SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on Local Self-Government Institutions for the period ended March 2024

Government of Keralam

Report No. 4 of 2026

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Comptroller and Auditor General of India

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TABLE OF CONTENTS

Description	*Reference*	
	Paragraph	*Page*
Preface	-	iii
Executive Summary	-	v
Chapter I		
Introduction to the Local Self-Government Institutions of the State and its audit		1
Part I - Panchayat Raj Institutions		
Chapter II		
Overview of Panchayat Raj Institutions		7
Chapter III - Function Based Audit of Panchayat Raj Institutions		
Functioning of Slaughterhouses and Meat Stalls in Panchayat Raj Institutions	3.1	21
Construction and Maintenance of Public Toilets including Take a Break units by Panchayat Raj Institutions	3.2	33
Part II - Urban Local Bodies		
Chapter IV		
Overview of Urban Local Bodies		43
Chapter V - Subject-Specific Compliance Audit		
Implementation of Building Rules in Urban Local Bodies		55
Chapter VI - Compliance Audit Paragraphs of Urban Local Bodies		
Non-assessment of property tax resulting in loss/non-realisation of revenue in two Urban Local Bodies	6.1	83
Avoidable payment of ₹27.72 lakh to contractor towards GST	6.2	85
Unauthorised occupation of contingent staff quarters and inadmissible payment of House Rent Allowance of ₹1.44 crore to contingent employees occupying the quarters	6.3	86
Execution of plan projects through an unrecognised entity by Thiruvananthapuram Municipal Corporation	6.4	88
Unfruitful expenditure on a drinking water project by Thiruvananthapuram Municipal Corporation - ₹71.41 lakh	6.5	93
Chapter VII- Function Based Audit of Urban Local Bodies		
Functioning of Slaughterhouses and Meat Stalls in Urban Local Bodies		97

APPENDICES

Appendix No.	*Description*	*Page*
1.1	Eleventh Schedule (Article 243G)	109
1.2	Twelfth Schedule (Article 243W)	110
2.1	Details of outstanding IRs and Paragraphs of PRIs	111
3.1	List of selected PRIs for Function Based Audit	112
4.1	Details of outstanding IRs and Paragraphs of ULBs	113
5.1	Statement showing district-wise list of ULBs selected for detailed audit	114
5.2	Short collection of additional fee on excess FSI due to increase in floor area	115
5.3	KMBR violations detected by Audit during joint physical verification	117
5.4	Statement showing details of unauthorised constructions	129
5.5	Statement showing details of unauthorised additions/alterations	130
5.6	Buildings occupied without obtaining occupancy certificate	131
6.1	Details of rates charged by HREDC from Thiruvananthapuram Municipal Corporation for ID card project	133

PREFACE

This Report for the period ended March 2024 has been prepared for submission to the Governor of the State of Keralam under Article 151 (2) of the Constitution of India, for being laid before the Legislature of the State.

The Report contains significant results of the audit of Panchayat Raj Institutions and Urban Local Bodies in the State.

The issues noticed in the course of test audit for the period 2023-24 as well as those issues which came to notice in earlier years, but could not be dealt within the previous Reports, have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This report comprises seven chapters of which Chapter I contains an Introduction to the Local Self-Government Institutions of the State. Chapters II and IV contain an overview of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. Chapters III and VII contain function based audit findings of PRIs and ULBs respectively. Chapters V and VI contain one Subject-specific Compliance Audit and five compliance audit paragraphs of ULBs. Copies of draft audit paragraphs were forwarded to the Government and replies, wherever received, are duly incorporated in this report.

Introduction and overview of Local Self-Government Institutions of the State

The amount spent on productive sector by PRIs and ULBs during 2019-20 to 2023-24 ranged from 10.28 *per cent* to 12.67 *per cent* and 4.61 *per cent* to 8.04 *per cent* respectively indicating that the PRIs and ULBs assigned low priority to productive sectors like Agriculture, Animal Husbandry, Fisheries, Industries, etc. Audit noticed parallel implementation of schemes related to transferred functions by both LSGIs and Government departments, thereby undermining the autonomy of LSGIs. During 2023-24, PRIs and ULBs lapsed ₹3367.92 crore (36.86 *per cent*) and ₹495.83 crore (21.38 *per cent*) respectively against the allotment of ₹9135.94 crore and ₹2318.95 crore. Audit noticed that 71.07 *per cent* of the Maintenance Fund (Road) and 49.76 *per cent* of the Maintenance Fund (Non Road) for PRIs and 67.68 *per cent* of the Maintenance Fund (Road) and 56.42 *per cent* of the Maintenance Fund (Non-Road) for ULBs remained unutilised and lapsed at the end of the financial year. There was delay up to 117, 114 and 89 days in the allotment of Development fund, Maintenance fund and General Purpose fund respectively during 2023-24.

(Chapters I, II and IV)

Function Based Audit of PRIs and ULBs

The Function-based audit on 'Functioning of slaughterhouses and meat stalls' revealed that selected PRIs and ULBs neither initiated nor proposed any projects for the establishment of slaughterhouses. Slaughterhouses in Kattappana Municipality and Chakkupallom and Ayyappankovil GPs in Idukki district were functioning without the mandatory licence/consent from GPs/FSSAI/KSPCB and lacked mandatory facilities stipulated by GoK/CPCB. Unscientific slaughtering on the floor was carried out in these slaughterhouses in violation of rule provisions. Mechanism to ensure health status of cattle at check post was inadequate and statutory veterinary inspections at the slaughterhouse, as prescribed under the relevant Acts and Rules, were not being conducted and essential infrastructure such as waste management facilities was lacking. Also, 61 unauthorised meat stalls were identified across 19 selected PRIs. Routine inspections of the slaughterhouses/meat stalls were not carried out by the respective GPs/Food Safety Officers/KSPCB, resulting in the quality of meat sold remaining unverified and unregulated. No effective measures were taken to shut down 24 unauthorised meat stalls operating in four ULBs. None of the selected PRIs/ULBs had separate slaughterhouse for pigs. Pig meat was

made available by the pig farms in PRIs and edibility of the pig meat remained unverified.

The Function-based audit on 'Construction and maintenance of public toilets including 'Take a Break' units' in PRIs revealed that despite substantial financial allocations, many projects for construction of public toilets remained incomplete or non-functional owing to deficient planning, incorrect site selection, unavailability of essential infrastructure such as electricity and water and lack of proper maintenance arrangements. Even among the operational facilities at high-footfall public areas and tourist destinations, Audit revealed the absence of basic amenities and unhygienic conditions resulting from poor upkeep of public toilets. These deficiencies reflect ineffective planning, systemic weaknesses in project implementation and suboptimal utilisation of resources, ultimately depriving the public of the intended benefits.

Recommendations

- ***Government may consider establishing micro abattoirs that can handle less than ten animals per day to suit daily requirement of meat in areas under the jurisdiction of PRIs/ULBs.***
- ***Accountability must be fixed on the officers concerned for the failure to enforce penal provisions against unauthorised slaughterhouses and meat stalls.***
- ***Service of Veterinary Surgeon may be ensured in slaughterhouses to certify livestock health and meat quality.***
- ***Departmental level monitoring may be conducted at regular intervals to enforce compliance with safety and hygiene standards, supplemented by randomised and surprise inspection at check posts.***
- ***Government may direct PRIs to conduct need assessment surveys to understand user catchment areas, usage patterns, cost implications and revenue generation potential while planning for construction of toilets.***
- ***Government may direct PRIs to establish a system to ensure proper maintenance and upkeep of public toilets and related ancillary facilities.***
- ***Government may consider prescribing for inclusion of an exclusive toilet facility for differently abled in all the Take a Break facilities especially in tourist destinations.***
- ***Government may consider introducing an online platform/mobile app to lodge complaints/upload photos of unhygienic and non-functional toilets by public.***

(Chapters III and VII)

Subject-Specific Compliance Audit on Implementation of Building Rules in Urban Local Bodies

There was an overall delay ranging from 44 days to 474 days in issuing building permits. Audit noticed short realisation of additional fee on FSI amounting to ₹54.37 lakh in three ULBs. Audit noticed undue delay in resolving

unauthorised constructions by selected ULBs. Though Kochi Corporation, Aluva, Varkala and Mukkam Municipalities were aware of KMBR violation in 28 buildings and these buildings were operational without a building permit and occupancy certificate, Secretaries did not initiate any action either to regularise or demolish these buildings invoking Section 406 of KM Act, 1994 and Rule 96 of KMBR, 2019. Three ULBs issued occupancy certificate/permit for 10 constructions without ensuring NOC from authorities concerned. Audit during joint physical verification detected 10 unauthorised constructions in four ULBs and 193 unauthorised additions/alterations in selected ULBs which indicated deficiencies in monitoring mechanism in ULBs. In selected ULBs 1,058 mobile towers remained unauthorised, incurring a minimum revenue loss of ₹2.12 crore towards fee for erection of towers. Audit noticed unauthorised conversion of occupancy after issuance of occupancy certificate in violation of KMBR provisions resulting in inadequate recreational space, lift facility, setback, etc. Audit identified shortage of 1,210 car parking spaces in 123 buildings due to conversion of parking space and unauthorised additions. In the absence of post occupancy audits, these violations remained undetected by the ULBs.

Recommendations

- ***ULBs may introduce stringent measures to ensure that building permits and occupancy certificates are issued only after compliance with the mandatory requirements outlined in the KMBR.***
- ***Post-occupancy audits and squad activities may be strengthened and streamlined to effectively detect unauthorised constructions and deviations from approved occupancy.***
- ***The State Government may consider a timeline for regularisation/demolition of unauthorised constructions including provision for accountability to be fixed on the officials of the ULBs for delays in initiating action towards regularisation or demolition of unauthorised constructions.***
- ***ULBs may initiate measures to develop a Geographic Information System (GIS) to monitor and track building construction and develop digital systems like mobile applications for citizens to report unauthorised constructions.***
- ***Government may review the rules to introduce specific conditions or limitations based on the height, size or complexity of mechanical parking structures to ensure public safety.***

(Chapter V)

Compliance Audit Paragraphs of Urban Local Bodies

Lack of diligence on the part of Kollam and Kochi Municipal Corporations in ensuring assessment of properties falling in their jurisdiction to property tax resulted in loss/non-realisation of revenue.

(Paragraph 6.1)

Payment of GST to M/s Zonta Infratech Private Limited by Kozhikode Municipal Corporation for a service exempted from GST resulted in avoidable expenditure of ₹27.72 lakh.

(Paragraph 6.2)

Lapse on the part of the Kochi Municipal Corporation in the management of contingent staff quarters resulted in unauthorised occupation of Government quarters and inadmissible payment of ₹1.44 crore towards House Rent Allowance to contingent employees occupying staff quarters.

(Paragraph 6.3)

Thiruvananthapuram Municipal Corporation executed plan projects through an unrecognised entity - Human Resource Employment and Development Centre - without adopting open tender system resulting in ineffective implementation of projects and excess expenditure to the tune of ₹1.13 crore.

(Paragraph 6.4)

Non-conduct of feasibility study, improper planning and laxity in implementation of a drinking water project by Thiruvananthapuram Municipal Corporation resulted in non-achievement of the objective of creating job for women and supply of low-cost drinking water in water scarce areas and unfruitful expenditure of ₹71.41 lakh.

(Paragraph 6.5)

CHAPTER I

Introduction to the Local Self-Government Institutions of the State and its audit

CHAPTER I
INTRODUCTION TO THE LOCAL SELF-GOVERNMENT INSTITUTIONS OF THE STATE AND ITS AUDIT

1.1 Introduction

The Seventy-third and Seventy-fourth amendments of the Constitution of India gave constitutional status to Local Self-Government Institutions (LSGIs) and established a system of uniform structure, regular elections and flow of funds. Consequent to these amendments, the State Legislature passed the Kerala Panchayat Raj Act, 1994 (KPR Act, 1994) and the Kerala Municipality Act, 1994 (KM Act, 1994) to enable LSGIs to work as the third tier of the Government. In pursuance of Eleventh and Twelfth Schedules introduced through the constitutional amendments, the State entrusted LSGIs with such powers, functions and responsibilities so as to enable them to function as institutions of self-government. In order to fulfil the mandate bestowed on them under the Constitution and various laws, LSGIs are required to prepare plans and implement schemes for economic development and social justice, including those listed in the Eleventh and Twelfth Schedules of the Constitution. While the Constitution and the Acts confer autonomy and independent status to the LSGIs within the functional domain, the Local Self Government Department (LSGD) of Government is empowered to issue general guidelines to LSGIs in accordance with the National and State Policies.

1.2 Profile of LSGIs

As of August 2025, Keralam had 1200 LSGIs in the State. This included 941 Grama Panchayats, 152 Block Panchayats, 14 District Panchayats, 87 Municipalities and six Corporations. The details of their area, Wards/Divisions, Population, etc., are presented in **Table 1.1.**

Table 1.1: Area, population, population density etc., of LSGIs

Sl. No.	Type of LSGI	Number of LSGIs	Number of Wards	Area (Sq Km)	Population as per 2011 census (in lakh)	Density of population per Sq Km
1	Municipal Corporations	6	414	682.55	31.17	4566.70
2	Municipalities	87	3113	2374.57	45.09	1898.87
3	District Panchayats (DPs)	14	331	35805.39	258.41	721.71
4	Block Panchayats (BPs)	152	2080			
5	Grama Panchayats (GPs)	941	15962			

(Source: Economic Review 2024, Kerala and details furnished by Principal Directorate of LSGD)

1.3 Fund flow to LSGIs

The resources of LSGIs consist of Own Revenue viz., Tax and Non-tax revenue, funds devolved by State Government viz., General Purpose Fund, Maintenance Fund and Development Fund, Government of India (GoI) grants and loans from State Government and financial institutions. Government of Keralam (GoK) devolves grants to LSGIs based on the recommendations of State Finance

Commissions. The composition of resources of LSGIs for the period 2019-20 to 2023-24 is given in **Table 1.2.**

Table 1.2: Resources of LSGIs

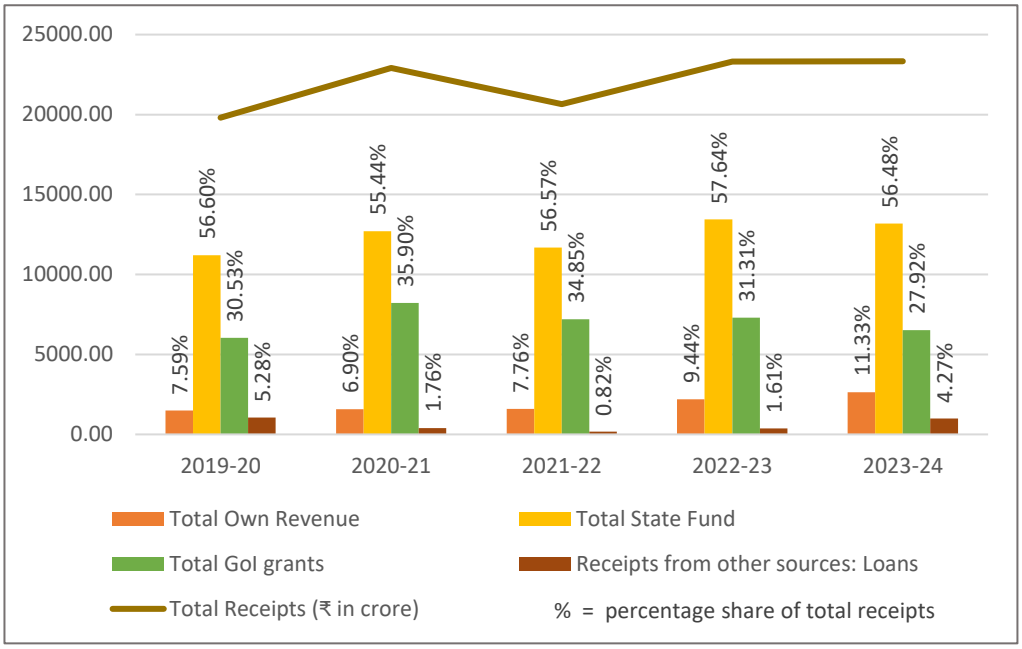
(₹ in crore)

Resources	2019-20	2020-21	2021-22	2022-23	2023-24
Total Own Revenue	1504.03	1581.64	1603.47	2200.93	2643.41
Total State Fund	11208.53	12707.77	11684.95	13435.97	13177.68
Total GoI grants	6046.39	8228.34	7197.93	7298.53	6515.20
Receipts from other sources: **Loans**	1045.54	403.68	168.42	375.17	995.77
Total Receipts	**19804.49**	**22921.55**	**20654.77**	**23310.60**	**23332.06**

(Source: Data collected from Information Kerala Mission (IKM), State Finance Commission Cell (SFC), Principal Directorate of LSGD, Kerala Urban and Rural Development Finance Corporation (KURDFC), Kerala State Poverty Eradication Mission (Kudumbashree))

The composition of resources of LSGIs and percentage share of each fund for the period 2019-20 to 2023-24 is shown in **Chart 1.1.**

Chart 1.1: Resources of LSGIs



(Source: Data collected from IKM, SFC Cell, Principal Directorate of LSGD, KURDFC, Kudumbashree)

- During 2023-24 of the total receipts, the percentage share of State, Central, Own revenue and receipts from other sources were 56.48 *per cent*, 27.92 *per cent*, 11.33 *per cent* and 4.27 *per cent* respectively.
- The share of GoI grant to total receipts decreased from 31.31 *per cent* in 2022-23 to 27.92 *per cent* in 2023-24.

Further details of resources of PRIs and ULBs are given in Chapter II and Chapter IV respectively.

1.4 Status of devolution of functions and other important activities undertaken by LSGIs

According to KPR Act, 1994 and KM Act, 1994, it shall be the duty of LSGIs to take care of the requirements of the areas of their jurisdiction in respect of the matters enumerated in the respective Schedule of the Acts and LSGIs shall have the exclusive power to administer the matters enumerated in the Schedules and to prepare and implement schemes relating thereto for economic development and social justice.

The Acts envisaged transfer of functions of various Departments of the Government to LSGIs, together with the staff to carry out the functions transferred. The transfer of functions to different tiers of LSGIs was to be done in such a way that none of the functions transferred to a particular tier overlapped with that of the other.

The Eleventh Schedule of the Constitution contains 29 functions (**Appendix 1.1**) pertaining to the PRIs. Government transferred fully or partially (September 1995) 28 of these functions to PRIs. Likewise, the Twelfth Schedule of the Constitution includes 18 functions (**Appendix 1.2**) pertaining to ULBs, of which Government has transferred fully or partially 17 functions. Devolution of functions to PRIs and ULBs are discussed in detail in Chapter II and Chapter IV respectively.

As part of administrative or functional decentralisation, Government transferred public service delivery institutions such as schools, dispensaries, public health centers, hospitals, anganwadis, district farms, veterinary institutions, etc., to LSGIs.

Besides the transferred subjects and activities, LSGIs also undertake various Central and State sponsored schemes to implement developmental programmes. Poverty alleviation programmes and welfare pension schemes are also implemented through LSGIs.

1.5 Audit Mandate and Methodology

1.5.1 Audit Mandate

1.5.1.1 *Audit by Comptroller and Auditor General of India*

The authority for audit by the Comptroller and Auditor General of India (C&AG) is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C&AG's (DPC) Act). Sections 14, 15 and 20(1) of CAG's DPC Act[1] empowers Comptroller and Auditor General of India to conduct audit of the LSGIs. The principles and methodologies of various types of audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, issued by the C&AG.

According to Section 20(1) of CAG's DPC Act and Section 120 of the

[1] Section 14: Audit of receipts and expenditure of bodies or authorities substantially financed from Union or State

Section 15: Functions of CAG in the case of Grants or Loans given to other authorities or bodies

Section 20(1): Audit of accounts of certain authorities or bodies

Regulations on Audit and Accounts, 2020, functions of Technical Guidance and Support (TGS) for Audit of LSGIs has been entrusted to C&AG. Government of Keralam entrusted the C&AG for providing TGS to Kerala State Audit Department (KSAD) till March 2024. TGS entrustment was not extended by GoK thereafter.

1.5.1.2 *Audit by Primary Audit Institutions (PAIs)*

According to Kerala Local Fund Audit Act, 1994 (LFA Act), KPR Act, 1994 and KM Act, 1994, Director of KSAD is the Statutory Auditor of LSGIs. LFA Act has vested KSAD with necessary powers and responsibilities to conduct audit of accounts of Local Self-Government Institutions. Kerala Local Fund Audit Rules, 1996 (LFA Rules) provide for the manner of conducting the audit, form and contents of the audit reports, procedure for charge and surcharge, etc. KSAD functions under the administrative control of the Finance Department, GoK.

According to LFA Rules, LSGIs should prepare Annual Financial Statements (AFS) containing Receipt and Payment Statement, Balance Sheet and Income and Expenditure Statement and present their accounts to KSAD by 31 July of the succeeding financial year. KSAD should complete audit of the accounts within six months of receipt of the accounts and issue Audit Report within three months of the date of completion of audit. KSAD audited accounts in respect of 1,114 LSGIs (1,107 PRIs and 17 ULBs) and audit report in respect of 890 LSGIs (890 PRIs and Nil ULBs) were issued by December 2024.

According to Kerala Local Fund Audit Act (Section 23) and Local Fund Audit Rules (Rule 25), the Director should, not later than 30th September every year, send to the Government a consolidated report of the accounts, audited by him during the previous financial year, containing such particulars which he intends to bring to the notice of the Government. The Consolidated Audit Report for the year 2023-24 was placed in the Legislature on 13 February 2025.

1.5.2 Audit Methodology

1.5.2.1 *Function Based Service Delivery oriented approach to audit*

The Audit Report for LSGIs is focused primarily towards the assessment of the quality of the Service Delivery by the Local Self-Government Institutions with respect to the functions devolved to them, and to assess to what extent these services have positively impacted the citizens at the grassroots under their jurisdiction.

This has been attempted by generally adopting a District-centric approach, where the Service Delivery has been assessed horizontally and vertically across all tiers of the LSGIs in a District to arrive at a comprehensive conclusion vis-à-vis the sample units of LSGIs chosen for audit.

Other issues of importance, noticed by Audit across LSGIs, have also been included for necessary remedial action.

Over and above these, large Municipal Corporations have also been audited as stand-alone entities with respect to their functions, efficiency and compliance issues, wherever applicable.

1.6 Structure of the Report

The report has been organised in following chapters:

Part I	:	Panchayat Raj Institutions
Chapter II	:	Overview of Panchayat Raj Institutions
Chapter III	:	Function Based Audit of Panchayat Raj Institutions: 3.1 Functioning of Slaughterhouses and meat stalls in Panchayat Raj Institutions 3.2 Construction and maintenance of public toilets including Take a Break units by Panchayat Raj Institutions
Part II	:	Urban Local Bodies
Chapter IV	:	Overview of Urban Local Bodies
Chapter V	:	Subject Specific Compliance Audit on Implementation of Building Rules in Urban Local Bodies
Chapter VI	:	Compliance Audit paragraphs of Urban Local Bodies
Chapter VII	:	Function Based Audit of Urban Local Bodies: Functioning of Slaughterhouses and meat stalls in Urban Local Bodies

1.7 Audit Scope and Criteria

The scope of Audit was mainly to analyse (i) the status of devolution of functions and flow of funds to LSGIs, (ii) construction and maintenance of public toilets including 'Take a Break' units by PRIs, (iii) functioning of slaughterhouses and meat stalls in LSGIs and (iv) implementation of Building Rules by ULBs.

Audit criteria were mainly derived from the following:

- Kerala Panchayat Raj Act, 1994
- Kerala Municipality Act, 1994
- Kerala Municipality (Accounts) Rules, 2008
- Kerala Panchayat (Accounts) Rules, 2011
- State Finance Commission Reports
- Kerala Municipality Building Rules, 1999 and 2019
- Government orders and guidelines on construction/renovation of public toilets and 'Take a Break' units
- Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996
- Prevention of Cruelty to Animals (Slaughterhouse) Rules, 2001 issued by GoI.

1.8 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Department of Local Self Government, GoK, Principal Director, LSGD and all selected ULBs and PRIs in the smooth conduct of the audit.

