

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

**PUBLIC UNDERTAKINGS
(2023-2026)**

SEVENTY NINTH REPORT

(Presented on 4th February, 2026)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2026

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On

Kerala State Housing Board

**Based on the Report of the Comptroller and Auditor General of India for the
year ended 31st March, 2018 (General & Social Sector)**

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1-63
Appendix I : Summary of main Conclusions/ Recommendations ..	64-69
Appendix II : Notes furnished by Government on the Audit Paragraph ..	70-88
Appendices mentioned in Audit Paragraphs	
Appendix 3.1 ..	89
Appendix 3.2 ..	90

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

COMPOSITION

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Legislature Secretariat:

Dr. N. Krishna Kumar, Secretary

Smt. Sheeba Varghese, Joint Secretary

Smt. Sindhu T.G., 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...79th Report on Kerala State Housing Board based on the report of the Comptroller and Auditor General of India for the year ended 31st March, 2018 relating to the General and Social Sector.

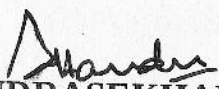
The aforesaid Report of the Comptroller and Auditor General of India was laid on the Table of the House on 24-08-2020. The consideration of the audit paragraphs included in this report and examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2023-2026) at its meetings held on 19.01.2024 & 15.05.2024.

This Report was considered and approved by the Committee (2023-2026) at its meeting held on 03.02.2026.

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 Housing Department of the Secretariat and Kerala State Housing Board 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, Housing Department and Finance Department and the officials of Kerala State Housing Board who appeared for evidence and assisted the Committee by placing their views before the Committee.

Thiruvananthapuram,
Ath February, 2026.


E. CHANDRASEKHARAN,
Chairperson,
Committee on Public Undertakings.

**REPORT
ON
KERALA STATE HOUSING BOARD**

Audit Paragraph 3.1-3.12 (2017-18)

Functioning of Kerala State Housing Board

Executive Summary

The Kerala State Housing Board (KSHB) was established in 1971 under the provisions of the Kerala State Housing Board Act, 1971. The Act envisaged for KSHB to play a nodal role in planning and coordinating all housing activities in the State. A Performance Audit to assess the various activities discharged by the KSHB and its functioning was conducted covering the period 2013-18. The Performance Audit brought out the following findings.

KSHB sought approval from GOK for schemes without ensuring availability of hindrance free land, financial viability of the projects, obtaining assurance on project financing, etc., resulting in failure to implement the schemes.

(Paragraph 3.7.1)

Of the 18 Working Women's Hostels sanctioned in the State during 1998-99 to 2016-17, 11 works sanctioned up to 2013-14 were completed. Six works sanctioned since 2014-15 are yet to commence while one work is under progress.

(Paragraph 3.9.1)

Under Saphalyam scheme to provide flats to houseless Economically Weaker Sections, against the target of 1,032 housing units, KSHB could complete only 72 Housing Units (seven per cent) during the period 2012-18. All the 24 housing units taken up by the KSHB under Phase II during 2014-15 remain incomplete. KSHB also compromised with the quality of work in order to limit the cost of construction to stipulated rates.

(Paragraphs 3.9.2.1 and 3.9.2.2)

Flats under the Innovative Rental Housing Scheme aimed to provide residential flats on rent to poor urban workers were allotted to ineligible beneficiaries.

(Paragraph 3.9.4.1)

Financial Management under the KSHB was deficient. The financial statements contained material mis-statements and thus rendered the accounts unfit for use by stakeholders including Government.

(Paragraph 3.10.1)

3.1 Introduction

The Kerala State Housing Board (KSHB) was established in 1971 under the provisions of the Kerala State Housing Board Act, 1971. Administrative control of the KSHB vests with the Housing Department, Government of Kerala. The Act provided for the KSHB to undertake housing or improvement schemes on its own or undertake such schemes transferred to it. The Act also provided for the KSHB to take over and execute any housing or improvement scheme undertaken by a local authority. KSHB was also tasked with taking measures to plan and co-ordinate all housing activities in the State, provide technical advice and scrutinise all projects under housing or improvement schemes sponsored or assisted by the Central or the State Government. KSHB was also required to maintain, allot, lease and otherwise use plots, buildings and other properties of KSHB or the Government, to collect rent from the properties under the control and management of KSHB and repay loans to Central and State Government.

However, the powers of the KSHB were vastly reduced consequent to the passage of the Kerala Decentralisation of Powers Act, 2000 which decentralised powers to Local Self-Government Institutions (LSGI) in the State and resultant amendments made to the KSHB Act, 1971.

3.2 Organisational set up

The KSHB consists of a non-official Chairman appointed by the Government, the Housing Commissioner of the State who is also the Ex-officio Secretary to the

Board, four official members appointed by Government, 11 non-official members nominated by Government including two representatives of three-tier panchayats.

KSHB has jurisdiction over the whole of Kerala. KSHB has three Unit offices at Thiruvananthapuram, Ernakulam and Kozhikode headed by Regional Engineers. Besides the 14 division offices in 14 districts of the State headed by Executive Engineers, there are two Project and Consultancy (P&C) Divisions in Thiruvananthapuram and Ernakulam also headed by Executive Engineers. There are also four branch offices at Nedumangad, Balaramapuram, Changanassery and Kothamangalam.

3.3. Audit scope and methodology

The Performance Audit covering the period 2013-18 was conducted between April 2018 and September 2018. Audit test-checked relevant records in the Government Secretariat, Head Office of the KSHB situated at Thiruvananthapuram, all the three unit offices at Thiruvananthapuram, Ernakulam and Kozhikode and the two P&C Divisions at Thiruvananthapuram and Ernakulam during the course of the Performance Audit.

Four divisions at Thiruvananthapuram, Palakkad, Ernakulam and Kottayam out of the 14 Divisions and branch offices at Balaramapuram under Thiruvananthapuram P&C Division and Changanassery under Kottayam Division were selected through Simple Random Sampling method.

Audit methodology included scrutiny of records and gathering of evidence by issue of audit enquiries and conduct of joint inspections along with officials of the KSHB. The Performance Audit commenced with an Entry Conference on 16 April 2018 with the Additional Secretary to Government, Housing Department wherein the audit objectives, scope and methodology of audit were discussed in detail. An Exit Conference was conducted on 17 January 2019 with the Additional Chief Secretary to Government, Housing Department (ACS). Reply of GOK was received (March 2019) and has been suitably incorporated.

3.4 Audit Objectives

The Performance audit was conducted to assess whether:

- the various activities mandated by the Kerala State Housing Board Act, 1971 as amended from time to time were discharged by KSHB efficiently and effectively; and
- the financial management of the KSHB was done efficiently.

3.5 Audit Criteria

Audit findings were benchmarked against the criteria derived from the following documents:

- Kerala State Housing Board Act, 1971 and subsequent amendments and allied Rules;
- Guidelines, orders and circulars issued by Government of India (GOI)/ Government of Kerala (GOK);
- Kerala Service Rules, Kerala Financial Code, Kerala Treasury Code;
- PWD Manual;
- Perspective/yearly action plan of the KSHB;
- Minutes of the meetings of Board of Members; and
- Stores Purchase Manual

3.6 Acknowledgment

The co-operation extended to Audit by the Housing Department and KSHB facilitating the conduct of the Performance Audit is acknowledged.

Audit Findings

3.7. Planning, Co-ordination and rendering of technical advice

3.7.1. Project formulation

KSHB was required to prepare and submit to GOK, the annual plan proposals by November each year for the formulation of the State Five Year/Annual Plans. Audit observed that KSHB sought approval from GOK for projects without ensuring availability of land, financial viability of the projects, without obtaining any

assurance on project financing, etc., resulting in failure to implement the schemes as shown in **Table 3.1**.

Table 3.1: Details of projects formulated by KSHB and their status

Sl. No.	Name of project	Year of project proposal	Project details	Audit observation	GOK reply
1	Soubhagya Housing Scheme	2014-15 and 2015-16	Grant housing loans of ₹2.50 lakh at four per cent interest to Economically Weaker Sections (EWS) with income up to ₹one lakh and ₹five lakh at 6.50 per cent interest to Low Income Group (LIG) with income up to ₹two lakh. Interest subsidy of 7.25 per cent for EWS and five per cent for LIG to be met by GOK. Project was proposed to be financed through loans from Housing and Urban Development Corporation/ other banks	Project financing was declined by banks. The project proposed by KSHB in 2014-15 and 2015-16 was not proposed in subsequent years indicating abandonment of scheme. The project was formulated and proposed to GOK without obtaining assurances from banks on project financing resulting in abandonment of scheme.	GOK accepted (March 2019) that banks declined to fund the project and the project was dropped.
2.	Working Women's Hostel, Ottappalam, Palakkad	2015-16	Construction by KSHB of three-storeyed, 119 bedded WWH with a project cost of ₹8.81 crore.	The project conceived by KSHB was denied approval to proceed with the work since it was not financially viable due to the presence of three similar GOI aided WWH in the area. Directions of GOK (June 2016) to re-examine financial viability of the project or to identify alternative suitable location has not been complied with by KSHB (September 2018).	GOK accepted (March 2019) that project could not be implemented due to non-receipt of Essentiality Certificate from Social Justice Department.
3.	Santhwanam Rental Housing Scheme	2015-16	Construction of flats in land under possession of KSHB at an estimated cost of ₹6.72 crore for letting out on rent to patients requiring constant medical attention in Government Medical Colleges.	KSHB realised after obtaining Administrative Sanction that the project would not be financially viable since KSHB would not be able to recover the cost of land due to the nominal rate of rent and would have to incur additional recurring expenditure ¹ post construction resulting in virtual abandonment of the project. Defective costing of project proposal by KSHB led to virtual abandonment of project.	GOK replied (March 2019) that the revised proposal including cost of land shall be placed by the Finance Department before the Special Working Group.
4.	Aswas Rental Housing Scheme	2017-18	Construction of flats in Government revenue lands for letting out on rent patients	Work was not taken up due to non-availability of revenue land for construction. The	GOK while accepting audit observation, stated

¹ Maintenance cost, day to day expenses, taxes, etc.

			requiring constant Housing Scheme medical attention in Government Medical Colleges.	project was conceived by KSHB without ensuring availability of revenue land for construction.	(March 2019) that further projects would be conceived only after ensuring availability of land.
5.	Working Women's Hostel, Poundkadavu, Thiruvananthapuram	2016-17	Construction of WWH to accommodate 1,296 women with day care facility at proposed cost of ₹102.24 crore.	Work was not taken up due to failure of GOK to assign land to the KSHB. The project was proposed by KSHB without ensuring availability of hindrance free land.	GOK replied (March 2019) that a suit regarding the ownership of land identified for the project is pending before the High Court and KSHB could not proceed further. The reply is not tenable in view of the fact that the suit was filed (March 2011) even prior to formulation of the project and KSHB should have considered the fact before conceiving the scheme.
6.	Working Women's Hostel, Peerumedu, Idukki	2017-18	Construction of three-storeyed WWH with 91 beds at proposed cost of ₹6.96 crore	Work was not taken up due to failure to get land identified for the project, assigned to KSHB. The project was proposed by KSHB without ensuring availability of hindrance free land.	GOK endorsed (March 2019) the reply of KSHB that the project could not be proceeded with due to inability to assign revenue land to KSHB.

(Source: Data obtained from KSHB)

3.7.2. Defective selection of location and resultant abandonment of projects

GOK made a provision of ₹four crore under the scheme 'Working Women's Hostels' (WWH), a 75 per cent Centrally Sponsored Scheme (CSS) in the budget for 2014-15. GOK accorded (December 2014) Administrative Sanction (AS) at a project cost of ₹26.42 crore including value of land to a proposal (July 2014) submitted by KSHB for construction of a nine-storeyed 319-bedded hostel in 30 out of 35.76 cents of KSHB's own land in Jagathy, Thiruvananthapuram. The project was to be completed within a period of two years. An application for building permit submitted (March 2015) by KSHB to the Thiruvananthapuram Corporation was rejected (March 2015) on the ground that the land proposed for the scheme was

identified as green strip under Sanctioned Master Plan (SMP) and it was not permissible to construct a building with a total plinth area of 4045.87 square meters.

GOK, in the revised budget estimate for 2016-17, announced a project for construction of quarters for All India Service (AIS) Officers and the implementation of the scheme was entrusted to KSHB. Audit observed that KSHB proposed (February 2017) the same 35.76 cents land in Jagathy, Thiruvananthapuram for construction of a 15-storeyed building of area 5162 sq.m comprising 24 flats at a total project cost of ₹25 crore excluding land value. GOK accorded (February 2017) AS for the scheme and released (May 2017) ₹five crore to KSHB as the first instalment of the scheme. The project has not commenced so far (September 2018) due to failure to obtain building permit from Thiruvananthapuram Corporation.

Even though KSHB requested (January 2016) GOK/Thiruvananthapuram Corporation for exemption from zoning regulations, no response was received (as on July 2018) from Thiruvananthapuram Corporation. Audit observed that KSHB identified the same site and formulated the scheme for construction of quarters for AIS Officers, even though the site was notified as a green strip and Thiruvananthapuram Corporation had denied permission to proceed with the earlier project. Selection of location without verifying the land use patterns prescribed in the SMP of the Thiruvananthapuram Corporation led to abandoning of the scheme at Jagathy.

During the Exit Conference (January 2019), ACS assured to pursue the proposal for a WWH as envisaged earlier since there was demand for the same. GOK replied (March 2019) that action was being taken to get exemption for the site from the zoning regulation.

3.8. Status of housing or improvement schemes undertaken by KSHB on its own or schemes transferred to it

During the period of audit 2013-18, KSHB envisaged 10 schemes with the objective of making available 9,112 units to various categories of beneficiaries, as shown in **Table 3.2.**

Table 3.2: Details of nature and number of units proposed

Nature of units	Number of units proposed
Flats/Houses	6313
11 Working Women's Hostels	2632
Rental Housing	140
Day time rest house	1
Revenue towers, Mini Civil Station, etc. ²	26
Total	9112

(Source: Data consolidated from budget documents)

The KSHB had undertaken six³ schemes during 2013-18. The work on the remaining four schemes viz. Soubhagya Housing Scheme for Economically Weaker Sections (EWS)/Low Income Group (LIG) category, Aswas Rental Housing Scheme, Santwanam Rental Housing Scheme and Day time rest house for senior citizen is yet to commence (September 2018).

Of the 9,112 units of various categories proposed to be constructed by KSHB during 2013-18, sanction was accorded for 7,387 units of which work on 3,377 units was completed as on March 2018. The scheme-wise status of units undertaken by KSHB during 2013-18 is given in **Table 3.3**.

Table 3.3: Scheme-wise status of units undertaken by KSHB

Sl No	Name of Scheme	2013-14		2014-15		2015-16		2016-17		2017-18		Total		Units completed
		Sanctioned	Undertaken	Sanctioned	Undertaken	Sanctioned	Undertaken	Sanctioned	Undertaken	Sanctioned	Undertaken	Sanctioned	Undertaken	
1	Working Women's Hostels	390	369	319	Nil	228	Nil	1465	169	230	Nil	2632	538	378
2	Saphalyam Housing Scheme	894	216	138	24	Nil	Nil	Nil	Nil	Nil	Nil	1032	240	72

2 Including Revenue Divisional Office Complex and Education Complex.

3 1. Saphalyam Housing Scheme, 2. Grihasree Housing Scheme, 3. Working Women's Hostels, 4. Innovative Rental Housing Scheme, 5. Housing scheme for Government employees in Government land, 6. Revenue Tower.

3	Grihasree Housing Scheme	525	525	Nil	Nil	1500	890	488	1444	1088	364	3601	3223	2861
4	Innovative Rental Housing Scheme (Athani)	24	24	24	24	Nil	Nil	Nil	Nil	Nil	Nil	48	48	48
5	Housing Scheme for Government employees in Government land	24	24	Nil	Nil	Nil	Nil	Nil	Nil	24	Nil	48	24	18
6	Revenue towers, Mini Civil Station, etc.	1	1	Nil	Nil	Nil	Nil	25	Nil	Nil	Nil	26	1	Nil
Total		1858	1159	481	48	1728	890	1978	1613	1342	364	7387	4074	3377

(Source: Data obtained from KSHB)

Against establishment expenditure of ₹289.96 crore incurred by KSHB during 2013-18, the value of works executed during the period was only ₹96.77 crore which raises serious concerns on the viability of functioning of KSHB. Audit also observed GOK promoting other agencies in the housing sector. During 2013-18, against the budgetary allocation of ₹1105.54 crore⁴ for housing activities in the State, LSGIs were allocated ₹768.73 crore (69.53 per cent). However, the allocation to KSHB was only ₹193.75 crore (17.53 per cent). Housing activities were also rendered by other agencies under GOK like Kerala Police Housing and Construction Corporation Ltd., Kerala State Nirmithi Kendra, Kerala State Co-operative Housing Federation and the Public Works Department. The original mandate of KSHB to plan and coordinate all housing activities in the State, and to ensure expeditious and efficient implementation of housing or improvement schemes in the State and to provide technical advice and scrutinise all projects under housing or improvement schemes sponsored or assisted by the Central or the State Government was diluted by provisions of Section 156A which was incorporated after passage of Kerala Decentralisation of Powers Act, 2000 (Act 16 of 2000). The amended provision entrusted greater responsibilities to the local authorities. It redefined the role of KSHB to plan any scheme intended to benefit the EWS in the rural or urban area in

4 Includes allocations to LSGIs, KSHB and other housing agencies like Kerala Police Housing and Construction Corporation Ltd., Kerala State Nirmithi Kendra, Kerala State Co-operative Housing Federation and the Public Works Department for housing activities, under Plan schemes.

association with the local authority concerned and as far as possible shall be executed by such local authority with the technical advice of KSHB, if so required. The local authority may prepare and implement schemes for rural or urban housing for EWS in which case KSHB shall render necessary technical advice.

