

Thirteenth Kerala Legislative Assembly  
Bill No. 325

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**THE KERALA STATE ROAD TRANSPORT CORPORATION  
(PASSENGER GROUP PERSONAL ACCIDENT  
INSURANCE, IMPROVED PASSENGER  
AMENITIES, EMPLOYEES' SOCIAL  
SECURITY AND CESS ON PASSENGER  
TICKET) BILL, 2014**

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[Translation in English of “2014-ലെ കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ (യാത്രക്കാർക്കുള്ള വ്യക്തിപര അപകട സമൂഹ ഇൻഷുറൻസ്, യാത്രക്കാർക്കുള്ള മെച്ചപ്പെട്ട സൗകര്യങ്ങൾ, ജീവനക്കാരുടെ സാമൂഹ്യസുരക്ഷ, യാത്രാ ടിക്കറ്റിന്മേലുള്ള സെസ്സ്) ബിൽ” published under the authority of the Governor.]

**THE KERALA STATE ROAD TRANSPORT CORPORATION (PASSENGER GROUP PERSONAL ACCIDENT INSURANCE, IMPROVED PASSENGER AMENITIES, EMPLOYEES’ SOCIAL SECURITY AND CESS ON PASSENGER TICKET) BILL, 2014**

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*BILL*

*to provide for group personal accident insurance coverage and improved personal amenities to passengers, social security measures for the employees who have retired or retires from the services of the Corporation and to levy cess on passenger ticket, of the Kerala State Road Transport Corporation.*

*Preamble.*—WHEREAS, it is necessary and expedient to provide for group personal accident insurance coverage to passengers in the stage carriage buses operated by the Kerala State Road Transport Corporation, to provide for personal amenities to passengers and also to extend the social security measures to the employees who have retired or retires from the services of the Corporation;

BE it enacted in the Sixty-fifth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala State Road Transport Corporation (Passenger Group Personal Accident Insurance, Improved Passenger Amenities, Employees’ Social Security and Cess on Passenger Ticket) Act, 2014.

(2) It shall be deemed to have come into force on the 16th day of October, 2014.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “Corporation” means the Kerala State Road Transport Corporation established under section 3 of the Road Transport Corporations Act, 1950 (Central Act 64 of 1950);

(b) “Fund” means the Fund of the Corporation constituted under section 27 of the Road Transport Corporations Act, 1950 (Central Act 64 of 1950);

(c) “Government” means the Government of Kerala;

(d) “passenger” means any person who travels in a stage carriage bus operated by the Corporation, after taking a passenger fare ticket and includes a child or any other person who are eligible for concession in the rate of fare ticket;

(e) “passenger amenities” includes waiting room, toilet, drinking water facilities and primary medical facilities;

(f) “pension” means the eligible pension of the employees, who have retired from the services of the Corporation, as per the laws in force at the date of commencement of this Act;

(g) “prescribed” means prescribed by rules made under this Act;

(h) “Schedule” means the Schedule to this Act;

(i) “scheme” means a scheme made under this Act;

(j) “social security” includes payment of pension to the employees who have retired or retires from the services of the Corporation.

3. *Power of the Corporation to make schemes.*—(1) The Corporation may, by notification in the Gazette, make schemes to introduce passenger group personal accident insurance coverage and improved passenger amenities to its passengers and for social security measures for its employees who have retired or retires from the services of the Corporation.

(2) Subject to the provisions of this Act,—

(a) in a scheme for the group personal accident insurance coverage, the Corporation may provide,—

(i) for the arrangements for insurance coverage to the passengers, with an Indian insurance company, with the prior sanction of the Government;

(ii) to categorise the passengers for the purposes of fixing the extent of insurance coverage;

(iii) for the procedure to be observed for the award of the amount of insurance;

(iv) eligibility of a passenger and his legal heirs for the insurance amount in accordance with the nature of injuries and in the case of death, as the case may be;

(v) hospitalization of passengers and the procedure for payment of amount;

(vi) mechanism to settle any dispute under the scheme;

(vii) such other matters for the effective implementation of the scheme.

(b) in a scheme for improved passenger amenities, the Corporation may,—

(i) specify the passenger amenities that may be made available to the passengers;

(ii) provide for the management and maintenance of passenger amenities;

(iii) provide for arrangement of any convenience for the better service to the passengers.