PART I

Panchayat Raj Institutions

CHAPTER II
OVERVIEW OF PANCHAYAT RAJ INSTITUTIONS

2.1 Introduction

The seventy-third Constitutional Amendment Act (CAA), 1992 gave constitutional status to the institutions of rural local self-governments in the country. The Panchayat Raj system is a three-tier system of Local Self-Government Institutions (LSGIs) in rural areas that includes Grama Panchayats, Block Panchayats and District Panchayats. In pursuance of the seventy-third Constitutional Amendment Act, GoK enacted the Kerala Panchayat Raj Act 1994 (KPR Act, 1994), endowing Panchayat Raj Institutions (PRIs) with necessary powers and authorities to enable them to function as institutions of self-government and for securing a greater measure of participation of the people in planned development and local Governmental affairs. The seventy-third CAA also introduced the Eleventh Schedule and the matters enumerated therein were identified as functions which could be entrusted to PRIs.

There are 941 Grama Panchayats, 152 Block Panchayats and 14 District Panchayats in the State. In the three-tier Panchayat Raj system in the State, each tier functions independently of the other. District-wise number of PRIs, population and per capita income are given in **Table 2.1**.

Table 2.1: District-wise details of PRIs

Sl. No	District	Rural population (in lakh)	Per Capita income (₹) (district)	Number of PRIs		
				Grama Panchayats	Block Panchayats	District Panchayats
1	Thiruvananthapuram	15.30	179231	73	11	1
2	Kollam	14.48	220354	68	11	1
3	Pathanamthitta	10.65	139995	53	8	1
4	Alappuzha	9.79	236305	72	12	1
5	Kottayam	14.09	212921	71	11	1
6	Idukki	10.57	186407	52	8	1
7	Ernakulam	10.48	238986	82	14	1
8	Thrissur	10.25	195125	86	16	1
9	Palakkad	21.33	144010	88	13	1
10	Malappuram	22.96	115288	94	15	1
11	Kozhikode	10.13	155738	70	12	1
12	Wayanad	7.88	119128	23	4	1
13	Kannur	8.82	164601	71	11	1
14	Kasaragod	7.98	141130	38	6	1
	Total	**174.71**		**941**	**152**	**14**

(Source: Economic Review-2024 and Thadhesakam 2024 issued by LSGD)

2.2 Functioning of PRIs in the State

Consequent to the enactment of KPR Act, 1994, PRIs have assumed an important role in the formulation and implementation of developmental programmes at the grassroot level which involve active participation of all sections of people in the form of Grama Sabhas, Working Groups[2] (WGs) and Development Seminars[3] for the overall development of PRIs. Every year PRIs have to prepare a development plan for the succeeding year, adhering to the guidelines issued by the Government, and submit the plan to the District Planning Committee (DPC) for approval. In the decentralised planning set-up, WGs, Grama Sabhas, Standing Committees (SCs), DPCs and implementing officers are the institutions/Groups involved in the plan formulation process and its implementation.

According to the KPR Act, 1994 it shall be the duty of PRIs to take care of the requirements of the areas of their jurisdiction in respect of the matters enumerated in the respective Schedules of the Acts, and PRIs shall have the exclusive power to administer the matters enumerated in the Schedules and to prepare and implement schemes relating thereto for economic development and social justice.

2.3 Status of devolution of functions and functionaries

The Eleventh Schedule of the Constitution contains 29 functions (**Appendix 1.1**) pertaining to the Panchayat Raj Institutions (PRIs). The KPR Act, 1994 envisaged transfer of functions of various Departments of the Government to LSGIs, together with the staff to carry out the functions transferred. Government stated (August 2025) that as mandated by KPR Act, 1994, the Government transferred fully or partially 28 of these functions to PRIs. The functions relating to minor forest produce is yet to be transferred to PRIs. Further, functions relating to distribution of electricity and implementation of land reforms were partially transferred. Government also transferred the assets, liabilities, institutions and schemes relating to the transferred functions along with the officials to the Panchayats with effect from 02 October 1995. However, Audit noticed that PRIs were fully responsible for only five out of 28 functions transferred and had limited/no role with regard to 14 functions. In respect of nine functions, audit noticed parallel implementation of schemes by PRIs and Government Departments. Details are given in **Table 2.2**.

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[2] Working Groups comprise Standing Committee Chairpersons, Government officials, subject experts, SC/ST/Women members, etc. Functions of Working Group include collection and consolidation of demands/suggestions from citizens, co-ordinating meetings with stakeholders, subject experts, etc., presentation of draft plan in the Grama Sabha, etc.

[3] Demands/suggestions approved by Grama Sabhas are consolidated to prepare a draft annual plan and presented in the development seminar by the Panchayat Committee/ Municipal council. Annual plan of the LSGI is finalised in the Development seminar on the basis of priorities, resource availability and development requirements. Elected members, working group members, implementing officers, SC/ST promoters, subject experts, Grama Sabha representatives, etc., participate in the Development Seminar

Table 2.2: Status of devolution of functions to PRIs

Sl. No.	Responsibility	Functions
1	Full jurisdiction/ Major role	1. Roads, culverts, bridges, ferries, waterways and other means of communication 2. Maintenance of community assets 3. Rural Housing 4. Poverty alleviation programme 5. Markets and Fairs
2	Limited role	1. Minor irrigation, water management and water shed development 2. Fisheries 3. Small scale industries including food processing industries 4. Khadi, Village and Cottage Industries 5. Drinking water 6. Non-conventional energy sources 7. Technical training and vocational education 8. Adult and non-formal education 9. Libraries 10. Family welfare 11. Welfare of weaker sections and in particular of the Scheduled Castes and Scheduled Tribes 12. Land improvement, implementation of Land reforms, Land consolidation and Soil Conservation which is limited to Soil conservation 13. Rural electrification including distribution of electricity
3	No role	1. Public distribution system
4	Overlapping jurisdiction- Parallel implementation of schemes by PRIs and Government Departments	1. Agriculture including agricultural extension 2. Animal Husbandry, Dairying and Poultry 3. Social Forestry and Farm Forestry 4. Fuel and Fodder 5. Education including primary and secondary schools 6. Cultural activities 7. Health and Sanitation including Hospital, Primary Health Centres and Dispensaries 8. Women and Child development 9. Social welfare including welfare of the handicapped and mentally retarded
5	Function not transferred	1. Minor forest produce

(Source: Details furnished by Principal Directorate, LSGD)

2.3.1 Parallel implementation of schemes

In the absence of clear demarcation of activities, audit noticed overlapping of functions. Schemes relating to the transferred functions which were included in the Annual Plans of PRIs, were implemented in a parallel manner by the Departments concerned also. Almost all functions related to Agriculture, Animal husbandry, Dairy development and Scheduled Caste and Scheduled Tribe development implemented through PRIs were also implemented in a parallel manner by the respective departments.

According to KPR Act, 1994, Ward Sabhas were to identify and include eligible applicants from the respective ward area, based on the criterion prescribed in the beneficiary-oriented scheme guidelines. Parallel implementation of schemes by Government resulted in beneficiary selection by departmental officers for departmental schemes. These beneficiary lists prepared by departmental officers were not subject to scrutiny by Ward Sabhas and for that reason, such selection was vulnerable to the risk of duplication of beneficiaries. Implementation of schemes of similar nature relating to the transferred functions by PRIs and Government in a parallel manner may result in lack of accountability of PRIs and departments towards effective implementation of schemes. Further, Departments continuing to implement programmes on devolved functions goes against the spirit of decentralisation and reduces the autonomy of PRIs.

2.3.2 Lack of role clarity in the powers and functions of PRIs

Powers and functions of PRIs with regard to transferred institutions have not been clearly laid down by the State. There is lack of clarity in the relationship between Local Governments and the Departments including parastatals performing functions assigned to Local Governments. All the transferred institutions are still kept under administrative control of the parent Government Department. The staff are appointed, transferred and their salaries are paid by the Government. As such there exists dual control of PRIs and parent departments in the administration of the transferred institutions.

2.3.3 Transfer of functionaries

For efficient discharge of transferred functions, the LSGIs require qualified and trained personnel. Against the requirement of 152 and 70 clerical posts assessed (July 2000) in Block Panchayats and District Panchayats, still there exist a shortage of 60 and 33 personnel respectively (December 2024). Social Justice Department and Scheduled Caste and Scheduled Tribe Development Departments have not deployed any personnel to LSGIs (December 2024).

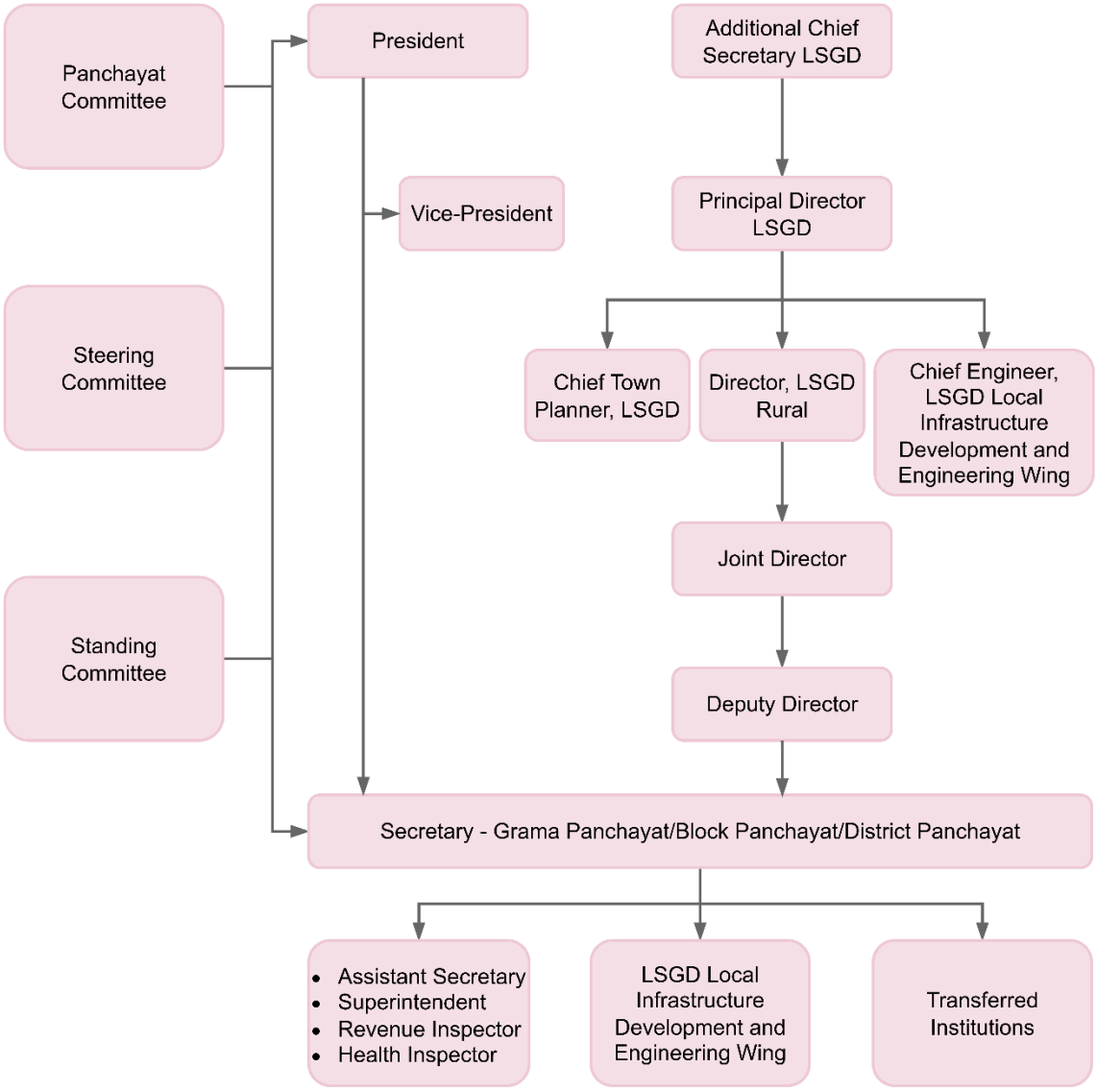
2.4 Organisational setup of PRIs

In the three-tier Panchayat Raj system in the State, each tier functions independently of the other. Local Self Government Department (LSGD) is empowered to issue general guidelines to LSGIs in accordance with the National and State policies in matters such as finance, maintenance of accounts, office management, formulation of schemes, selection of sites and beneficiaries, proper functioning of Grama Sabha, welfare programmes, environmental regulations, etc. The President is the Chief Executive Head of PRIs. Each PRI has a Secretary, who is the Chief Executive Officer. The members of each tier of PRIs elect the President, Vice-President and Chairpersons of the Standing Committees.

Government, in October 2022, integrated five services under LSGD, viz., Panchayat, Rural Development, Urban Affairs, Town and Country Planning Department, Local Self Government Engineering wing and Municipal Common Service of LSGD and formed LSGD Common Service with Principal Director (LSGD) at its head. The Commissionerate of Rural Development, Directorate of Panchayats and Directorate of Urban Affairs were merged to form two wings

viz., Directorate of LSGD (Rural) and Directorate of LSGD (Urban). LSGD Engineering wing was renamed as Local Infrastructure Development and Engineering Wing and Town and Country Planning wing as LSGD Planning Wing. Organogram at Government level and at PRI level is given in **Chart 2.1**.

Chart 2.1: Organogram at Government level and PRI level



2.5 Formation of various Committees

Section 162 of the KPR Act, 1994 deals with constitution of Standing Committees in every Panchayat and 162 B deals with constitution of Steering Committee in every Panchayat.

Standing Committees

Standing Committees[4] analyse issues and proposals before these are considered for taking a decision by the Panchayat Committees. There are four[5] Standing

[4] Standing Committee consist of members elected by the elected members of the LSGIs from among themselves

[5] (1) Standing Committee for Finance, (2) Standing Committee for Development, (3) Standing Committee for Welfare, (4) Standing Committee on Health and Education

Committees for each Grama Panchayat and Block Panchayat, five[6] for each District Panchayat. The Standing Committees have the power to make resolutions in respect of their subjects. Every resolution passed by the Standing Committees needs to be placed in the next meeting of the Panchayat Committee of the PRIs. The Panchayat Committee can modify resolutions, if considered necessary.

Steering Committee

Steering Committee coordinates and monitors the working of Standing Committees. The Steering Committee consists of the President, Vice-President of the PRIs concerned and Chairpersons of the Standing Committees.

District Planning Committee

Article 243 ZD, of the Constitution of India, included vide the Seventy-fourth Constitutional Amendment Act, stipulates constitution of a District Planning Committee at the district level in every State to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole. Section 53 of KM Act, 1994 included in pursuance of Article 243ZD, provides for the constitution of a District Planning Committee (DPC) for consolidation of plans prepared by the Panchayats and the Municipalities. The tenure of DPC is five years.

The DPC consists of 15 members[7] headed by the District Panchayat President as the Chairman and District Collector as the Member Secretary. Member of Parliament (MP) and Member of Legislative Assembly (MLA) representing the district concerned are the permanent invitees of the District Planning Committee of that district and district level officers of departments are joint secretaries of the Committee. Though the DPCs were to prepare the Draft Development Plan for the whole district for the next financial year before 30 September of every year, and the Chairman of the Committee was to forward the same to the Government for approval, District Plans have not been prepared since 2018-19.

2.6 Response to Audit Observations

The Handbook of Instructions for Speedy Settlement of Audit Objections/Inspection Reports (IRs)/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010 and 2017, provides for prompt response by the Executive to the IRs issued by the Accountant General for rectification, in compliance with the prescribed rules and procedures. The Heads of Offices and next higher authorities are required to comply with the audit observations contained in the IRs, rectify the defects and omissions and promptly report their compliance to the Accountant General within four weeks of receipt of IRs. It was noticed that as of 31 March 2025, 323 IRs (2233 paragraphs) were outstanding in PRIs. Year-wise details of IRs and paragraphs outstanding are given in **Appendix 2.1**.

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[6] (1) Standing Committee for Finance, (2) Standing Committee for Development, (3) Standing Committee for Welfare, (4) Standing Committee for Public Works, (5) Standing Committee for Health

[7] President of the District Panchayat of that district, District Collector, one person having considerable experience in the administration of planning nominated by the Government and twelve members from among the elected members of panchayat at district level and Municipalities in the district in proportion to the ratio between the population of rural areas and of urban areas in the district

2.6.1 Discussion by Legislative Committee

Committee on Local Fund Accounts (LFAC), which came into effect from 18 February 2003, examines the Reports of the Comptroller and Auditor General of India, relating to the accounts of the LSGIs, which are laid annually before the Legislative Assembly. According to the Rules of procedure and conduct of business in the Kerala Legislative Assembly, the Committee shall also perform such other functions in respect of the Audit Reports of the Local Bodies audited by the Comptroller and Auditor General of India as may be assigned to it by the Speaker from time to time.

The pendency in discussion of the outstanding paragraphs for PRIs, which appeared in the CAG's Audit Report, by the LFAC is given in the **Table 2.3**.

Table 2.3: Discussion of CAG's report by Legislative committee

Name of the Audit Report	Year of the Report	Number of paragraphs pending for discussion as of October 2025
Report of the CAG of India on Local Self-Government Institutions for the year ended March 2022	March 2022 (Report No. 4 of the year 2024)	Six[8] (Chapters I, II and IV, Paragraphs 5.2, 5.4 and 5.6

(Source: Details maintained by Accountant General, Audit I, Kerala)

2.7 Accountability Mechanism and Financial Reporting

2.7.1 Source of Fund

Devolved functions can be carried out effectively by LSGIs only when they are supported by sufficient financial resources. Financial resources are obtained through fiscal transfers facilitated by State Finance Commissions (SFC) and compliance to Central Finance Commission (CFC) recommendations as well as through increased access to own sources of revenue. The resources of PRIs consist of own revenue such as tax and non-tax revenue, funds devolved by State Government, Government of India (GoI) grants and loans from financial institutions. The State Government provides three types of funds to LSGIs from the Consolidated Fund viz., Grants (General Purpose Fund, Maintenance Fund, Development Fund), Funds for State Sponsored Schemes and State share of Centrally Sponsored Schemes (CSSs). The composition of resources of PRIs for the period 2019-20 to 2023-24 is given in **Table 2.4.**

[8] Chapter I and II contain observations relating to both PRIs and ULBs

Table 2.4: Composition of resources of PRIs during 2019-2024

(₹ in crore)

Resources	2019-20	2020-21	2021-22	2022-23	2023-24
Own Revenue: i. Tax Revenue	561.47	554.89	422.24	703.39	736.86
ii. Non-Tax revenue	161.66	150.04	116.27	276.10	538.64
Total Own Revenue	**723.13**	**704.93**	**538.51**	**979.49**	**1275.50**
State Fund: i.Traditional Functions	1284.29	1354.02	1545.64	1475.79	1775.18
ii.Maintenance Fund (Road Assets and Non-Road Assets)	2227.34	2391.65	2656.48	2433.27	3014.78
iii.Expansion and Development	4278.73	4168.01	3901.30	4394.34	4345.99
iv.Funds and State sponsored schemes	236.79	361.41	168.57	327.63	245.94
v. State share of centrally sponsored schemes	210.61	314.98	391.71	768.25	252.42
Total State Fund	**8237.76**	**8590.07**	**8663.70**	**9399.28**	**9634.31**
GoI grants: i.Centrally Sponsored Schemes	3620.70	4394.4	3716.55	4279.78	4020.65
ii.Development and expansion (15th FC)	1093.48	2219.94	2113.62	1598.34	1261.90
Total GoI Fund	**4714.18**	**6614.34**	**5830.17**	**5878.12**	**5282.55**
Receipts from loans and other sources: Loans	515.12	208.65	76.61	354.31	865.55
Total Receipts	**14190.19**	**16117.99**	**15108.99**	**16611.20**	**17057.91**

(Source: Data collected from Information Kerala Mission, State Finance Commission Cell, Kerala Urban and Rural Development Finance Corporation (KURDFC), Kerala State Poverty Eradication Mission (Kudumbashree)

Of the total receipts during 2019-20 to 2023-24, the percentage share of State fund decreased from 58.05 *per cent* to 56.48 *per cent*; Central Fund decreased from 33.22 *per cent* to 30.97 *per cent,* Own revenue increased from 5.10 *per cent* to 7.48 *per cent*.

2.7.2 Expenditure incurred by PRIs against the funds allocated by GoK

The State Government provides three types of funds viz., General purpose fund, Development fund and Maintenance fund to LSGIs from the Consolidated Fund of the State on the basis of recommendations of SFC. Appendix IV to the Detailed Budget Estimates of the Government gives the LSGI-wise allocation of funds. Details of funds released and expenditure incurred during 2023-24 are given in **Table 2.5**.

Table 2.5: Expenditure incurred by PRIs during 2023-24

(₹ in crore)

Sl. No.	Category of Fund	Head of Account	Amount Authorised	Expenditure as per VLC	Unspent balance	Percentage of unspent balance
1	General purpose fund	3604-00-200-83 (03 to 05)	1775.18	1319.49	455.69	25.67
2	Maintenance fund (Non-Road)	3604-00-200-82 (03 to 05)	1085.16	545.17	539.99	49.76
3	Maintenance fund (Road)	3604-00-200-79 (03 and 04)	1929.61	558.30	1371.31	71.07
4	Expansion and Development	3604-00-200 -81- (03, 04, 05, 08, 09, 10, 13, 14, 15) – 35	4345.99	3345.06	1000.93	23.03
	Total		**9135.94**	**5768.02**	**3367.92**	

(Source: SFC Cell, Government Orders, Voucher Level Computerisation Figures)

Out of the total allotment of ₹7,360.76 crore towards Development and Maintenance funds, ₹2,912.23 crore (39.56 *per cent*) lapsed at the end of the financial year. Audit observed that 71.07 *per cent* of the Maintenance Fund (Road) and 49.76 *per cent* of the Maintenance Fund (Non-Road) remained unutilised and lapsed at the end of the financial year, indicating inadequate fund utilisation and possible deficiencies in planning and execution of maintenance works.

2.7.3 Application of Resources

In terms of activities, total expenditure constitutes expenditure on Productive Sector, Infrastructure Sector, Service Sector and other expenditure[9]. Development expenditure of PRIs from all sources of funds during the period from 2019-20 to 2023-24 is given in **Table 2.6.**

Table 2.6: Application of Resources by PRIs

(₹ in crore)

Sector	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Productive Sector	661.86	1171.34	1009.30	1076.14	861.24	4779.88
Infrastructure Sector	4079.69	4699.43	5107.19	5597.12	1393.26	20876.69
Service Sector	1598.08	3375.56	2144.88	1967.90	6120.06	15206.48
Total Development Expenditure	**6339.63**	**9246.33**	**8261.37**	**8641.16**	**8374.56**	**40863.05**

(Source: Details furnished by IKM)

- During the period 2019-20 to 2023-24 the total Development Expenditure from all sources of funds was ₹40,863.05 crore and the percentage of expenditure on productive sector, infrastructure sector and service sector were 11.70 *per cent*, 51.09 *per cent* and 37.21 *per cent* respectively.
- The amount spent on productive sector ranged from 10.28 *per cent* to 12.67 *per cent* during 2019-20 to 2023-24, indicating that the LSGIs assigned low

[9] Salaries and honorarium, contingency expenditure, other administrative expenditure, terminal benefits, etc.

priority to productive sector like Agriculture, Animal Husbandry, Fisheries, Industries, etc.

- During 2023-24, the percentage of expenditure on infrastructure sector decreased from 64.77 *per cent* to 16.64 *per cent* while the percentage of expenditure on service sector increased from 22.77 *per cent* to 73.08 *per cent* from the previous year. This reallocation of resources may affect the progress of infrastructure development and could have long-term implications for asset creation and economic growth.

2.7.4 Implementation of projects by LSGIs

Details of projects formulated, taken up, completed and expenditure incurred during the period 2019-20 to 2023-24 are given in **Table 2.7**.