The dilution of mandate and activities rendered by the KSHB during 2013-18 is evident from the fact that as against 3,16,396 houses constructed by Local Self Government Department, only 2999⁵ housing units were constructed by KSHB during the period. Interestingly, the units constructed by KSHB was even lesser than the number of houses constructed by the Scheduled Tribes Development Department (9,527) and the Scheduled Castes Development Department (26,608) during the period. Besides, during 2013-18, no local authority sought the advice of KSHB with reference to planning, coordination or seeking technical advice on housing for EWS as mandated under revised provisions of the Act. Audit observed that even the restricted mandate of the KSHB was not effectively executed by KSHB, as shown in the following paragraphs.

3.9. Implementation of schemes undertaken by KSHB on its own or schemes transferred to it

3.9.1. Working Women's Hostels

The scheme of Working Women's Hostels (WWH) was conceived by GOI for construction of new/expansion of existing buildings to provide safe and conveniently located hostel facilities for working women who need to live away from their families, due to professional commitments. Under the scheme, GOI proposed to release financial assistance to the extent of 75 *per cent* (reduced to 60 *per cent* since 2016-17) of the cost of construction of the building for the hostels. The scheme envisaged GOI to release its share of funds in three instalments. While the first instalment of 50 *per cent* was to be released along with the sanction of the project, the second instalment of 40 *per cent* was proposed to be released when the implementing agency had already spent the previous instalment along with its own

5 Excluding Working Women's Hostels

proportionate share of cost in the construction of the building. The third and final instalment of 10 per cent along with the one-time grant for purchase of furniture and common area facilities was to be reimbursed upon completion of the construction.

Audit observed that KSHB was accorded AS to proceed with the construction of 18 WWHs in the State during 1998-99 to 2017-18. Eleven works sanctioned up to 2013-14 were completed at a total cost of ₹32.36 crore with six works sanctioned since 2014-15 yet to be commenced and one work under progress as shown in **Table 3.4**.

Table 3.4: Details of Working Women's Hostels sanctioned

Year of sanction	Sl. No.	Name of WWH	AS amount* (₹ in crore)	Expenditure (₹ in crore)	Year of completion
1998-99	1	Gandhi Nagar, Kottayam	1.48	0.80	1999
	2	Muttam, Idukki	1.04	1.04	1999
2001-02	3	Kakkanad, Ernakulam	0.97	1.03	2002
2009-10	4	Pullazhi, Thrissur	2.30	2.65	2013
2012-13	5	Chevayoor, Kozhikode	10.13	5.72	2017
	6	Muttam, Idukki (Additional Block)	4.18	3.32	2015
	7	Kattappana, Idukki	6.51	5.14	2017
2013-14	8	Mulamkunathukavu, Thrissur	8.15	3.40	2017
	9	Kizhakke Chalakudy, Thrissur	6.11	2.65	2017
	10	Edappally, Ernakulam	7.48	3.25	2016
	11	Peroorkada, Thiruvananthapuram	7.45	3.36	2017
2014-15	12	Jagathy, Thiruvananthapuram	26.42	Work not commenced	
2015-16	13	Ottappalam, Palakkad	8.81	Work not commenced	
	14	Madhur, Kasaragod	8.37	Work not commenced	
2016-17	15	Mananthavady, Wayanad	18.69	Work in progress	
	16	Gandhi Nagar, Kottayam (Additional block)	12.68	Work not commenced	
2017-18	17	Peerumedu, Idukki	6.96	Work not commenced	
	18	Poundukadavu, Thiruvananthapuram	102.24	Work not commenced	
Total			239.97	32.36	

* AS amount includes cost of land, administrative expense, construction cost of building, land development cost, etc.

(Source: Data obtained from KSHB)

The deficiencies noticed in the execution of construction works of the WWHs is given below.

3.9.1.1. Defective planning and resultant infructuous expenditure

GOK accorded (September 2013) AS for the construction of a three-storeyed building for a 98 bedded WWH at Edappally, Ernakulam at an estimated cost of ₹3.71 crore. While the State share of ₹0.93 crore (25 *per cent*) was released in March 2014, GOI released ₹1.39 crore (March 2016) as the first instalment of its share of financial assistance for the scheme. The construction of the building was completed at an up to-date expenditure of ₹3.25 crore and the WWH inaugurated in October 2017.

It was seen that the WWH, despite its inauguration, could not be made functional (August 2018) due to failure of the KSHB to plan for disposal of wastewater generated by the WWH. The Corporation drain in front of the hostel with a depth of 20 to 30 cms was incapable of holding and conveying the large volume of wastewater (15,000 litres per day) expected to be generated by the WWH, resulting in inability to dispose of the water.

An inspection conducted (March 2018) by the Secretary to KSHB also confirmed that defective planning led to failure to provide for disposal of wastewater in the WWH. Subsequently, the Secretary suggested installation of a Sewage Treatment Plant and taking up the matter of enlarging the size of drain with Corporation authorities. Accordingly, KSHB decided (March 2018) to follow up the suggestions of the Secretary. However, the fact remains that as revealed in joint verification (August 2018) conducted by Audit, the hostel, though inaugurated in October 2017, is yet to commence operations due to insufficient drainage facility.

During the Exit Conference (January 2019), ACS directed KSHB to follow up and complete the work. GOK replied (March 2019) that KSHB with the support of Local Self Government Institution would rectify the issues without further delay.

3.9.1.2. Delay in finalising scheme proposal and resultant escalation in costs due to revised sharing pattern of assistance

The scheme of WWHs was funded between GOI and GOK in the ratio of 75:25 up to 2015-16. From 2016-17 onwards, the scheme was funded in the ratio of 60:40 between GOI and GOK. GOI further modified the funding pattern to 60:15:25 to be shared between the Centre, State and Implementing Agencies with effect from 22 November 2017.

Audit observed that in at least three instances, KSHB, failed to follow-up on the proposals, resulting in failure to take up the projects.

Additional block for Working Women's Hostel at Gandhi Nagar, Kottayam

KSHB, consequent to a demand survey conducted by it, sought (January 2016) AS for construction of an additional block to the existing WWH at Gandhi Nagar, Kottayam at an estimated cost of ₹6.34 crore. The cost was to be shared between GOI and GOK in the ratio 75:25. Subsequent to revision of the funding pattern between GOI and GOK to 60:40 in 2016-17, KSHB forwarded (April 2017) a revised proposal to GOK. GOK accorded (June 2017) sanction for the project at an estimated cost of ₹9.08 crore.

Audit observed that instead of immediately following up on the AS to implement the project, KSHB spent time examining the feasibility of constructing 2-BHK flats instead of the already approved WWH in the same land. KSHB finally decided (March 2018) to proceed with the project upon being informed (October 2017) of lack of demand for 2-BHK/3-BHK flats.

Audit observed that despite obtaining AS in June 2017, the KSHB took no effort to implement the scheme till March 2018, when it decided to execute the project. Meanwhile, GOI further revised (November 2017) the funding pattern to 60:15:25, which necessitated further revision in the AS and financial contribution of 25 *per cent* by the KSHB against the earlier NIL contribution. In view of its poor financial position, the possibility of KSHB contributing to the extent of 25 *per cent* appears remote. The unwarranted delay caused by KSHB has resulted in foregoing GOI

assistance besides failure to construct an additional 139-bedded block to the WWH in Kottayam district.

GOK replied (March 2019) that considering the market potentiality of the land at Gandhi Nagar, the KSHB had decided to examine whether construction of 2-BHK/3-BHK flat on this land was economical compared to construction of WWH and that the delay was not intentional but for finding out more economical projects.

The reply is not acceptable, as the GOK had accorded AS to KSHB for construction of a WWH based on a demand survey and KSHB should have followed up on the already accepted proposal to its fruitful conclusion rather than exploring viability of other proposals. The action of KSHB resulted in foregoing of GOI assistance and failure to construct an additional block to WWH at Gandhi Nagar, Kottayam district.

Working Women's Hostel at Mananthavady, Wayanad

KSHB sought (January 2012) a Demand Assessment Report from the District Social Welfare Officer, Wayanad for setting up a WWH in Mananthavady, Wayanad district. The need for a WWH at Mananthavady, Wayanad district was confirmed by the District Social Welfare Officer in June 2012.

However, it was only in December 2015 that KSHB decided to construct a building for 169 bedded WWH at Mananthavady at an estimated cost of ₹10.75 crore and forwarded proposal for sanction to GOK. As per the proposal, cost was to be shared between GOI and GOK in the ratio 75:25. Consequent to revision in the funding pattern to 60:40 between GOI and GOK, KSHB submitted (September 2016) a revised proposal for construction of the WWH at Mananthavady at an estimated cost of ₹12.00 crore which was accorded (October 2016) AS by GOK. GOK also released (March 2017) ₹4.80 crore as its contribution to the scheme.

Audit observed that despite obtaining need assessment report from the District Social Welfare Officer, Wayanad in June 2012 justifying the setting up of the WWH at Mananthavady, the proposal seeking sanction was forwarded to GOK only in

December 2015. The delay of more than three years on the part of KSHB in pursuing and obtaining GOK sanction has resulted in enhancement of GOK contribution from 25 *per cent* to 40 *per cent* to meet increase in State share of funding. Besides the unwarranted delay caused by KSHB resulted in foregoing of GOI assistance and delay in construction of a WWH at Mananthavady.

GOK replied (March 2019) that KSHB decided not to immediately proceed with the project and instead explore the possibility of constructing a WWH at Kalpetta which did not materialise.

In view of the identified need for a WWH at Mananthavady, the decision of KSHB to explore the possibility of construction of a WWH in another location was unwarranted resulting in foregoing of substantial GOI assistance and delay in construction of WWH at Mananthavady, Wayanad District.

Working Women's Hostel, Madhur, Kasaragod

GOK accorded (August 2015) AS to construct a three-storeyed WWH building (75 per cent CSS) with 109 beds at an estimated cost of ₹6.05 crore at Madhur in Kasaragod district. The construction was to be completed within one year.

Audit observed that the application for GOI assistance submitted (October 2016) to the Directorate of Social Justice for onward transmission to GOI was returned by the Directorate of Social Justice citing failure to obtain mandatory approval from the District Women's Welfare Committee (DWWC) and delay in submission of application (Due date of submission of application was 30 September 2016).

Paragraph 9 (a) of the scheme guidelines (June 2015) clearly stipulates that application for obtaining GOI assistance should only be submitted after getting approval from the respective DWWC. Failure of the KSHB to comply with the provision caused delay in submission of application.

The application was resubmitted (June 2017) to the Directorate of Social Justice after obtaining approval of the DWWC (May 2017). The Social Justice Department forwarded (March 2018) the proposal for WWH at Madhur to GOI.

However, during this period, the fund sharing pattern between GOI and GOK which was 75:25 initially was revised to 60:40 from 2016-17 and further revised (November 2017) to 60:15:25 between GOI, GOK and Implementing Agency. Thus, laxity on the part of KSHB in submitting the application for the WWH at Madhur in Kasaragod district has resulted in foregoing of substantial GOI assistance and delay in construction of the proposed WWH.

GOK replied (March 2019) that the permit from the local body was received only in 2016 for submitting to GOI and the same has now been forwarded to the GOI.

The reply is unacceptable, as it is seen that though the building permit was received in March 2016, KSHB submitted the application to Social Justice Department only in October 2016, without obtaining the approval of DWWC, which further delayed the process. Thus, laxity on the part of KSHB resulted in foregoing of GOI assistance and delay in the construction of WWH at Madhur, Kasaragod district.

Recommendation 3.1: KSHB may effectively follow-up on proposals to ensure timely completion of projects.

3.9.2.Implementation of Saphalyam Housing Scheme

GOK accorded (March 2012) AS to KSHB for implementation of the 'Saphalyam Housing Scheme' to provide flats to houseless Economically Weaker Section (EWS) through KSHB by collaborating with public, beneficiaries and panchayat in Public Private Panchayat Partnership model (PPPP). The scheme envisaged limiting cost of each flat to ₹2.50 lakh (excluding cost of land) to be met by availing loan from Housing and Urban Development Corporation (HUDCO) (₹one lakh), subsidy from GOK (₹one lakh), contributions from voluntary organisations (₹0.25 lakh) and beneficiary contribution (₹0.25 lakh). The cost of land was proposed to be reckoned

at the time of sale of flats. It was stipulated that GOK would not stand guarantee for any loan availed by the KSHB from HUDCO. It was the responsibility of the LSGIs to ensure completion of site clearance works and provide basic facilities like road, drinking water distribution system, waste disposal system etc.

3.9.2.1 Non-attainment of targets set under the scheme

It was envisaged to construct 1,008 flats in the first phase at an estimated cost of ₹26.88 crore. Considering the poor demand for the scheme, GOK issued (November 2012 and January 2013) revised AS limiting the number of flats to 900 and enhancing the per unit cost to ₹3.50 lakh by increasing Government subsidy to ₹two lakh. GOK accorded (August 2014 and March 2015) AS for construction of 138 flats in the second phase at an estimated cost of ₹5.45 crore. The project was implemented in 10 Panchayats in eight Districts in the first phase launched in 2012-13 and three Panchayats in three Districts in the second phase launched in 2014-15. The status of implementation of the scheme during 2013-18 is as given in **Table 3.5**.

Table 3.5: Status of implementation of Saphalyam Housing Scheme

District	Panchayat	No. of Units		
		Target	Taken up	Completed
Phase I				
Alappuzha	Chettikulangara	144	Nil	Nil
Kottayam	Meenachil	42	Nil	Nil
	Akalakkunnam	240	Nil	Nil
	Erumeli	72	Nil	Nil
Kollam	Chathannoor	48	48	48
Idukki	Kattappana	72	Nil	Nil
Kozhikode	Chelannur	66	66	Nil
Ernakulam ⁶	Chottanikkara	54	54	24
Palakkad	Elapully	84	Nil	Nil
Thrissur	Puthukkad	72	48	Nil
Total		894	216	72
Phase II				
Palakkad	Lakkidi Peroor	66	24	Nil
Ernakulam	Elanji	48	Nil	Nil

⁶ Initially it was envisaged to construct 60 flat/building at Thiruvalli in Malappuram district. Due to lack of co-operation from Panchayat, GOK accorded revised sanction (May 2014) to implement the scheme at Chottanikkara (54 units) instead of Thiruvalli.

Kasaragod	Chemmanad	24	Nil	Nil
Total		138	24	Nil
Grand Total		1032	240	72

(Source: Data obtained from KSHB)

As evident from the table, the number of housing units taken up for construction by KSHB was very low with reference to the target set by itself. Only 240 housing units were taken up for construction against the target of 1032. The percentage of completion was even lower. It was seen that only 24 per cent of the works taken up were completed. Thus, against the target of 1,032 housing units, KSHB could complete only 72 housing units (seven per cent) during the period 2012-18. None of the 24 housing units taken up by the KSHB under Phase II during 2014-15 has been completed (August 2018).

Audit examined reasons for the poor implementation of the scheme by the KSHB. It was observed that financial assistance provided by GOK was inadequate. Audit noticed that GOK released ₹one crore during 2011-12 and ₹five crore during 2013-14 to KSHB for the scheme. No financial assistance was rendered by GOK for the scheme during 2012-13. Thus, against the requirement of ₹17.88 crore⁷ for the first phase of 894 dwelling units, GOK released only ₹six crore. The inadequate release of funds impacted the implementation of the Scheme with the KSHB proposing to take up only 216 units (24 per cent) in four⁸ Panchayats against the target of 894 units in Phase I. In Puthukkad Panchayat, construction of only 48 out of the targeted 72 flats was taken up due to the presence of an electric line passing through the property.

All the 24 housing units taken up for construction in Phase II in Lakkidi Peroor remain incomplete due to failure of the beneficiaries to fully remit their share of contribution to the scheme. Further, Audit also observed that in nine⁹ Panchayats, works were not taken up or remained incomplete due to failure to make available

⁷ 894 flats x Enhanced GOK subsidy ₹2 lakh = ₹17.88 crore

₹One crore released in 2011-12; ₹17 crore provided for in the Budget for the year 2012-13 was not released.

⁸ Chathannur, Chelannur, Chottanikkara and Puthukkad.

⁹ Chettikulangara, Meenachil, Erumeli, Kattappana, Elapully, Puthukkad, Akalakunnam, Elanji and Chemmanad.

Government/Panchayat land to the KSHB for construction and lack of co-operation of Panchayats in mobilising funds.

