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[Karnataka](#) - [Mysore](#)

Centre urged to restore capital contribution to transport units

Special Correspondent

'Reduce excise duty on diesel to decrease operation costs of public transport services'

- *The Union Government discontinued capital contribution from 1994-95*
 - *STUs finding it difficult to develop infrastructure and augment fleet*
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MEET BEGINS: Minister for Transport N. Cheluvarama Swamy inaugurating the 214th meeting of Standing Committees of the Association of State Road Transport Undertakings (ASRTU) in Mysore on Friday. — PHOTO: M.A. SRIRAM

MYSORE: The State Government has urged the Centre to restore capital contribution to State Transport Undertakings (STUs) and reduce excise duty on diesel and chassis to help decrease operation costs of public transport services, Minister for Transport N. Cheluvarama Swamy has said.

He was delivering the inaugural address of the 214th meeting of the Standing Committees (Supplies and Contracts) of the Association of State Road Transport Undertakings (ASRTU), here on Friday.

The Minister pointed out that the Union Government had been supporting all STUs in the country by making capital contribution but this was discontinued since 1994-95. This had made it difficult for the STUs to augment their rolling stock and develop infrastructure to meet the increasing demand.

The State Government had to support their programmes through partial contribution and

help STUs augment their fleet.

Mr. Cheluvarya Swamy said the KSRTC had borrowed about Rs. 446 crore from various financial institutions during the last three years and the State Government had made an additional contribution of Rs. 112 crore towards creation of infrastructure and an additional Rs. 306 crore as reimbursement for concession travel for students and physically handicapped persons. But the State Government too had limitations to support these in view of the limited financial sources and hence the Centre should restore the practice of capital contribution to the STUs, the Minister said.

He pointed out that about 40 per cent of the expenditure was on diesel and the STUs were paying 23 per cent of excise duty on diesel. Similarly, there was expenditure on chassis and bus bodies on which the STUs were paying 16 per cent excise duty and if the Centre reduced it, it would help provide transport services at affordable cost to the common man, the Minister said.

Alternative fuel

The Minister said the KSRTC and the BMTC were conducting trial run of vehicles using pongemia oil and ethanol mixed with diesel to reduce diesel consumption. These trials had given excellent results and were expected to help reduce expenditure.

M.R. Srinivas Murthy, vice-chairman and MD, KSRTC and vice-president, ASRTU, told presspersons that the Union of International Transport Organisation which is headquartered in Brussels, has evinced interest in opening its second branch in Asia and was keen to locate it in Bangalore.

The organisation was a technology provider for public transport systems across the world and its only existing branch was at Hong Kong, he said. The State Government was being persuaded to provide land for the organisation, he said.

The ASRTU conference will finalise the all India level annual contracts for supply of auto parts for Leyland and Tata buses and body repair items and finalises rate contract for 15,000 items worth Rs. 800 crore.

The meeting will also focus on best management practices of various State Transport Undertakings to help provide quality service at an affordable cost to the public.

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