Table 2.7: Details of projects formulated, taken up and expenditure incurred

Year	Type of LSGI	Number of projects			Amount (₹ in crore)			Percentage of expenditure[10]
		Formulated	Taken up	Completed	Outlay of projects formulated	Expenditure on projects taken up	Expenditure on completed projects	
2019-20	GP	207892	118396	82030	12156.81	4985.02	2775.17	41.00
	BP	17422	10123	6254	1415.99	628.27	392.64	44.37
	DP	14585	5255	3039	2290.63	726.41	340.05	31.71
2020-21	GP	227830	176260	147490	13307.50	6750.16	5144.30	50.72
	BP	19214	16049	12583	1588.88	993.12	752.62	62.50
	DP	13898	9828	7714	2453.84	1491.89	1086.53	60.80
2021-22	GP	144715	110352	83449	9874.68	5048.72	3370.24	51.13
	BP	13715	11142	7914	1361.28	788.32	549.64	57.91
	DP	6940	3714	2566	1505.44	836.19	597.25	55.54
2022-23	GP	150456	106911	84267	11194.88	5011.22	3592.75	44.76
	BP	14678	11387	8367	1458.31	865.79	645.91	59.37
	DP	7267	3682	2266	1562.71	790.22	594.04	50.57
2023-24	GP	167332	95568	67246	13607.39	5230.07	3034.40	38.43
	BP	15171	9720	5834	1453.65	684.66	382.62	47.10
	DP	7194	2371	1147	1451.40	538.70	250.65	37.12
Total		**1028309**	**690758**	**522166**	**76683.39**	**35368.76**	**23508.81**	

(Source: Details furnished by IKM)

- Against projects formulated, projects taken up for implementation ranged from 57 *per cent* to 77 *per cent* in GPs, 58 *per cent* to 84 *per cent* in BPs and 33 *per cent* to 71 *per cent* in DPs.
- Against projects taken up for implementation, percentage of completed projects ranged from 69 *per cent* to 84 *per cent* in GPs, 60 *per cent* to 78 *per cent* in BPs and 48 *per cent* to 78 *per cent* in DPs.

[10] Percentage of expenditure on projects taken up to total outlay of projects formulated

- With reference to the outlay of projects formulated, the percentage of utilisation of fund ranged from 38 *per cent* to 51 *per cent* in GPs, 44 *per cent* to 63 *per cent* in BPs and 32 *per cent* to 61 *per cent* in DPs.

2.8 Recommendations of the State Finance Commission

According to Article 243I of the Constitution, SFC was to review the financial position of the Panchayats and to make recommendations on the principles which should govern (i) the distribution between the State and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, and the allocation between the Panchayats at all levels of their respective shares of such proceeds; (ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Panchayats; (iii) the grants-in-aid to the Panchayats from the Consolidated Fund of the State; (iv) the measures needed to improve the financial position of the Panchayats, etc. The first SFC was constituted on 23 April 1994, covering the period 1996-2001. Since then, six SFCs have been constituted in the State (August 2025). The status of acceptance and implementation of recommendations of fifth and sixth SFCs by Government are given in **Table 2.8**.

Table 2.8: Status of acceptance and implementation of recommendations of SFCs by Government

SFC	Period	Total number of recomm-endations	Accepted by GoK	Deferred	Not accepted	Partially accepted	Implemented
Fifth SFC	2016-17 to 2020-21	103	74	3	26	0	36
Sixth SFC	2021-22 to 2025-26	136	109	3	20	4	44

(Source: SFC Reports and details furnished by SFC Cell, Finance Department)

Out of the 74 accepted recommendations of fifth SFC, only 36 recommendations have been implemented by the State. Of the 109 accepted recommendations of sixth SFC, only 44 recommendations have been implemented till date (December 2024).

2.8.1 Status of transfer of funds

SFC allocation accepted by the State and funds actually released to PRIs during the period 2019-20 to 2023-24 are given in **Table 2.9**.

Table 2.9: Details of grants due and released to PRIs during 2019-20 to 2023-24

(₹ in crore)

Year	SFC allocation as accepted by State	Actual allocation in Budget-Appendix IV	Actual release from Finance Department GoK[11]	Short (-)/ Excess (+) release	Percentage of short (-)/ excess (+) release
2019-20	8022.23	8022.23	7995.49	**(-)26.74**	**(-)0.33**
2020-21	7735.41	7192.14	7913.68	**(+)178.27**	**(+)2.30**
2021-22	7922.04	7873.45	8103.43	**(+)181.39**	**(+)2.29**
2022-23	8332.48	8292.36	8303.39	**(-)29.09**	**(-)0.35**
2023-24	9121.94	9121.94	9135.94	**(+)14.00**	**(+)0.15**
Total	**41134.10**	**40502.12**	**41451.93**	**(+)317.83**	

(Source: Data furnished by SFC Cell, Finance Department)

Audit noticed a short release of ₹55.83 crore to PRIs by GoK during 2019-20 and 2022-23.

2.8.2 Delayed allotment of funds

The sanction for allotment of funds for a financial year would be issued by the State in three instalments on or before 25 of March, July and November every year and the LSGIs were to utilise the funds with effect from the first working day of the next month. The funds not drawn up to 31 March of a financial year would lapse automatically. There was delay up to 117, 114 and 89 days in the allotment of Development fund, Maintenance fund and General Purpose fund respectively during 2023-24. Audit noticed that third instalment of development fund and maintenance fund which was due on 25 November 2023 was allotted only on 22 March 2024 and 30 March 2024 respectively. Further, tenth, eleventh and twelfth instalments of General-Purpose fund were released only on 30 March 2024. Delayed release of funds reduced the time available to PRIs for utilising these funds.

2.9 Recommendations of the Central Finance Commission and utilisation of CFC Funds

Article 280(3)(bb) of the Constitution mandates the Central Finance Commission to recommend measures to augment the Consolidated Fund of a State to supplement the resources of Panchayats based on the recommendations of the respective SFCs.

While Fourteenth CFC recommended for providing of Basic grant and Performance grant to PRIs, Fifteenth Finance Commission recommended for providing untied Basic Grant and Tied Grant. The details of Fourteenth and Fifteenth CFC grants received by PRIs in the State during the audit period are shown in **Table 2.10**.

[11] Includes re-authorisation of unspent balances of previous year

Table 2.10: Details of Fourteenth and Fifteenth CFC grants received by PRIs during 2019-20 to 2023-24[12]

(₹ in crore)

Year	General Basic Grants			Performance Grants/Tied grants			Utilisation
	Allocation by GoI	Release by GoI to State	Release from State to PRIs	Allocation by GoI	Release by GoI to State	Release from State to PRIs	
2019-20	1084.73	1084.73	1084.73	132.57	0	0	493.53
2020-21	814.00	814.00	814.00	814.00	814.00	814.00	1294.00
2021-22	481.20	481.20	481.20	721.80	721.80	721.80	1543.17
2022-23	498.40	498.40	498.40	747.60	747.60	747.60	2395.98
2023-24	504.00	504.00	504.00	756.00	756.00	756.00	802.34
Total	**3382.33**	**3382.33**	**3382.33**	**3171.97**	**3039.40**	**3039.40**	**6529.02**

(Source: Data furnished by SFC Cell, Finance Department)

- Though Performance grant of ₹132.57 crore pertaining to the year 2019-20 was due from GoI, the amount has not been released till date (November 2024).
- According to the Ministry of Finance Guidelines, the grant should be transferred to the LSGIs within 15 days of it being credited to the account of the State Government. In case of delay, the State Government should release the instalment along with the interest for delayed period at the prevailing Bank rate of Reserve Bank of India, paid from its own funds. Audit noticed that during the financial year 2023-24, an amount of ₹5.32 lakh was distributed to PRIs as interest for delay in authorising second instalment of Basic Grant to Rural Local Governments[13].

2.10 Maintenance of Accounts by PRIs

Double entry Accrual System of accounting is being followed by PRIs in the State from 2011-12. The accounts are prepared in Sankhya software developed by GoK through Information Kerala Mission. The accounts prepared in Sankhya and Annual Financial statements are submitted to Statutory Auditor, Kerala State Audit Department (KSAD). As per Rule 64 of Kerala Panchayat Raj (Accounts) Rules 2011, the KSAD is the authority responsible for the audit of Accounts of PRIs. KSAD, the primary auditor had completed audit of accounts of all 1,107 PRIs for the period 2023-24, but audit report was issued only in respect of 890 PRIs (December 2024).

2.10.1 Status of uploading on Audit Online

State Government has accepted the Model Accounting System (MAS) prescribed by the Ministry of Panchayat Raj (MoPR). Sankhya Double Entry accounting system is based on MAS prescribed by MoPR. The Accounts of all PRIs have been finalised up to the period 2022-23 and uploaded in Audit online Portal (June 2024).

[12] Does not include reauthorisation of unspent balances and Health Sector Grant

[13] G.O.(Rt) No.4130/2024/Fin dated 21 May 2024

2.10.2 Supplementary Audit by CAG

As the entrustment request for Technical Guidance and Support after 31 March 2024 has not been received from Government of Keralam, no supplementary audit was carried out after 31 March 2024.

2.11 Social Audit

In pursuance of the MGNREGA Audit of Scheme Rules 2011, Social Audit Unit (SAU) was set up in the State in 2015[14]. However, the SAU Kerala - Mahatma Gandhi NREGA Social Audit Society Kerala (MGNSASK) - was registered as an independent Society under the Travancore-Cochin Charitable Societies Act, 1955 with the legal mandate to conduct social audit in the State and started functioning only in December 2017. The core responsibility of SAU was to carry out Social Audit activities with the assistance of Resource Persons appointed at the Village, Block and District levels. The major activities carried out by Director, SAU was the preparation of the audit calendar on the basis of volume of work under the scheme, execute and monitor the Social Audit activities on the basis of the calendar, monitoring the progress of conducting and uploading social audit reports on the National web portal (MIS), etc. Audit of SAU, Kerala was conducted by CAG during February 2025 covering the period from 2022-23 to 2023-24.

[14] vide G.O (Rt) No. 3906/2015/LSGD dated 30 December 2015

CHAPTER III
FUNCTION BASED AUDIT OF PANCHAYAT RAJ INSTITUTIONS

Introduction

Consequent upon the seventy-third amendment of the Constitution, the State Legislature enacted the Kerala Panchayat Raj Act, 1994 (KPR Act, 1994). This Act established a three-tier Panchayat Raj system in the State, aimed at ensuring greater public participation in planned development and local governance. It constituted Grama, Block and District Panchayats at the village, intermediary and district levels respectively. The Function-Based Audit of Panchayat Raj Institutions (PRIs) with district centric approach evaluates how effectively these institutions are discharging the functions devolved through the seventy-third amendment of the Constitution.

3.1 FUNCTIONING OF SLAUGHTERHOUSES AND MEAT STALLS IN PANCHAYAT RAJ INSTITUTIONS

3.1.1 Introduction

According to KPR Act, 1994, regulation of slaughtering of animals and sale of meat is a mandatory function of village panchayats. In pursuance to the direction by Hon'ble High Court of Kerala, Government of Keralam (GoK) in September 2009 instructed all Local Self-Government Institutions (LSGIs) to establish slaughterhouses for ensuring slaughtering of animals in scientific way for producing hygienic meat. Function based audit on the 'Functioning of slaughterhouses and meat stalls' was taken up to analyse the adequacy of slaughterhouses and compliance with various regulations in the functioning of the slaughterhouses.

3.1.2 Audit objectives

Audit objective was to assess:

- whether Grama Panchayats have planned and constructed adequate number of slaughterhouses in their jurisdiction,
- whether slaughtering of animals, sale of meat and disposal of slaughter waste are regulated in accordance with existing Acts and Rules and
- whether the monitoring mechanism in PRIs are adequate to oversee proper functioning of slaughterhouses and meat stalls.

3.1.3 Audit criteria

Audit criteria was derived from the following Acts, Rules and Orders:

- Kerala Panchayat Raj Act, 1994
- Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996
- Prevention of Cruelty to Animals (Slaughterhouse) Rules, 2001 issued by GoI
- Solid Waste Management Rules, 2016

- Regulations, orders and guidelines issued by Government of India, Government of Keralam, Hon'ble High Court of Kerala, Central Pollution Control Board (CPCB), etc.

3.1.4 Audit Scope and Methodology

Function based audit on 'Functioning of slaughterhouses and meat stalls in Panchayat Raj Institutions' was conducted in 24 Grama Panchayats under the jurisdiction of eight Block Panchayats in the districts of Alappuzha and Idukki covering the period from 2021-22 to 2023-24. Details of selected units are shown in **Appendix 3.1**.

Audit Methodology included scrutiny of records/documents maintained in the audited PRIs, issuing audit enquiries, conducting joint physical verifications, etc. Details were also collected from Department of Local Self Government (LSGD), Directorate of Animal Husbandry, Commissionerate of Food Safety, Information Kerala Mission (IKM), Suchitwa Mission, etc.

Audit findings

3.1.5 Status of Slaughterhouses in the State

According to KPR Act, 1994, a Village Panchayat may provide places for use as public slaughterhouses and charge such rents and fees for their use. Hon'ble High Court of Kerala in July 2009 had directed all LSGIs to establish slaughterhouses within their jurisdiction and GoK to initiate steps to establish large or medium scale slaughterhouses to cater to different panchayats. Number of slaughterhouses in the State, selected districts and selected GPs are given in **Table 3.1**.

Table 3.1: Number of slaughterhouses

Number of slaughterhouses			
	Government	**Private**	**Total**
State	**3**	**17**	**20**
Selected Districts			
Alappuzha	**0**	**0**	**0**
Idukki	**3**	**3**	**6**
Selected GPs			
Alappuzha	**0**	**0**	**0**
Idukki	**2**	**0**	**2**

(Source: Data furnished by Principal Directorate, LSGD)

Though GoK had instructed (September 2009) to establish slaughterhouses in all LSGIs and a guideline for construction and maintenance of slaughterhouse was issued (October 2010), 921 of the 941 GPs in Keralam did not have slaughterhouse with basic facilities for slaughtering of animals, processing of meat in hygienic way and proper disposal of waste generated.

Further, the data on number of slaughterhouses in the State, available with various Departments/institutions indicates that only a few slaughterhouses in the State possess mandatory licences as shown in **Table 3.2**.

Table 3.2: Number of authorised slaughterhouses functioning in the State

Name of Department/Institutions	Number of slaughterhouses in the State		
	Government	Private	Total
Principal Directorate, LSGD	3	17	**20**
Food Safety Commissionerate	6	8	**14**
Kerala State Pollution Control Board	3	1	**4**

(Source: Data furnished by respective institutions)

Audit noticed that none of the slaughterhouses in the State possess all the mandatory licences required for operating the slaughterhouses.

3.1.6 Non-formulation of projects for slaughterhouses despite huge number of animals being slaughtered

As per the data furnished by District Animal Husbandry Officers (DAHO), number of animals slaughtered in the selected GPs is given in **Table 3.3**.

Table 3.3: Number of animals slaughtered in selected GPs

Year	Alappuzha	Idukki
2021-22	2795	10771
2022-23	3102	8308
2023-24	4560	6665
Total	**10457**	**25744**

(Source: Data provided by the District Animal Husbandry Officers)

Though 10,457 animals were slaughtered in selected GPs in Alappuzha district during 2021-2024, none of the selected PRIs had slaughterhouses. Only two slaughterhouses were operational in two of the 12 selected GPs in Idukki district. Audit noticed that none of the selected PRIs had taken up any new project for construction of slaughterhouse during the period covered by Audit.

Selected GPs stated that non-availability of suitable land in seven[15] GPs and paucity of funds in two[16] GPs were the reasons for not taking up projects for slaughterhouses. However, Audit noticed that no initiative to identify suitable land was undertaken by selected GPs.

3.1.7 Funding

Allocation of funds and expenditure for establishment/construction of slaughterhouses and allied facilities by PRIs in the State during the period from 2021-22 to 2023-24 is shown in **Table 3.4**.

Table 3.4: Allocation and utilisation of funds by PRIs in the State

(₹ in crore)

Year	Allocation	Expenditure
2021-22	0.098	0.098
2022-23	1.072	0.129
2023-24	0.983	0.372
Total	**2.153**	**0.599**

(Source: Data furnished by IKM)

The above data revealed that only a meagre amount was earmarked by the PRIs for the establishment or construction of slaughterhouses and allied facilities in

[15] Cherthala, Kadakarappally, Ambalapuzha North, Ezhupunna and Kuthiyathode GPs in Alappuzha district and Manakkad and Marayoor GPs in Idukki district

[16] Kodomthuruthu GP in Alappuzha district and Upputhara GP in Idukki district

the State. None of the selected PRIs allocated funds[17] for establishing slaughterhouses during 2021–2024, except Vazhathoppu GP in Idukki district. Vazhathoppu GP earmarked ₹10 lakh each during 2021–22, 2022–23 and 2023-24 from its own funds, anticipating support from the Block Panchayat, District Panchayat and other sources. It was stated that as no funds were received from the anticipated sources, slaughterhouse project was not taken up.

3.1.8 Functioning of slaughterhouses

Section 230 of the KPR Act, 1994, read with Rule 32 of the Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996, requires that any person intending to use a premise within a Grama Panchayat as a slaughterhouse must obtain a licence before commencing slaughtering activities. According to Section 25 of Water (Prevention and Control of Pollution) Act, 1974, no person shall, without the consent of Pollution Control Board, establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Central Pollution Control Board had directed (January 2022) to install rendering plant along with blood coagulator for processing animal waste and to install well designed effluent treatment plant (ETP) for treatment of waste water in slaughterhouse. It was also directed to discontinue the operation of slaughterhouse functioning without consent under Water Act, 1974 and Air Act, 1981.

Food Safety and Standards (Licensing and Registration of food business) Regulations, 2011 stipulates for obtaining licence for all slaughterhouses and meat stalls. Rule 6 of Prevention of Cruelty to Animals (Slaughterhouse) Rules, 2001 stipulates for adopting scientific method of slaughtering in slaughterhouses.

Audit noticed that Chakkupallom and Ayyappankovil GPs had slaughterhouses in their jurisdiction. These slaughterhouses were functioning in panchayat buildings and were auctioned to private parties for operation and maintenance. Scrutiny of records as well as joint physical verification revealed following deficiencies in the functioning of these two slaughterhouses as given in **Table 3.5**.

Table 3.5: Deficiencies in mandatory requirements

Mandatory requirements	Name of slaughterhouse	
	Chakkupallom	Ayyappankovil
Number of animals slaughtered per day	No records available[18]	No records available
Modern slaughterhouse	Yes[19]	No
ETP	Nil	Nil
Biogas plant	Nil	Yes
Rendering plant	Nil	Nil

[17] Except Ayyappankovil GP expended ₹9.51 lakh during 2022-23 and Chakkupallom GP allocated ₹2.77 lakh during 2021-22 for renovation of existing slaughterhouse and ₹7.5 lakh for providing bio-gas plant and compound wall, but no amount was expended

[18] Records were not maintained showing number of animals slaughtered in a day

[19] In Chakkupallom, machineries installed were not in use

Mandatory requirements	Name of slaughterhouse	
	Chakkupallom	Ayyappankovil
Solid waste	Transported to pig farms	Collected by Swapna Bone Meal Company, Vengola
Consent of PCB	Nil	Nil
Licence of PRI	Nil	Nil
Food Safety and Standards Authority of India (FSSAI) licence	Nil	Nil
Butcher licence	Nil	Yes
Health card	Nil	Yes

(Source: Data furnished by respective PRIs)

- Chakkupallom GP had constructed (2015) a modern slaughterhouse at a total cost of ₹96.74 lakh. Joint physical verification of slaughterhouse revealed that modern machinery had become corroded and defunct due to lack of maintenance resulting in unscientific slaughtering on the floor in violation of rule provisions. Essential facilities such as resting areas for animals, examination rooms for veterinary checks, stunning and bleeding areas were absent. The premises were unhygienic and the cattle were put in filthy cattle shed.
- The slaughterhouse in Ayyappankovil GP was operating in the Panchayat building since 1983-84. Audit noticed that unscientific floor-level slaughtering was being carried out and the slaughterhouse lack modern machinery.

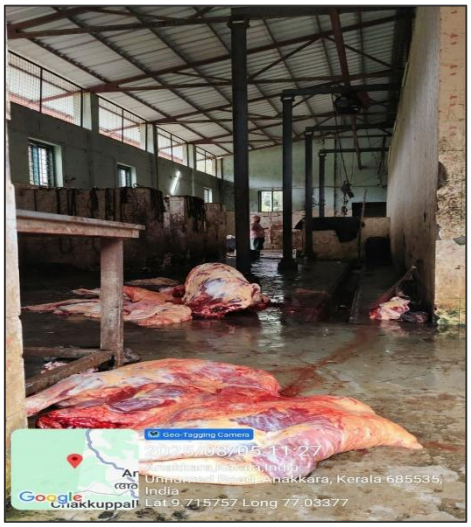


Figure 3.1: Cattle slaughtered on the floor at Chakkupallom

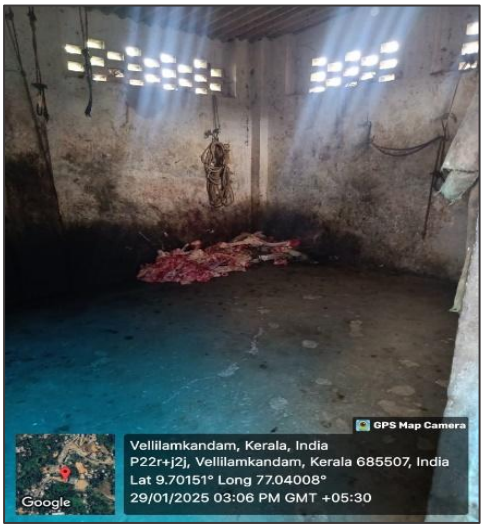


Figure 3.2: Animal waste stacked on the corner of the slaughtering hall in Ayyappankovil GP

- Blood during slaughtering and wastewater after cleaning were drained to an underground pit in both the premises posing the risk of contamination of ground water
- Audit noticed that both these slaughterhouses were functioning without the mandatory licence/consent from GPs/FSSAI/KSPCB and lacked mandatory facilities stipulated by CPCB viz., ETP, rendering plant, blood coagulator, etc. Functioning of slaughterhouses without

licence/registration and not adhering to conditions of FSSAI pose risk to public health.

- In Chakkupallom the solid waste was being transported to nearby pig farms in violation of the Standard Operating Procedure for pig farms issued (December 2020) by KSPCB. Collection of slaughterhouse waste by unauthorised agencies would result in dumping of waste in public places which in turn cause unhygienic surroundings and threat to human health.
- Both the slaughterhouse premises were unhygienic and dumping of solid waste inside and outside the slaughterhouses was noticed as shown in **Figure 3.3** and **Figure 3.4**.



Figure 3.3: Cow dung dumped inside the slaughterhouse at Chakkupallom



Figure 3.4: Solid waste dumped outside the slaughterhouse at Chakkupallom

3.1.9 Inadequate mechanism to ensure health status of cattle

3.1.9.1 At check posts

In compliance with the Hon'ble High Court order, GoK had directed (September 2009) the Animal Husbandry Department (AHD) to set up a mechanism at check posts to ensure random check on the health status of cattle being brought into the State for preventing entry of sick animals, infected animals or animals having contagious diseases.

The details of animals transported from other States during the period 2021-22 to 2023-24 are shown in **Table 3.6**.

Table 3.6: Details of animals brought from other States

Year	Total number of animals transported from other States	Animals transported for slaughtering
2021-22	12,65,464	4,62,812
2022-23	11,80,633	3,31,508
2023-24	13,29,540	2,75,027
Total	**37,75,637**	**10,69,347**

(Source: Data collected from Directorate of Animal Husbandry)

It is seen that, of the 37.75 lakh animals transported during 2021-2024, 10.69 lakh were brought specifically for slaughter. AHD had 19 border check posts to watch health status of cattle brought from outside the State. However, only two posts of Veterinary Doctors were sanctioned against the 19 check posts available in the State. Audit noticed that both the sanctioned posts were lying

vacant (September 2025). Further, quarantine facility was not available in any of the check posts. Audit noticed that check post staff relied upon the health certificate, produced by the transporters stated to be issued by the State from which the cattle was transported.

Thus, it is evident that random check on the health status of animals as prescribed were not being conducted at the check posts posing threat to human health through the sale of meat which may be unfit for human consumption as the health status of the cattle was not ascertained.

The AHD stated (March 2025) that a proposal for establishing a quarantine facility at the check posts has been submitted to the Government for approval.