Audit observed that the guidelines of the scheme did not stipulate execution of agreement between the KSHB, Grama Panchayats and beneficiaries. Had the proposal for construction of dwelling units under the scheme been approved by all stakeholders and legally documented, the possibility of the Grama Panchayats not cooperating with the implementation of the scheme could have been avoided and the scheme implemented more fruitfully. The lack of co-operation of the Grama Panchayats and hike in cost of construction has led to the KSHB proposing (May 2017) to wind up the Saphalyam Housing Scheme.

3.9.2.2 Defective estimation and unfinished works

The scheme envisaged limiting cost of each housing unit to ₹2.50 lakh which was later enhanced to ₹3.50 lakh by increasing Government subsidy from ₹one lakh to ₹two lakh. As this was a scheme targeted to benefit houseless people belonging to the economically weaker sections of society, the contribution of each beneficiary of the housing scheme was limited to ₹25,000.

It was observed that in order to limit the cost of the work of construction of 66 flats under the Saphalyam Housing scheme at Chelannur, Kozhikode to ₹3.50 lakh, the Chief Engineer, KSHB approved (February 2015) the suggestion of the Regional Engineer, KSHB (January 2015) to refrain from taking up certain items of work. The items of work included painting outside walls, plastering of walls in the toilet, plastering of floors inside the flats and installation of two inside doors. This compromised the quality of the work. Additionally, failure of the Grama Panchayats to provide for drinking water, electricity, waste management, compound wall, etc., rendered the flats uninhabitable. Thus, the 66 flats whose building works were completed in June 2016, remain unoccupied (August 2018).

Similarly, KSHB compromised on the quality of work in the scheme implemented in Chathannoor where the walls were not plastered and at Lakkidi Peroor where the cost of plastering, painting, inside doors were excluded from the estimate to limit the unit cost to ₹3.50 lakh. Audit observed that tenants of the housing units at Chathannoor complained of seepage of water inside flats during rainy season due to non-plastering of outside walls.

The action of KSHB in compromising with the quality of work in order to limit the cost of construction to stipulated rates is untenable.

GOK while accepting (March 2019) audit observations with regard to the Saphalyam Housing scheme stated that the Government subsidy for the scheme was since increased to ₹three lakh (January 2019) from ₹two lakh.

3.9.3. Grihasree Housing Scheme

GOK accorded (August 2013) AS to KSHB to implement Grihasree Housing Scheme for financing construction of houses at a cost of ₹four lakh by beneficiaries belonging to EWS and Low Income Group (LIG) categories owning two to three cents of land. The construction cost of ₹four lakh was to be met by way of GOK subsidy of ₹two lakh and contribution of ₹one lakh each by the eligible beneficiary and sponsor respectively which were deposited in a separate bank account by KSHB. The disbursement of assistance to the beneficiaries under the scheme was made by KSHB in four stages as shown below.

Stage I (On getting building permit)	- ₹50,000
Stage II (On completion of foundation and basement)	- ₹1,00,000
Stage III (Construction up to roof stage)	- ₹1,00,000
Stage IV (On completion of roofing and commencement of finishing works)	- ₹1,50,000

The physical status of works undertaken under Grihasree Housing scheme as on 31 August 2018 is given in **Table 3.6**.

Table 3.6: Status of works under Grihasree Housing scheme as on 31.08.2018

Phase	No. of beneficiaries to whom amount has been disbursed in instalments				No. of completed buildings
	I	II	III	IV	
Phase I (2013-14)	536	535	524	516	516
Phase II (2014-16)	672	670	668	656	656
Phase III (2016-18)	1902	1857	1813	1689	1689
Total	3110	3062	3005	2861	2861

(Source: Data obtained from KSHB)

The Guidelines of the scheme envisaged completion of the housing units within one year of the receipt of first instalment. It is evident that 20 houses which received the first stage of assistance in 2013-14 still remain to be completed. Similarly, 16 houses which received first stage of assistance during 2014-16 remain incomplete (August 2018).

3.9.3.1. Parking of Government of Kerala assistance in Fixed Deposit

Parking of Government of Kerala assistance in Fixed Deposit Details of funds received and amount expended on Grihasree Housing scheme during 2013-18 is given in **Table 3.7**.

Table 3.7: Details of funds received and expended on Grihasree Housing scheme during 2013-18

(₹ in crore)

Source of fund	Amount received	Expenditure	Balance as on August 2018
Government of Kerala	64.46	57.94	6.52
Beneficiaries and Sponsors	63.31	61.20	2.11
Total	127.77	119.14	8.63

(Source: Data obtained from KSHB)

Audit observed that out of these funds, ₹8.35 crore was kept in nine short-term fixed deposits and ₹0.28 crore was kept in Savings Bank account (status as on August 2018) with the State Bank of India, Thiruvananthapuram with the first deposit being made in August 2017. Parking of scheme funds of ₹6.52 crore received from GOK, in fixed deposits with nationalised banks, amounts to parking of funds outside of

Government accounts and is in violation of GOK instructions (August 2009) directing retention of funds received from the State Government in Government treasuries only. GOK replied (March 2019) that the amount received on this behalf has been invested in short term fixed deposits for avoiding loss of interest. The reply of GOK is unacceptable as it is contrary to its own instructions (August 2009) that Government funds should be retained in Government treasuries only.

3.9.4. Innovative Rental Housing Scheme (Athani)

Innovative Rental Housing Scheme formulated (2008-09) by KSHB at the instance of GOK targeted to provide housing facilities to poor urban workers who were being increasingly displaced from the city limits and forced to stay far away from their work place. Under the scheme, residential flats were to be constructed in urban areas which would be provided at cheap rental rates to the workers and their families. As per the guidelines of the scheme, 20 *per cent* of the units were reserved as Chairman's quota and 33 *per cent* for the women workers who are single, widowed, deserted, separated or divorced. The beneficiary should be a member of working class belonging to the Below Poverty Line (BPL) category except for Chairman's quota which is reserved for permanent/casual/ temporary/contract employees of GOK/KSHB. Monthly rent fixed for each dwelling unit was ₹1,000 which was revised to ₹1,500 in August 2017.

As on 31 March 2018, KSHB constructed 236 flats viz., 36 flats at Thrikkakkara, Ernakulam, 88 flats at Poojappura (including 48 flats sanctioned in 2013-15), Thiruvananthapuram, 72 flats at Kuttanellloor, Thrissur and 40 flats at Kozhikode. The scheme was implemented in two of the four test-checked districts viz., Thiruvananthapuram and Ernakulam. Audit examined the status of implementation of the scheme in test-checked districts and observed that flats were allotted to ineligible beneficiaries under the scheme, as shown below.

3.9.4.1 Allotment of flats to ineligible beneficiaries

The scheme guidelines (December 2012) stipulated that a beneficiary under the scheme shall be a member of the working class belonging to BPL Category except for Chairman's quota, which is reserved for permanent/casual/ temporary/contract employees of GOK/KSHB. The beneficiary should execute an agreement for a period of 11 months to be renewed subsequently subject to a maximum period of 33 months. No beneficiary shall be allowed to continue occupation beyond 33 months from the date of first occupancy.

Tenants in 26 of the 40 units in Thiruvananthapuram and 28 of the 36 units in Ernakulam (status as on June 2018 and July 2018 respectively) were continuing occupation beyond 33 months from their initial occupation.

Joint Verification at Thrikkakkara in Ernakulam District revealed that a woman allottee under the BPL category, was in possession of a flat since 2011 (status as on June 2018). Audit observed that even though the guidelines of the scheme provided for allotment of flats to those in the BPL category, the Executive Engineer, KSHB reported (June 2018) to GOK that the occupant possessed all modern amenities in the flat like Air-conditioner, Television, Refrigerator, Computer, Water purifier, Electrical Sewing Machine, etc. As she was not allotted the flat under the Chairman's quota, it is evident that she was not eligible for a flat under the scheme.

In the Exit Conference (January 2019) Secretary, KSHB while confirming that the scheme was envisaged for providing temporary accommodation to migrant employees during which time these migrant employees would be able to make arrangements for alternate accommodation on their own, also expressed practical difficulty in eviction of occupants.

GOK replied (March 2019) that KSHB had resolved to consider continuance of the tenancy after the period of 33 months, in case they have no other house to stay and on receiving new application from them. However, the fact remains that the resolution of KSHB is contrary to extant guidelines.

3.9.5. Housing Accommodation Scheme for Government employees in Government land

GOK accorded (October 2011) AS for the ‘Housing Accommodation Scheme for Government employees in Government land’ (HAS) for providing rental accommodation to Government servants. It was envisaged that KSHB would construct the GOK funded flats in land belonging to the Government and transfer the completed flats to the Revenue Department for allotment as residential quarters to Government servants. The Housing units were to be completed by the KSHB within one year from the date of the AS. The scheme was implemented in four phases as shown in **Table 3.8**.

Table 3.8: Implementation of HAS

Phase	Year	District-wise status of rental units					
		Kanhangad/Kasaragod (Kasaragod)		Devikulam (Idukki)		Kuttanellloor (Thrissur)	
		Target	Completed	Target	Completed	Target	Completed
I	2011-12	12	12	12	-	-	-
II	2012-13	12	12	6	6	-	-
III	2013-14	12	12	6	6	6	-
IV	2017-18	24	-	-	-	-	-
TOTAL		60	36	24	12	6	-

(Source: Data obtained from KSHB)

The table makes it evident that all works in the first three phases were completed except in Kuttanellloor in Thrissur district and Devikulam in Idukki district. Though AS for construction of six flats under the scheme at Kuttanellloor was received in October 2013 and GOK funds of ₹1.31 crore was released to the KSHB as early in January 2014, the work remains incomplete (June 2018). Audit observed that even though the civil work was completed (August 2017), work on water supply was pending since there was no extant water supply scheme of Kerala Water Authority in the area. The drilling of two bore wells by KSHB also did not yield the desired results. Failure of KSHB to ensure availability of potable water to the scheme has

resulted in the six flats at Kuttanelloor, constructed in August 2017, remaining unusable.

In the fourth phase, AS was received (June 2017) from GOK for construction of 12 flats each in two locations at Kasaragod district namely one at Kasaragod taluk and other at Kanhangad in Hosdurg taluk in Kasaragod District at a total project cost of ₹five crore. However, the projects are yet to take off due to issues in obtaining suitable land. Audit observes that the issue of AS by GOK for construction of flats without considering the availability of water resulted in work of six flats constructed under the third phase remaining incomplete.

GOK while accepting (March 2019) the audit observation with respect to Kasaragod stated that work order has since been issued for commencement of work at Kanhangad.

3.10. Financial Management

Audit examined the system of financial management prevalent in KSHB. Deficiencies in financial statements, revenue collection, failure to ensure receipt of GOI assistance, systemic deficiencies, etc., noticed during the course of the Performance Audit are given below.

3.10.1. Mis-statement of Financial Statements and lax financial standards

In compliance to Section 120 of the KSHB Act 1971, GOK appointed (August 1972), the Examiner of Local Fund Accounts (Local Fund Auditor) and his staff as the auditors of the accounts of KSHB. It was stipulated that the annual accounts of KSHB shall be submitted to the auditor as soon as the accounts were approved by KSHB.

Statutory audit of KSHB was completed by the Local Fund Auditors up to 2016-17. Audit noticed that the Local Fund Auditors had submitted a qualified¹⁰ audit report to GOK on the maintenance of the Statements of Account of KSHB for the years

¹⁰ Qualified opinion - An Auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies. A qualified opinion means that the Auditor after verifying the accounts does not agree on some information presented in the financial statements prepared by the entity.

2013-14 and 2014-15. It was seen that the Local Fund Auditors had justified the issue of a qualified audit report by pointing out various discrepancies¹¹ in the accounts.

Our examination of the accounts also revealed similar mis-statements in accounts during 2015-16 and 2016-17. Of the 103 deposit works exhibited in the accounts of 2016-17, the balances in 44 deposit works totalling ₹41.69 crore had negative balance indicating that KSHB had incurred expenditure in excess of deposit received. Further scrutiny of accounts related to deposit works revealed that balance under nine works pertaining to the period prior to 1993-94, two works pertaining to the years 1997-2000, nine works relating to the years 2005-10 and 28 works of 2011-15 were continuing unchanged in the accounts. KSHB wrongly booked expenditure of ₹51 lakh and ₹22.32 lakh on construction of Revenue Towers at Thiruvananthapuram and Attingal when, in fact, no construction had taken place. A comparison of the Annual Financial Statement for the year ending March 2017 with the Statement of Fixed Deposits furnished to Audit revealed understatement of fixed deposits of ₹1.05 crore in the Annual Financial Statements.

The persistent mis-statements in the accounts spread over a number of years and their pervasive nature, is indicative of lax financial control and has rendered the accounts unfit for use by the stakeholders including Government.

GOK replied (March 2019) that based on audit observation, a special cell has been constituted to trace out and rectify the discrepancies.

Recommendation 3.2: GOK may take all steps necessary to ensure that the accounts of KSHB are more professionally managed to ensure that the accounts are free from material mis-statements.

¹¹ Minus balances shown under various heads in different schedules of balance sheet, ₹32 lakh shown as repaid to Kozhikode Corporation in 2014-15 as annuity deposit despite no such liability shown in 2013-14 accounts, sale proceeds of ₹19.18 lakh pending collection as per accounts of Ernakulam Divisional Office shown as (-) ₹3.27 lakh in the accounts of KSHB, Figures shown under Works in progress was not correct since huge amounts were shown as expenditure on works not started, Figures under various heads under the Schedule 'Advance and Deposit' remaining unchanged since 2011-12.

3.10.2. Efficiency in mobilisation of funds and recovery of dues

Audit examined the efficiency of KSHB in mobilising funds and effecting recovery of dues. It was noticed that at least ₹18.38 crore was receivable from various sources as brought out below.

3.10.2.1. Failure to obtain GOI assistance of ₹4.33 crore

The scheme of Working Women's Hostels envisaged GOI to release its share of funds in three instalments. While the first instalment of 50 *per cent* was to be released along with the sanction of the project, the second instalment of 40 *per cent* was proposed to be released when the implementing agency had already spent the previous instalment along with its own proportionate share of cost in the construction of the building. The third and final instalment of 10 *per cent* along with the one-time grant for purchase of furniture and common area facilities was to be reimbursed upon completion of the construction. Audit observed non-receipt of GOI assistance in six cases as shown in **Appendix 3.1**.

GOI released only first instalment of its share in the construction of two WWHs at NCC Nagar, Thiruvananthapuram and Edappally, Ernakulam. The second and third instalments totalling ₹2.84 crore (₹1.45 crore to WWH, NCC Nagar, Thiruvananthapuram and ₹1.39 crore to Edappally, Ernakulam) is yet to be received due to non-submission of Utilisation Certificates to GOI. Also, the third and final instalment was due (as on March 2019) in the other four instances on account of non-submission of Utilisation Certificates.

3.10.2.2. Cost of land recoverable from Kerala Road Fund Board

KSHB transferred (January 2013) 4.45 cents of commercial land to the Kerala Road Fund Board (KRFB) for widening the road from Medical College Junction to Ulloor Junction under the Thiruvananthapuram City Road Improvement Project. It was decided in a meeting convened (April 2012) by the Hon'ble Minister of Public

Works that KRFB would give compensation to the land taken over from KSHB at the market rate fixed by the District Collector, Thiruvananthapuram. It was also agreed that KSHB shall permit KRFB to carry out the road works on the land under reference immediately, pending payment of the compensation.

KSHB demanded (February 2015) ₹59.67 lakh from the KRFB based on the market price of the land as fixed (December 2014) by the Tahsildar, Thiruvananthapuram. Since KRFB declined (July 2018) to make payment citing various reasons¹², KSHB requested (August 2018) the Housing department to take urgent steps to obtain the market value of the land with interest through a high-level discussion.

Audit observed that the KSHB transferred land vested with it without obtaining sanction from GOK. No agreement stipulating the conditions of transfer of land was executed by KSHB while transferring the land to KRFB. Failure of KSHB to safeguard its assets resulted in inability to collect ₹59.67 lakh from the KRFB.

GOK, while agreeing to the audit observation stated (March 2019) that the KRFB could not release the amount to KSHB for want of sanction from the Public Works Department (PWD). Audit was also informed that KSHB has since taken steps with the PWD to settle the matter at the earliest.

3.10.2.3. Failure to obtain refund of excess establishment charges recovered by the District Collector, Ernakulam

GOK accorded sanction (July 1995) for the creation of a Land Acquisition (LA) Unit consisting of 75 posts for the acquisition of land for Satellite Township Project in Kanayannur Taluk, Thrippunithura, Ernakulam District. GOK ordered (June 1999) that the requisitioning authority (KSHB) had to meet the establishment charges of the LA Unit, if an exclusive LA Unit attended to the land acquisition work. Thus, KSHB was liable to pay establishment charges including leave salary and pension contribution of the staff who were posted to the LA Unit. The LA Unit

¹² No sanction from Government for payment, land being taken over under Capital Region Development Program, etc.

functioned from November 1995 to July 1996, when GOK stayed further LA proceedings due to resistance from local people, Panchayati Raj Institutions, etc. Consequently, after retaining a skeleton number of 16 staff, the remaining staff in the LA unit were deployed to various offices in the District on working arrangement. Subsequent to KSHB deciding (April 2000) to wind up the project, GOK issued (March 2001) orders to wind up the LA Unit.