(c) in the scheme for employees' social security, the Corporation may,—

(i) provide to give pension to its employees who have retired or retires from the services of the Corporation where the Corporation cannot otherwise meet the expenditure for the purpose;

(ii) to provide for adjustment of any amount for the payment of pension;

(iii) temporary arrangement of the amount credited to the Fund for the benefit of its employees who have retired or retires from the services of the Corporation.

(3) Every scheme made under this Act shall be laid before the Legislative Assembly as soon as it is published in the Gazette.

*Explanation.*—For the purposes of this section the expression “Indian insurance company” shall have the same meaning assigned to that expression in clause (7A) of section 2 of the Insurance Act, 1938 (Central Act 4 of 1938).

4. *Levy and collection of cess on passenger ticket.*—(1) There shall be levied and collected a cess, for the purposes of the schemes under this Act, on passenger tickets of the Corporation, at the rates specified in the Schedule.

(2) Every person travelling in a stage carriage bus operated by the Corporation shall be liable to pay the cess under sub-section (1) along with the payment of fare, as soon as the passenger ticket is issued to him.

(3) The tickets issued under sub-section (2) shall contain the amount of cess which shall be shown in the ticket separately.

(4) The cess levied under sub-section (1) shall be in addition to any cess, duty or tax leviable on road, passengers or vehicles under any other law for the time being in force.

(5) The proceeds of the cess collected under sub-section (2) shall be credited initially to the Consolidated Fund of the State in the manner as may be prescribed.

(6) The amount of cess collected shall be paid to the Fund of the Corporation by the Government in every three months, in the manner as may be prescribed.

(7) The amount paid to the Corporation by the Government under sub-section (6) shall be credited to the Fund and shall be kept under a separate head of account.

5. *Rights of passengers.*—(1) Every passenger shall be entitled to get the benefit of the passenger group personal accident insurance coverage as per the scheme made under this Act.

(2) Any passenger aggrieved by the decision of the Corporation in respect of such insurance coverage may make a complaint before such authority as may be specified in the scheme.

(3) Any passenger aggrieved by the decision of any authority under the scheme may appeal to the Government within sixty days from the date of receipt of the order.

6. *Power to amend the Schedule.*—(1) The Government may, where the Legislative Assembly is not in session, in public interest or on the recommendation of the Corporation, by notification in the Gazette, amend the schedule for the purpose of increasing or reducing the rate of cess specified in the Schedule.

(2) Every notification issued under sub-section (1) shall be laid before the Legislative Assembly in its immediately succeeding session stating the

reasons for the same and every such notification shall be replaced by an Act of the State Legislature during such session of the Legislative Assembly.

(3) Where a notification issued under sub-section (1) is not replaced by an Act of the State Legislature as provided under sub-section (2), the notification shall be deemed to be ceased on the end of such session.

7. *Power to stop and restore the levy and collection of cess.*—(1) The Government may, in public interest or on the recommendation of the Corporation, at any time, by order published in the Gazette, stop the levy and collection of the cess under this Act and in the like manner, the Government may at any time restore the levy and collection of such cess.

(2) Where the levy and collection of cess is stopped under sub-section (1), the Corporation may stop or continue any or all of the schemes under this Act:

Provided that where the Corporation stops any such scheme, it shall settle all the claims under such schemes as soon as such scheme is stopped.

8. *Bar of jurisdiction of civil courts.*—No civil court shall have jurisdiction to settle, decide or deal with any question or dispute or to determine any matter which is required to be settled, decided or dealt with by any authority or officer authorized or appointed by this Act or a scheme made thereunder.

9. *Power to make rules.*—(1) The Government may, by notification in the Gazette, make rules for carrying out the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid, or the session immediately following, the Legislative Assembly make any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

10. *Repeal and saving.*—(1) The Kerala State Road Transport Corporation (Passenger Group Personal Accident Insurance, Improved Passenger Amenities, Employees' Social Security and Cess on Passenger Ticket) Ordinance, 2014 (25 of 2014) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

## SCHEDULE

[See section 4(1)]

<i>Sl. No.</i>	<i>Slab as per ticket fare</i>	<i>Amount of cess (in rupee)</i>
(1)	(2)	(3)
1	Up to Rs. 14	Nil
2	Rs. 15 to Rs. 24	One
3	Rs. 25 to Rs. 49	Two
4	Rs. 50 to Rs. 74	Three
5	Rs. 75 to Rs. 99	Four
6	Rs. 100 and above	Ten