3.1.9.2 Certification of animals before slaughtering and stamping of meat

Rule 8 of the Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996 stipulates that no animal should be admitted into slaughterhouse for slaughter unless it is examined, certified and stamped by the Examining Authority that the animal is free from contagious and other diseases. Rule 17 stipulates that the Veterinary Surgeon should inspect the meat of the slaughtered animal and stamp it, if it is fit for human consumption. Rule 40 (2) envisages that the stamped portion of the animals slaughtered should be preserved until all the meat is sold out. Verification of records in slaughterhouses in Chakkupallom GP and Ayyappankovil GP revealed the following:

- Though a Veterinary Surgeon was available in Chakkupallom GP, ante/postmortem inspections as mandated in the Rules were not conducted and no register for recording health status of animals maintained.
- In Ayyappankovil GP, the Veterinary Surgeon was maintaining a register for recording the health status of animals brought for slaughtering. However, number of animals inspected was not recorded in the Register. Further, the register was incomplete and certification by the Veterinary Surgeon was absent on many days.
- No records were available in the Slaughterhouse/GP to confirm that post-mortem certification of meat was carried out by the Veterinary Surgeon.
- Though BIS code of practice for ante-mortem and post-mortem inspection of animals prescribed that there should not be delay of more than 24 hours after inspection for slaughtering, in Ayyappankovil GP, cattle were slaughtered after three to five days from the date of certification by Veterinary Surgeon.

The above indicates that mandatory checks were not conducted to ensure that the animals slaughtered were free from diseases and the meat was fit for human consumption.

3.1.10 Absence of separate slaughterhouse for pigs

As per Rule 4 of the Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996 there should be separate slaughterhouses or places for slaughtering pigs, which should be at least 90 metres away from ordinary slaughterhouses.

As per the data furnished by DAHO, during the year 2023-24, 17 pigs and 2870 pigs were slaughtered in selected PRIs of Alappuzha[20] and Idukki[21] districts respectively. However, separate slaughterhouses for pigs were not available in both the selected districts. PRIs stated that the pig meat was made available by the pig farms. This indicated that unauthorised slaughtering occurred in pig farms and edibility of the pig meat was not ensured by the veterinary surgeons.

3.1.11 Slaughterhouse converted to MCF

Upputhara GP constructed a slaughterhouse building for ₹32.50 lakh utilising Government and own funds in the year 2014-15. However, modern machinery and related infrastructure were not installed due to lack of funds. Though Suchitwa Mission transferred (March 2019) ₹60 lakh to Upputhara GP for the slaughterhouse project, the amount remained unutilised and was refunded to Suchitwa Mission in March 2021. During joint physical verification Audit noticed that the building was utilised as Material Collection Facility (MCF). Thus, despite the availability of funds, Upputhara GP failed to establish a slaughterhouse.

3.1.12 Functioning of meat stalls

As per the Administration Manual for Transferred Functions (Veterinary dispensaries/hospitals) issued (June 2017) by GoK, the PRIs should issue licence to the meat sale centres only after inspection and certification by the Veterinary Surgeon that the arrangements for hanging the meat, cleaning the place after sales and for removing polluted water and waste were satisfactory. The GoK had directed (September 2009) that LSGIs should close down all unauthorised meat vending points with immediate effect. However, Audit noticed that 90 *per cent* of meat stalls functioning in selected PRIs were unauthorised as detailed in **Table 3.7.**

Table 3.7: Meat stalls functioning in the selected PRIs

Name of District	Number of meat stalls		
	Authorised	Unauthorised	Total
Alappuzha	0	31[22]	31
Idukki	7[23]	30[24]	37
Total	**7**	**61**	**68**

(Source: Data furnished by respective PRIs)

Only seven meat stalls in three GPs out of 68 meat stalls functioning in 24 GPs were authorised. In Alappuzha district, none of the selected GPs had authorised meat stalls. Though the PRIs were aware of functioning of unauthorised meat stalls, no action was taken to close down these meat vending points. During joint physical verification audit noticed unauthorised slaughtering of animals in

[20] Kadakarappally and Chingoli GPs in Alappuzha

[21] Upputhara, Arakkulam, Vathikudy, Vazhathoppu, Muttom and Karimkunnam GPs in Idukki

[22] Nine PRIs – Punnapra: 3, Chingoli: 4, Kanjikuzhy: 3, Cherthala south: 10, Kadakarappally: 3, Cheppad: 2, Kuthiyathode: 2, Kodomthuruthu: 1, Ezhupunna: 3

[23] Four PRIs - Munnar: 4, Ayyappankovil: 1, Manakkad: 1 and Upputhara: 1

[24] Ten PRIs – Marayoor: 1, Munnar GP: 2, Upputhara: 2, Chakkupallom: 3, Ayyappankovil: 1, Chinnakkanal: 3, Vathikudy: 5, Muttom: 8, Vazhathoppu: 3, Karimkunnam: 2

the meat stalls functioning in Marayoor and Chakkupallom GPs. Images of two unauthorised meat stalls are shown in **Figure 3.5** and **Figure 3.6.**

In Chakkupallom GP, the contractor of the slaughterhouse at Chakkupallom was operating an unauthorised meat stall from a shed on the ground floor of his residence. During joint physical verification (August 2025), Audit noticed unauthorised and unhygienic slaughtering of animals in the shed.



Figure 3.5: Slaughtering inside unauthorsied meat stall at Chakkupallom Grama Panchayat



Figure 3.6: Unauthorsied slaughtering in the meat stall at Marayoor Grama Panchayat

The butchers in any of the selected meat stalls did not possess licence and health cards from concerned authorities as envisaged in the rules.

Ambalapuzha North and South GPs in Alappuzha District stated that no slaughterhouses or meat shops were functioning in their panchayat. However, records of District Animal Husbandry Office showed that 1,350 and 879 animals were slaughtered respectively in these panchayats during 2023-24 indicating unauthorised slaughtering in the GPs.

Audit noticed discrepancies in the number of unauthorised meat stalls functioning in three PRIs as detailed in **Table 3.8**.

Table 3.8: Discrepancies in the number of unauthorised meat stalls

Sl. No.	Name of PRI (District)	Number of unauthorised meat stalls	
		Reported by PRI	Noticed by Audit during joint physical verification
1.	Chingoli GP (Alappuzha)	0	4
2.	Marayoor GP (Idukki)	0	1
3.	Upputhara GP (Idukki)	1	3
	Total	**1**	**8**

(Source: Data furnished by respective PRIs and joint physical verification)

Grama Panchayats concerned were unaware of the functioning of seven unauthorised meat stalls, until pointed out by Audit, indicating lack of monitoring.

3.1.13 Monitoring

3.1.13.1 Inspections and penal actions by the PRIs

Rule 39 of Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996 empowers the Secretary/President/authorised officials to inspect, seize and destroy unfit meat, with recovery of associated costs and Rule 40 lays down

conditions for sale of meat. Twelve GPs stated that they had not conducted any inspection in meat stalls during audit period. Upputhara GP conducted two inspections during 2022-23. Eleven GPs did not furnish any details of inspection conducted. In the absence of authorised slaughterhouses and lack of inspection of meat stalls, the quality of meat sold remained unverified and unregulated.

3.1.13.2 Inspections by Food Safety Officer

According to Section 42(1) of the Food Safety and Standards Act, 2006, the Food Safety Officer (FSO) is responsible for inspecting food businesses, collecting samples and forwarding them to the Food Analyst for analysis. Further, according to Rule 4 (iii) of Food Safety and Standards Rules, 2011, it shall be the duty of the FSO to conduct frequent inspections in all food establishments licensed for manufacturing, handling, packing, selling of food items and to satisfy that conditions of licences are being complied with. Audit noticed that no routine inspections were carried out in slaughterhouses or meat stalls to verify the quality of meat being produced or sold. Inspections were limited to specific drives, complaints or on special occasions.

Commissioner of Food Safety stated (June 2025) that due to acute shortage of staff, it was not feasible to carry out regular inspections in slaughterhouses and meat stalls across the State. However, the reply cannot be accepted as Audit had identified unhygienic and floor level slaughtering in the slaughterhouse in Idukki and unauthorised slaughtering in meat stalls functioning in Idukki and Alappuzha. Further, FSO had conducted only one and 21 inspections in Idukki and Alappuzha districts respectively during the period 2021-2024 though there were two slaughterhouses and 68 meat stalls functioning in the selected GPs of Idukki and Alappuzha districts indicating that even one inspection per year was not conducted in the slaughterhouse and meat stalls by the FSO.

3.1.13.3 Supervision by District Panchayat

Hon'ble High Court had directed (July 2009) the District Panchayats (DPs) to perform supervisory role in order to ensure that the LSGIs perform their duty of closing down of unauthorised slaughterhouses and meat vending points and for avoidance of displayed sale of meat. However, such supervision was not conducted by the Alappuzha and Idukki DPs. Audit noticed displayed sale of meat in all the selected GPs. Images are shown in **Figure 3.7** and **Figure 3.8**



Figure 3.7: Displayed sale at meat stall in Munnar GP



Figure 3.8: Displayed sale at meat stall in Cheppad GP

3.1.13.4 Absence of monitoring by Pollution Control Board

The Kerala State Pollution Control Board (KSPCB) is the principal agency vested with the responsibility to monitor compliance with relevant rules governing air and water pollution. According to the circular[25] issued (October 2017) by KSPCB, Red Category industries were to be inspected once in six months and Orange category industries, once in a year. Central Pollution Control Board had directed (July 2012) the State Pollution Control Boards to submit six-monthly reports to CPCB indicating number of slaughterhouses in operation with status of ETP and consent status and action taken against the defaulting units. Audit noticed that though slaughterhouses fall under Red category, periodical inspections were not conducted by the KSPCB. Further, KSPCB did not conduct any inspection in slaughterhouses in Chakkupallom GP[26] and Ayyappankovil GP[27] during the period 2021-2024. In the absence of regular inspections, KSPCB did not issue any notice or impose any penalty, though these slaughterhouses were functioning in unhygienic environments, violating various regulations.

3.1.14 Conclusion

Slaughterhouses in Chakkupallom and Ayyappankovil GPs in Idukki district were functioning without the mandatory licence/consent from GPs/FSSAI/KSPCB and lacked mandatory facilities stipulated by GoK/CPCB. Unscientific slaughtering on the floor was carried out in these slaughterhouses in violation of rule provisions. Mechanism to ensure health status of cattle at check post was inadequate and statutory veterinary inspections at the slaughterhouse, as prescribed under the relevant Acts and Rules, were not being conducted and essential infrastructure such as waste management facilities was lacking. Also, 61 unauthorised meat stalls were identified across 19 selected PRIs. Routine inspections of the slaughterhouses/meat stalls were not carried out by the respective GPs/FSO/KSPCB, resulting in the quality of meat sold remaining unverified and unregulated. None of the selected PRIs had separate slaughterhouse for pigs. Pig meat was made available by the pig farms in PRIs and edibility of the pig meat remained unverified. As the Audit observations were framed on the basis of examination of records at selected units alone, Government may consider undertaking a comprehensive follow-up across the State.

[25] KSPCB Circular PCB/HO/Circular-01/03/2017/C dated 10 October 2017

[26] One inspection conducted on 16 October 2025

[27] Two inspections conducted on 23 July 2024 and 16 October 2025

3.1.15 Recommendations

- ***Government may consider establishing micro abattoirs that can handle less than ten animals per day to suit daily requirement of meat in areas under the jurisdiction of PRIs.***
- ***Accountability must be fixed on the officers concerned for the failure to enforce penal provisions against unauthorised slaughterhouses and meat stalls.***
- ***Service of Veterinary Surgeon may be ensured in slaughterhouses to certify livestock health and meat quality.***
- ***Departmental level monitoring may be conducted at regular intervals to enforce compliance with safety and hygiene standards, supplemented by randomised and surprise inspection at check posts.***

3.2 CONSTRUCTION AND MAINTENANCE OF PUBLIC TOILETS INCLUDING TAKE A BREAK UNITS BY PANCHAYAT RAJ INSTITUTIONS

3.2.1 Introduction

Access to basic sanitation facilities is essential for safeguarding public health, promoting human dignity, supporting economic development, ensuring environmental sustainability and enhancing the overall well-being. "Health and sanitation" is one of the functions included in the Eleventh Schedule of the Constitution. According to Section 166 of Kerala Panchayat Raj Act,1994, (KPR Act, 1994) it is the mandatory duty of the Grama Panchayats (GP) to provide toilet facilities at public places to meet the requirements of the area.

Government of Keralam (GoK) in February 2020 launched an initiative to construct 12,000 pairs of public toilets and Take a Break units across the State, with an objective to address the lack of usable public toilets for road travellers in Keralam. This project was proposed to be implemented under the supervision of LSGIs, with participation from willing agencies. It was also envisaged to set up coffee shops/refreshment centres wherever sufficient space was available. Local bodies were responsible for funding, supervising and ensuring timely completion of the project.

3.2.1.1 Audit Scope and Methodology

As part of Function Based Audit, the construction and maintenance of public toilets including 'Take a Break' units was evaluated in 34 selected PRIs (two DPs, eight BPs and 24 GPs) in two districts viz., Alappuzha and Idukki, covering the period from 2021-22 to 2023-24. Details of selected GPs are given in **Appendix 3.1**.

Audit methodology included scrutiny of records/documents maintained in the audited PRIs, conducting joint physical verifications, etc. Information was also collected from Department of Local Self Government (LSGD), Information Kerala Mission (IKM), Suchitwa Mission, Kudumbashree and Harithakeralam Mission.

3.2.1.2 Audit Objectives

The audit aimed to evaluate

- Whether PRIs planned for construction of sufficient number of public toilets including Take a Break units in their jurisdiction
- Whether PRIs constructed adequate number of public toilets adhering to Government instructions
- Whether there exists a system in PRIs for ensuring efficient functioning and periodic maintenance of public toilets and Take a Break units

3.2.1.3 Audit Criteria

The audit criteria include

- Kerala Panchayat Raj Act, 1994 and Rules thereof

- Government guideline and orders on construction/renovation of public toilets and 'Take a Break' units
- Swachh Bharat Mission (Gramin) guidelines
- Plan formulation guidelines
- Kerala Public Works Department Manual, 2012

Audit Findings

3.2.2 Planning

Sanitation is included in the Sustainable Development Goals, which aim to achieve universal access to sanitation while paying special attention to the needs of women, children, the elderly, persons with disabilities and other gender minorities. Starting from the location to the design of the toilet, it must allow for universal access and ease of use. It is important that toilets are planned and constructed based on the user needs as well as local conditions. Proper planning ensures that public toilets are functional, safe, cost-effective and sustainable, leading to better public health and user satisfaction.

Audit noticed deficiencies such as absence of comprehensive data on availability of public toilets, not conducting need analysis, poor utilisation of allocated funds, etc., as discussed in subsequent paragraphs:

3.2.2.1 Absence of a comprehensive data on availability of public toilets

Comprehensive data on public toilet availability is essential as it helps in identifying service gaps and allocate resources efficiently to ensure safe, accessible and dignified sanitation for everyone, supporting public health, economic opportunities and overall quality of life. Keralam, being a popular tourist destination, availability of accurate information on public toilets - especially on widely used platforms like Google Maps – enhances the visitor experience and supports the tourism industry.

Audit noticed that though the State had planned to construct 12,000 pairs of public toilets in the State, a comprehensive data on availability of public toilets was not available at the State level. Suchitwa Mission, a State initiative to promote cleanliness and sanitation and the nodal agency for implementing Swachh Bharat Mission (Gramin) and Suchitwa Keralam (Gramin), maintained data on public toilets constructed utilising SBM and Suchitwa Keralam fund only. Though Haritha Keralam Mission was entrusted with the monitoring of the construction and maintenance of Take a Break units, the Mission did not maintain any data on the availability of public toilets in the State.

Details of public toilets in the State and selected districts furnished by Suchitwa Mission is shown in **Table 3.9**.

Table 3.9: Number of Take a Break/public toilets

	Number of GPs	Basic	Standard	Premium	Total
State	941	682	364	70	1116
Alappuzha	72	61	12	0	73
Idukki	52	27	53	2	82

(Source: Details furnished by Suchitwa Mission)

Audit noticed that the number and categorisation[28] of public toilets by Suchitwa Mission differ with the number and categorisation of toilet facilities by GPs. Details are given in **Table 3.10**.

Table 3.10: Number of functional Take a Break/public toilets in selected GPs

	Number of GPs	Basic	Standard	Premium	Total
Suchitwa Mission data	24	19	13	0	32
GP data	24	15	7	0	22

(Source: Details furnished by Suchitwa Mission and selected GPs)

The discrepancy in the data indicated requirement of a comprehensive assessment of number and category of public toilets available in the State.

3.2.2.2 Identification of potential areas for construction of toilets

Identification of potential areas include assessment of daily floating population, the extent of requirement of toilet service provision, adequacy of existing toilets, appropriate location for toilets, understanding user catchment and usage patterns, cost implications and revenue generation potential.

As per the guidelines issued (July 2020) by GoK, each Grama Panchayat was mandated to construct two high quality public toilets i.e., one in Panchayat office premises and one in National/State highways/commercial complex/bus stand etc. Public toilets/Take a Break units were categorised into Basic, Standard or Premium and the type of toilet to be constructed depended on daily footfall and land availability. However, Audit noticed that only 11 out of the 24 selected GPs conducted any assessment for construction of toilets. Two[29] of the selected GPs did not take up any project for construction of Take a Break units/public toilets despite shortage of public toilets in these GPs. Construction of toilets without need assessment resulted in incorrect site selection, idling of the units, etc., as detailed in Paragraphs 3.2.4.1 and 3.2.5.

3.2.3 Physical and financial progress

3.2.3.1 Physical progress

Details of projects for construction of public toilets including Take a Break units formulated, completed, ongoing and functional in the State, selected districts and selected GPs are given in **Table 3.11**.

Table 3.11: Physical progress of Public Toilets/ Take a Break units

	Number of GPs	Target	Projects formu-lated	Number of projects dropped	Work started	Comp-leted	Work in progress	Functional Toilets/Take a Break units	Short fall
State	941	1882	1328	85	1243	1116	127	1012	870
Selected districts									
Alappuzha	72	144	80	5	75	73	2	70	74
Idukki	52	104	108	18	90	82	8	80	24
Selected GPs									
Alappuzha	12	24	16	2	14	14	0	10	14
Idukki	12	24	16	2	14	13	1	12	12

(Source: Details furnished by Suchithwa Mission and selected GPs)

[28] Muttom GP categorised public toilet at Bus Stand as 'Basic' but Suchitwa mission categorised the same as 'Standard'. Marayoor GP categorised public toilet near Karimutti waterfalls as 'Basic' but Suchitwa mission categorised the same as 'Standard'.

[29] Munnar GP and Ayyappankovil GP

It is seen from the table that there is a shortfall of 870 toilets in Grama Panchayats in the State. Audit noticed that against requirement of 48 public toilets/Take a Break units in 24 selected GPs only 28 were constructed, of which only 22 were functional in 18 GPs. Ambalapuzha North GP and Kuthiyathode GP though formulated projects for construction of Take a Break units along National Highway at project cost of ₹16 lakh and ₹20 lakh respectively, the projects were dropped as the GPs could not obtain mandatory permission from the authorities of Alappuzha Medical College/ Kerala State Electricity Board Limited (KSEBL). Six selected GPs[30] did not have any functional Take a Break /Public toilets. Despite being short of 26 toilet facilities, Audit noticed that selected GPs did not initiate any action to make idling toilets functional as detailed in Paragraph 3.2.5.

3.2.3.2 Financial Progress

The PRIs allocated development fund, Central Finance Commission Grant, Swachh Bharat Mission fund, Suchitwa Keralam fund and own fund towards construction of public toilets. Allocation and expenditure in respect of projects for construction of public toilets including Take a Break units in the PRIs in the State and selected districts are given in **Table 3.12**.

Table 3.12: Financial progress of public toilet construction projects

(₹ in crore)

	Year	**Allocation**	**Expenditure**	***Per cent* of expenditure**
State	2021-22	7.89	0.87	11.03
	2022-23	541.17	166.92	30.84
	2023-24	514.37	110.48	21.48
Selected districts				
Alappuzha	2021-22	1.69	0.13	7.69
	2022-23	26.64	9.60	36.04
	2023-24	26.66	5.27	19.77
Idukki	2021-22	0.08	0.03	37.50
	2022-23	41.69	10.31	24.73
	2023-24	46.41	7.00	15.08

(Source: Details furnished by Information Kerala Mission (IKM))

Audit noticed considerable increase in allocation and expenditure towards construction/renovation of public toilets since 2022-23. However, the percentage of expenditure incurred out of the allocation in the State ranged from 21 *per cent* to 31 *per cent* during the period 2022-2024.

In the selected districts also, despite considerable increase in allocation of funds during 2022-24, expenditure ranged from 15 *per cent* to 36 *per cent*. Though allocation towards construction of public toilets increased further during 2023-24, compared to the previous year 2022-23, the percentage of expenditure decreased drastically by 16 *per cent* and nine *per cent* in Alappuzha and Idukki districts respectively.

This decline in expenditure could be attributed to deficiencies in planning and implementation of projects viz., formulation of projects without identification

[30] Munnar, Chinnakkanal, Ambalapuzha North, Cheppad, Kuthiyathode and Punnapra East GPs

of land, identification of land without ascertaining feasibility, etc., resulting in dropping the projects formulated as detailed in Paragraph 3.2.4.

3.2.4 Implementation

According to the guidelines issued (July 2020) by GoK, each Grama Panchayat was required to construct two public toilets/Take a Break units. Audit noticed instances viz., unproductive expenditure due to incorrect site selection, idling of toilets constructed etc., as detailed in subsequent paragraphs.

3.2.4.1 Unproductive expenditure due to incorrect site selection

Kerala Public Works Department Manual, 2012 mandated the Engineering wing of the PRI to verify the site condition while preparing the preliminary estimate of a project. Laxity on the part of the Panchayat officials in ensuring suitability of site before commencement of work resulted in unfruitful expenditure amounting to ₹21.91 lakh in the construction of two Take a Break/Public toilet units as detailed below:

Take a Break project at Ayyappankovil GP

Kattappana BP formulated (2021–22) a project for the construction of a Take a Break toilet complex near the hanging bridge in Ayyappankovil GP, in the land (three cents) owned by KSEBL, at an estimated cost of ₹38 lakh. However, KSEBL rejected the proposal (September 2021) as the land was within the maximum water level of the Idukki reservoir and construction works were not allowed. Ayyappankovil GP approached District Collector, Idukki for granting permission for the construction, as the location was a tourist attraction and there were no other public toilets in the area. On the basis of permission received (March 2022) from District Collector, Idukki for construction of the toilet complex in 1.70 cents of land, Kattappana BP formulated a project during 2022-23 at an estimated cost of ₹30 lakh[31]. Though civil works were completed (November 2024) at a cost of ₹19.20 lakh, KSEBL refused (January 2024) to provide electric connection. Audit noticed that in the absence of electric connection the toilet complex remained non-functional. Audit observed that incorrect site selection and construction of toilets without obtaining NOC from KSEBL resulted in idling of the facility and unfruitful expenditure of ₹19.20 lakh.



Figure 3.9: Toilet complex at Ayyappankovil GP

Take a Break project at Chinnakkanal Grama Panchayat

Chinnakkanal GP formulated (2021–22) a project for construction of "Take a Break" facility near Vilakku Community Hall in Ward No.10 at an estimated cost of ₹15.50 lakh, funded through State fund and CFC grants. However, the

[31] ₹15 lakh each from the Fifteenth Finance Commission grant and Suchithwa Mission

project faced public opposition due to its proximity to the community hall, preventing the commencement of work. On identifying (September 2022) an alternative site near Primary Health Centre for construction of Take a Break facility, the work was awarded to the contractor in September 2022. However, Revenue Department issued a stop memo (November 2022) as the proposed site was under the ownership of the Department. By that time, ₹2.71 lakh had already been spent on initial construction activities. Audit observed that commencement of construction without ascertaining ownership of the land resulted in stoppage of the work and unfruitful expenditure.