The District Collector, Ernakulam without considering the transfer of staff on working arrangement, reckoned the establishment charges of the LA Unit for the period 1995-96 to 2000-01 including 75 staff as ₹1.70 crore. After setting off ₹1.17 crore recovered from dues payable to KSHB, the District Collector, Ernakulam demanded (October 2004) the balance of ₹0.53 crore from KSHB.

However, it was the contention of the KSHB that payment was to be made in respect of the establishment charges of 16 skeletal staff who actually worked in the LA unit excluding those deputed for other duties on working arrangement. The KSHB reckoned (July 2015) that only ₹0.60 crore was due to the District Collector, Ernakulam as against the amount of ₹1.70 crore demanded.

In a meeting convened (May 2017) by the Revenue Department to resolve the issue, it was decided to refund ₹0.57 crore 41 to the KSHB after obtaining remarks from the Finance Department. Audit observed that despite following up actively with Government, KSHB is yet to recover (March 2019) its dues from the District Collector.

3.10.2.4 Rent pending collection

Collection of rent from tenants was an important source of revenue to the KSHB. Audit observed that the collection of rent by KSHB was in arrears to the extent of ₹12.88 crore as on March 2018. It was noticed that Government departments were the major defaulters of rent to the KSHB.

Dues outstanding from 40 Government offices as on 31 March 2018 was ₹9.33 crore which accounts for 72 *per cent* of the total dues. Major defaulters were Land Revenue Department (₹2.37 crore), Police (₹2.15 crore), Electrical Inspectorate (₹1.07 crore) and Higher Secondary Department (₹0.78 crore).

Audit observed that though KSHB had intermittently issued letters/Demi-Official letters to Heads of Departments (November 2017, January 2018) seeking payment of rent, KSHB had failed to protect its interests by not ensuring prompt renewal of rental agreements.

The KSHB stated (February 2019) that Government Offices in Thiruvananthapuram District did not execute rent agreements for want of sanction from their Directors/Head of Offices. In Ernakulam, the Government Offices were not willing to renew the agreement since it was proposed to shift all Government offices to the newly completed Mini Civil Station.

GOK stated (March 2019) that the issue of recovery of rent arrears by KSHB from various Government Departments has been taken up with the Finance Department.

Recommendation 3.3: KSHB may take such steps as are necessary to ensure that all revenue, due to it, is collected on time.

3.10.3. Splitting-up of work

Section 2014 of the Public Works Department Manual stipulates that splitting up of works for the purpose of limiting the expenditure to the powers delegated, be avoided. Rule 7.2 of the Stores Purchase Manual of GOK also clarified that demand for stores should not be divided into smaller quantities for making piece-meal purchases for the sole purpose of avoiding the necessity of obtaining required sanction from higher authority, with reference to the estimated value of the total demand.

In KSHB, while the Executive Engineers are delegated with powers to execute works up to ₹one crore, the Regional Engineers can execute works up to ₹2.50 crore

and works up to ₹three crore can be executed by Chief Project Engineer. Works above ₹three crore are entrusted to the Chief Engineer. Audit observed violation of these provisions in two instances as shown below.

3.10.3.1 Construction of Working Women's Hostel, Kozhikode

GOK accorded (June 2012) AS to the KSHB for construction of a seven- storeyed WWH at Kozhikode in two stages viz., construction of first three floors in Stage I and the remaining four floors in Stage II at an estimated cost of ₹8.10 crore. While GOK share of ₹1.59 crore was released in March 2013, the first and second instalments of GOI share (₹4.28 crore¹³) was received in December 2013 and August 2016.

Technical sanction for the work was accorded in May 2013 for ₹7.08 crore. The Chief Engineer directed (May 2013) the Executive Engineer, Kozhikode Division to carry out work by direct execution for early completion. The work was planned to be executed in three phases. Separate tenders for labour and materials up to plinth level were floated initially and later, upon receipt of instructions (March 2014) of Chief Engineer, remaining works were also split up so as not to exceed the financial delegation of powers of the Regional Engineer/Executive Engineer.

The work commenced in December 2013 and the building was inaugurated in October 2017. Audit scrutiny of records revealed that even though the Executive Engineer requested (March 2014) the Chief Engineer to issue tender for the work, the Chief Engineer directed (March 2014) the Regional Engineer to suitably split up the estimate, such that the works could be tendered by the Regional Engineer himself.

Even though Audit could not discern any identifiable monetary impact, the deliberate violation of extant provisions and relevant guidelines by the Chief Engineer suggests dereliction of duty and is indicative of lax supervisory controls.

¹³ First instalment of ₹2.38 crore received from GOI in December 2013. Second instalment of ₹1.90 crore was received in August 2016.

3.10.3.2 Construction of Working Women's Hostel, NCC Nagar

Government of Kerala accorded (September 2013) AS to KSHB for the construction of a 73-bedded WWH at an estimated cost of ₹5.18 crore in Thiruvananthapuram. Consequent to Technical sanction received (March 2014) for the work, KSHB decided (March 2014) to execute the work directly. Audit observed that the Regional Engineer floated separate tenders for labour and materials for works up to grade beam and for super structure, thereby splitting up the work. Separate tenders were also invited for the remaining works such as wooden joinery, steel grill works, painting works, septic tank etc. The deliberate violation of stipulations contained in the PWD Manual for the sole purpose of avoiding the necessity of obtaining required sanction from higher authority was unacceptable.

GOK replied (March 2019) that these works were completed under direct execution based on decision of KSHB/direction of Chief Engineer. The reply is not acceptable as scrutiny of records revealed that works were split up and tendered to limit the expenditure within the powers of Regional Engineer, which was a violation of stipulations contained in the PWD manual.

3.10.4. Asset Management

Observations of Audit on the maintenance of assets vested with KSHB is given below.

3.10.4.1 Defective depiction of value of assets by KSHB

Chapter 8 of Kerala State Housing Board (Maintenance of Accounts) Rules, 1984 requires KSHB to maintain in its Head Office, an Asset Register with full details of each item of asset in its possession. Particulars such as the date of purchase or acquisition, the nature of asset, brief particulars as to from whom purchased or acquired, where situated, the cost, the depreciation written off every year and the balance are to be entered in the register. In case the land along with building is purchased, the value must be segregated into cost of land and buildings.

Audit observed that KSHB did not maintain an asset register as stipulated in the Kerala State Housing Board (Maintenance of Accounts) Rules, 1984. Instead, an Asset register of Land was seen maintained from 2015 onwards which did not record the value of land in possession. Details of land, if any, transferred to the KSHB under Section 12 (1) of the KSHB Act 1971 from the erstwhile City Improvement Trust were neither seen recorded in the Register nor the details made available to Audit for scrutiny.

Audit also observed major differences between the assets registers maintained by the various Division Offices and that maintained by the Head Office of KSHB. Scrutiny of 76 cases in the test-checked four District Offices revealed that in seven cases, land included in the asset register of Division Offices was not included in the asset register of Head Office (**Appendix 3.2**).

It was also noticed that the quantum of land under two schemes in two Division Offices as recorded by KSHB Head Office was lesser than the land area as per the Assets register of land maintained by the Division Office (**Appendix 3.2**).

In view of the stated deficiencies in the maintenance of asset registers, the correctness of value of land as shown in Schedule 7 of the Balance Sheet of KSHB as at 31 March 2017 amounting to ₹829.13 crore is suspect.

GOK replied (March 2019) that based on audit observations, a special cell has been constituted to trace out and rectify the discrepancies.

3.10.4.2 Improper maintenance of records resulting in non-allotment of nine plots under Thrikkakara Satellite Housing Scheme

The Thrikkakara Satellite Housing Scheme was implemented during the period 1981-87. Of the 362 plots available for allotment, 179 plots had buildings and the remaining 183 were vacant plots. A scrutiny of records revealed that nine plots

comprising of 107.69 cents (43.58 are) of land, valued (July 2015) at ₹3.17 crore ¹⁴ (current market value ₹10.76 crore) remains to be allotted (October 2018).

On seeking reasons for non-allotment of the nine plots costing at least ₹10.76 crore, KSHB stated (October 2018) that the relevant files were missing. Laxity of the KSHB has resulted in inability to realise at least ₹10.76 crore as sale proceeds from the property.

GOK replied (March 2019) that the land will be allotted at current market rate, after ascertaining from revenue records whether the plots have already been allotted or not.

3.10.4.3 Non-clearance of encroachment in the KSHB's land

KSHB failed to ensure that land vested with it was safeguarded against encroachment. It was noticed that in three instances, shown in **Table 3.9**, laxity of the KSHB resulted in failure to evict encroachers.

Table 3.9: Instances of encroachments of KSHB land in test-checked districts

Sl. No.	Details of Land	Details of land encroached	Name of the encroacher/ Audit observations	GOK reply
1.	1885.81 cents Palakkad district	2.50 cents	Smt. P V Syamala/ Two suits filed by the encroacher were dismissed/withdrawn by the court/encroacher, respectively. Despite withdrawal of suit in August 2016, KSHB is yet to take effective steps for her eviction and take over possession of the property.	No reply offered by GOK.
2.	Land to the extent of 35.40 cents for Kumaranasan Nagar Commercial cum Residential Complex,	1.50 cents	Kochi Corporation/ Encroachment of KSHB property by Kochi Corporation for setting up of a park. Despite notice issued by KSHB, construction activities	GOK replied (March 2019) that order has been issued (January 2019) directing the Kochi Corporation to remove the barrier

¹⁴ As per the report of the Executive Engineer, Ernakulam (July 2015) the market value of land in that area was ₹10 lakh/cent and fair value fixed by GOK was ₹7.28 lakh/are. Based on the fair value fixed by GOK, the value of the total area of land is reckoned as ₹3.17 crore.

	Ernakulam District.		continued.	constructed in the property of KSHB.
3.	38 cents of land in Vazhakala village	Eight cents of land in Survey No. 133/3 A2	Shri. Moorickal Parameswaran Nair/ Original suit filed by the encroacher/ legal heirs in 1988/2004 against KSHB was dismissed (March 2008) by the Court.	GOK replied (March 2019) that due to resistance from the encroacher, the survey to fix the boundaries could not be completed and now, the matter has been taken up with the District Collector, Ernakulam.
TOTAL		12 cents		

(Source: Data obtained from KSHB)

Audit observed that even when KSHB obtained favourable orders from Courts for eviction of encroachers, laxity of KSHB ensured that the properties remained with the encroachers.

3.10.4.4 Non-mutation of land in possession of KSHB

‘Mutation’ or ‘*Pokkuvaravu*’ is an important process in all legal transactions involving land. Mutation is the process of changing of title ownership of a property from one person to another when the property is transferred. By mutating the property, the new owner can get the property recorded in his/her name and the details of property updated in the revenue records maintained by Civic Bodies like Municipalities, Panchayats and Corporations.

Audit observed that a number of properties of KSHB are yet to be mutated as shown in **Table 3.10**.

Table 3.10: Instances of land in possession of KSHB yet to be mutated

Sl. No.	Area	Location	Remarks
1.	143.865 cents	Pandit's Colony Housing Accommodation Scheme, Thiruvananthapuram	The land was not mutated since resurvey revealed encroachment and land thus not in possession of KSHB. Due to failure to mutate the property KSHB has been unable to issue Sale Deeds to 90 flat owners.
2.	150 cents	Rajiv One Million Housing Scheme,	Land purchased in 1993 is yet to be mutated.

		Moonilavu, Kottayam	
3.	18 cents of Puramboke ¹⁵ land	Kizhakke Chalakudy Housing Scheme	KSHB developed the scheme area including Puramboke land in anticipation of assignment of the land to KSHB. KSHB has been unable to issue Sale Deeds to 21 beneficiaries.
4.	776 cents	Akkulam, Thiruvananthapuram	Survey report with Thiruvananthapuram Divisional Tahsildar. Report is yet to be sent to District Collectorate.
5.	6.01 cents	Jagathy, Thiruvananthapuram	Included as Puramboke in resurvey record. Petition filed with the Tahsildar, Land Revenue, Thiruvananthapuram.
6.	18.78 cents	Pump house to PTP Nagar, Thiruvananthapuram	Included as Puramboke in resurvey record. Petition filed with the Tahsildar, Land Revenue, Thiruvananthapuram.
7.	29.48 cents	KT Jacob Nagar, Thiruvananthapuram	The land is still in the name of the earlier owner as per resurvey record. Petition filed with the Tahsildar, Land Revenue, Thiruvananthapuram.

(Source: Data obtained from KSHB)

As evident from the table, construction and sale of dwelling/commercial units without mutating the land has resulted in inability of KSHB to issue Sale Deeds to eligible beneficiaries and prevented the beneficiaries from fully benefitting from their properties.

GOK while accepting audit observations, replied (March 2019) that steps were being taken to get the land mutated in the name of KSHB.

Recommendation 3.4: KSHB may ensure that the value of assets are depicted correctly in the accounts. Urgent steps are required to be taken to ensure that the lands vested with KSHB are safeguarded against encroachment.

3.11. Adequacy of Manpower

As on March 2018, there were only 312 permanent staff and 72 contract staff against the sanctioned strength of 1045. However, KSHB had not reported to the Kerala Public Service Commission all the vacancies in major entry posts as detailed in **Table 3.11.**

Table 3.11: Details of sanctioned strength, men in position, vacancy and vacancy

¹⁵ Puramboke land - Land vested with the Revenue Department

reported as on 31 March 2018

Category	Sanctioned	Men in position	Vacancy	Reported vacancy
Assistant Engineer (Civil)	108	17	91	10
First grade draftsman (Civil)	100	7	93	15
Second grade draftsman (Civil)	71	1	70	--
Assistant Grade II	120	31	89	34

(Source: Data obtained from KSHB)

It was observed that the number of engineers engaged by KSHB ranged from 95 in 2013-14 to 81 in 2017-18. Salaries and allowances of ₹38.29 crore was paid to these staff during 2013-18 for works executed valued at ₹96.77 crore, which is 40 per cent of the cost of the total housing works undertaken by KSHB during the last five years. The works completed showed major quality deficiencies, as discussed in the preceding paragraphs, necessitating an immediate evaluation of the productivity and efficiency of these staff engaged by the KSHB.

Audit observed that by the end of 2022, actual strength of 312 would reduce to 164 due to retirement. More importantly, by the year 2022, the number of persons manning the major functional engineering posts of Assistant Engineer (Civil), Executive Engineer and Assistant Executive Engineer would reduce from 72 to 16, thereby adversely impacting upon the functional efficiency of the KSHB.

3.12. Conclusion

The Performance Audit revealed deficiencies in project formulation resulting in failure to implement schemes. Work on construction of seven Working Women's Hostels sanctioned as early as 2014-15 remains to be completed. The performance of KSHB in attainment of target for construction of flats under Saphalyam Housing Scheme was very poor and needs to be improved upon. Instances of allotment of housing units to ineligible beneficiaries, defective preparation of estimates, laxity of KSHB in timely compliance to guidelines and resultant inability to execute projects was observed. The financial statements contained material mis-statements and thus rendered the accounts unfit for use by stakeholders including Government. The

enactment of the Kerala Decentralisation of Powers Act, 2000 (Act 16 of 2000) has considerably weakened and marginalised the Kerala State Housing Board and reduced its role in the Government housing sector in the State.

[Audit paragraph 3.1-3.12 contained in the Report of the C&AG on General and Social Sector for the year ended 31st March 2018]

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

Discussion and findings of the Committee

Para 3.7- Planning, Co-ordination and rendering of technical advice

The Committee enquired about the audit reference that KSHB sought approval from GoK for projects without ensuring availability of land, financial viability of the projects, without obtaining any assurance on project financing etc resulting in failure to implement schemes. The Chief Engineer admitted that the availability of land was not ensured at the time of obtaining Administrative Sanction for the project and that land acquisition certificate should have to be obtained at the time of preliminary estimate as per PWD Manual. He added that KSHB followed the direction in the PWD Manual that seamless availability of land should be ensured before starting construction and assured that incorporating the audit reference, KSHB will try to avoid such discrepancies in future projects.

The Committee enquired about the officials who are responsible for not implementing projects in properties owned by Housing Board and whether the availability of land is ensured before taking new projects at present. The Chief Engineer informed that there was shortage of funds including the case of Soubhagya Housing Scheme and that currently all projects under KSHB are designed only after ensuring the availability of land.

The Committee enquired about the audit reference that the Board after realising the fact that the cost of land cannot be recouped through nominal rental

rates and they have to bear annual recurring costs after completion of the projects, the Board decided to abandon the project. The Chief Engineer KSHB replied that initially the Board hoped that the right to fix rent would be given to KSHB but as the Government directly fixed the rent, KSHB lost the viability of the project and the matter had been communicated and the Government approved it.

The Committee criticized the Board for the reply that the right to fix the rent may be vested with them and opined that KSHB should have to calculate the initial investment including the cost of land and should prepare a proper plan for the successful implementation of the project.

The Chief Engineer KSHB added that in earlier days most of the projects were carried out utilizing the plan fund and projects were not implemented on the basis of rate of return and as of now projects are being implemented after considering cost of land, construction costs etc. The witness added that the Government had informed that the Finance Department would formulate a revised project including the cost of land before a special working group. The Committee opined that the Board would have to inform the Government that the project could not be implemented profitably in the rate fixed by the Government and it must be revised at a rate after consulting KSHB.

