2	Utilisation of Completed BTSCs	
		5.4.2.1	Audit observed that the Corporation did not issue any guidelines regarding the frequency of tendering or constitute a centralised monitoring mechanism to oversee the vacancy position of commercial built-up area in the BTSCs. This lead to unjustified delay in conducting tender-cum-auction in three BTSCs as detailed below: Though tenders were invited at regular intervals in the case of Kottarakkara and Kattakada BTSCs, commercial area of 5,357 sq. ft. (32.78 per cent) and 4,176 sq. ft. (26.40 per cent) respectively remained vacant owing to the high vacancy position in second floor in these BTSCs (Kottarakkara-	The main reason for the vacancy of the spaces/shops at various locations as noted in the audit para is that the tenderers are purposefully not Co-operating with Corporation to take over the vacant shops/spaces. They are aiming to capture the shops/spaces at nominal rate. They jointly tride to quote the lowest rate of IFSD / license fee. But the minimum rate fixed by the Corporation is not at par with such lowest rate. Moreover the Corporation is not in a position to receive a rate which is below minimum rate fixed by the Corporation. The main reason for the unutilization of spaces at BTCS is the poor competition purposefully created by the tenderers. Even after purposeful reluctance from the part of the tenderers, the Corporation is taking earnest effort to let out the unutilized spaces at the earliest. The details of vacancy at various BTSCs are detailed below. a) Kasargode BTSC

			3,932 sq. ft. and Kattakada-4,176 sq.ft.). Further, unlike the other BTSCs, Kottarakkara BTSC was located separately from the already existing bus terminal. In the case of Kasargod BTSC, though tenders were invited regularly, 25,405 sq. ft. (65.59 per cent) of commercial built-up area including 6,745 sq. ft. in the second floor remained vacant due to poor demand. In Payyannur BTSC, the Corporation did not conduct tender-cum-auction since October 2017. As of November 2019, 38.02 per cent of the total commercial built-up area of 11,632 sq. ft. remained vacant. In Neyyattinkara BTSC, 40.42 per cent of the total commercial area of 6,551 sq. ft. remained vacant since the latest tender-cum-auction conducted in June 2018. In Nedumangad BTSC, 6,934 sq. ft. out of the total commercial area of 10,038 sq. ft. remained vacant since the tender-cum-auction in December 2017. The next tender-cum-auction was conducted (March 2019) after 15 months, in which four shops (1,399 sq. ft.) were rented out. Audit report	The number of shops available is 105. Out of this, 49 is vacant at present. Even after repeated tender procedures we are not able to find out licensees. The said shops are situated in 1st and IInd floor. More over the arrival of travelers in the bus stand is less. The tenders are not willing to take over the said shop due to the poor commercial viability. Considering this, Corporation has decided to let out these places to Govt. establishments at lower rent and deposit. Accordingly steps to handing over 7250 cm2 to GST Dept. and 690 cm2 to Minority Development Dept. is started and yo in progress. b)Kattakkada BTSC 34 shops and 2 blocks are available at this place, only 3 shops are vacant. 2 shops are in tendering stage. Now one of the said block is used as retiring room of employees. c) Kottarakkara BTSC The vacant shops now available at there is only seven. The KSBC demanded large area of space to open their outlets and the same is under the consideration of KSRTC. d) Payyannur BTSC Out of 40 shops, about 20 nos. are running presently. Out of the remaining 20 shops, 13 nos. were planned to be let out to Motor Vehicle Department. Thus bidders are not interested to occupy more spaces.

			also finds that there was considerable gap in conducting regular tenders for renting out vacant shops in the BTSCs. The reply of Corporation was also silent on the efforts taken to rent out vacant shops in Kasargod, Kottarakkara and Kattakkada BTSCS.	
		Sub Para 5.4.2.2	Audit observed that as of November 2019, the Corporation did not refund IFSD of ₹1.58 crore payable to 21 tenants in Payyannur, Kasargod and Malappuram BTSCs. The delay in refund of IFSD ranged from 4 to 14 months.	The main reason for the delayed repayment of IFSD to various tenders are due to the financial stringency of the Corporation. The Corporation is trying to refund the amount as early as possible.
4.		5.4.3	Non Developed BTSCs- Audit observed that the works for construction	The Govt. have sanctioned permission to the construction of BTSC at Palakkad and the work was started on 13.01.2020 by

			of Kottayam and Palakkad BTSCs were awarded in March 2015 and March 2016 respectively. But the Corporation did not hand over the site to the contractors even after a lapse of 10 to 19 months as there was protest (April 2015) against re-location of employees in Kottayam BTSC. In the case of Palakkad BTSC, the Corporation could not evict the office of the Employees Co-operative Society from the site. The Corporation did not proceed with the construction of the BTSCs due to shortage of fund despite incurring ₹52.04 lakh towards consultancy and other charges.	using MLA- ADS 2018 -- 19 and the work was completed and inaugurated on 10.11.2022. The Govt. have sanctioned permission to the construction of Toilet Block and Yard work at Kottayam by using MLA - ADS and the work was completed and inaugurated on 24.10.2022.

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