3.2.4.2 Non-completion of Take a Break project at Karintharuvy - Upputhara Grama Panchayat

Upputhara Grama Panchayat formulated (2022–23) a project for construction of "Take a Break " facility at Karintharuvy at an estimated cost of ₹17.89 lakh, allocating Central Finance Commission grant and State fund. Land identified was five cents of land provided by Malankara Tea Estate. Though the work was commenced in June 2023, Audit noticed (August 2025) that only the structure of the building was completed and it lacked essential fittings and utilities. An amount of ₹15.87 lakh was spent for the construction (October 2024). Though ₹22.20 lakh was allocated during 2024–25 for completion of the facility, the work was not restarted. The work remained incomplete even after a lapse of two years of commencement of the work, resulting in unfruitful expenditure of ₹15.87 lakh.



Figure 3.10: Take a Break project at Upputhara Grama Panchayat

3.2.4.3 Availability of public toilets in tourist destinations

Of the 24 selected GPs, three GPs in Idukki district viz., Munnar, Marayoor, Ayyappankovil are prominent tourist destinations. Details of public toilets available in these GPs are given in **Table 3.13**.

Table 3.13: Availability of public toilets in tourist locations

Name of GP	Number of toilets available			Number of toilets functioning
	Basic	Standard	Premium	
Munnar	0	0	0	0
Marayoor	2	0	0	2
Ayyappankovil	1	0	0	1

(Source: Data furnished by respective GPs)

Audit noticed that despite being prominent tourist destinations, these GPs failed to ensure construction of sufficient number of public toilets.

Audit noticed that Munnar GP did not formulate any project for construction of Take a Break facility, though it is a prominent tourist place. However, the GP formulated a project for installing four modular toilets, allocating ₹eight lakh

from central funds and the Finance Commission grant. The work was awarded (August 2023) to M/s. Areena Hygiene Solutions Private Limited. Though all units were installed by October 2023 and ₹7.51 lakh was paid to the agency, Audit during joint physical verification noticed (August 2025) that electricity was not available in any of the toilets and two[32] out of the four modular toilets were non-operational in the absence of water supply. Not providing basic amenities in the toilets, located in densely crowded areas, with no alternative toilet facilities nearby, for nearly two years after installation, deprived the public of essential sanitation facilities.



Figure 3.11: Modular toilet at Nallathanni stand in Munnar GP



Figure 3.12: Modular toilet near SBI Munnar

Marayoor GP constructed two public toilets[33] at a total cost of ₹26.34 lakh during the period 2022-2024. However, a joint physical verification conducted with panchayat officials (August 2025) revealed that both the toilet facilities were not operational due to absence of electricity and water connection.

Absence of toilets for differently abled and special needs

The GoK guidelines prescribed for inclusion of toilets for differently abled while constructing premium category toilets. Audit noticed that in the absence of premium category toilets, the tourist destinations lacked toilets for differently abled. Harmonised Guidelines on Norms and Standards for Barrier Free Environment for Persons with Disability and Elderly Persons, 2016, issued by GoI clearly prescribe the norms and specifications of different toilet elements to be provided. For example to support people using wheel chairs, additional space to manoeuvre, grab bars, sloped ramps with railings, type of fixtures, etc. Audit noticed that even though ramps were provided in toilets in three GPs[34], other facilities for differently abled were provided only in two[35] out of 24 selected GPs.

[32] one located near the SBI Munnar branch and another at Nallathanni Stand

[33] At Murukanmala in March 2023 - ₹14.07 lakh, near Karimutti Waterfalls in October 2024 - ₹12.27 lakh

[34] Marayoor and Vazhathoppu in Idukki districts and Ambalapuzha South in Alappuzha District

[35] Kanjikuzhy GP in Alappuzha District and Arakkulam GP in Idukki District

3.2.5 Idling Take a Break/Public Toilet facilities

According to the guidelines issued by GoK in July 2020, the maintenance and upkeep of toilet complexes should be entrusted to Kudumbashree units. Audit noticed that six Take a Break/Public Toilets constructed in five GPs at an expense of ₹75.42 lakh were remaining idle due to lack of water and electricity or due to lack of maintenance as detailed in **Table 3.14**.

Table 3.14: Details of idling toilets/Take a Break units

Sl No	Name of PRI	Location of the Take a Break toilet	Date of completion	Expen-diture (₹ in lakh)	Current Status	Remarks
1	Cherthala South GP	near Arthunkal Beach	November 2022	13.97	locked and unused	Pending maintenance works, basic amenities not provided
2	Vathikudy GP	near Thoprankudy Bus Stand	March 2019	6.36	Locked and unused	Lack of maintenance, non-functioning of bus stand, overgrown with vegetation.
3		near Thoprankudy Market	September 2020	2.41		
4	Chakkupallom GP	in Ward No. 4	November 2021	8.87	locked and unused	Not engaged any agency for maintenance
5	Kanjikuzhy GP	Chalunkal (Ward 17)	January 2024	27.30	locked and inaccessible	Though a tube well and motor were installed, in the absence of electricity connection, the facility lacked water supply
6	Ezhupunna GP	at Ezhupunna Primary Health Center	March 2024	16.51	not operational	Lack of water and electricity connection.
			Total	**75.42**		

(Source: Data furnished by respective GPs and joint physical verification)

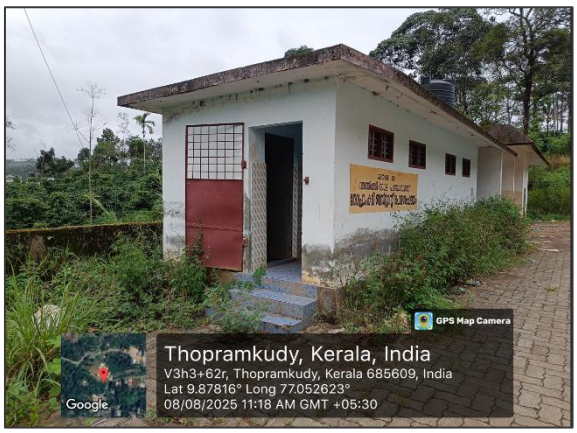


Figure 3.13: Idle 'Take a Break project' at Vathikudy GP

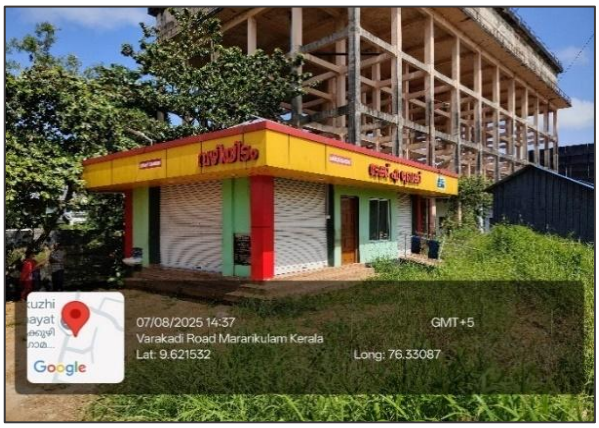


Figure 3.14: Idle 'Take a Break project' at Kanjikuzhy GP

Audit noticed that though toilets in Vathikudy GP were entrusted to Kudumbashree units, they discontinued the maintenance as it had no financial viability. Audit noticed that none of the selected GPs explored the possibility of providing Viability Gap Fund as prescribed in the GoK Guidelines for continuation of the maintenance by Kudumbashree units.

Also, idling of the toilets due to requirement of water and electricity indicate that while planning the construction, these GPs neglected basic requirement to make the toilets functional.

3.2.6 Deficiencies in the functioning of toilets

The guidelines issued for construction of Public Toilets/Take a Break facilities stipulated for providing certain amenities depending on the type of toilet constructed. Accordingly, the facilities classified under the basic category must include:

- Two water closets
- Two sets of wash basins with mirrors
- One sanitary napkin incinerator

However, audit noticed that of the 22 functional Public Toilets/Take a Break facilities, 19 facilities located in 17 GPs lacked basic facilities like sanitary napkin destroyers, wash basins and mirrors. Further, only nine[36] out of 22 functional toilets in the selected GPs engaged agency/caretaker to ensure periodical cleaning as envisaged in the guidelines. Also, cleaning schedules were not available in five[37] out of 22 functional toilets in selected GPs. Audit noticed that two of these toilet facilities[38] were functioning in very unhygienic conditions due to poor upkeeping of the amenities.

Audit observed that despite being located at prominent tourist destinations and in heavily crowded public areas, these facilities have remained only partially functional in the absence of prescribed facilities and cleanliness. This reflects ineffective planning and poor maintenance of public utilities, resulting in denial of intended benefits to the public.

3.2.7 Monitoring

Regular monitoring of toilet facility is essential to ensure proper maintenance of the public toilets. Monitoring should include aspects such as cleanliness, availability of adequate water, maintenance requirements, waste disposal system, behaviour of staff with users of toilets, level of maintenance of building etc. In addition to the monitoring by GPs, GoK had entrusted Harithakeralam Mission for monitoring the Take a Break centres. Audit noticed that no inspection/monitoring was carried out by Harithakeralam Mission to ensure proper functioning/maintenance of the Public Toilets/Take a Break centres. However, the GPs replied (September 2025) that inspection/monitoring is being

[36] Muttom, Karimkunnam, Manakkad, Vattikudy, Vazhathoppu, Arakkulam, Chakkupallom in Idukki District and Ezhupunna, Chingoli in Alappuzha District

[37] Upputhara in Idukki and Ambalapuzha south, Muthukulam, Kanjikuzhy, Cherthala South in Alappuzha District

[38] Kulamavu Bus Stand (Arakkulam GP), Ambalapuzha Junction (Ambalapuzha South GP)

carried out regularly in respect of 14 out of 22 functional toilets in the selected GPs. The reply is not acceptable as Audit noticed that in nine out of 22 functional toilets, no caretaker/agency is available for ensuring periodic cleaning as detailed in Paragraph 3.2.6.

3.2.7.1 User satisfaction surveys/complaint/feedback

Apart from physical monitoring of the toilet facility, a system to register/receive complaints/feedbacks from the users is required to ascertain expectations to be fulfilled and to understand and address any complaints consistently raised in toilet facilities, which were not fixed by the operator. Audit noticed that only four of the 24 selected GPs established a system for obtaining periodic feedbacks/complaints from users.

3.2.8 Conclusion

Planning was found to be inadequate due to the absence of comprehensive data on the availability of public toilets, lack of need assessment and failure by the PRIs to identify suitable land for construction. Despite substantial financial allocations, many projects remained incomplete or non-functional owing to deficient planning, incorrect site selection, unavailability of essential infrastructure such as electricity and water and lack of proper maintenance arrangements. Even among the operational facilities at high-footfall public areas and tourist destinations, audit revealed the absence of basic amenities and unhygienic conditions resulting from poor upkeep. These deficiencies reflect ineffective planning, systemic weaknesses in project implementation and suboptimal utilisation of resources, ultimately depriving the public of the intended benefits. As the Audit observations were derived on the basis of examination of records in selected GPs, Government may direct PRIs/Suchitwa Mission to carry out a similar check on the public toilets in the State.

3.2.9 Recommendations

- ***Government may direct PRIs to conduct need assessment surveys to understand user catchment areas, usage patterns, cost implications and revenue generation potential while planning for construction of toilets.***
- ***Government may direct PRIs to establish a system to ensure proper maintenance and upkeep of public toilets and related ancillary facilities.***
- ***Government may consider prescribing for inclusion of an exclusive toilet facility for differently abled in all the Take a Break facilities especially in tourist destinations.***
- ***Government may consider introducing an online platform/mobile app to lodge complaints/upload photos of unhygienic and non-functional toilets by public.***

PART II

Urban Local Bodies

CHAPTER IV
OVERVIEW OF URBAN LOCAL BODIES

4.1 Introduction

The Constitution of India provided a clear mandate for democratic decentralisation through the Seventy-fourth Constitutional Amendment Act, 1992 (CAA). Article 243W authorised the State Legislatures to enact laws to endow Urban Local Bodies with powers and authority as may be necessary to enable them to function as institutions of self-government and make provisions for devolution of powers and responsibilities. The seventy-fourth CAA also introduced the Twelfth Schedule and the matters enumerated therein were identified as functions which could be entrusted to ULBs. The Kerala Municipality Act, 1994 (KM Act, 1994) was enacted in line with the seventy-fourth CAA, endowing ULBs with necessary powers and authority to enable them to function as institutions of self-governments. As of August 2025, there were 87 Municipalities and six Municipal Corporations in the State. District wise number of Urban Local Bodies (ULBs), Population and Per Capita income are given in **Table 4.1**.

Table 4.1: District wise number of ULBs, urban population and per capita income

Sl. No.	District	Urban population (in lakh)	Per capita income (₹) (district)	Number of ULBs	
				Municipality	Municipal Corporation
1	Thiruvananthapuram	17.72	179231	4	1
2	Kollam	11.87	220354	4	1
3	Pathanamthitta	1.32	139995	4	0
4	Alappuzha	11.48	236305	6	0
5	Kottayam	5.65	212921	6	0
6	Idukki	0.52	186407	2	0
7	Ernakulam	22.34	238986	13	1
8	Thrissur	20.96	195125	7	1
9	Palakkad	6.77	144010	7	0
10	Malappuram	18.17	115288	12	0
11	Kozhikode	20.73	155738	7	1
12	Wayanad	0.32	119128	3	0
13	Kannur	16.41	164601	9	1
14	Kasaragod	5.09	141130	3	0
	Total	**159.35**		**87**	**6**

(Source: Economic Review-2024 and Thadhesakam, 2024 issued by LSGD)

4.2 Status of devolution of Functions and Functionaries

The Twelfth Schedule of the Constitution consists of 18 functions pertaining to the Urban Local Bodies (ULBs). The KM Act, 1994 envisaged transfer of functions of various Departments of the Government to LSGIs, together with the staff to carry out the functions transferred. Government stated (May 2024)

that the Government transferred fully or partially 17 of these functions to ULBs. The function 'Fire services' has not been transferred to ULBs. Though 17 of the 18 matters in the Twelfth Schedule of the Constitution have been transferred, there was no documented mapping correlating the items listed under General, Mandatory and Sector-wise functions in the First Schedule of KM Act, 1994 with the Twelfth Schedule of the Constitution. Audit noticed that ULBs were fully responsible for only seven out of 17 functions transferred and had limited role with regard to 10 functions as detailed in **Table 4.2**.

Table 4.2: Status of devolution of functions to ULBs

Sl. No.	Responsibility	Functions
1.	Full jurisdiction/Major role	1. Slum improvement and upgradation 2. Roads and bridges 3. Urban poverty alleviation 4. Burials and burial grounds, cremations, cremation grounds and electric crematoriums 5. Vital statistics including registration of births and deaths. 6. Public amenities including street lighting, parking lots, bus stops and public conveniences. 7. Regulation of slaughterhouses and tanneries
2.	Limited role	1. Urban planning including town planning. 2. Planning for economic and social development. 3. Public health, sanitation conservancy and solid waste management 4. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded. 5. Provision of urban amenities and facilities such as parks, gardens, playgrounds. 6. Promotion of cultural, educational and aesthetic aspects 7. Cattle pounds; prevention of cruelty to animals 8. Regulation of land use and construction of buildings. 9. Water supply for domestic, industrial and commercial purposes 10. Urban forestry, protection of the environment and promotion of ecological aspects.
3.	Not transferred	1. Fire services

(Source: Details furnished by Principal Directorate, LSGD)

4.2.1 Parallel implementation of schemes transferred to ULBs by Government Departments

Audit observed that the schemes relating to the transferred functions which were included in the Annual Plans of ULBs, were implemented in a parallel manner by the Department concerned also. Schemes relating to development of the Scheduled Castes/Scheduled Tribes taken up by ULBs were implemented in a parallel manner by Scheduled Caste Development Department with department

funds. Marriage assistance for SC women, providing laptops to SC/STs, etc., were seen implemented by both ULBs and SC/ST Development Departments. Parallel implementation of schemes by Government resulted in beneficiary selection by departmental officers for departmental schemes implemented in ULBs. These beneficiary lists prepared by departmental officers were not subject to scrutiny by Ward Committees/ Ward Sabhas and for that reason, such selection was vulnerable to the risk of duplication of beneficiaries.

Implementation of schemes of similar nature relating to the transferred functions by ULBs and Government in a parallel manner may also result in lack of accountability of ULBs and departments towards effective implementation of schemes. Further, Departments continuing to implement programmes on devolved functions goes against the spirit of decentralisation and reduces the autonomy of ULBs.

4.2.2 Incomplete transfer of functionaries

For efficient discharge of transferred functions, the LSGIs require qualified and trained personnel. Government transferred (September 1995) institutions under 10 departments to implement schemes for matters enumerated in Twelfth schedule of Constitution. However, the transfer was not performed in a complete manner. Audit noticed that though Senior Co-operative Inspector was transferred to Municipalities/Municipal Corporations, his service was not available to the ULBs. Against the requirement of 89 clerical posts assessed (July 2000) in ULBs, there existed a shortage of 56 personnel (December 2024).

Although, seventy-fourth amendment of the Constitution had granted sufficient autonomy and constitutional status to ULBs, ULBs were not completely free from governmental control. Transfer of functions, functionaries and institutions concerned to ULBs were not completed despite the passage of over 25 years since the Constitutional Amendment.

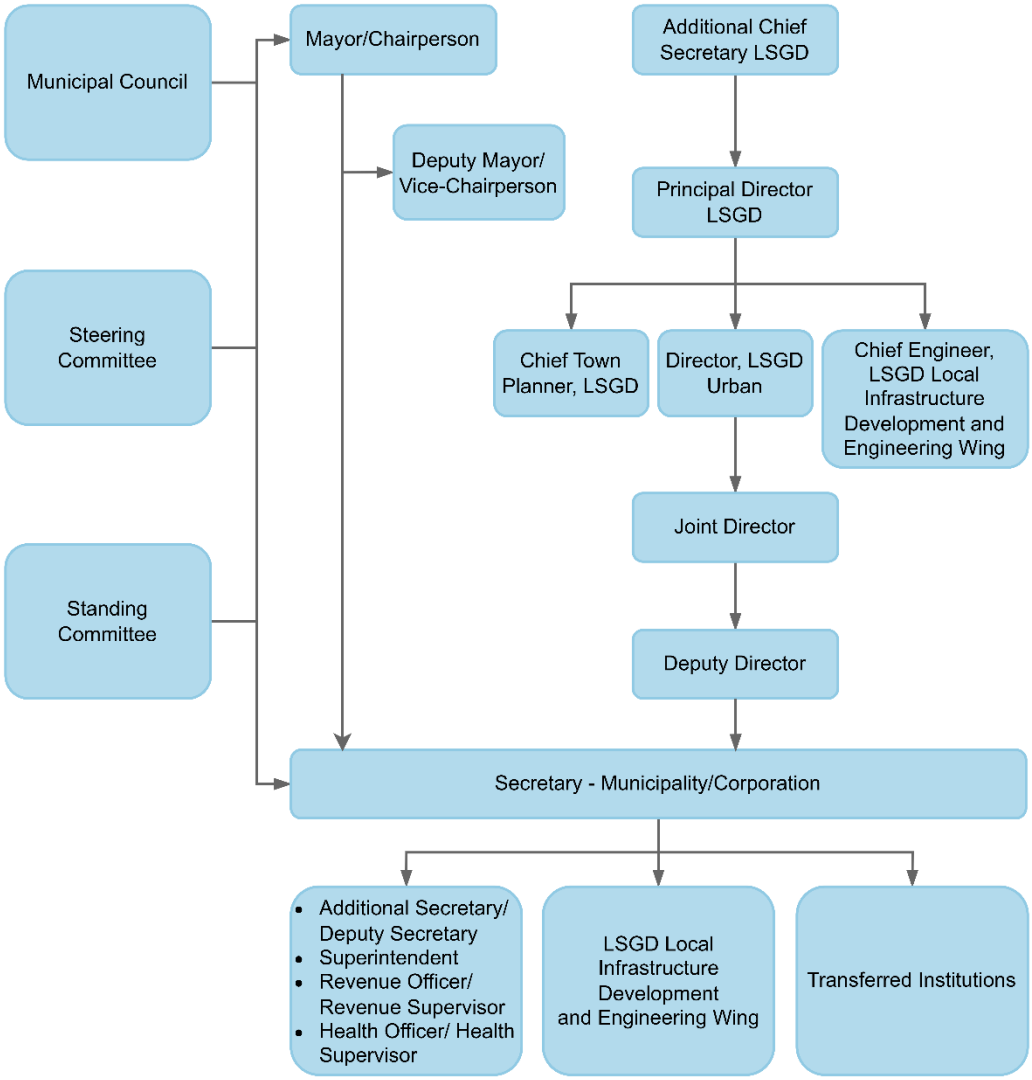
Fourth State Finance Commission observed that there was no clarity in the relationship between LSGIs and State Government including parastatals performing functions assigned to local governments and this had to be laid down clearly. Though the recommendation was accepted by Government and State Finance Commission Cell was entrusted with pursuing further action, no action was taken in this regard (March 2024).

4.3 Organisational setup of ULBs

The Local Self Government Department (LSGD), headed by the Additional Chief Secretary to Government, is the nodal department for the governance of all ULBs. LSGD is empowered to issue general guidelines to LSGIs in accordance with the National and State policies in matters such as finance, maintenance of accounts, office management, formulation of schemes, environmental regulations, etc.

The Chairperson/Mayor is the Chief Executive Head of ULBs. Each ULB has a Secretary who is the Chief Executive Officer. The Councillors of ULBs elect the Chairperson/Mayor, Vice-Chairperson/Deputy Mayor and Chairpersons of the Standing Committees. Organogram at Government level and at ULB level is given in **Chart 4.1**.

Chart 4.1: Organogram of ULBs



4.4 Formation of various Committees

KM Act, 1994 has envisaged constitution of various committees for effective discharge of the function assigned to the ULBs. Section 20 of the KM Act, 1994 prescribed constitution of standing committees in every ULB and Section 23 deals with constitution of Steering Committees.

Standing Committees

Standing Committees analyse issues and proposals before they are considered for decision by the Municipal Councils. There are six[39] Standing Committees for each Municipality and eight[40] Standing Committees for each Corporation. Members of the Standing Committees are elected under the guidance, supervision and control of State Election Commission. The Chairpersons of the

[39] (1) Standing Committee for Finance, (2) Standing Committee for Development, (3) Standing Committee for Public Works. (4) Standing Committee for Health (5) Standing Committee for Education, Arts and Sports (6) Standing Committee for Welfare

[40] (1) Standing Committee for Finance, (2) Standing Committee for Development, (3) Standing Committee for Public Works, (4) Standing Committee for Health (5) Standing Committee for Education, Arts and Sports (6) Standing Committee for Welfare, (7) Standing Committee for Town Planning (8) Standing Committee for Tax Appeal

Standing Committees except that of the Standing Committee for Finance is elected by the members of the respective Standing Committees from among themselves. Deputy Chairperson is the ex-officio member and Chairperson of the Standing Committee for Finance. The Standing Committees have the power to make resolutions in respect of their subjects. Every resolution passed by the Standing Committees needs to be placed in the next meeting of the Municipal Council of the ULBs. The Council can modify resolutions, if considered necessary.

Steering Committee

As per Section 23 of KM Act, 1994, it is the responsibility of the Steering Committee to co-ordinate and monitor the functions of the Standing Committees and to perform such other powers and functions assigned to it by the Corporation/Municipality. The Steering Committee consists of the Chairperson of the ULB and Chairpersons of all Standing Committees. The Secretary shall attend the meeting of the Steering Committee.

The Ward Committees/Ward Sabhas

Ward Sabhas, in the case of Municipalities where population is less than one lakh and Ward Committees, where population exceeds one lakh, play an important role in the planning process. They decide the priorities in planning and select beneficiaries for the beneficiary-oriented schemes. Ward Committees should comprise at least 55 to 60 members from residents associations, neighbourhood groups, political parties, heads of educational institutions, professionals and commercial establishments, so as to broadly represent all categories of people in the ward. For Ward Committees, one-fifth of total members and for Ward Sabhas one tenth of total number of voters in the ward is the quorum prescribed for their meetings.