To a query of the Committee regarding the number of staff, pensioners, annual income and expenditure, the Chief Engineer informed that there were about 900 employees in KSHB initially, but now it has been reduced to 220 including both technical and non technical wing consequent to reduction of staff strength. And now KSHB is working in loss as several projects under housing sector have been diverted to LSGD, LIFE etc. as part of decentralisation and the Board has submitted a new project proposal to the Government to revamp the existing situation and now KSHB is in the path of rejuvenation.

To a query of the Committee about the ongoing projects, the Chief Engineer replied that KSHB is now focussing on Middle Income Group – I,

comprising people with 12 lakh income/year and got Administrative Sanction from Planning Department for the housing scheme proposal targeting them. He added that the Board launched a project and constructed a residential Complex in properties owned by Board for high income group in Trivandrum and all the flats were sold and it helped in obtaining self-sufficient income. He added that KSHB started twelve projects all over Kerala within one year and its rate of return is approximately 25-30 percent and that KSHB supports all socially responsible schemes launched by the Government.

To a query of the Committee about the ongoing schemes, the Chief Engineer informed that KSHB has an ongoing 'RERA' approved project in Ambalanagar, the projects of six hospitals' works based on KIIFB funding, several consultancy works amounting to ₹140 crore, ASWAS rental housing Schemes at Thrissur, Kannur and Ernakulam. He added that KSHB also performs about 25 consultancy works in Kollam district co-ordinating various Departments and also initiated two projects targeting high income group in real estate sector and that they are not taking up new projects under EWS Scheme in Government sector.

The Chief Engineer informed that in KSHB there are 65 Engineers including those appointed on contract basis and sub consultants are appointed only in very urgent cases in order to avoid liability to the Board. He added that these contract Engineers are appointed project wise.

To a query of the Committee regarding personal loans, the Chief Engineer replied that KSHB had submitted to Government a project worth ₹10 crore for providing personal loans and got Administrative Sanction for ₹2 crore and this scheme can be initiated after release of the fund. He added that there are several applicants for personal loan and the interest rate is low.

The Committee enquired whether the project work related to Local Self Government Institutions can be done by KSHB. The Chief Engineer replied that when decentralisation was implemented, the Government made it mandatory for

Local Self Government Institutions to develop housing sector by selecting KSHB as their consultants, but they were not ready to comply with. The Board was blamed in the audit for the same.

The Committee criticised KSHB for not completing the projects in time and also stated that most of the companies that came after KSHB are completing the projects very fast. The Committee also observed that many of the works undertaken by KSHB are abandoned halfway and it might be due to the shortage of Government funds or due to changes in central and state allocation of funds. The Committee opined that the Board must complete the projects in a time bound manner.

The Committee pointed out the importance of regaining the credibility of the Board. The Chief Engineer replied that this subject is being constantly reviewed at Government level in the presence of Hon'ble Minister and Department Secretary. The Secretary informed that new schemes are being implemented for the revival of KSHB and has signed MoU with NBCC for a project in Marine drive. She added that the problems such as very slow delivery and unaccountable delivery of the projects are being checked and assured that the working of the Board could be much improved in future.

To a query of Committee regarding the status of ASWAS Rental Housing Scheme, the Chief Engineer replied that this project is progressing in Kannur and Alappuzha and the project in Thrissur has been completed and inaugurated in August 2023. He added that in Kannur though the land was allotted it has been handed over to the Board only in April 2023 and the work is progressing now. But in the case of Alappuzha there was much delay as the contractor became bankrupt but the work has been restarted now.

To a query of the Committee regarding KIIFB projects, the Chief Engineer replied that KSHB got Administrative Sanction for six projects under Health Department and two projects under Revenue Department and have started the work.

The Committee observed that KSHB sought approval for the projects without ensuring the availability of land, financial viability of projects and without obtaining any assurance on project financing which led to the audit reference. The Committee also opined that the Department is silent about the audit reference and they only assured that they are not violating the guidelines at present.

Recommendations/ Conclusions of the Committee

1. The Committee observes that KSHB sought approval for the projects without ensuring the availability of land, financial viability of projects and without obtaining any assurance on project financing resulting in failure to implement schemes. So the Committee recommends that KSHB should avoid such discrepancies in future projects by preparing detailed project proposals by calculating the initial investment and ensuring all the essential factors required for the successful implementation of projects before getting Administrative Sanction from Government.

2. The Committee recommends that the Government should consult with KSHB before fixing rent/ revising rent as the projects are now being implemented on the basis of rate of return after considering the initial investment including the cost of land, construction cost etc. unlike projects implemented on plan fund. Timely revisal of rent is also indispensable to run a project profitably.

3. The Committee observes that many of the works undertaken by KSHB are abandoned halfway and criticized KSHB for not completing the projects in time. Also the Committee pointed out the importance of regaining the credibility of the Board. The Committee recommends to implement projects after conducting a feasibility study and KSHB should give priority to implement projects in their own properties based on public demand.

3.7.2 Defective selection of location and resultant abandonment of projects

The audit observation was that though the application for building permit for Working Women's Hostel was rejected by the Thiruvananthapuram Corporation in 2015 citing that the proposed land was identified as green strip, the Board again proposed a project in the same land for the construction of Quarters for All India Service(AIS) Officers in 2017 and the building permit was denied by the Corporation for the same reason. The Committee enquired about the audit reference and the Chief Engineer replied that as per the new master plan, the land for building quarters for AIS officers was not notified as green strip and hence the project is viable.

The witness informed that the new project was freezed by the Town Planning Department due to some complaints about the draft master plan and the project could be started after clearing the issue. He added that a demand study has to be conducted in order to implement the WWH project as it is a 75 percent centrally sponsored scheme. The land is suitable for residential project and the new scheme could be implemented after the finalisation of the master plan.

To a query of the Committee regarding the selection of land notified as green strip, the Chief Engineer replied that the audit observation is correct and assumed that the land would have been selected hoping to get special sanction from the authorities as some private constructions were being carried out in the same category of land at that time. He added that the sanctioned amount of ₹5 crore for the project has been forfeited to the Government.

The Committee vehemently criticized the Board for selecting the land which was identified as green strip and recommended that the Board should be more vigilant in selecting the land for such schemes in future.

Recommendations/ Conclusions of the Committee

4. The Committee vehemently criticizes the Board for selecting the land which was identified as green strip and recommends that the Board should be more vigilant in selecting the land for such schemes in future.

3.8 Status of housing or improvement schemes undertaken by KSHB on its own or schemes transferred to it

The Committee enquired about the audit reference that KSHB has not played a significant role in construction activities during the period 2013-18. The Chief Engineer replied that as a part of decentralisation of powers, KSHB didn't get much consideration in housing schemes and the funds allotted were meagre in that period. When the Committee enquired about the housing schemes that are implemented effectively with the available funds, the Chief Engineer admitted that there have been lapses and assured that the Board is now in a revamping path. The Committee criticized the Board for not proceeding the assigned works properly even though the fund allotted was meagre.

The Committee enquired about the audit reference stating that during the period 2013-18, the units constructed by KSHB were lesser than the number of houses constructed by SC/ST Department. The Deputy Accountant General replied that the audit reference came from the fact that even though the original mandate of the said departments were not housing development, they have carried out more housing schemes compared to Housing Board. But the Committee expressed its discontent about the audit reference.

The witnesses accepted the audit reference that the functioning of the Board is not much effective but pointed out that the fund allocation to other Departments is much higher compared to the Board and assured that they are trying to improve by taking over more projects. The Committee opined that due to the inefficiency of the Board the Government entrusted the housing schemes to other agencies.

Recommendations/ Conclusions of the Committee

5. The Committee criticizes the Board for not proceeding the assigned works even though the fund allotted was meagre. The Committee observes that the

Government entrust housing schemes to other agencies due to inefficiency of the Board in completing the projects in time. The Committee recommends that the Government should take necessary steps to revamp Housing Board from its present condition by giving them more opportunities to carry out housing schemes. The Committee also directs KSHB to complete the housing projects entrusted to them in time by strictly following all the guidelines.

3.9 Implementation of schemes undertaken by KSHB on its own or schemes transferred to it

3.9.1 Working Women's Hostels

3.9.1.1 Defective planning and resultant infructuous expenditure

The Committee sought explanation for the audit reference that though the construction of WWH at Edappally was completed by incurring an expenditure of ₹3.25 crore it could not be made functional due to the failure of KSHB to plan the disposal of wastewater generated by WWH. The Chief Engineer replied that WWH has been made functional with the help of KSHB's own funds by 2021 and the construction of the drainage plant was completed and admitted that there had been a lapse on the part of the Board in implementing the project.

The Committee vehemently criticized the Board for the flaws made by the officials which led to huge loss of Government money. The witness assured the Committee that they will be more vigilant in implementing such projects in future.

Recommendations/ Conclusions of the Committee

6. The Committee vehemently criticized the Board for the flaws made by the officials which led to huge loss of Government money and the Committee recommends that KSHB should be more vigilant to avoid such lapses in future.

3.9.1.2. Delay in finalising scheme proposal and resultant escalation in costs due to revised sharing pattern of assistance

Additional block for Working Women's Hostel at Gandhi Nagar, Kottayam

The Committee enquired about the current status of construction of additional block of Working Women's Hostel, Kottayam. The Chief Engineer replied that this project has not yet received approval from the Central Government. He added that some of the WWH were built solely on the Administrative Sanction of State Government without obtaining central sanction. Consequently, the Central Government downsized the project and loss incurred to the Board and so in order to avoid such incidents, the Board has decided to take up projects only after getting approval from Central Government.

Working Women's Hostel at Mananthavady, Wayanad

The Committee enquired about the audit reference that knowing the demand for a WWH in Mananthavady, KSHB decided to construct a WWH at another place and because of that, financial assistance from Central Government was denied resulting in further delay of the project. The Chief Engineer replied that at present the construction of the WWH has been completed and is functioning as hostel for a Nursing College.

To a query of the Committee whether the failure to complete works on time had resulted in financial burden, the Chief Engineer replied that the guidelines of 2017 have to be followed at the time of implementing this project and as per these guidelines, the funding pattern between GoI, GoK and the implementing agency was 60:15:25. When this project got approval from GoI, one year after getting Administrative Sanction from State Government, the project was downsized. At that time, even half of the work was not completed and KSHB might be the only agency that incurred loss by taking up this project.

The Committee stated that failure to complete works on time is the main reason behind financial liability of the Board.

Working Women's Hostel, Madhur, Kasargod

The Committee enquired whether the WWH at Madhur, Kasargod has been completed. The Chief Engineer replied that KSHB had completed the project and admitted the audit reference that there was considerable delay in submitting the application and urged the Committee to consider the fact that reply from the Social Justice Department has been received only after one year. To a query of the Committee, the Chief Engineer replied that loans are not sanctioned by HUDCO because the Government would not stand guarantee to any loan.

To a query of the Committee about the current revenue of KSHB, the Chief Engineer replied that the main source of income is from rent and consultancy fee of various projects. He added that about ₹15 crore is pending as rent from Government Offices working in the 57 buildings of Board.

To a query of the Committee about the recruitments in KSHB, the Chief Engineer replied that the appointments are made through PSC and as the pay scale of the Board is one below the scale of other departments, out of the six Engineers advised by PSC, only one person has joined, but resigned later. He added that if the Engineers are not required for long term, they are appointed project wise on contract basis and at present several projects of about ₹190 crore are being implemented by KSHB.

The Chief Engineer further informed that the aforesaid projects are implemented with the existing employees but KSHB should find at least ₹1 crore monthly to meet the expenses. In order to generate more income KSHB has to sell its own flats or take up more consultancy works or increase rent. He added that if rent is to be revised, the existing institutions have to be vacated. At present about 40 percent of the space is vacant.

To a query of the Committee regarding the properties owned by KSHB, the Chief Engineer replied that KSHB has 126 acres of land and 57 buildings and that KSHB is constructing working women's hostels in its own land. He added that KSHB provides land to State Government for implementing welfare activities and

the Government owes ₹223 crore to KSHB in this regard. The Chief Engineer further informed that if the 12 ongoing projects and the marine drive project could be implemented and the dues are cleared by the Government, within two years the Board can be an organisation that can make a good contribution to the Government.

The Committee enquired whether salary can be paid after getting the arrears on rent. The Chief Engineer replied that almost 40 percent of the space is vacant in several places and in Panampilly Nagar the usual rent rate is ₹110/square feet but for KSHB it is only ₹30/squarefeet and the Board could not increase the rent since there are several problems like non-functioning of lifts. If these problems are solved rent can be revised and can assure full occupancy and the Board requires only a small support from the Government and the Board will become self reliant within two years.

The Committee enquired whether banks provide loan for KSHB. The Chief engineer replied that as the Board is in loss, the banks won't provide loans and at the same time they would not take the guarantee of Government offices because they won't pay rent on time.

Based on the above discussion the Committee recommended that the Government should take immediate steps to pay off the debts and to ensure financial assistance to KSHB.

Recommendations/ Conclusions of the Committee

7. The Committee criticizes KSHB's lackadaisical attitude in following up the project proposals pending for GOI assistance and also noticed the delay in implementing a project after getting Administrative Sanction which eventually led to changes in funding pattern and as a result a project that can be done with NIL contribution is in indefinite waiting for GOI approval. So the Committee recommends that stringent measures are to be taken sincerely for the timely follow-up of projects by KSHB for their successful implementation and thereby lessening the financial liability incurred to Board.

8. The Committee observes that even though KSHB possess buildings in prime locations capable of generating income, due to lack of funds for sufficient maintenance of the buildings, KSHB could not ensure full occupancy or revise rent accordingly. So the Committee recommends that the Government should take immediate steps to pay off the debts and to ensure financial assistance to KSHB.

3.9.2 Implementation of Saphalyam Housing Scheme

3.9.2.1 Non-attainment of targets set under the Scheme.

The Committee enquired whether Saphalyam housing scheme has been implemented. The Chief Engineer replied that the flats constructed under the scheme remain incomplete in Puthukkad, Lakkidi Peroor and Chelannur though there has been a remarkable progress during the last six months. He also stated that the discussions were held with Puthukkad MLA and Gramapanchayath authorities and the authorities were convinced that about 2 lakh rupees would be sufficient to complete these flats, to which they have agreed. He hoped that the other Panchayaths would also co-operate with them and ensured that a status update will be intimated to the Committee.

3.9.2.2 Defective estimation and unfurnished works

The Committee enquired about the audit reference that KSHB compromised on the quality of work in the scheme implemented in Chathannoor where the walls were not plastered and at Lakkidi Peroor where the cost of plastering, painting and inside doors were excluded in order to limit the unit cost to ₹3.5 lakh. The Chief Engineer replied that in Lakkidi Peroor the construction is not yet completed and flats constructed in Chathannoor have problems of not having full sunshade and non plastering. He added that at the time of conceiving this scheme ₹2.5 lakh was allotted as grant and later it was raised to ₹3.5 lakh and also in this era of adopting Larry-Baker model for construction, it is not a fair observation that if the walls are not plastered it will cause problems.

The Committee criticized KSHB for constructing the houses excluding inside doors and for not plastering walls resulting in the wastage of Government money without benefiting the ordinary people. The Deputy Accountant General informed that these complaints were raised by the inhabitants when audit officials visited the site.

The Chief Engineer informed that they have received complaints about Chathannoor housing scheme from Honourable Minister's office and have agreed to furnish a report within one month.

The Committee opined that while implementing a project, the Board has to strictly follow the specified guidelines and remarked that the beneficiaries are facing the problems due to the negligence on the part of KSHB. So the Committee recommended to complete the project at the earliest, including the plastering of walls and to furnish a report regarding the matter.

Recommendations/ Conclusions of the Committee

9. The Committee observes that inadequate release of Government funds and lack of co-operation of the Gramapanchayats resulted in incomplete implementation of Saphalyam Housing Scheme. So the Committee recommends that all parameters required for the successful implementation of a project should be documented and finalised after making an agreement with the concerned Gramapanchayaths and beneficiaries, before the commencement of the project. The Committee also recommends to furnish a status update of Saphalyam Housing Scheme.

10. A scheme targeted to benefit houseless people belonging to economically weaker sections of society should be implemented wholeheartedly and sincerely. The Committee criticized KSHB for constructing houses excluding doors and for not plastering walls, resulting in the wastage of Government money without benefiting the ordinary people. The Committee recommends to complete the project at the earliest, including the plastering of walls and to furnish a report regarding the matter.

3.9.3 Grihasree Housing Scheme

The audit objection was that though the Grihasree Scheme envisaged the completion of housing units within one year of the receipt of first instalment, it was not fulfilled. The Committee enquired about the current status of the scheme. The Finance Manager, KSHB informed that the scheme was started in 2013 and envisaged to build 4004 houses and now 3829 houses were completed. The Committee appreciated the Board for the same.

The Committee opined that the Grihasree project is much better than LIFE project since a major share is contributed by the sponsors. The Committee enquired whether there are incomplete houses under the scheme. The Finance Manager replied that there was delay in some cases as the fund is allotted stagewise and if one stage remains incomplete the next instalment would not be allotted and the fund is allotted only after the site verification and on the report of the Assistant Engineer.

The Committee accepted the reply. Hence no remarks.