## STATEMENT OF OBJECTS AND REASONS

The Kerala State Road Transport Corporation (K.S.R.T.C.) which is the only shelter in the public transportation sector in Kerala has been passing through a severe financial crisis. Administrative sanction has been granted for a package for revitalisation of the Corporation and is being implemented. However, in the present circumstances more basic amenities to the passengers and also insurance coverage for safety of the passengers cannot be ensured by using the own fund of the K.S.R.T.C. It is necessary to introduce group personal accident insurance coverage to the passengers of the stage carriage buses operated by the K.S.R.T.C. and also to provide personal amenities to the passengers. Alongside, the social security measures are to be extended to the employees also who have retired or retires from the services of the Corporation. For these purposes, the Government have approved the proposal to introduce cess on the passenger tickets of the K.S.R.T.C. buses.

2. Though the Government is providing financial assistance as far as possible, it cannot perfectly save the K.S.R.T.C. from loss. The main issue relating to the financial difficulties of the Corporation is to settle the increasing pension liability. Often, the Corporation cannot meet the expenditure towards this purpose from other sources. Besides, in the scenario of the pension being in arrears, adverse judgments and remarks come from the Hon'ble High Court in



various cases. Therefore, along with ensuring the very existence of the K.S.R.T.C. by facing the financial problems arising out of the pension liabilities, the amenities and safety of the passengers and employees shall also be ensured. In order to achieve these purposes, the Government considers that a legislation is necessary to introduce cess on the K.S.R.T.C. bus tickets.

3. As the Legislative Assembly of the State of Kerala was not in session and the above proposals had to be given effect to immediately, the Kerala State Road Transport Corporation (Passenger Group Personal Accident Insurance, Improved Passenger Amenities, Employees' Social Security and Cess on Passenger Ticket) Ordinance, 2014 was promulgated by the Governor of Kerala on the 16th day of October, 2014 and the same was published as Ordinance No. 25 of 2014 in the Kerala Gazette Extraordinary No. 2478 dated 16th October, 2014.

4. The Bill seeks to replace the said Ordinance by an Act of the State Legislature.

#### FINANCIAL MEMORANDUM

The Bill provides for levy of cess on passenger tickets ranging from rupees fifteen and above beginning with one rupee with a systematic increase. It is expected that approximately rupees 160 crore can be mobilized per year. The Bill provides to credit the amount collected under the item cess initially to the Consolidated Fund of the State and thereafter, the amount so credited shall be given by the Government to the Fund of the Corporation from the Consolidated Fund in every three months. The amount to be paid so will have to be given from the Consolidated Fund of the State as a recurring expenditure in tune with the amount received from the item cess. The recurring and non-recurring expenses as may be incurred in connection with the implementation of the schemes as provided in the Bill cannot be estimated at present.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill provides to empower the Corporation to make schemes, by notification in the Gazette, to introduce passenger group personal accident insurance coverage and improved passenger amenities to its passengers and social security measures for the employees who have retired or retires from the services of the Corporation.

2. Sub-clause (5) of clause 4 of the Bill provides to empower the Government to make rules regarding the crediting of the amount of cess collected under sub-section (2) of section 4 to the Consolidated Fund of the State.

3. Sub-clause (6) of clause 4 of the Bill provides to empower the Government to make rules regarding the manner in which the amount of cess collected shall be credited to the Fund of the Corporation.

4. Sub-clause (1) of clause 6 of the Bill provides to empower the Government to amend the Schedule to the Act in public interest or on the recommendation of the Corporation, by notification in the Gazette, for the purpose of increasing or reducing the rate of cess during the period in which the Legislative Assembly is not in session.

5. Clause 7 of the Bill provides to empower the Government to stop and restore the levy and collection of the cess at any time in public interest or on the recommendation of the Corporation, by order published in the Gazette.

6. Clause 9 of the Bill provides to empower the Government to make rules, by notification in the Gazette, for carrying out the purposes of the Act.

7. The matters in respect of which rules or schemes may be made or orders may be issued are matters of procedure and routine or administrative in nature. Further, the rules, after they are made and after issuing the notification amending the Schedule to the Act, are subject to scrutiny of the Legislative Assembly. The delegation of legislative power is, therefore, of a normal character.

THIRUVANCHOOR RADHAKRISHNAN.