4.5 Response to Audit Observations

The Handbook of Instructions for Speedy Settlement of Audit Objections/Inspection Reports/timely disposal of draft audit paragraphs and matters pertaining to the Public Accounts Committee, issued by the State Government in 2010 and 2017 provides for prompt response by the Executive to the IRs issued by the Accountant General for rectification, in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc., noticed during audit. The Heads of Offices and next higher authorities are required to comply with the audit observations contained in the IRs, rectify the defects and omissions and promptly report their compliance to the Accountant General within four weeks of receipt of IRs. As of 31 March 2025, 105 IRs (1102 paragraphs) were outstanding in ULBs. Year-wise details of IRs and paragraphs outstanding are given in **Appendix 4.1.**

4.5.1 Discussion of CAG's Audit Report by Legislative Committee

The pendency in discussion of the outstanding paragraphs for ULBs, which appeared in the CAG's Audit Report by the Local Funds Accounts Committee is given in the **Table 4.3**.

Table 4.3: Discussion of CAG's report by Legislative Committee

Name of the Audit Report	Year of the Report	Number of paragraphs pending for discussion as of October 2025
Report of the CAG of India on Local Self-Government Institutions for the year ended March 2022	March 2022 (Report No. 4 of the year 2024)	Six[41] (Chapters I, II and III, Paragraphs 5.1, 5.3 and 5.5

(Source: Details maintained by Accountant General, Audit I, Kerala)

4.6 Accountability Mechanism and Financial Reporting issues

4.6.1 Property Tax Board

The Thirteenth Finance Commission mandated constitution of a Property Tax Board in the State. Accordingly, Government issued (February 2011) orders for constituting a Property Tax Board with one chairperson and three members. The Board was to take action to ensure imposition and collection of property tax on all taxable properties, share expertise on valuation and arrange training in this regard to the staff of ULBs. It was to assist all Municipalities and Municipal Corporations in the State to put in place an independent and transparent procedure for assessing property tax, by enumerating all properties within the jurisdiction of ULBs and offering suggestions for a suitable basis for assessment and valuation of properties and periodic revisions.

Though GoK issued orders (February 2011), constituting property tax board with a chairman and three members, the Board has not convened yet (March 2024).

4.6.2 Sources of revenue of Urban Local Bodies

ULBs can carry out devolved functions effectively only when they are supported by sufficient financial resources. Financial resources are obtained through fiscal transfers facilitated by State Finance Commissions (SFC) and compliance to Central Finance Commission (CFC) recommendations. The resources of ULBs also consist of own revenue such as tax and non-tax revenue, funds devolved by State Government, Government of India (GoI) grants and loans from financial institutions. The State Government provides three types of funds to LSGIs from the Consolidated Fund viz., Grants (General Purpose Fund, Maintenance Fund, Development Fund), Funds for State Sponsored Schemes and State share of Centrally Sponsored Schemes (CSSs). The composition of resources of ULBs for the period 2019-20 to 2023-24 is given in **Table 4.4**.

[41] Chapter I and II contains observations relating to both PRIs and ULBs

Table 4.4: Time series data on resources of ULBs

(₹ in crore)

Resources	2019-20	2020-21	2021-22	2022-23	2023-24
Own Revenue: i. Tax Revenue	667.34	684.13	824.15	909.27	929.04
ii. Non-Tax revenue	113.56	192.58	240.81	312.17	438.87
Total Own Revenue	**780.9**	**876.71**	**1064.96**	**1221.44**	**1367.91**
State Fund: i. Traditional Functions	351.4	367.76	413.88	385.26	476.25
ii. Maintenance Expenditure (Road Assets and Non-Road Assets)	519.15	552.17	633.57	573.06	635.13
iii. Expansion and Development	890.13	1298.23	1137.03	1236.76	1207.57
iv. Funds for State sponsored schemes	928.24	1156.86	623.31	1275.53	889.97
v. State share of centrally sponsored schemes	281.85	742.68	213.46	566.08	312.53
vi. State share of KSWMP[42]	0	0	0	0	21.92
Total State Fund	**2970.77**	**4117.7**	**3021.25**	**4036.69**	**3543.37**
GoI grants: i.Centrally Sponsored Schemes	385.18	284.15	457.47	674.93	574.58
ii. Development and expansion (15th FC)	947.03	1329.85	910.29	745.48	658.07
Total GoI Fund	**1332.21**	**1614.00**	**1367.76**	**1420.41**	**1232.65**
Receipts from loans and other sources: i. Loans	530.42	195.03	91.81	20.86	79.07
ii. World Bank share of KSWMP	0	0	0	0	51.15
Total Receipts	**5614.3**	**6803.44**	**5545.78**	**6699.40**	**6274.15**

(Source: Data collected from Information Kerala Mission, State Finance Commission Cell, Principal Directorate of LSGD, Kerala Urban and Rural Development Finance Corporation (KURDFC), Kerala State Poverty Eradication Mission (Kudumbashree))

- During 2023-24, of the total receipts, the percentage share of State, Central, own revenue and receipts from loans and other sources was 56.48 *per cent*, 19.65 *per cent*, 21.80 *per cent* and 2.08 *per cent* respectively.
- During the period 2019-20 to 2023-24 the share of GoI grant to total receipts ranged between 19.65 *per cent* to 24.66 *per cent*
- The share of State grants to total receipts ranged between 52.91 *per cent* to 60.52 *per cent* during 2019-20 to 2023-24.
- The share of own revenue to total receipts ranged between 12.89 *per cent* to 21.80 *per cent* during 2019-20 to 2023-24.

4.6.3 Expenditure incurred by ULBs against the funds allocated by GoK

The State Government provides three types of funds viz General purpose fund, Development fund and Maintenance fund to ULBs from the Consolidated Fund of the State on the basis of recommendations of State Finance Commission.

[42] Kerala Solid Waste Management Project

Appendix IV to the Detailed Budget Estimates of the Government gives the LSGI-wise allocation of funds. Details of funds released and expenditure incurred during 2023-24 are given in **Table 4.5**.

Table 4.5: Expenditure incurred by ULBs during 2023-24

(₹ in crore)

Sl. No.	Category of fund	Head of account	Amount authorised	Expenditure	Unspent balance
1	General purpose fund	3604-00-200-83 (01 and 02)	476.25	436.59	39.66
2	Maintenance fund (Non road)	3604-00-200-82 (01 and 02)	320.26	139.57	180.69
3	Maintenance fund (Road)	3604-00-200-79 (01 and 02)	314.87	101.77	213.10
4	Expansion and Development	3604-00-200-81 (01,02,06,07,11 and 12) - 35	1207.57	1145.19	62.38
	Total		**2318.95**	**1823.12**	**495.83**

(Source: Government Orders, Voucher Level Computerisation figures)

Out of the total allotment of ₹1842.70 crore towards Development and Maintenance funds, ₹456.17 crore (24.76 *per cent*) lapsed at the end of the financial year. Audit noticed that 67.68 *per cent* of the Maintenance Fund (Road) and 56.42 *per cent* of the Maintenance Fund (Non-Road) remained unutilised and lapsed at the end of the financial year, indicating inadequate fund utilisation and possible deficiencies in planning and execution of maintenance works.

4.6.4 Application of Resources

In terms of activities, total development expenditure constitutes expenditure on Productive Sector, Infrastructure Sector, Service Sector and other expenditure[43]. Development expenditure of ULBs from all sources of funds during the period from 2019-20 to 2023-24 is given in **Table 4.6.**

Table 4.6: Application of Resources in ULBs

(₹ in crore)

Sector	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Productive Sector	52.69	155.56	97.79	124.34	95.47	525.85
Infrastructure Sector	670.25	1251.70	1132.11	1296.20	182.41	4532.67
Service Sector	420.53	1117.39	627.40	587.56	909.86	3662.74
Total Development expenditure	**1143.47**	**2524.65**	**1857.30**	**2008.10**	**1187.74**	**8721.26**

(Source: Details furnished by IKM)

- The total development expenditure for the years 2019-20 to 2023-24 was ₹8721.26 crore from all sources of fund and the percentage of expenditure on productive sector, infrastructure sector and service sector were 6.03 *per cent*, 51.97 *per cent* and 42 *per cent* respectively.

[43] Salaries and honorarium, contingency expenditure, other administrative expenditure, terminal benefits, etc.

- The amount spent on Productive Sector ranged from 4.61 *per cent* (2019-20) to 8.04 *per cent* (2023-24) indicating that the ULBs assigned low priority to productive sectors like Agriculture, Animal Husbandry, Fisheries, Industries, etc.

4.6.5 Implementation of projects by LSGIs

Details of projects formulated, taken up, completed and expenditure incurred is given in **Table 4.7**.

Table 4.7: Details of projects taken up and expenditure incurred (2019-20 to 2023-24)

Number of projects					Amount (₹ in crore)			
Year	**Type of LSGI**	**Formula-ted**	**Taken up**	**Compl-eted**	**Outlay of projects formulated**	**Expendi-ture on projects taken up**	**Expendi-ture on completed projects**	**Percentage of utilisation on total outlay of projects formulated**
2019-20	Municipality	32661	13898	9226	2475.11	728.02	452.16	29.41
	Corporation	8467	2808	1566	1552.44	416.48	211.54	26.83
2020-21	Municipality	34400	24140	20115	2712.26	1441.43	1129.82	53.14
	Corporation	8599	6245	5175	1912.69	1073.47	781.09	56.12
2021-22	Municipality	18335	12270	9144	1479.83	840	607.12	56.76
	Corporation	4306	2542	1953	1106.26	527.69	418.72	47.70
2022-23	Municipality	20731	12447	9234	1652.29	850.98	610.05	51.50
	Corporation	5608	2852	1897	1381.66	607.09	431.53	43.94
2023-24	Municipality	22686	10482	7146	1901.11	743.12	463.09	39.09
	Corporation	5106	1820	1043	1592.46	445.80	217.36	27.99
	Total	**160899**	**89504**	**66499**	**17766.11**	**7674.08**	**5322.48**	**43.20**

(Source: Details furnished by IKM)

- Against projects formulated, projects taken up for implementation ranged from 43 *per cent* to 70 *per cent* in Municipalities and 33 *per cent* to 73 *per cent* in Corporations.
- Against projects taken up for implementation, percentage of completed projects ranged from 66 *per cent* to 83 *per cent* in Municipalities and 56 *per cent* to 83 *per cent* in Corporations.
- The percentage of projects taken up against projects formulated increased from 33.16 *per cent* in 2019-20 to 72.62 *per cent* in 2020-21 and from 42.55 *per cent in* 2019-20 to 70.17 *per cent* in 2020-21 in respect of Corporations and Municipalities respectively. However, it has gradually decreased over the years and reached 35.64 *per cent* and 46.20 *per cent* as of March 2024 for Corporations and Municipalities respectively.
- With reference to the outlay of projects formulated, the percentage of utilisation of fund ranged from 29 *per cent* to 57 *per cent* in Municipalities and 27 *per cent* to 56 *per cent* in Corporations.

4.7 Recommendations of the State Finance Commission and utilisation of SFC Funds

4.7.1 Constitution of SFCs

Article 243Y envisages that the Finance Commission constituted under Article 243I should review the financial position of Municipalities. The first SFC was constituted on 23 April 1994, covering the period 1996-2001. Overall, six SFCs have been constituted in the State (August 2025).

4.7.2 Recommendations of the SFCs

The status of acceptance and implementation of recommendations of fifth and sixth SFCs by Government are given in **Table 4.8**.

Table 4.8: Status of acceptance and implementation of recommendations of SFCs by Government

SFC	Period	Total number of recommendations	Accepted by GoK	Deferred	Not accepted	Partially accepted	Implemented
Fifth SFC	2016-17 to 2020-21	103	74	3	26	0	36
Sixth SFC	2021-22 to 2025-26	136	109	3	20	4	44

(Source: SFC Reports and details furnished by SFC Cell, Finance Department)

Out of the 74 accepted recommendations of fifth SFC, only 36 recommendations have been implemented by the State. Of the 109 accepted recommendations of sixth SFC, only 44 recommendations have been implemented (December 2024).

4.7.3 Status of transfer of funds and sharing of revenue between State and ULB

SFCs had recommended Development funds, Maintenance funds and General purpose funds to LSGIs. The major share of financial resources of ULBs comprised grants recommended by SFC. SFC allocation accepted by the State and funds released to ULBs during the period 2019-20 to 2023-24 are given in **Table 4.9**.

Table 4.9: Details of grants due and released under SFC during 2019-20 to 2023-24

(₹ in crore)

Year	SFC allocation as accepted by State	Actual allocation in Budget-Appendix IV	Actual release from Finance Department, GoK[44]	Short (-)/ excess (+) release	Percentage of short (-)/ excess (+) release
2019-20	1706.46	1706.46	1760.68	(+) 54.22	(+) 3.18
2020-21	1864.49	1881.63	2218.16	(+) 353.67	(+) 18.97
2021-22	1964.19	2070.79	2184.48	(+) 220.29	(+) 11.22
2022-23	2152.85	2192.97	2195.07	(+) 42.22	(+) 1.96
2023-24	2321.41	2321.41	2318.94	(-) 2.47	(-) 0.11
Total	**10009.40**	**10173.26**	**10677.33**	**(+) 667.93**	**(+) 6.67**

(Source: Data furnished by SFC Cell, Finance Department)

[44] Includes re-authorisation of unspent balances of previous year

Audit noticed a short release of ₹2.47 crore to ULBs by GoK in 2023-24.

4.7.3.1 Delayed release of SFC allocation

According to Government instructions (March 2015), Finance Department was to issue orders of allotment of funds for a financial year in three instalments on or before 25 of March, July and November every year and the LSGIs were to utilise the funds with effect from the first working day of the next month. The funds not drawn up to 31 March of a financial year will lapse automatically. There was delay up to 117, 114 and 89 days in the allotment of Development fund, Maintenance fund and General Purpose fund respectively during 2023-24. Audit noticed that third instalment of development fund and maintenance fund which was due in 25 November 2023 was allotted only on 22 March 2024 and 30 March 2024 respectively. Further, 10th ,11th and 12th instalments of General Purpose fund was released only on 30 March 2024. Delayed release of funds reduced the time available to ULBs for utilising these funds.

4.8 Recommendation of the Central Finance Commission (CFC) and utilisation of CFC Funds

Article 280(3)(c) of the Constitution mandates the CFC to recommend measures to augment the Consolidated Fund of a State to supplement the resources of Municipalities based on the recommendations of the respective SFCs.

While Fourteenth CFC recommended for providing of Basic grant and Performance grant to ULBs, Fifteenth Finance Commission recommended for providing untied Basic Grant and Tied Grant. The details of Fourteenth and Fifteenth CFC grants received by ULBs in the State during the audit period are shown in **Table 4.10**.

Table 4.10: Details of Fourteenth and Fifteenth CFC grants received by ULBs in the State during 2019-20 to 2023-24[45]

(₹ in crore)

Year	General Basic Grants			Performance/Tied Grants			Utilisation
	Allocation by GoI	Release by GoI to State	Release from State to ULBs	Allocation by GoI	Release by GoI to State	Release from State to ULBs	
2019-20	879.42	879.42	879.42	241.83	0	0	248.64
2020-21	222.50	222.50	222.50	561.50	561.50	561.50	760.64
2021-22	134.40	134.40	134.40	457.60	457.60	457.60	484.88
2022-23	139.20	139.20	139.20	473.80	473.80	473.80	509.31
2023-24	147.20	140.11	140.11	501.80	365.57	365.57	571.36
Total	**1522.72**	**1515.63**	**1515.63**	**2236.53**	**1858.47**	**1858.47**	**2574.83**

(Source:Data furnished by SFC Cell, Finance Department)

- Though Performance grant of ₹241.83 crore was due for the year 2019-20, GoI had not released the same till date.
- According to the Ministry of Finance Guidelines, the grant should be transferred to the LSGIs within 15 days of it being credited to the account of State Government. In case of delay, the State Government should release the instalment along with the interest for delayed period

[45] Does not include reauthorisation of unspent balances and Health Sector Grant

at the prevailing Bank rate of Reserve Bank of India, paid from its own funds. Audit noticed that during the financial year 2023-24, an amount of ₹37.12 lakh was authorised[46] to ULBs towards interest for a delay of five days in authorising first instalment of Untied Basic Grant and Tied Grant to eligible Non-Million Plus Cities.

4.9 Maintenance of Accounts by ULBs

Saankhya double entry (Accrual based) accounting System is being followed by ULBs in the State from 2007-08. Saankhya double entry accounting system is based on National Municipal Accounts Manual prescribed by Ministry of Housing and Urban Development. The accounts are prepared in Saankhya software, developed by GoK through Information Kerala Mission (IKM) and Annual Financial statements are submitted to Statutory Auditor, the Kerala State Audit Department (KSAD). According to Kerala Municipality (Accounts) Rules 2007, the Kerala State Audit Department is the authority responsible for Audit of accounts of ULBs. The KSAD has completed the audit of all ULBs for the period 2022-23 and has uploaded them in City Finance Portal. The accounts of only 17 ULBs for the period 2023-24 were audited by KSAD and audit report in respect of none of the ULBs were issued (December 2024).

4.10 Supplementary Audit by CAG

As the entrustment request for Technical Guidance and Support after 31 March 2024 has not been received from Government of Keralam, no supplementary audit was carried out after 31 March 2024.

[46] G.O.(Rt) No. 2461/2024/Fin dated 15 March 2024

CHAPTER V
SUBJECT-SPECIFIC COMPLIANCE AUDIT ON IMPLEMENTATION OF BUILDING RULES IN URBAN LOCAL BODIES

5.1 Introduction

Regulation of building construction is one of the functions of the Urban Local Bodies (ULBs) as per the Kerala Municipality Act, 1994 (KM Act, 1994). In exercise of the powers conferred under section 381 read with Section 565 of the KM Act, 1994 Government of Keralam (GoK) formulated the Kerala Municipality Building Rules, 2019 (KMBR, 2019) with effect from 08 November 2019 superseding the Kerala Municipality Building Rules, 1999. The primary objective of these rules is to ensure planned development, safety and the well-being of the occupants and public. According to KMBR, 2019, no person shall construct or reconstruct or make addition or extension or alteration to any building or develop or re-develop any parcel of land or cause the same to be done without first obtaining a building permit for each such work from the Secretary of the ULB.

5.2 Audit objectives

The audit was conducted to assess whether:

- the ULBs adhered to the provisions of KMBR while granting building permits and occupancy certificates and
- there is a proper internal control and monitoring system in ULBs for implementing the KMBR

5.3 Audit criteria

Audit observation in the report was benchmarked against criteria derived from:

- Kerala Municipality Act, 1994
- Kerala Municipality Building Rules, 1999 and 2019
- The Kerala Municipality Building (Regularisation of Unauthorised Construction) Rules, 2018 and 2024
- The Coastal Regulation Zone Notification, 2011
- The Kerala Conservation of Paddy Land and Wetland Act, 2008
- Kerala Town and Country Planning Act, 2016
- Orders and circulars issued by the Government
- Aircraft Act, 1934

5.4 Audit scope, methodology and sampling

5.4.1 Audit scope and methodology

The audit on Implementation of Building Rules in ULBs has been included in the Reports of the Comptroller and Auditor General of India on Local Self-Government Institutions for year ended March 2007, March 2013 and March

2015 as Paragraphs 3.2, 4.1 and 3.1 respectively. Local Fund Accounts Committee (LFAC) discussed these paragraphs. Recommendations of the Committee are included in thirtieth report of LFAC (2014-2016) and forty-fifth report of LFAC (2019-2021).

The present Compliance Audit was conducted during May 2024 to January 2025 covering the period 2019-20 to 2023-24. Audit methodology included scrutiny of records and registers, issue of audit enquiries, joint physical verification, measuring built-up area of buildings, collecting photographic evidence, etc., in selected ULBs. Besides, audit collected information from Local Self Government Department (LSGD), Department of Finance, Chief Town Planner, District Town Planner, Public Works Department, etc.

An Entry Conference was held with the Special Secretary, LSGD and representatives of ULBs on 30 July 2024, wherein the audit objectives, criteria, scope, etc., were discussed and the views of Government sought. On conclusion of audit, an exit conference was conducted with Special Secretary, LSGD on 07 August 2025, wherein the audit findings were discussed in detail. Remarks offered by Government on the audit findings have been suitably incorporated in this Report.

5.4.2 Sampling

There are six Municipal Corporations and 87 Municipalities in the State. Audit selected a sample of four[47] districts out of 14 districts using SRSWOR[48] method. All the three Municipal Corporations[49] falling under the selected four districts were selected for detailed audit. Out of 36 Municipalities in the selected four districts, 11 Municipalities were selected subject to a minimum of two in each district. District-wise list of selected units is detailed in **Appendix 5.1**.

5.5 Organisational setup

Being the administrative head, the Principal Director, LSGD is the overall controlling authority of Municipalities and Municipal Corporations.

Secretary of the Municipal Corporation/Municipality (Secretary) is the authority to issue building permit, occupancy certificate and regularisation of unauthorised constructions. The Government has delegated (May 2023) the power of issuing building permit and occupancy certificate among the Assistant Engineer (AE), Assistant Executive Engineer (AEE) and Executive Engineer (EE) based on the plinth area and type of building.

According to the use or character of occupancy, Rule 25 of KMBR, 2019 classifies buildings into different categories namely Group A1, Group A2, Group B, Group C, Group D, Group E, Group F, Group G1, Group G2, Group H, Group I and Group J[50].

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[47] Thiruvananthapuram, Ernakulam, Kozhikode and Malappuram

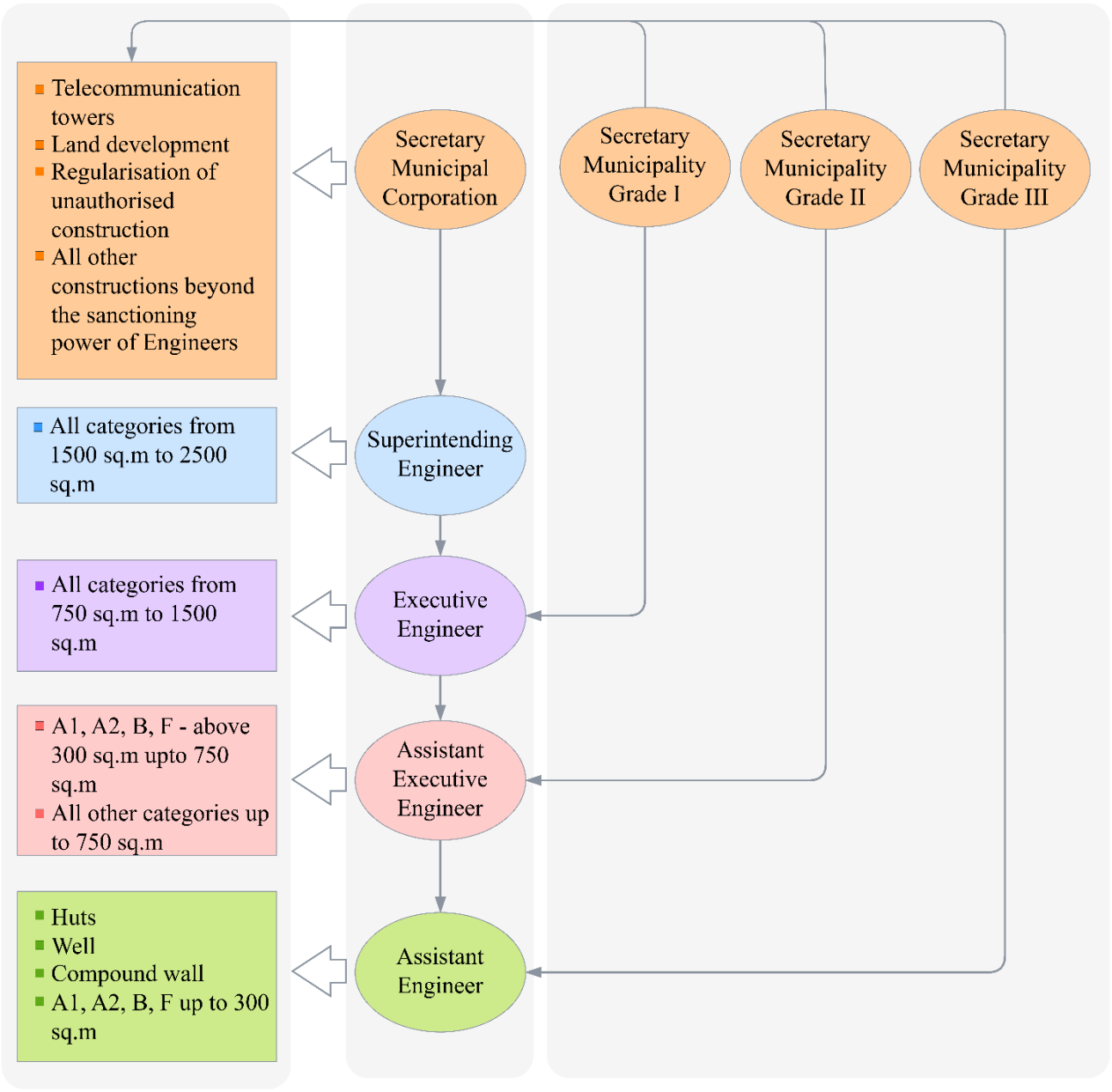
[48] Simple random sampling without replacement

[49] Including a minimum of two Zonal Office each from all the three selected Municipal Corporations.