3.9.3.1 Parking of Government of Kerala assistance in Fixed Deposit

When the Committee enquired about this audit reference, the Finance Manager, KSHB replied that, earlier, the project fund received from GoK was deposited in nationalised banks but now these funds are deposited in treasuries and disbursed directly to the beneficiaries. He added that the above mentioned funds are fully disbursed.

The Committee accepted the reply. Hence no remarks.

3.9.4 Innovative Rental Housing Scheme(Athani)

3.9.4.1 Allotment of flats to ineligible beneficiaries

The Committee enquired whether flats are allotted to ineligible beneficiaries. The Finance Manager, KSHB replied that these flats were allotted to people with BPL certificate and the beneficiary referred in the audit para also possessed BPL certificate and

hence flat was allotted. After realising that she had modern amenities like air conditioner, television etc. this ineligible beneficiary was evicted from the flat on 25.10.2018.

The Committee enquired about the Government reply stating that KSHB had resolved to consider the continuance of the tenancy after the period of 33 months, in case they have no house to stay and on receipt of an application from them. The Finance Manager replied that only ₹1000 could be collected as rent from them and if the Board takes any action, the tenants somehow manages to get a stay from next level. So the Committee recommended the Board to conduct a high level discussion in this regard and to fix a time limit for vacating the houses based on their willingness.

Recommendations/ Conclusions of the Committee

11. The Committee observes that some tenants living in flats under Athani Scheme refuse either to vacate the flat or to renew the agreement after the prescribed time limit of 33 months. So the Committee recommends the Board to conduct a high level discussion in this regard and fix a time limit for vacating the houses based on their willingness.

3.9.5 Housing Accommodation Scheme for Government Employees in Government land

The Committee enquired whether the problem of scarcity of drinking water has been resolved. The Chief Engineer replied that the problems related to the water supply to six flats are not yet resolved and it was assured by the Hon'ble Minister for Water Resources that this problem would be resolved by including this project in Jal Jeevan Mission.

The Chief Engineer informed that the Rental Housing Scheme at Kanhangad has been started but the contractor left the work due to non-receipt of Government fund. The fund was sanctioned three months before and on discussion with the contractors it was decided to enter into an agreement with them. He assured the Committee that the problem of drinking water could be resolved within one month.

Based on the above discussion the Committee recommended that the officials should take earnest measures to improve the present condition of the Board.

Recommendations/ Conclusions of the Committee

12. The Committee noticed that failure of KSHB to ensure the availability of potable water to the scheme has resulted in six flats remaining unusable. So the Committee opines that basic amenities should be ensured in the project proposals before commencement in order to avoid such lapses in future and also recommends that the officials should take earnest measures to improve the present condition of the Board.

Para 3.10- Financial Management

Para 3.10.1- Mis-statement of Financial Statements and lax financial standards

When the Committee enquired about the audit reference, the Chief Engineer, KSHB, replied that after the audit reference internal audit has been strengthened and now all documents have been audited with the help of 'Srinivas & Krishna' Chartered Accountants and as a result financial audit upto the period 2019-20 have become up-to-date. He added that a qualified Chartered Accountant has been appointed as Finance Manager and special attention has been taken to avoid discrepancies in the statements of accounts.

The Committee sought clarification about the audit reference that KSHB wrongly booked expenditure of ₹51 lakh and ₹22.32 lakh on construction of Revenue Towers at Thiruvananthapuram and Attingal where construction had not taken place. The Chief Engineer replied that these amounts were related to designing in the planning stage and that had been addressed with the help of Chartered Accountant and have submitted the accounts after rectification and cleared it in 2019-20 audit.

The Finance Officer informed that a special cell was constituted for rectifying such cases and appointed Srinivas & Krishna Chartered Accountants and they had analysed all these subjects and finalised the accounts upto 2019-20. Now the accounts are maintained properly and professionally with the help of Chartered

Accountants and they have rectified all anomalies pointed out in the audit observation in 2019-20. The Committee enquired whether these details were intimated to C&AG. The Finance Manager replied that the details were submitted during 2022-23 audit.

The Senior Audit Officer informed that during the inspection audit conducted for the period 2021-22, many mistakes were found in the accounts and was intimated to KSHB. He added that in the accounts for the period 2019-20, deposits were accounted as income which led to the audit reference that income was overstated in the accounts and it was not completely rectified in the accounts of 2020.

The Finance Manager replied that the problem of income overstatement has occurred as the amount of ₹10 crore received as profit of deposit work was entered in reserve and surplus column and the same was intimated to the audit.

The Audit Officer further pointed out that the income has been booked on cash basis instead of accrual basis. The Finance Manager replied that currently the rent details are being accounted on accrual basis. He added that account details upto the period 2022-23 were finalised and forwarded to State Audit Department and the details for the financial year 2023-24 will be finalised before 30th September 2024. To a query of the Committee, the Finance Manager replied that all the faults pointed out by the Audit were rectified in 2019-20 itself. The Committee directed to forward the details to the Audit Department.

The Committee accepted the reply. Hence no remarks.

3.10.2. Efficiency in mobilisation of funds and recovery of dues

3.10.2.1 Failure to obtain GOI assistance of ₹4.33 crore.

The Committee enquired about the status of the project of Working Women's Hostels under GOI assistance. The Finance Manager replied that central share for the WWH schemes at Mulamkunnathukavu, Chalakudy & Thiruvananthapuram has

been allotted earlier and that for Edapally scheme was allotted only in April 2024. He added that the Central share for Kozhikode, Chevayoor (₹48 lakh) and Kattappana (₹38 lakh) is pending and follow up actions are being taken to obtain the same. He further informed that the proposals and utility certificates are being forwarded to the Central Government through Women & Child Development Department. But the Central Government often complains about the non-receipt of the same, so these documents have been sent again to the Central Government and confirmed via telephone. The Central Government allots the funds through Single Nodal Agency (SNA) Accounts and the shares of KSHB and the Corporation are also invested in the same account.

To a query of the Committee, the Finance Manager replied that utilisation certificate is forwarded to the Central Government by sending physical copies and also through e-mails. The Committee opined that the Board should follow up the scheme by directly visiting the Central Government Departments concerned. The Finance Manager replied that during the period 2020-23 the then Secretary to Housing Department directly handed over the Utilisation Certificate and strictly followed up the project.

The Committee recommended that both the Board and Housing Department should take follow up action and intervene if there is much delay in getting the Central share.

Recommendations/ Conclusions of the Committee

13. The Committee opines that the Board should follow up the scheme by directly visiting the Central Government Departments concerned and also recommends that both the Board and Housing Department should take follow up action and intervene if there is much delay in getting the Central share.

3.10.2.2 Cost of land recoverable from Kerala Road Fund Board

The Audit observation was that KSHB transferred land vested with it without obtaining sanction from GoK. The Committee enquired about the status of obtaining ₹59.67 lakh being the market value of the transferred land. The Finance Manager replied that it had been informed by the PWD that the amount would be paid after getting the report from District Collector and TRIDA authorities.

The Committee observed that in a meeting convened in the presence of PWD Minister in April 2012, it has been decided that KRFB have to pay damages to KSHB at a rate decided by the District Collector. The Committee enquired why the file was transferred to LSGD. The Finance Manager replied that follow up actions are being made in this regard and that PWD has informed that the amount will be paid to them based on the report of District Collector and TRIDA which monitors the road widening project.

The Committee opined that there was serious lapse on the part of KSHB in transferring the land without obtaining sanction from Government. So the Committee recommended to accelerate the actions to obtain the amount from KRFB and to intimate the same to the Committee.

Recommendations/ Conclusions of the Committee

14. The Committee opines that there was serious lapse on the part of KSHB in transferring the land without obtaining sanction from Government and without executing any agreement with KRFB. So the Committee recommends to accelerate the actions to obtain the amount from KRFB and to intimate the same to the Committee.

3.10.2.3. Failure to obtain refund of excess establishment charges recovered by the District Collector, Ernakulam

The Committee enquired why the excess amount remitted by KSHB could not be realized from the District Collector. The Finance Manager replied that this issue occurred in the period 1995-2000 and the chalan could not be traced and the District

Collector had reported that if the chalan could not be traced out, they have to find an alternative way to get the amount.

To a query of the Committee, the Finance Manager informed that the copy of the chalan is not kept by KSHB. The Committee criticized KSHB for the lackadaisical attitude they possess in money transactions. The witness further informed that a meeting was convened in the presence of Hon'ble Minister in 2022 and the Additional Secretary of Revenue Department was authorised to submit a report. He added that they are trying to obtain a special order for the release of money. The Committee criticized KSHB for the lag in obtaining special order.

The Deputy Accountant General enquired how could KSHB confirm the remittance of money in the period 1995-96. The Finance Manager replied that all the account details are kept by KSHB and only the chalan is missing. Then the Committee doubted how Finance Department could issue special order without any proof. The Finance Department Official replied that it could be decided on the basis of the report of Revenue Department.

The Committee recommended that KSHB should accelerate the follow-up actions to obtain special order from Finance Department. The Committee also suggested that if the Finance Department raises any objection KSHB should convince the Ministers concerned and the Cabinet and should obtain a special order for the release of money.

Recommendations/ Conclusions of the Committee

15. The Committee criticizes KSHB for the lackadaisical attitude they possess in money transactions. The Committee recommends that KSHB should accelerate the follow-up actions to obtain special order from Finance Department. The Committee also suggests that if the Finance Department raises any objection KSHB should convince the Ministers concerned and the Cabinet and should obtain a special order for the release of money.

3.10.2.4 Rent pending collection

The Audit observation was that the collection of rent by KSHB was in arrears to the extent of ₹12.88 crore as on March 2018. Citing the audit reference the Committee opined that if KSHB had renewed the rent agreement in time, they would have been able to collect rent arrears and enquired whether steps had been taken to execute rent agreement with the Departments. The witness replied that actions were taken for the collection of rent by renewing agreement with Government Departments after 2020 and out of the 31 Departments that have taken KSHB buildings on rent, some of them have renewed the agreement. The Committee directed KSHB to furnish a status report of the same.

Recommendations/ Conclusions of the Committee

16. The Committee opined that if KSHB had renewed the rent agreement in time they would have been able to collect rent arrears. The Committee recommends KSHB to ensure prompt renewal of rental agreements and to recover the rent due to KSHB as early as possible. The Committee also directs KSHB to furnish a status report in this regard.

3.10.3 Splitting-up of work

3.10.3.1 Construction of Working Women's Hostel, Kozhikode

3.10.3.2 Construction of Working Women's Hostel, NCC Nagar

The Committee examined the audit paras and accepted the reply furnished by the Department.

3.10.4 Asset Management

3.10.4.1 Defective depiction of value of assets by KSHB

The Committee enquired whether an asset register module is now being maintained and is there any shortcoming in maintaining the asset register as pointed out by audit. The Additional Secretary replied that asset register is maintained by KSHB since 2021 and the valuation of all buildings and properties owned by KSHB will be completed by the following week. He added that in order to verify the measurements of assets under KSHB, a GPS survey was conducted and valued with the help of a registered valuer and it has been sent to various divisions for cross checking and after completing cross verification, KSHB will submit a complete valuation report.

The Committee enquired whether measurements of land were taken differently in different offices and whether they are tallied. The witness replied that since there is only single valuation which is cross checked, the accounts will be tallied. The Committee directed KSHB to submit the details of actions taken in this regard and submit a copy of the asset valuation register after valuation of all buildings and properties within 3 months.

Recommendations/ Conclusions of the Committee

17. The Committee observes that based on the audit observation in order to rectify the discrepancies, KSHB is preparing a complete valuation report after conducting a GPS survey of its assets with the help of a registered valuer. The Committee directs KSHB to submit the details of actions taken in this regard and submit a copy of the asset valuation register after valuation of all buildings and properties within 3 months.

3.10.4.2 Improper maintenance of records resulting in non-allotment of nine plots under Thrikkakara Satellite Housing Scheme

The Committee enquired about the current status of vacant plots under Thrikkakara Satellite Housing Scheme. The witness replied that KSHB have

retrieved all records of these plots and out of nine, three isolated plots of 5-6 cents were sold out and KSHB is planning to commence a PARASPARYAM model project that year by combining the other plots.

The Committee accepted the reply. Hence no remarks.

3.10.4.3 Non-clearance of encroachment in the KSHB's land

The Committee observed that even though the court orders were in favour of KSHB, the Board didn't take necessary steps to evacuate the encroachments and enquired about the actions taken by Board to evict Smt.P.V.Syamala. The witness replied that the Board have filed a police case for evicting the encroacher. The Committee criticized the action of the Board and recommended to file an execution petition in the Court for evicting the encroachment and directed KSHB to clear the encroachment urgently and report to the Committee.

To a query of the Committee regarding the encroachment of 1.5 cents of land out of 35.40 cents of land earmarked for commercial cum residential complex by Cochin Corporation in Kumaranasan Nagar, the witness replied that the land was encroached for constructing a park. The Committee observed that, following the Court order, Government had directed the Corporation to demolish the illegal construction within one month. But the Board could not comply with the order, instead filed another writ petition for the execution of the order and gave the Kochi Corporation a chance to file writ appeal. To a query of the Committee regarding the present status of the case, the witness replied that the case is under the consideration of Hon'ble High Court. The Committee criticized the laxity of KSHB in evicting the encroachers despite getting favourable court orders.

The Committee enquired about the fixing of boundaries of land encroached by Shri.Moorickal Parameswaran Nair in Vazhakkala village in Ernakulam District. The witness replied that the case is under the consideration of Hon'ble High Court. The Committee pointed out the audit observation that the original suit filed by the encroacher was dismissed by the Court. The Government reply also states that due to resistance from the encroacher, the survey to fix boundaries could not be completed and the matter has been taken up by the District Collector. The Committee criticized the irresponsible reply

of the witness and opined that there was sheer negligence on the part of the Board in handling the matter.

The Committee recommended to depute a lawyer to inspect all the pending cases related to encroachment of land and to furnish a report to the Committee.

Recommendations/ Conclusions of the Committee

18. The Committee observes that even though the court orders were in favour of KSHB, the Board didn't take necessary steps to evacuate the encroachments and also criticises the actions taken by Board for evicting the encroacher in this regard. The Committee also recommends to file an execution petition in the Court for evicting the encroachment and directs KSHB to clear the encroachment urgently and report to the Committee.

19. The Committee also criticizes the irresponsible reply of the witness without studying the matter and opines that there was sheer negligence on the part of the Board in handling the matter which is shown evidently in its approach towards illegal encroachments. So the Committee recommends to depute a lawyer to inspect all the pending cases related to encroachment of land and to furnish a report to the Committee.

3.10.4.4 Non-mutation of land in possession of KSHB

The Committee enquired about the present status of mutation of land in possession of KSHB. The witness replied that KSHB had completed mutation of land in Pandit's Colony, Thiruvananthapuram, Rajiv one million Housing Scheme, Kottayam and the land in Akkulam was taken back by Government and cancelled the lease deed issued. He added that currently the Puramboke land in Kizhakke Chalakudy is pending for mutation.

To a query of the Committee regarding the mutation of land in Jagathy, the Chief Engineer replied that eventhough KSHB got 35 cents of land from Government in Jagathy, as per records of Village Office, KSHB is in possession of only 29 cents and the rest is noted as Puramboke land and now this issue has been followed up by Land Revenue Commissioner. The Committee observed that KSHB received 35 cents from the

Government and is paying tax for the same. The Committee enquired how it became 29 cents in village office records and directed KSHB to study the matter accurately and report to the Committee.

The Committee enquired whether the land in PTP Nagar has been mutated. The witness replied that the issue had been solved and KSHB got a favourable reply from Tahasildar on 09.02.2024 that the land in which the pump house is situated will be excluded and the rest of the area can be mutated in the name of the Board. The Committee asked whether the said report from Tahasildar had been received as mentioned in the reply furnished by the GoK in 2021. The witness replied that the report hasn't yet been received and the Committee enquired the reason behind the delay in getting the report and criticised KSHB for non mutating the land in PTP Nagar. The Committee also observed that this issue is not being followed up effectively. The witness replied that the issue has been followed up by the Deputy Collector deputed in KSHB. The Committee expressed its serious displeasure at the negligence of KSHB in non mutating the land even after three years and demanded to furnish a report to the Committee within one month.

The Committee pointed out that the land in K T Jacob Nagar is still in the name of the earlier owner as per the resurvey records. Then the witness replied that mutation had been done in that land and tax was remitted.

Recommendations/ Conclusions of the Committee

20. The Committee observes that eventhough KSHB received 35 cents of land in Jagathy from the Government and paying tax for the same, it remained 29 cents in village office records. So the Committee directs KSHB to study the matter accurately and report to the Committee.

21. The Committee criticized KSHB for not taking effective follow up actions in mutating the land in PTP Nagar and expresses its serious displeasure at the negligence of KSHB in mutating the land even after three years and demanded to furnish a report to the Committee within one month.

3.11 Adequacy of Manpower

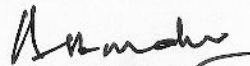
appointed projectwise and that the candidates advised by the PSC are not at all willing to join duty due to the issues in scale of pay. He added that the expenses of the contract employees are met within the project cost. He further informed that in the current financial condition KSHB cannot afford the additional cost by appointing permanent employees and requested the Committee to allow the Board to maintain status quo.

The Committee inquired about the stance of the Government in the matter. The witness replied that the Government also have directed to appoint the employees on project basis and insists to appoint employees permanently only if the tenure of the project is at least five years. He added that out of the 1045 employees in KSHB there are only 175 permanent employees.

The Committee enquired about the current status of marine drive project. The witness replied that there had been a delay as the Model Code of Conduct (MCC) came into existence and KSHB has to get sanction from Government for nominating Empowered Committee and informed that the project is progressing.

The Committee accepted the reply. Hence no remarks.

Thiruvananthapuram,
4th February, 2026.


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	Housing	The Committee observes that KSHB sought approval for the projects without ensuring the availability of land, financial viability of projects and without obtaining any assurance on project financing resulting in failure to implement schemes. So the Committee recommends that KSHB should avoid such discrepancies in future projects by preparing detailed project proposals by calculating the initial investment and ensuring all the essential factors required for the successful implementation of projects before getting Administrative Sanction from Government.
2	2	Housing	The Committee recommends that the Government should consult with KSHB before fixing rent/ revising rent as the projects are now being implemented on the basis of rate of return after considering the initial investment including the cost of land, construction cost etc. unlike projects implemented on plan fund. Timely revisal of rent is also indispensable to run a project profitably.
3	3	Housing	The Committee observes that many of the works undertaken by KSHB are abandoned halfway and criticized KSHB for not completing the projects in time. Also the Committee pointed out the importance of regaining the credibility of the Board. The Committee recommends to implement projects after conducting a feasibility study and KSHB should give priority to

			implement projects in their own properties based on public demand.
4	4	Housing	The Committee vehemently criticizes the Board for selecting the land which was identified as green strip and recommends that the Board should be more vigilant in selecting the land for such schemes in future.
5	5	Housing	The Committee criticizes the Board for not proceeding the assigned works even though the fund allotted was meagre. The Committee observes that the Government entrust housing schemes to other agencies due to inefficiency of the Board in completing the projects in time. The Committee recommends that the Government should take necessary steps to revamp Housing Board from its present condition by giving them more opportunities to carry out housing schemes. The Committee also directs KSHB to complete the housing projects entrusted to them in time by strictly following all the guidelines.
6	6	Housing	The Committee vehemently criticized the Board for the flaws made by the officials which led to huge loss of Government money and the Committee recommends that KSHB should be more vigilant to avoid such lapses in future.
7	7	Housing	The Committee criticizes KSHB's lackadaisical attitude in following up the project proposals pending for GOI assistance and also noticed the delay in implementing a project after getting Administrative Sanction which eventually led to changes in funding pattern and as a

			<p>result a project that can be done with NIL contribution is in indefinite waiting for GOI approval. So the Committee recommends that stringent measures are to be taken sincerely for the timely follow-up of projects by KSHB for their successful implementation and thereby lessening the financial liability incurred to Board.</p>
8	8	Housing	<p>The Committee observes that even though KSHB possess buildings in prime locations capable of generating income, due to lack of funds for sufficient maintenance of the buildings, KSHB could not ensure full occupancy or revise rent accordingly. So the Committee recommends that the Government should take immediate steps to pay off the debts and to ensure financial assistance to KSHB.</p>
9	9	Housing	<p>The Committee observes that inadequate release of Government funds and lack of co-operation of the Gramapanchayats resulted in incomplete implementation of Saphalyam Housing Scheme. So the Committee recommends that all parameters required for the successful implementation of a project should be documented and finalised after making an agreement with the concerned Gramapanchayaths and beneficiaries, before the commencement of the project. The Committee also recommends to furnish a status update of Saphalyam Housing Scheme.</p>
10	10	Housing	<p>A scheme targeted to benefit houseless people belonging to economically weaker sections of society should be implemented wholeheartedly and sincerely. The</p>

			Committee criticized KSHB for constructing houses excluding doors and for not plastering walls, resulting in the wastage of Government money without benefiting the ordinary people. The Committee recommends to complete the project at the earliest, including the plastering of walls and to furnish a report regarding the matter.
11	11	Housing	The Committee observes that some tenants living in flats under Athani Scheme refuse either to vacate the flat or to renew the agreement after the prescribed time limit of 33 months. So the Committee recommends the Board to conduct a high level discussion in this regard and fix a time limit for vacating the houses based on their willingness.
12	12	Housing	The Committee noticed that failure of KSHB to ensure the availability of potable water to the scheme has resulted in six flats remaining unusable. So the Committee opines that basic amenities should be ensured in the project proposals before commencement in order to avoid such lapses in future and also recommends that the officials should take earnest measures to improve the present condition of the Board.
13	13	Housing	The Committee opines that the Board should follow up the scheme by directly visiting the Central Government Departments concerned and also recommends that both the Board and Housing Department should take follow up action and intervene if there is much delay in getting the Central share.
14	14	Housing	The Committee opines that there was serious lapse on the part of KSHB in transferring the land without obtaining

			sanction from Government and without executing any agreement with KRFB. So the Committee recommends to accelerate the actions to obtain the amount from KRFB and to intimate the same to the Committee.
15	15	Housing	The Committee criticizes KSHB for the lackadaisical attitude they possess in money transactions. The Committee recommends that KSHB should accelerate the follow-up actions to obtain special order from Finance Department. The Committee also suggests that if the Finance Department raises any objection KSHB should convince the Ministers concerned and the Cabinet and should obtain a special order for the release of money.
16	16	Housing	The Committee opined that if KSHB had renewed the rent agreement in time they would have been able to collect rent arrears. The Committee recommends KSHB to ensure prompt renewal of rental agreements and to recover the rent due to KSHB as early as possible. The Committee also directs KSHB to furnish a status report in this regard.
17	17	Housing	The Committee observes that based on the audit observation in order to rectify the discrepancies, KSHB is preparing a complete valuation report after conducting a GPS survey of its assets with the help of a registered valuer. The Committee directs KSHB to submit the details of actions taken in this regard and submit a copy of the asset valuation register after valuation of all buildings and properties within 3 months.
18	18	Housing	The Committee observes that even though the court orders

			were in favour of KSHB, the Board didn't take necessary steps to evacuate the encroachments and also criticises the actions taken by Board for evicting the encroacher in this regard. The Committee also recommends to file an execution petition in the Court for evicting the encroachment and directs KSHB to clear the encroachment urgently and report to the Committee.
19	19	Housing	The Committee also criticizes the irresponsible reply of the witness without studying the matter and opines that there was sheer negligence on the part of the Board in handling the matter which is shown evidently in its approach towards illegal encroachments. So the Committee recommends to depute a lawyer to inspect all the pending cases related to encroachment of land and to furnish a report to the Committee.
20	20	Housing	The Committee observes that eventhough KSHB received 35 cents of land in Jagathy from the Government and paying tax for the same, it remained 29 cents in village office records. So the Committee directs KSHB to study the matter accurately and report to the Committee.
21	21	Housing	The Committee criticized KSHB for not taking effective follow up actions in mutating the land in PTP Nagar and expresses its serious displeasure at the negligence of KSHB in mutating the land even after three years and demanded to furnish a report to the Committee within one month.



**REPLY TO AUDIT FINDINGS ON C & AG REPORT,
PERFORMANCE AUDIT (GENERAL AND SOCIAL SECTOR)
FOR THE PERIOD 2013-2018(END ON 31.03.2018)**

AUDIT FINDINGS AND ITS REPLIES

3.1 : No Remarks

3.2 : No Remarks

3.3 : No Remarks

3.4 : No Remarks

3.5 : No Remarks

3.6 : No Remarks

3.7 : Planning, Co-ordination and rendering of technical advice

Para 3.7.1 Project Formulations:

1. Soubhagya Housing Scheme -

The scheme was abandoned due to lack of Project financing.

Working Womens Hostels, Ottapalam - The Project could not be implemented due to non receipt of essentiality certificate from Social Justice Department and the Social Justice department had not recommended the project to GOI for Central assistance.

Santhwanam housing Scheme - The project was abandoned not because the project was defective. The Board cannot expect much returns from the project as the rate of rents as proposed by the Government was nominal. Also the board had to meet the annual recurring expenditure for maintenance, upkeeping, taxes etc. and day to day expenses for running the lodging from Boards own fund without any monetary support from the Government. Considering these aspects the Board in its meeting held on 27.2.2016 had decided to request the Government for revised administrative sanction for the project including land cost, being Board's own land but the Government had not accorded AS including land cost. So the project was not implemented.

Aswas Rental Housing Scheme - The Scheme named Aswas Rental Housing Scheme in revenue land near Medical College of the State was intended for providing rental accommodation for the patients who require constant medical attention and who are undergoing treatment in Medical Colleges of the State as well as their bystanders. The Alappuzha Medical College authorities have identified land for the scheme in the Medical College compound and the construction work was started. For the Aswas RHS at Thrissur also, land was identified, obtained Government sanction and the tendering procedure of construction work is progressing.

Working Womens Hostelm Poundkadav, Tvpm - Government had declared the project through revised budget speech of 2016-17 and declared Rs. 50 Crores under special Investment Programme. Board had identified 219.55 cents of revenue land and addressed Government on 01.09.2016 to get assigned the land to Board and directed the Board to prepare and submit DPR before 30.09.2016 as decided in the meeting convened by the Hon'ble Chief Minister. To implement a project within a specified time limit, Board had to get the final approval and fund from Government and had to get the land assigned from the Government, simultaneously. The project was formulated considering acute shortage of safe and affordable accommodation to the working women in Technopark, Infosys, UST Global etc. Government had accorded Administrative sanction for the project vide GO (MS) No. 01/2017/Hsg dated 7.1.2017. Vide G.O., (MS) No. 288/2017/Rev dated 19.8.2017 also accorded sanction to assign land to Board on lease. But same was not taken in to possession on pending litigation is Hon'ble High Court regarding ownership. Government had also informed CEO, KIFFB to drop the project on account of the said reason.

Working Womens Hostel-Perumedu:

The project of Working Womens Hostel at Peerumedu not proceeded with due to the non-availability of suitable revenue land.

DEFECTIVE SELECTION OF LOCATION AND RESULTANT ABANDONMENT OF PROJECTS**Para.3.7.2. WWII Jagathy**

The project was not executed due to non receipt of building permit from Trivandrum Corporation as the site falls under green belt area. The Executive Engineer of the respective division had contacted the Corporation authorities for getting zoning exemption but no fruitful action was taken by the Corporation authorities. Thus proper efforts were taken by the Board for getting zoning exemption on the belief that the building permit will be received soon.

3.8 Status of Housing or Improvements schemes undertaken in KSHB on its own or Schemes transferred to it:

Kerala State Housing Board has already started consultancy work for various Government Departments and agencies. Projects in Kerala State Housing Board's own land has also taken up with the aim of generating its own income and imparting viability in the functioning of KSHB. Now the Government of Kerala is also supporting KSHB with budgetary provision for Rental Housing Schemes, Revenue towers (KIFB Fund), Working Women's Hostel and other plan schemes. Though the original mandate of KSHB was diluted by the provision of Kerala decentralization of Power Act, 2000 (Act 16 of 2000), the Board is now in the process of generating its own income through the implementation of schemes/projects by ensuring efficient implementation.

3.9 Implementation of Schemes undertaken by KSHB on its own or schemes transferred to it:

I/4 '6083/2021

Para 3.9.1, Working Women's Hostel:

Para 3.9.1.1 Defective Planning and resultant infructuous expenditure.

With regard to the drainage issue of Working Women's Hostel at Edappally Ernakulam, it was reported vide report No . IA/Performance Audit 2018 dated 14.02.2019 that the issue of drain will be solved by taking up the matter with Local Self Government Department. But the issue could not be solved by that means. So Board at its meeting held on 25.06.2020 decided to take up the work and sanction was accorded at its meeting held on 12.08.2020 to carry out the work by the Board for an estimate amount of Rs. 8,70,000/-. Being a Government work, all formalities have to be observed for execution of work and accordingly it necessitates minimum of 20 days for inviting tender and finalizing and starting the work. All earnest efforts will be taken to complete the work as scheduled.

Para 3.9.1.2 Delay in finalizing scheme proposal and resultant escalation in costs due to revised sharing pattern of assistance

Additional block for Working Women's Hostel at Gandhi Nagar, Kottayam

KSHB being an implementing agency, have to look forward for maximizing income to run the hostel since there is no external funding source to support the running expenditure. Aim of conducting demand survey for alteration of the scheme (Two BHK flats instead of WWH) was only to find out a more financially viable scheme to overcome acute financial crisis of Board. But unfortunately demand survey entails to switch back to the original proposal. The actual reason being so, it can be seen that there was no slackness on the part of KSHB. However due to change in pattern of share KSHB has already moved for budget allocation in 2019-20 for WWH and Board awaits final allocation as per norms for implementation. Considering the above facts reply may kindly be accepted.

WWH Mananthavady, Wayanad

As it has become necessary to provide safe and affordable for the accommodation of working women's who move away from their families due to professional commitment, 3 Working Women's hostel at Kattapana, Kozhikode, Muttom have been included in the 2012-13 plan scheme and the possibility of constructing the WWH at Mananthavady and Kalpetta in Wayanad district was explored. As a result, the District Social Welfare officer had recommended a Working Women's Hostel at Mananthavady in 02.06.2012. Based on feasibility studies conducted in different districts, four WWH at Thiruvananthapuram (1), Ernakulam (1), Thrissur (2) which had been included in the 2013-14 budget were constructed. In the next years also ie. In 2014-15 & 2015-16, plan proposals for WWHs at Thiruvananthapuram, Palakkad, Kasargod districts were made. The WWH at Mananthavady was implemented using the allocation in the 2016-17 budget. During this period, GOI have amended the guidelines for Centrally sponsored scheme thereby effecting the pattern of state and central fund share. Since KSHB had constructed many WWHs during this period, it is unfair to think that the proposal for WWH at Mananthavady should have been considered in the year 2012 itself. Also it is not fair to think that the act of KSHB to explore the possibility for constructing WWH in different districts, even after recognizing the need for a hostel at Mananthavady as inappropriate since the board had constructed 11 Working Womens Hostels already, one is nearing completion, two numbers are in tendering stage and two others are proposed for the coming financial year in different locations at Kasargod, Kozhikode, Wayanad, Thrissur, Ernakulam, Idukki, Kottayam, Pathanamthitta and Trivandrum.

Working Women's Hostel, Madhur-Kasaragod

Gvt. of India has sanctioned a non-recurring grant of Rs. 3,63,00,000/- (Rupees Three Crore Sixty Three lakh only) as Central Share (60% of approved cost) for the construction of a Working Women's Hostel at Madhur Village, Kasargod District vide Order No. F No. 25/01/2019 WWH dated 24th December 2019 of Ministry of Women and Child Development. 50% of the central share of Rs. 1,81,50,000/- (Rs. One crore Eighty One lakhs fifty thousand only) released being the first installment. Subsequently the work started at the site. Proposal for 40% of State share has been processing at Government level.

3.9.2. Implementation of Saphalyam Housing Scheme:

Para 3.9.2.1**Non-attainment of targets set under the scheme**

As per Government Order No. 1/2019/HSG dated 22.01.2019 Government have enhanced construction cost/unit of Saphalyam scheme from 3.5 lakhs to 5 lakhs by raising subsidy from 2 lakhs to 3 lakhs. However even with the non-corporation of Panchayaths the construction of flats under Saphalyam Housing Scheme at Puthukkad, Lakkidi perur and Chelanoor shall be completed based on the revised amount and action is being taken for the same. The implementation of this scheme on other locations is abandoned due to poor demand.

Para 3.9.2.2**Defective Estimation and unfinished works**

KSHB has prepared the estimate by limiting the expenditure within the administrative sanction amount which necessitated to avoid certain items and cannot be considered as defective estimation which lead to unfinished works. KSHB has not compromised with quality of work but only limited to the sanctioned amount by limiting the work to essential items only. Now the Government have raised the construction cost from Rs. 3.5 lakhs to Rs. 5 lakhs vide GO No. 1/2019/Hsg dated 22.01.2019. So for further projects Board can implement the scheme on a more realistic way.

3.9.3 Grihasree Housing Scheme.

The progress achieved in Grihasree Housing Scheme as on 31.03.2020 is given below.

Status of Disbursement as on 31.03.2020:

Phase	No. of beneficiaries to whom amount has been disbursed in instalments				No. of completed buildings
	I	II	III	IV	
I (2013-14)	536	535	524	520	520
II (2014-15)	692	690	685	679	679
III (2015-16)	1924	1905	1885	1855	1855
Total	3152	3130	3094	3054	3054

I/4 16083/2021

Beneficiaries who have violated the conditions specified for the scheme such as the Area of the house constructed etc, not as per norms prescribed in the guidelines of Grihasree scheme, were not paid the subsequent installments. Board has given directions to them to complete their house as per the guidelines and conditions of the scheme to avail their subsequent installments at the earliest.

As per the decision taken in the meeting held on 24/05/2017 under the Chairmanship of the Additional Chief Secretary, the area of the houses under Grihashree housing scheme has been increased by 25% from 66sq.m to 83 Sq.m. vide G.O.(Rt)No.41/2017/HSG dated 10/07/2017. After starting the construction of the house with Rs.1,00,000/- in the hands of beneficiaries and after laying the floor, the first installment was paid and the inspection was carried out, the second installment should be released only after the sunshade warp. The third installment before the roofing after the wall is built and the fourth installment only after the roofing. It was also decided that the beneficiaries who had made an increase of more than 100Sq.m would not have to pay the remaining amount.