[50] Group A1: Residential, Group A2: Lodging houses and special residential, Group B: Educational, Group C: Medical/Hospital, Group D: Assembly, Group E: Office, Group F: Mercantile/Commercial, Group G1: Industrial - I, Group G2: Industrial - II, Group H: Storage, Group I: Hazardous and Group J: Multiplex complex

Delegation of powers in issuing building permit and occupancy certificates is shown in **Chart 5.1**.

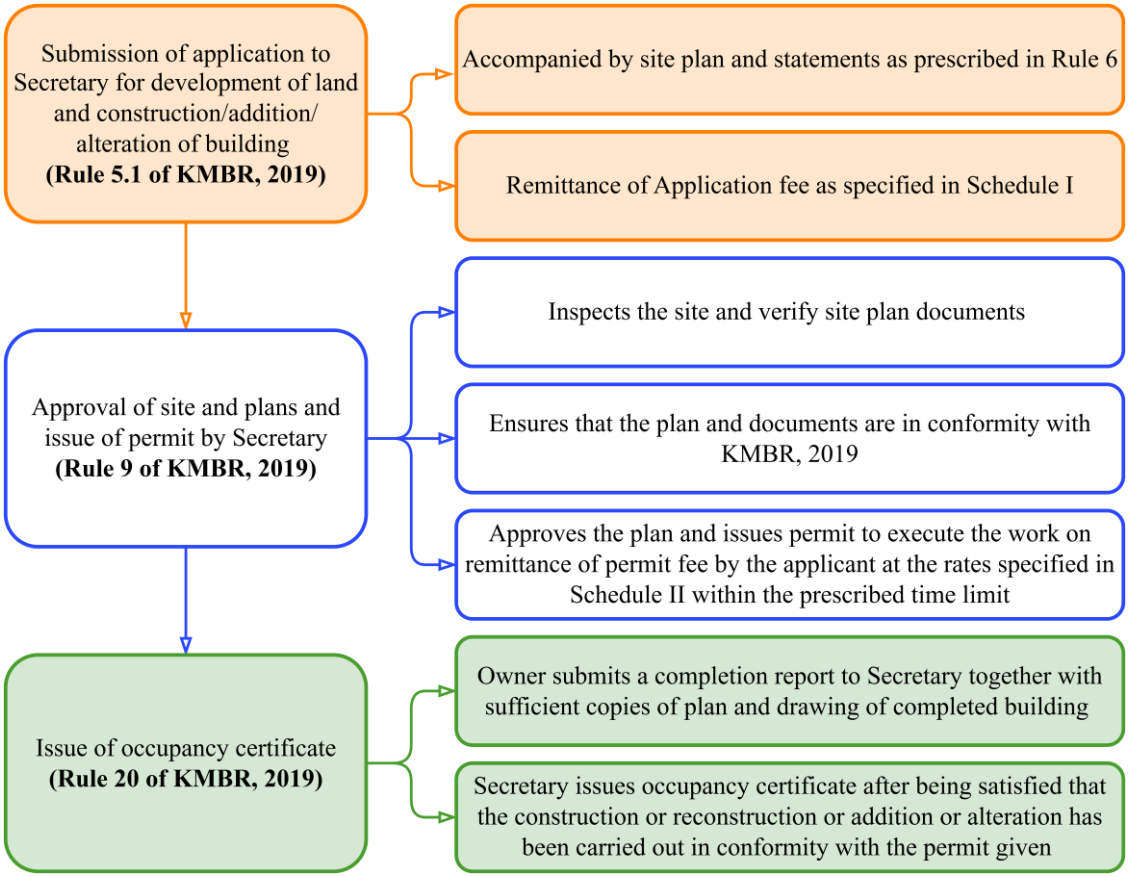
Chart 5.1: Delegation of powers in issuing building permit and occupancy certificates



(Source: Government order dated 08 May 2023)

On completion of construction of building, the owner submits a completion report to the Secretary with required documents for obtaining occupancy certificate. The Secretary issues occupancy certificate after being satisfied that the construction has been carried out in conformity with the permit. Various stages involved in issuing building permit and occupancy certificate are detailed in **Chart 5.2**.

Chart 5.2: Various stages involved in issuing building permit and occupancy certificate as per KMBR, 2019



(Source: Kerala Municipality Building Rules, 2019)

The selected 14 ULBs had issued 1,15,916 building permits and collected ₹177.07 crore towards application fee and permit fee during the period 2019-20 to 2023-24. The ULBs are managing the land development/building permit applications either manually or by using various software. ULBs utilised software such as Sanketham[51], Intelligent Building Plan Management System (IBPMS)[52], SUVEGA[53] and KSMART[54] to issue building permits.

Audit findings

5.6 Absence of a comprehensive building database

According to Rule 5 of KMBR, 2019, any person (other than a Central or State Government department) who intends to develop any land or construct any building shall submit to the Secretary an application for permission, accompanied by plans and connected documents, together with necessary application fee. In June 2007, the Government introduced a Building Application Register to track the receipt and disposal of land development and building permit applications in ULBs. Government instructed (December 2015) all local bodies to maintain the Register accurately, with each page numbered

[51] Up to July 2018

[52] From July 2018 to December 2023

[53] Kozhikode Corporation alone

[54] From January 2024 onwards

sequentially and certified by the Secretary. Maintaining a functional and comprehensive database of building occupancies is essential for effective urban planning, environmental management, etc.

Scrutiny of the Building Application Register revealed shortcomings such as incomplete data corresponding to application number, receipt date, number of floors, Floor Space Index (FSI), permit numbers and assessment in nine out of 14 selected ULBs. After the implementation of the KSMART from January 2024, permits issued were neither maintained manually nor abstracted from the software.

Further, there is no system to provide unique identifier for each building and separate building numbers are assigned to each occupancy in a single building as if they are independent buildings. As a result, the data on the number of buildings within ULB jurisdiction is inaccurate, making it difficult to track and monitor unauthorised constructions, in the event of natural calamities, etc.

Government stated (October 2025) that after the induction of KSMART for building permit processing, all the applications are being received and processed only through the KSMART.

However, as the legacy data related to existing buildings has not been integrated to KSMART, it is not possible to generate a comprehensive database or application register for all buildings. Further, despite the introduction of KSMART the system still lacks a unique identifier for old buildings.

5.7 Non-adherence to timeline in granting building permit

According to Rule 12 of KMBR, 2019, the Secretary shall either grant or refuse building permit within 15 days[55]from the date of receipt of an application. Government in September 2010 specified the time to be taken by each official in processing the building permit applications.

However, Audit noticed delay in granting building permits in all selected ULBs. In 181 instances[56] timeline fixed for granting building permits was not adhered to and there was an overall delay ranging from 44 days[57] to 474 days[58].

Government stated (October 2025) that due to the hectic workload of staff, strict compliance with the timeframe was not practically followed by ULBs. Although the introduction of the KSMART has paved an easy way to process permit applications, the effectiveness is yet to be reflected on ground.

However, delay up to 474 days in issuing permit is not justified.

5.8 Irregularities in collection of application fee and permit fee

According to Rule 5 of KMBR, 2019, every applicant should remit application fee at the rate prescribed in Schedule I of KMBR, 2019 while submitting application for building permit. The Secretary was to issue building permit after ensuring that the application was in conformity with existing Act/Rule and after remittance of permit fee at the rate prescribed in Schedule II of KMBR, 2019.

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[55] It was 30 days prior to 29 June 2021

[56] 14 instances in SUVEGA and 167 instances in IBPMS

[57] Thiruvananthapuram Corporation

[58] Ramanattukara Municipality

Further, for regularisation of unauthorised constructions, compounding fee at the rate of double the permit fee in force from time to time was to be collected as envisaged in Rule 95(4) of KMBR, 2019.

All the selected ULBs, except Kozhikode Corporation[59] was using IBPMS software for issuing building permits. Audit verified the data in both the software and noticed excess/short collection of application/permit fee in selected ULBs as detailed below:

5.8.1 Unauthorised collection of permit fee by Thiruvananthapuram Corporation

In order to enhance non-tax revenue of the State, Finance Department, GoK issued orders (March 2018 and March 2019) directing all Government departments, public sector undertakings and grant-in-aid institutions to enhance the charges for the service rendered by these institutions by five *per cent* each year with effect from April 2018 and April 2019. It was also directed that the Administrative Departments should issue executive orders, increasing service charges.

The ULBs were collecting application fee and permit fee as specified in Schedule I and Schedule II respectively of KMBR, 2019. Though LSGD, GoK did not issue any orders amending KMBR, 2019 for effecting five *per cent* increase in application and permit fee, Thiruvananthapuram Corporation increased application fee and permit fee by five *per cent* each during 2018-19 and 2019-20. However, such an increase in application fee/permit fee was not implemented by any of the other selected ULBs.

Further, when LSGD, GoK revised the application fee and permit fee with effect from 10 April 2023, Thiruvananthapuram Corporation revised the rates accordingly and again collected additional 10 *per cent* on application fee/permit fee. Audit noticed that Thiruvananthapuram Corporation issued 48,677 building permits during 2019-2024 and collected application fee and permit fee amounting to ₹73.93 crore with 10 *per cent* additional fee. Thus, there was an excess collection of ₹6.71 crore by Thiruvananthapuram Corporation as shown in **Table 5.1**.

Table 5.1: Excess collection of application fee and permit fee by Thiruvananthapuram Corporation

(₹ in crore)

Year	Number of permits issued	Application fee collected	Permit fee collected	Total fee collected	10 *per cent* additional fee collected
2019-20	9469	0.13	24.24	24.37	2.21
2020-21	9144	0.10	8.58	8.68	0.79
2021-22	10692	0.10	9.58	9.68	0.88
2022-23	9586	0.09	15.68	15.77	1.43
2023-24	9786	0.05	15.38	15.43	1.40
Total	**48677**	**0.47**	**73.46**	**73.93**	**6.71**

(Source: Data collected from Thiruvananthapuram Corporation)

[59] Kozhikode Corporation was using SUVEGA software for processing building permits

Government stated (October 2025) that based on the audit observation, the corporation has stopped collecting excess fees and initiated action to refund excess amount based on applications received.

5.8.2 Non-refund of excess application fee and permit fee collected

Government had revised (March 2023) the rates of application fee, permit fee and scrutiny fee with effect from 10 April 2023. Subsequently, Government reduced (30 July 2024) the rates with retrospective effect from 10 April 2023. Local bodies were directed to refund excess amount remitted by the applicants who paid permit fee and application fee at the prevailing rate from 10 April 2023 to 31 July 2024. As per the data from IBPMS software, selected ULBs collected excess application fee and permit fee amounting to ₹9.96 crore from 10 April 2023 to 31 July 2024.

The Information Kerala Mission (IKM) was entrusted with establishing an online platform through KSMART to streamline the refund of excess collection by March 2025. However, only ₹8.31 lakh (0.83 *per cent*) was refunded by three ULBs[60] as of April 2025. Details of refund was not furnished by the remaining 10 ULBs.

Audit observed that delay in intimating the applicants who paid excess fee has resulted in non-refund of excess fee collected till date (April 2025).

Government stated (October 2025) that due to certain glitches in KSMART, many of the refund applications during initial period were forced to be kept unprocessed. Subsequently the issues were sorted out. It was also stated that time to file applications for the refund of the excess permit fees was extended till 30 September 2025 and this was being monitored.

However, in the absence of an effective mechanism in place to inform eligible applicants about the refund process, extension of deadline for filing applications remains ineffective.

5.8.3 Short/excess collection of application fee/permit fee due to deficiencies in IBPMS and SUVEGA software

5.8.3.1 Short collection due to reckoning wrong date as 'receipt of application'

According to the clarification issued (May 2023) by Government regarding collection of revised application fee/permit fee, the date on which ULB receives an application should be considered for calculation of application as well as permit fee. However, in IBPMS software, the date of initiation of application by the registered Architect was wrongly considered as 'date of receipt of application in ULBs'. This resulted in short collection of application fee of ₹35,030 in 46 cases and permit fee of ₹2.54 lakh in 42 cases.

5.8.3.2 Short collection of application fee due to incorrect adoption of built-up area

The State revised (July 2024) the application fee and permit fee with effect from 10 April 2023. Government fixed three different rates for application fee based

[60] Kochi Corporation, Attingal and Manjeri Municipalities

on the built-up area of the building i.e., 'up to 100 sq.m', '101 sq.m – 300 sq.m' and 'above 300 sq.m' irrespective of the category of the building. On verification of IBPMS software, Audit noticed that 12 ULBs[61] collected application fee on wrong built-up area in 250 cases which resulted in short collection of ₹59,500.

5.8.3.3 Short/excess collection of permit fee due to application of incorrect rates

Audit scrutiny of 12,415 building permits issued using the SUVEGA software by Kozhikode Corporation from April 2019 to March 2023 revealed discrepancies in permit fee collection, caused by software flaws and lack of validation by the officials concerned as detailed below:

- According to Rule 146 (4) of KMBR, 1999, compounding fee at the rate of double the permit fee in force from time to time should be collected for regularisation of unauthorised constructions. However, in 339 instances compounding fee thrice the rate of permit fee was collected in SUVEGA software for regularisation of unauthorised constructions, which resulted in excess collection of ₹3.97 lakh as detailed in **Table 5.2**.

Table 5.2: Excess collection of regularisation fee in SUVEGA software

(₹ in lakh)

Type of building	Number of regularisation cases	Compounding fee collected	Compounding fee to be collected	Excess collection
Residential building up to 150 sq.m	225	3.41	2.23	1.18
Residential building above 150 sq.m	105	6.94	4.65	2.29
Non-residential building	9	1.51	1.01	0.50
Total	**339**	**11.86**	**7.89**	**3.97**

(Source: Data from SUVEGA software)

- In seven (other than residential) instances, permit fee at the rate of ₹five per sq.m was collected instead of ₹15 and in four regularisation cases, ₹15 was collected instead of ₹30 resulting in a short collection of ₹0.11 lakh.

The issues mentioned above highlight deficiencies in IBPMS software and incorrect application of rules in the SUVEGA software which led to excess collection of ₹3.97 lakh and short collection of ₹3.60 lakh.

The Government stated (October 2025) that the short collection was due to flaws in the software, and ULBs have initiated action to collect the appropriate fees.

However, Government reply is silent on the excess collection of fees and on the refund of excess amount collected.

5.9 Short-realisation of additional fee for excess FSI

As per Rule 27(1) of KMBR, 2019, FSI[62] is the quotient obtained by dividing the total floor area of the building by total area of the plot. The Rule prescribes

[61] Thiruvananthapuram and Kochi Municipal Corporations and Aluva, Attingal, Mukkam, Nilambur, Perinthalmanna, Ramanattukara, Thrikkakara, Thripunithura, Varkala and Kothamangalam Municipalities

[62] This is synonymous with Floor Area Ratio (FAR)

the maximum permissible FSI for each category of building and the maximum additional FSI over and above the permissible FSI on remittance of additional fee for the additional area. Audit noticed instances of non-realisation/short-realisation of additional fee due to erroneous calculation of plot area, non-adoption of weighted average method, unauthorised constructions, etc., as detailed in succeeding paragraphs:

5.9.1 Short collection of additional fee due to non-adoption of weighted average of FSI

Rule 27 (vii) of KMBR, 2019 stipulates that FSI for multiple occupancy building should be the weighted average of FSI under the respective occupancies. However, Audit noticed short collection of ₹49.02 lakh towards additional fee due to non-adoption of weighted average method in two instances of multiple occupancy in Kochi Corporation as detailed in **Table 5.3**.

Table 5.3: Short collection of additional fee due to non-adoption of weighted average of FSI

(₹ in lakh)

Sl. No.	Details of building permit	Additional fee collected	Additional fee to be collected on weighted average method	Short collection of additional fee
1.	Puravankara Builders	2021.43	2065.62	44.19
2.	MOP 4/38421/2023 dated 18 December 2023	41.48	46.31	4.83

(Source: Scrutiny of building permit files)

On this being pointed out by Audit, Kochi Corporation realised (December 2024) ₹44.19 lakh towards additional fee in respect of the first building. It was stated that in respect of the other building notice was issued to the building owner demanding the additional fee.

Government stated (October 2025) that further examination is ongoing.

5.9.2 Short-collection of additional fee due to erroneous calculation of plot area

Thrikkakara Municipality issued (19 January 2023) building permit for construction of a residential building (Permit No BA-320/19-20) of floor area 11,500.97 sq.m by considering the plot area as 3,551 sq.m The permissible FSI of the building was three. As the FSI of the building worked out to 3.238, the applicant remitted additional fee for excess FSI of 0.238 at the rate of ₹5,000 per sq.m for additional floor area.

On verification of plot area in the possession certificate, audit noticed that the actual plot area was only 3,544 sq.m This indicated a reduction of seven sq.m from the recorded area. Consequently, there was a short collection of ₹1.05 lakh[63] towards additional fee.

[63] ₹1.05 lakh = 7 sq.m x permissible FSI of 3 x ₹5000

Government stated (October 2025) that notices were issued to the building owner. As there was no response, action was being initiated to collect the amount.

5.9.3 Non-collection of additional fee due to incorrect application of rules

As per Note (ii) under Rule 31(2) of KMBR, 1999, the maximum permissible Floor Area Ratio (FAR) for buildings with multiple occupancies should be the weighted average of the FARs applicable to each occupancy if the plot area exceeds 0.5 hectares. However, if the plot area is up to 0.5 hectares, the FAR applicable shall be that of the most restrictive occupancy.

In Perinthalmanna Municipality, an application for a building permit (Building permit No BA 457/2019-20) was submitted on 06 November 2019 and a permit was issued for the construction of a mixed-occupancy building complex with a total floor area of 5,221.02 sq.m on a plot measuring 2,054 sq.m Since the plot area was below 0.5 hectares, the applicable FAR was 2.5, being that of the most restrictive occupancy.

Accordingly, the maximum permissible floor area without payment of an additional fee would be 5,135 sq.m[64]. However, the actual constructed area was 5,221.02 sq.m, resulting in an excess floor area of 86.02 sq.m[65]. Therefore, an additional fee of ₹4.30 lakh at the rate of ₹5,000 per sq.m for excess floor area of 86.02 sq.m should have been collected for the excess construction.

Government stated (October 2025) that the Municipality issued notice to the building owner. It was also stated that as the building owner failed to pay the amount, action would be taken to recover the amount through revenue recovery.

5.9.4 Increase in FSI due to unauthorised constructions

Audit noticed 14 instances in six ULBs[66] in which unauthorised additions/alterations after issuance of occupancy certificate led to increase in floor area. Consequently, FSI of these buildings exceeded the permissible limit necessitating regularisation/demolition of the unauthorised construction and collection of additional fee for excess FSI on regularisation. Additional fee that could be collected on regularisation worked out to ₹1.96 crore. Details are given in **Appendix 5.2**.

Government stated (October 2025) that further examination is ongoing.

5.10 Non-submission of set of plans for construction of Government building

According to Rule 5(3) of KMBR, 2019, any development of land, construction/alteration/change in occupancy of a building by Central or State Government Department, the officer authorised should submit to the Secretary of ULB concerned, a set of plans of the proposed work before thirty days of commencement of the work.

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[64] 5135 sq.m = 2054 sq.m x 2.5

[65] 86.02 sq.m = 5221.02 sq.m – 5135 sq.m

[66] Kozhikode, Kochi, Thiruvananthapuram Corporations and Thrikkakara, Tripunithura, Varkala Municipalities

Audit noticed that Public Works Department (PWD) constructed 51 buildings for State Government in eight ULBs[67] during 2019-2024. However, PWD authorities did not submit the requisite documents in respect of 43 Government buildings to the ULBs concerned. ULBs also failed to ensure timely submission of these plans by the Government departments concerned.

PWD constructed (December 2023) a court complex having floor area of 6,723 sq.m in Manjeri Municipality. As per Table 10 below Rule 29 of KMBR, 2019, one parking space is required for every or fraction of 90 sq.m of floor area up to 1200 sq.m and at the rate of 60 sq.m for additional floor area in excess of 1200 sq.m for Group E 'Office building'. However, instead of providing 101 parking space, only eight car parking space was provided leading to shortage of 93 car parking space. ULB did not issue occupancy certificate, citing deficiencies such as no prior intimation, absence of fire NOC, shortage in parking space, etc. However, the building was occupied from February 2024.

Government stated (October 2025) that a circular was issued directing all Heads of Departments to comply with Rule 5(3) of KMBR, 2019. In respect of court complex in Manjeri, the reply to the Municipality's notices is pending.

5.11 Deficiencies in issuing occupancy certificate

As per Rule 20 of KMBR, 2019, on completion of the construction, the owner should submit a signed completion certificate with relevant plans to the Secretary. The Secretary should issue an occupancy certificate within 15 days, if satisfied that the construction was in alignment with the permit. Audit noticed lapses in granting occupancy certificate viz., issuing occupancy certificate without ensuring mandatory clearance from various authorities, without ensuring adequate parking space, etc., as detailed in succeeding paragraphs.

5.11.1 Not ensuring adequate car parking space/driveway while granting occupancy certificate

Audit noticed that occupancy certificates were issued by six ULBs in violation of KMBR, 2019 provisions as detailed in **Table 5.4**.

Table 5.4: Occupancy certificate issued in violation of KMBR, 2019 provisions

Sl. No.	Name of ULB	Name of building	Violation of KMBR provisions observed	Remarks
1.	Aluva, Attingal, Ramanattukara, Tripunithura Municipalities	Four buildings 1. BA 101/18-19 2. BA 389/19-20 3. BA 44522/2019 4. BA 121/17-18	Approved plans showed 25 fewer car parking spaces than required	Permits and occupancy certificates were issued without ensuring compliance
2.	Aluva Municipality	E2 – TBA 346179/2019	Six parking spaces were unavailable	Mechanised parking system mentioned in the plan was not installed

[67] Kochi Corporation, Varkala, Thrikkakara, Aluva, Perinthalmanna, Manjeri, Nilambur and Mukkam Municipalities

Sl. No.	Name of ULB	Name of building	Violation of KMBR provisions observed	Remarks
3.	Attingal Municipality	Two buildings 1. BA 202/19-20 2. PW4 – TBA 231825/2019	Against three meter driveway as envisaged in KMBR, 2019, only 2.7m and 2.75m was provided in the completion plan.	ULB issued occupancy certificates (August 2019 and May 2023) for both cases in violation of KMBR, 2019 provisions without ensuring required driveway
4.	Attingal Municipality	Two buildings 1. PW4 – TBA 231825/2019 2. BA 372/20-21	One side of the building was abutting the adjacent road, lacking required setback of one meter.	ULB issued occupancy certificates for the buildings in August 2019 and March 2021
5.	Thiruvananthapuram corporation	Laurel Park Apartments, Vanchiyoor, Permit No.E11/TP7/ BA/1141/07 (Residential, 2503.55 sq.m, height 30.4 m)	Occupancy certificate was issued without ensuring five meter driveway[68] for firefighting.	Department of Fire and Rescue Services issued fire NOC without ensuring five meter driveway
6.	Kochi Corporation	Permit no. EYP3/154/0324/18, G+4 residential cum commercial building having an area of 1066.96 sq.m	Though one lift was mandatory, it was not installed (September 2024)	Occupancy certificate was issued (September 2023) without ensuring mandatory requirement of one lift

(Source: Scrutiny of records at respective ULBs and joint physical verifications)

The above instances highlight the negligence of municipal authorities in ensuring adherence to the KMBR, 2019 provisions before issuing occupancy certificates, thereby compromising regulatory compliance and public convenience.