Administrative Sanction for Grihasree Housing Scheme for the Financial Year 2020-2021 has been issued vide G.O. (Rt)No.46/2020/Hsg dated 18/12/2020.

3.9.3.1 Parking of Government of Kerala assistance in Fixed Deposit

The objections viewed seriously and rectification also implemented to that effect. Now onward the fund received from Kerala Government is put in Government Treasury only. As and when the expenditure incurred against these fund that much amount only drawn from these accounts. Balance amount may kept in the treasury itself. Hence the objection may be dropped.

3.9.4 Innovative Rental Housing Scheme (Athani)

Para 3.9.4 & 3.9.4.1(Allotment of ineligible beneficiaries)

The allotment to Innovative Housing are being done after obtaining the document prescribed in Article of Management of Innovative 2012. In this case also allottee (Smt. Nazeera Mohammed) had produced BPL Certificate for allotment. After taking the allotment the allottee placed all modern household items in the flat. The allottee mentioned in the audit remarks defaulted the rent, she was evicted from the flat on 25.10.2018.

The Board had taken eviction procedure in due time against the unauthorized tenants who continued in the flat after the tenancy period. At that time the tenants concerned approached the Hon'ble Chief Minister against the actions of the Board subsequently the Board at its meeting held on 29.08.2017 resolved to consider the continuation of tenancy after the period of 33 months with a condition that they have to prove with a relevant certificate that they have no other means of habitable house to stay with a certificate from the authority concerned and apply for the same fresh. The decision were taken temporarily with a social commitment towards homeless working people in the urbanized area.

3.9.5. Housing Accommodation schemes for Government Employees in Government Land

The original proposal in Kuttanellur Rental Housing scheme was for the construction of a 6 nos. of flat and the water requirement for the inhabitants was proposed from the two borewells already dug for use in the scheme named Innovative HAS constructed by KSHB near the above site. Even though, the yield from the above borewell was

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sufficient, but during commissioning of the above RHS the inhabitants for Innovative Housing Accommodation Scheme objected the use of water from the borewell, so Kerala State Housing Board is forced to seek an alternative and now only Kerala Water Authority has taken up a new project to supply water from Peechi and the same will be commissioned soon. Action is being taken to obtain water connection soon on commissioning of the above project.

3.10 Financial Management

3.10.1 Mis-statement of Financial statement and lax financial standards:

In response to the audit objections as assured by Housing Board, they have taken corrective measures to dissolve the discrepancies in the statements of accounts:

1. As promised a special cell was constituted with three members to trace out and rectify the discrepancies. The cell carried out reconciliation of each head of accounts especially in deposit and contract work in all possible ways from 2008-2009 financial year onwards.
2. Now they rectified 27 head of deposit works. Due to Covid 19 lockdown, dearth of staff, heavy work load of current duties reconciliation and rectification of 30 more accounts are due for completion. KSHB will complete the reconciliation work within two months. They requested to allow time for the same, even though they have instituted a schedule of procedure for rectification of each head of current deposit works wef 2019-20 to authenticate correct accounting of expenditure and receipts.
3. KSHB are preparing their accounts under an inhouse software called "THARANGAM". In this software during the financial year the balance of accounts automatically carried only over to the next month.

4. Opening Balance of beginning of next financial year to be entered manually in the concerned account heads. On verification KSHB traced out errors of commission in figures on some head of accounts eg. Deposit works – Tsunami head of account **55.300**, closing balance of 2009-10 & opening balance of 2010-11 differed. They are tracing out the general ledger of Revenue Tower Thiruvananthapuram & Attingal for which some initial expenditure only incurred during the period 2004-2006. Here also errors of commission may be occurred on carrying over the closing balance figures. The general ledger for the period 2004-2005 & 2005-2006 yet to be traced out. Hence they are humbly requested for granting time to find out the same. So all the discrepancies pointed out in this para will be cleared soon and made available for verification.

3.10.2 Efficiency in mobilisation of funds and recovery of dues

3.10.2.1 Failure to obtain GOI assistance of Rs. 4.33 Cr.

With regard to the release of GOI share in 2nd & 3rd installment of working women's hostel at NCC Nager, Peroorkada, Thiruvananthapuram and Edappally Ernakulam, the documents for the release of Central Share such as Consolidated Utilization Certificate, Completion Certificate of the Hostel buildings, dated color photograph of the Hostel, Inspection report of the district Women Welfare Committee already submitted to the authorities concerned such as the Secretary, Social Welfare Department and the Deputy Secretary to Government of India for Ministry of Women and Child Development, New Delhi on an earlier date of 26.03.2019, 23.10.2018 respectively. Subsequently the Ministry of Women and child Development raised some objections for the release of central share regarding the Over Head Charges incorporated in the utilization certificate, and the Name Board of the Hostels. Now from the Board's end all queries have been satisfactorily replied and expecting the

release of the central share without further delay.

3.10.2.2 Cost of Land recoverable from Kerala Road Fund Board

The Hon'ble PWD Minister vide letter dated 26.02.2020 addressed to the Hon'ble Minister for Revenue and Housing informed that TRIDA may be approached for getting the amount. However since it was the Road Fund Board and not TRIDA who had taken the possession of the land and since it is mentioned in the PWD Minister 's letter that the amount for taking possession of the land had been included in the CRDF scheme and entered in the State Budget the Government order may be issued either by the PWD or the LSGD.

When the issue was taken to PWD (File no H1/165/2017-PWD) , that dept forwarded the subject to LSGD.

3.10.2.3 Failure to obtain refund of excess Establishment charges recovered by the District Collector, Ernakulam

The Land Revenue Commissioner vide letter No. L.R. C5-24290/17 dated 28.01.2020 requested to Government to issue Government Order to the District Collector, Ernakulam for refunding the amount of Rs. 57,07,022/- to the Board. The Revenue Department has informed that Government Order can be issued only if the early Government Order for realizing the amount from the Board is found out. Therefore efforts are being taken by the Board to obtain the said Government Order.

3.10.2.4 Rent pending Collection: Government vide G.O. (Rt) No. 16/2020/Hsg dated 06.05.2020 released 19.88 crore to KSHB for settling the Rent arrears of various Government Departments. As such the dues of Government offices under the control of KSHB has been settled. Action is progressing in executing rent agreement with the Government offices concerned. The settlement details of departments mentioned

in this para are as follows: The dues up to 31.03.2020 fully cleared by all the Government Department. As per the amount so released vide order read above.

Sl. No.	Name of Department	Amount
1	Land Revenue	42807777.07
2	Police	39067373.03
3	Higher Secondary Directorate	25077182.86
4	Electrical Inspectorate	8926008.75

Para 3.10.3

Splitting up of work

For the speedy and timely execution of works especially with State/Central Government grants KSHB forced to resort to Direct Execution of works to avoid lapse of grant. This is due to the fact that the procedure for tendering and awarding of works is a time consuming one and also there were instances even if tenders are invited there were no response. So in order to avoid such delays and to complete the project timely, arrangements of works under direct execution was resorted to i.e. by supplying materials directly by board and arrange labour by tendering. This necessities splitting of work and the same had been done only for the early completion of work as targeted by the Government while sanctioning grant.

Para 3.10.3.1

Construction of Kozhikode Working Womens Hostel

Being a project to be executed using Central and State Government grant, the work is to be completed on time, it has become necessary to execute the work under direct execution for receiving grants on time. Had tendering been resorted to it would have become impossible to achieve target and thereby receiving grants on time. Direct execution of works necessitated splitting of labour and materials and this

is not done with the intention to limit within the powers of Executive Engineer/Regional Engineer but for the early completion.

Para 3.10.3.2

Construction of Working Women's Hostel at NCC Nagar

There were instances when work was tendered, the Contractors made undue delay in completion of project. In these cases since the cancellation of work requires elaborate procedure for re-arrangement of work and further legal complications the usual procedure is to extend time of completion by levying fine as per contract conditions. But delay cannot be compensated.

To avoid the above difficulty, Board resorted to direct execution since this project is funded by Government of India and Government of Kerala and to be completed on time. The direct execution work can be carried out effectively only by splitting different items of work.

Being direct execution work, separate tenders for labour and material had been invited. The sole purpose is for minimising cost of construction and to ensure quality of work by supplying materials directly by KSHB conforming to relevant IS codes. Tenders have been invited separately for other work such as wooden joinery, steel grill works, painting works, septic tanks etc. since these are different items of work and cannot be carried out through a single petty Contractor which necessitated splitting up. Had the tenders been invited without splitting the tender for initial works, there were chances for higher quoted values, as the contractors always quote tender foreseeing possible rise in cost of labour and materials. It may be noted that there is no monetary loss and in one way or other, benefitted for early completion of the project.

3.10.4 Asset Management

3.10.4.1 Maintenance of Asset Register:

Asset register of all assets movable as well as immovable as prescribed in form 9 of KSHB (Maintenance of accounts) is preparing with help of a system module and will be finalised shortly by KSHB.

3.10.4.2 Improper Maintenance of records resulting in no n-allotment o f Nine Plots under Thrikkakkara Satellite Housing Scheme

Surveying of the Land in Thrikkakkara statellite Housing Schemes is progressing in KSHB with the assistance of Revenue section of the Board to prepare a final Lay out of the scheme for further sale procedure of Nine Plots.

3.10.4.3 Non clearance of encroachment in the KSHB's Land

SI No. 1 1885.8 cents in Palakkad District

Instructions have been given to the4 Executive Engineer, Palakkad division of the Board to evict the encroachment.

SI No. 2. Land in Kumaranasan Nagar, Encroachment by Kochi Corporation.

The Board filed Writ Petition No. WP(C) 33100/18 against the Kochi Corporation & the State of Kerala against the illegal construction activity by the Corporation and the Hon'ble High Court ordered Government to take a decision within one month. The Government directed the Corporation to demolish the illegal construction within the one month vide order dated

21.01.2019. However the Government Order was not complied with and the Board had filed another Writ Petition for execution of the order. The Kochi Corporation has now filed Writ appeal against the order of the Government and Counter Statement has been filed.

Sl. No. 3 Encroachment of Eight cents of land in Sy. No. 133/3A2 in Vazhakkala Village by Sri. Moorikkal Parameswaran Nair

Though the matter has been taken up with the District Collector Survey for fixing the Boundaries has not been done due to scarcity of staff due to Corona Pandemic.

3.10.4.4 Non-mutation of land in possession of KSHB

Table 3.10

Sl. No. (1) Pandits colony Housing Accommodation Scheme (143.856) cents

After re-survey mutation of 93.83 ares of land (231.853 cents) was effected in Board's name on 24.01.2019 by the Tahasildar, Land Records.

Sl. No. (2) Rajiv one Million Housing Scheme, Moonilavu, Kottayam (150 cents)

Mutation of 60.40 ares of land (150 cents) was effected on 30.09.2019 (thandapper No. 1913) and tax remitted)

Sl. No. (3) 18cents of puramboke land in Kizhakke Chalakkudy

The matter is pending with the LSGD Department.

Sl. No. (4) Akkulam, Thiruvananthapuram (776 cents)

Mutation was effected for 776 cents of land in the year 2018 and entered as Thandapper No. 280 89 of Cheruvakkal Village and tax remitted.

Sl. No. (5) Jagathy (6.01 cents)

The Taluk Surveyor had visited the site several times and had given the final report to the Taluk Office. However the Board has not yet received a reply from the Tahsildar, Land Records.

Sl.No. (6) Pump House to PTP Nagar (18.78 cents)

The Taluk Surveyor has inspected the site and it was informed that the land in which the Pump House is situated will be excluded and the rest of the area will be recommended for mutation in Board's name. However no report has yet been received from the Tahasildar, Land Records even though the matter is being followed up keenly by the Board.

Sl. No. (7) K.T.Jacob Nagar, Thiruvananthapuram (29.48 cents)

The Taluk Surveyor had inspected the site. However the Original land acquisition Award is needed to prepare the final report which is missing in the Taluk Office. Efforts are on to trace out the Award.

3.11-Adequacy of Man Power

The staff strength as on 31.03.2018 was 312 Permanent Employees and 72 provisional employees (ie through Employment Exchange, Contract and Daily Wages) against the sanctioned strength of 1045 posts. Subsequently Government abolished 205 posts in various categories among the said 1045 sanctioned posts vide G.O. (MS) 3/2020/Hsg dated 06.03.2020. The present staff strength ie., as on 01.10.2020 is 241 regular staff and 79 provisional employees. In the present financial situation of the Board, it is not in a position to report all the vacancies which insisted for Direct

Recruitment through PSC and to make appointments for the same. However certain vacancies have already been reported to PSC as detailed below.

Name of Post	Sanctioned Post	Men in Position	Vacancy	No. of Vacancies to be reported to PSC including those for Transfer Appointment	No. of Vacancies reported/informed to PSC
Assistant Grade II	75	18	57	57	19
Typist Grade II	11	1	10	10	5
Confidential Assistant Grade II	4	-	4	4	1
Driver Grade II	12	-	12	9	3
LGE	53	21	32	32	2
Chief Architect	1	0	1	1	1
Assistant Engineer (Civil)	78	23	55	20	20
				(ie remaining vacancies to be reported	
				after observing the ratio with insisted in the KSHB Estt.	
				Regulations 2006	
				for	
				Direct	
				appointment)	

Assistant Engineer (Electrical)	4	1	3	1 (after observing the ratio which insisted in the KSHB Estt. Regulations 2006 for Direct appointment)	1
Architectural Draftsman Grade I	4	-	4	3	3
Architectural Head Draftsman	4	2	2	2	2
First Grade Draftsman (Civil)	100	3	97	50 (after observing the ratio with insisted in the KSHB Estt. Regulations 2006 for Direct appointment)	14
Second Grade Draftsman (Electrical)	3	-	3	1	1

During the next 5 years, the number of Board employees comes to nearly 110 consequent on the retirement of employees both in Technical and Ministerial and as such the

Technical Staff in particular comes to below 40. To overcome this acute dearth of staff in particular comes to below 40. To overcome this acute dearth of staff, it is very essential to report the vacancies to PSC and to recruit the candidates. As such the vacancies in various categories will be reported as and when the Board undertake new projects.

3.12. No Remarks

K.S.Sudhoy

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ഗവൺമെന്റ് സെക്രട്ടറിയേറ്റ്
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Appendix 3.1

Status of release of GOI assistance for WWH scheme

(Reference: Paragraph 3.10.2.1; Page: 66)

(₹ in crore)

Sl. No	Particulars	Construction Cost	Date of completion	GOI share eligible	GOI share received	GOI share due	Remarks
1.	WWH, Chevayoor, Kozhikode	6.34	October 2017	4.76	4.28	0.48	Final instalment was due. Fund request was submitted to Directorate of Women and Child Development for onward transmission to GOI (September 2018).
2.	WWH, Kattappana, Idukki	5.02	March 2017	3.77	3.39	0.38	Final instalment was due. Fund request was submitted to Secretary, Social Welfare Department in July 2017.
3.	WWH, Kizhakke Chalakudy, Thrissur	3.16	January 2017	2.36	2.12	0.24	Final instalment was due. Utilisation certificate (UC) is yet to be submitted (September 2018)
4.	WWH, NCC Nagar, Thiruvananthapuram	3.87	June 2017	2.90	1.45	1.45	Incorrect sanction number and date mentioned in the UC, forwarded to GOI. Documents like certificate from the district administration that the progress of construction is satisfactory, resolution passed by Management committee, acceptance of terms and conditions and statement of expenditure were not submitted.
5.	WWH, Edappally, Ernakulam	3.71	October 2017	2.78	1.39	1.39	Details of grants received from GOK, completion certificate from State PWD along with the recommendation of GOK and half-yearly progress report after 31.12.2016 were not submitted.
6.	WWH, Mulamkunnathukavu, Thrissur	5.26	December 2017	3.95	3.56	0.39	Final instalment was due. UC is yet to be submitted (September 2018)
TOTAL		27.36		20.52	16.19	4.33	

Appendix 3.2

Differences in Asset registers maintained at Division Offices and Head Office

(Reference: Paragraph 3.10.4.1; Page: 70)

a) Land included in Asset register of test-checked Division Offices not included in Asset register of Head Office

Division	Description	Village	Area (in cents)
Thiruvananthapuram Division Office 2	Nalanchira Tilak Nagar	Ulloor	5.33
Kottayam Division Office	Pala site II	Lalam	18.00
Ernakulam Division Office	Kudumbi Scheme	Elamkulam	13.81
	Revenue Tower, Kothamangalam	Kothamangalam	180.00
	Kumaranasan Nagar	Elamkulam	3.56
Ernakulam P&C	Revenue Tower	Ernakulam	97.01
Palakkad Division Office	Ottappalam HAS (commercial area)	Ottappalam	38.22

b) Difference in land area as per asset register maintained by Division Office and Head Office

Sl. No.	Office	Scheme	Village	Land Area as per Division Office (in cents)	Land Area as per Head Office, KSHB (in cents)
1.	Ernakulam P&C	Panampilly Nagar	Ernakulam	78.13	39.43
2.		KOFCITY	Ernakulam	1965.40	1790.00