Government stated (October 2025) that notices were issued by Attingal Municipality and examination of remaining cases is ongoing.

5.11.2 Irregular issuance of permit/occupancy certificate without ensuring mandatory clearances from various authorities

According to Rule 5(4) of KMBR, 2019, the Secretary shall obtain No Objection Certificate (NOC)/permission from various authorities before issuing building permit. However, Thiruvananthapuram Corporation and Mukkam Municipality issued occupancy certificates for five constructions without ensuring mandatory clearances from authorities such as Kerala State Pollution Control Board (KSPCB), Fire and Rescue Department, Airport Authority of India (AAI) and District Town Planner (DTP) as shown in **Table 5.5**.

[68] Setback at left side 1.48m, right side 3.60m and front 4.76m

Table 5.5: Permit/occupancy certificate issued without ensuring NOC

Sl. No.	Details of buildings (Name of ULB)	Date of permit/ occupancy certificate	Category of the building (Area in sq.m)	NOCs not obtained from	Remarks
1.	Southern Investment Limited (Thiruvananthapuram Corporation)	08 February 2021 (Occupancy certificate)	Residential (3439.03)	KSPCB, Fire department	Height of the building was 27m. However, without ensuring five meter driveway for fire fighting and without NOC from KSPCB, occupancy certificate was issued
2.	Sun Projects (Thiruvananthapuram Corporation)	15 September 2023 (Occupancy certificate)	Residential (6144.28)	KSPCB	ULB issued occupancy certificate on the condition that NOC was to be produced within six months. However, ULB did not ensure the same till date (24 January 2025)
3.	SRK Constructions (Thiruvananthapuram Corporation)	13 January 2021 (Occupancy certificate)	Residential (9091.76)	AAI	The permissible height of the building was 49.328 m. Height of the building exceeded by 8.96 m. Though AAI denied NOC for the exceeded height, the building is still occupied and no further action was taken by ULB
4.	Kerala Agro Industrial Corporation (Thiruvananthapuram Corporation)	30 June 2022 (Occupancy certificate)	Commercial (945.90), 4 floors	District Heritage and Arts Committee	As the construction falls under heritage zone, the approval of District Heritage and Arts Committee was mandatory for any development. However, without obtaining the same occupancy certificate was issued
5.	BA58204/2018 (St. Joseph Hospital) (Mukkam Municipality)	21 March 2018 (Building permit)	Hospital (4633.54)	DTP, Fire department	Building permit was issued without ensuring approval of DTP and without fire NOC. The building found occupied (December 2024)
6.	FE2/BA/53/2020 (Thiruvananthapuram Corporation)	15 June 2020 (Building permit)	Special Residential (748.50 sq.m)	AAI	Airport NOC dated 29 May 2015 was considered while granting permit. However, its validity expired on 28 May 2020

(Source: Scrutiny of records at respective ULBs and joint physical verifications)



Figure 5.1: SRK shelter functioning though AAI denied NOC



Figure 5.2: St. Joseph Hospital at Mukkam Municipality

Apart from the above constructions, Mukkam and Thrikkakara Municipalities issued building permit/occupancy certificate for four constructions[69] without obtaining NOC from Fire and Rescue Department. Details of buildings are given in **Appendix 5.3**.

Audit noticed that the ULBs did not ensure availability of NOC while granting permit for the buildings and these constructions remained unauthorised till date (May 2025). Granting occupancy certificate and building permit for constructions without obtaining mandatory clearances was a serious lapse on the part of the ULBs concerned.

Government stated (October 2025) that notices were issued by the ULBs to the respective building owners to produce necessary certificates within 15 days. Further, the Principal Director, LSGD has directed the ULBs concerned to initiate necessary action.

5.12 Ineffective action against unauthorised constructions

According to KMBR, 2019, building permit is mandatory to develop or redevelop any parcel of land or construct or reconstruct or make addition or extension or alteration to any building. KMBR, 2019 enables the Secretary to regularise unauthorised constructions after realising the compounding fee due thereon, without requiring alteration or demolition, if the construction does not violate any provisions of the Act or Rule. Otherwise, Secretary shall take action to demolish or to alter the work unlawfully commenced, carried on or completed.

Besides, Section 242(3) of KM Act, 1994 empowers the Secretary to allot separate building numbers for unauthorised constructions till it gets regularised. Rule 96(1) of KMBR, 2019 and Section 406 of KM Act, 1994, envisages that if the owner fails to demolish unauthorised structure, the Secretary shall demolish the unauthorised structure, and the expenses thereof shall be recovered from the owner as if it were an arrear of property tax due under the Act. Kerala Municipality Building (Regularisation of Unauthorised Construction) Rules, 2024 relaxed certain provisions of KMBR, 2019 to regularise unauthorised constructions made up to 07 November 2019. Hon'ble Supreme Court in December 2024 reiterated[70] that unauthorised constructions could not be regularised regardless of time or investments.

As per the details furnished (May 2025) by Information Kerala Mission (IKM) there were 8,105 unauthorised constructions[71] in selected ULBs pending final action. These buildings were provided with special building numbers for collecting property tax. Detailed analysis revealed that of the 8,105 unauthorised constructions 7,734 constructions were in five ULBs. Details are given in **Table 5.6**.

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[69] Mukkam Municipality: Karasseri Service Cooperative Bank and MAMO college main building, Thrikkakara Municipality: TP1 BA-173/2023 and TP1 BA-174/23

[70] In Civil Appeal No.14604 of 2024 and order dated 17 December 2024

[71] Kozhikode Corporation: 4393, Thiruvananthapuram Corporation: 1430, Kochi Corporation: 1506, Varkala Municipality: 211, Ramanattukara Municipality: 194, Aluva Municipality: 82, Thrikkakara Municipality: 79, Tripunithura Municipality: 54, Mukkam Municipality: 47, Manjeri Municipality: 32, Kothamangalam Municipality: 29, Perinthalmanna Municipality: 20, Nilambur Municipality: 17, Attingal Municipality: 11

Table 5.6: Status of unauthorised constructions pending settlement

Sl. No	Name of ULB	Number of unauthorised constructions as per IKM data as of May 2025	Unauthorised constructions reported during 2019-2024	Number of unauthorised constructions regularised during 2019-2024	Remarks on unauthorised constructions reported during 2019-2024
1	Kozhikode Corporation	4393	5	Nil	Other than issuing notices, no further action taken till date.
2	Thiruvananthapuram Corporation	1430	116	Nil	NOC from Corporation Secretary was pending for 48 residential buildings in the CRZ II area. NOC from KCZMA was pending for remaining 68 buildings.
3	Kochi Corporation	1506	27	Nil	NOC from KCZMA not obtained.
4	Varkala Municipality	211	69	Nil	69 unauthorised constructions within 10 meters from the cliff edge were occupied for various purposes such as resorts, restaurants, cafes, garments shops and handicrafts stores. Cases in respect of eight out of 69 buildings are pending in court. Municipality informed that notices have been issued to the owners. However, no action has been taken by the municipality against unauthorised constructions.
5	Ramanattukara Municipality	194	52	2	25 were unauthorised constructions. 15 cases were not regularised due to inclusion in data bank[72]. Two cases were pending due to non-production of NOC from KCZMA and Fire and Rescue Department. Eight cases had KMBR violations
	Total	**7734**	**269**	**2**	

(Source: Data furnished by respective ULBs)

It is seen from the table that of the 269 unauthorised constructions reported during the audit period only two constructions were regularised. Necessary action in respect of other buildings was pending (May 2025). Images of two constructions in CRZ area are shown as **Figure 5.3** and **Figure 5.4**.

[72] Data bank refers to a list or inventory of paddy lands and wetlands prepared under the Kerala Conservation of Paddy Land and Wetland Act, 2008



Figure 5.3: Black beach resort constructed in CRZ area within 10 meters from cliff in Varkala Municipality



Figure 5.4: Unauthorised constructions in CRZ area in Kozhikode Corporation

Audit analysed a few unauthorised constructions, which were pending final action as of March 2024. Details are as below:

5.12.1 Amrita Institute of Medical Sciences, Edapally, Kochi Corporation

Amrita Institute of Medical Sciences, Edapally, applied (February 2021) for regularisation of three unauthorised buildings, classified under the category of Educational occupancy (Nursing School), with a total area of 17,020.55 sq. m. The application was found (November 2021) deficient due to non-submission of essential documents such as property tax receipts, possession certificates, etc. Instead of issuing a written intimation as stipulated under Rule 12 of the KMBR, 2019, the deficiencies were communicated to the applicant orally. No further action was taken either to regularise or to demolish the unauthorised construction (May 2025). During joint physical verification, Audit noticed that the building was occupied without any authorisation from ULB.

5.12.2 Najath Hospital, Aluva Municipality

An application was submitted (May 2018) for regularisation of unauthorised construction of a building with an area of 1,705 sq.m by Najath Hospital. Aluva Municipality rejected the application citing several violations viz., the building exceeded the permissible height limit (standing at 16 meters instead of the allowed 14.85 meters), site access was via Puramboke[73] land, absence of fire escape staircase and mandatory five-meter clearance on any two sides for firefighting, the setbacks were only 1.55 meters on the south side and 1.7 meters on the north side, etc.

During the joint physical verification, it was noticed that the building was occupied and functioning as a hospital, thereby compromising public safety and breaching regulatory provisions.

[73] Unassessed lands which are the property of Government, reserved for public purposes or for the communal use of villagers

5.12.3 Sree Narayanaguru College of Advanced Studies, Varkala Municipality

During the joint physical verification, Audit noticed following three different buildings inside the campus of Sree Narayanaguru College of Advanced Studies

- one three storeyed educational building (3,459.51 sq.m) functioning as SN college of advanced studies,
- one single storey building functioning as auditorium (496.87 sq.m) and
- one three storeyed building functioning as ladies hostel (999.43 sq.m).



Figure 5.5: Unauthorised construction at SN College of Advanced Studies in Varkala Municipality

All these buildings were constructed and were operational since 2013 without obtaining the required building permits from the municipality. ULB stated (November 2024) that though notice was issued to regularise the constructions, no applications were received, and the party did not remit the tax on unauthorised building demanded by the ULB.

5.12.4 KMCT Engineering College, Mukkam Municipality

Mukkam Municipality identified 21 unauthorised buildings within the KMCT Engineering College campus, being used for various purposes such as educational activities, hostels and canteens. Of these, 16 buildings had been assigned special building numbers and were assessed for property tax by the ULB. According to tax payment records provided by the ULB, these buildings were constructed between 2005 and 2011. No special building numbers were allotted to the remaining five buildings, which include a pharmacy college (5,727.01 sq.m) and four workshops/stage (7,840.84 sq.m).

Even though ULBs concerned were aware of KMBR, 2019 violation in these buildings and these buildings were operational without a building permit and occupancy certificate, Secretaries did not invoke Rule 96 of KMBR, 2019 till date.

Government stated (October 2025) that property tax was levied on most of the unauthorised buildings and demand notices were issued to the building owners to regularise the unauthorised constructions. Action was being taken on the remaining cases. It was also stated that non-invoking Rule 96 of KMBR, 2019 by the ULBs was being examined. In respect of Amrita Hospital, Government stated that it was decided to complete the survey along with Revenue staff.

Audit is of the view that issuing special building numbers to unauthorised constructions for an unlimited period for the purpose of collecting property tax does not resolve the issue of unauthorised constructions. Hence, effective action, either to regularise or demolish, as stipulated in the KMBR, 2019, is required.

5.12.5 Unauthorised constructions occupied without mandatory clearances

According to Rule 5(4) of KMBR, 2019, the Secretary should obtain NOC/permission from various authorities before issuing building permit. Audit noticed that 10 unauthorised constructions in five ULBs were occupied without obtaining NOC from various authorities as detailed in **Table 5.7**.

Table 5.7: Unauthorised constructions occupied without NOC

Sl. No.	Details of buildings (Name of ULB)	Category of the building (Area in sq.m)	NOCs not obtained from	Remarks
1.	MGM Central Public School (Thiruvananthapuram Corporation)	Educational (7869.01 + 127.33)	KSPCB, Fire	Two buildings were constructed in 2018
2.	FE2/5944/2023 dated 03.10.2024 (Thiruvananthapuram Corporation)	Special Residential (798.25), 3 floors	District Arts and Heritage Committee	Though District Arts and Heritage Committee, issued approval for two floors (G+1), an additional floor was constructed which was irregular
3.	Sun Projects (Thiruvananthapuram Corporation)	Residential (6144.28)	AAI	Due to unauthorised construction, height exceeded by 1.02m requiring NOC from Airport authority.
4.	Life Style Flat (Kozhikode Corporation)	Residential (15109.66)	KSPCB, Fire	ULB rejected occupancy for want of NOCs. Building found occupied
5.	Amrita Vidhyalayam (Manjeri Municipality)	Educational (3422.25)	DTP, Fire	
6.	MS Tower (Manjeri Municipality)	Commercial (506.33)	DTP	DTP denied approval as the building was constructed in Residential zone.
7.	Hazel ES71/21 dated 28.07.2021 (Mukkam Municipality)	Hospital (3189.56) (Conversion of occupancy)	DTP	Original occupancy issued for residential purpose. Later converted to hospital without the clearance of DTP.
8.	St. Xavier Training College for Women (Aluva Municipality)	Educational (2662.24)	KSPCB	ULB denied regularisation of unauthorised construction due to absence of NOC from KSPCB.
9.	KMCT College of Allied Health Science (Mukkam Municipality)	Educational (8235)	KSPCB	ULB rejected occupancy for want of NOCs. Building found occupied
10.	Malabar Marian Trust (Mukkam Municipality)	Educational (3682.21)	DTP, Fire	

(Source: Scrutiny of records at respective ULBs and joint physical verifications)

Besides the above, 24 unauthorised constructions under the categories residential, special residential, educational, hospital, etc., in eight ULBs[74] were also functioning without NOC from Fire and Rescue Department. Details are

[74] Thiruvananthapuram and Kochi Corporations, Mukkam, Ramanattukara, Thrikkakara, Tripunithara, Varkala and Aluva Municipalities

given in **Appendix 5.3**. Functioning of buildings without obtaining mandatory clearances was a serious lapse on the part of these ULBs.

Government stated (October 2025) that directions were issued by the ULBs concerned to the building owners for removing the unauthorised constructions.

However, by permitting the construction and occupation of buildings without obtaining clearance from authorities, especially Fire and Rescue Department, ULBs were putting the lives of public and residents at serious risk.

5.12.6 Fraudulent allocation of building numbers to unauthorised constructions

Audit noticed that 284 unauthorised constructions in Kozhikode Corporation and Ramanattukara Municipality were granted building numbers fraudulently by manipulating the assessment register and by misusing the login credentials in the Sanchaya software[75] as detailed in succeeding paragraphs.

5.12.6.1 Ramanattukara Municipality

Two officials of Revenue Section in Ramanattukara Municipality fraudulently issued building numbers to 82 unauthorised constructions (51 individuals) by manipulating Assessment Register and Sanchaya software using multiple officials' login credentials. Although the Municipal authorities identified (April and May 2022) and held adalaths (July to September 2022) to regularise these cases, most of the constructions were found to be in violation of KMBR, 2019, rendering regularisation impossible. As a result, the fraudulently issued building numbers were cancelled, and the constructions were classified as unauthorised.

Of the 82 unauthorised constructions, only one construction has been regularised and seven constructions have been demolished till date (April 2025).

5.12.6.2 Kozhikode Corporation

An investigation squad identified (July 2022) 202 fake building numbers issued to unauthorised constructions in Kozhikode Corporation. The Corporation initiated action under Section 242 of KM Act, 1994 and has registered police complaint to address the irregular allocation of building numbers recorded in the Sanchaya software. Test check of eight out of the 202 cases in Sanchaya software revealed that these unauthorised buildings were paying property tax since 2020-21.

Thus, even after a lapse of three years, 276 constructions with fake building numbers were continuing as unauthorised constructions (May 2025).

Government stated (October 2025) that property tax applicable for unauthorised constructions have been imposed on all these constructions and vigilance case is ongoing. The building owners who received notice approached the High Court and Tribunal for LSGIs.

5.13 Deficiencies in internal control and monitoring mechanism

Rule 92 of KMBR, 2019 empowers the Secretary to regularise certain constructions, only if, the construction does not violate the relevant Act/Rules. The regularisation power shall not relieve the Secretary in detecting and

[75] An application software developed by IKM for computerisation of revenue system in LSGIs

preventing unauthorised work and in taking action as per rules. Audit noticed lapses in internal control mechanism viz., absence of vigilance mechanism, deficiencies in post occupancy audit, etc., as detailed below.

5.13.1 Undetected unauthorised constructions/unauthorised occupancy

Government had directed (August 2017) all LSGIs to constitute squads to identify illegal constructions during holidays. Audit noticed that nine[76] out of 14 selected ULBs did not constitute the squad till date (May 2025).

Audit conducted joint physical verification along with departmental officials and noticed unauthorised construction, additions and alternations carried out without obtaining building permit from ULBs concerned. However, ULBs did not detect these unauthorised constructions. Details are as below.

- Audit noticed 10 unauthorised constructions having an area of 8183 sq.m constructed in violation of Rule 4 (1) and (2) of KMBR, 2019 in four[77] ULBs as shown in **Appendix 5.4**. Of the 10 unauthorised constructions, seven buildings were occupied and remaining three were in the final stages of construction (May 2024).
- Further, Audit identified 193 unauthorised additions/alterations with an area of 71,171.73 sq.m in the selected ULBs. Rule 95(4) of KMBR, 2019, empowers the secretary to collect a compounding fee for regularisation of unauthorised constructions at the rate double the permit fee in force from time to time. Compounding fee that could be collected on regularisation worked out to ₹1.96 crore. ULB-wise details are given in **Appendix 5.5**. Details of buildings are given in **Appendix 5.3**.
- Despite KMBR, 2019 provisions required occupancy certificate before occupying a building, joint physical verification revealed that, 22 buildings in 10 ULBs were occupied without obtaining occupancy certificate from the ULBs concerned. However, no effective action was taken by the ULBs against the unauthorised occupation of the buildings. Details are given in **Appendix 5.6**.

Images of two buildings constructed and occupied without building permits/occupancy certificate are shown in **Figure 5.5** and **Figure 5.6**.

[76] Mukkam, Ramanattukara, Nilambur, Kothamangalam, Perinthalmanna, Aluva, Tripunithura, Manjeri and Attingal Municipalities

[77] Kochi Corporation, Mukkam, Nilambur and Ramanattukara Municipalities



Figure 5.6: Unauthorised construction at Amrita Institute of Medical Sciences, Kochi Corporation



Figure 5.7: Unauthorised construction at Farook College in Ramanattukara Municipality

Audit noticed that LFAC (2014-2016) in its thirtieth Report had recommended (March 2015) to initiate urgent steps by LSGIs to constitute squad for detecting unauthorised constructions.

Non-constitution of squad by nine selected ULBs together with failure of ULBs to detect these unauthorised constructions and additions/alterations highlights negligence in preventing unauthorised constructions and non-enforcement of regulatory actions as envisaged in rules.

Government stated (October 2025) that squads are being constituted to strengthen vigilance mechanism. It was also stated that in the context of Kochi corporation, where swift transformation in the building landscape and accelerated rate of city inhabitation is happening, infusing an efficient pragmatic and unerring inspection mechanism poses challenge. However, stringent measures are being taken to stop illegal constructions and to prevent the prospect of unauthorised constructions by intensifying inspection and non-compromising actions in line with Rules.

However, non-compliance with directions of LFAC even after lapse of more than 10 years is unjustified. Further, the reply is silent on any specific action taken on the instances of unauthorised constructions pointed out by Audit.

5.13.2 Revenue loss due to unauthorised erection of mobile towers

As per Rule 83 of KMBR, 2019 and Rule 130 of KMBR, 1999, no individual shall erect or re-erect a non-governmental telecommunication tower without obtaining a separate permit from the Secretary for each tower. Under the Kerala Municipality Building (Regularisation of Unauthorised Construction) Rules, 2024, mobile towers built or completed on or before 07 November 2019 may be regularised by paying an application fee of ₹10,000 and a compounding fee of ₹2.5 lakh per tower. As per Rule 87 (6) of KMBR, 2019 the fee for erection of telecommunication tower is ₹10,000. Rule 95 of KMBR, 2019 stipulate remittance of compounding fee which is double the permit fee for regularisation of unauthorised towers.

The Tarang Sanchar Portal, developed by the Department of Telecommunications provided public access to data on mobile towers ensuring

transparency and compliance monitoring. Audit collected the details of active telecommunication towers from the Tarang portal and identified 2,208 mobile towers in 13 ULBs[78]. However, data from the Sanchaya software and assessment registers showed that 13 ULBs had accorded authorisation for erection of only 1,150 towers. Thus, 1,058 towers were operating unauthorisedly without valid permit/approval from the ULBs concerned. Minimum revenue loss towards fee for erection of these unauthorised towers worked out to ₹2.12 crore[79].

In 2018, collapse of a mobile tower at Thoppumpady, Kochi Corporation from the roof of a two-storey building was reported by online media. Maintaining accurate information about installation of mobile towers by ULBs is essential to regulate the installation, to ensure public safety, etc.

Government stated (October 2025) that regularisation application has been received in one ULB, inspection has been conducted by two ULBs, and further examination is ongoing in remaining cases.

5.13.3 Functioning of multi-level mechanical car parking facility without ensuring structural stability

According to Rule 8 of the KMBR, 2019 permit is not required for certain types of construction activities namely petty repairs, gardening, whitewashing, interior decorations etc., provided they do not violate provisions related to general building requirements, structural stability or fire safety. In 2020, by an amendment, this exemption was extended to Mechanical Parking Structures irrespective of height and size.

During joint physical verification (September 2024) at Kalyan Silks in Kochi Corporation, Audit noticed a 13 storey multi-level car parking (MLCP) system installed in the premises of the institution as shown in **Figure 5.8**. This MLCP system was constructed without any permit, based on the exemption provision. In the absence of permit application, Corporation did not ensure the general building requirements, structural stability and fire safety provisions.



Figure 5.8: Multi-level mechanised car parking in Kalyan Silks at Kochi Corporation

While the rule exempted mechanical parking structures from obtaining permit, it clearly specified that this exemption was conditional upon adherence to the critical safety and structural provisions. The significant height of the installed structure necessitated thorough scrutiny by the ULB to ensure that these provisions were met.

[78] No unauthorised towers noticed in Ramanattukara Municipality

[79] 1058 x ₹20,000 = ₹2.12 crore

Government stated (October 2025) that notices were issued to the concerned party, and all necessary procedures/Rules should be enforced in this regard at the earliest.

Audit is of the view that exemption granted to all mechanical car parking structures from permit requirement irrespective of size and height needs a revisit.

5.14 Non-conduct of post occupancy audit – failure to detect unauthorised changes in occupancy

Rule 4(3) of KMBR, 2019 emphasise that no person shall change the occupancy of the building from one category to another without first obtaining a permit from the Secretary. Rule 21 mandates a post occupancy audit after the issue of occupancy certificate. However, none[80] of the selected ULBs conducted post occupancy audit. Audit noticed unauthorised conversion of open/parking/recreation spaces after obtaining occupancy certificate as detailed in subsequent paragraphs.

5.14.1 Unauthorised conversion of occupancy

During joint physical verification, across 10 ULBs[81], Audit noticed that in 55 instances all or part of the buildings were being used for purposes not specified in the occupancy certificates, thereby violating the conditions stipulated in KMBR, 2019. This resulted in requirement of additional parking space, clearance from authorities, loss of revenue by way of property tax, etc. Out of the 55 cases mentioned above, occupancy of two[82] buildings were changed to religious purpose without obtaining NOC from ULBs. Details of buildings are given in **Appendix 5.3**.

5.14.2 Shortage in car parking space

According to Rules 29 and 34 of the KMBR, 2019 and KMBR, 1999 respectively off-street parking requirements for various categories of buildings are prescribed based on the total floor area.

Designated car parking spaces is one of the criteria for the issuance of occupancy certificates. During joint physical verification and scrutiny of records in 14 selected ULBs, Audit identified shortage of 1,210 car parking spaces in 123 buildings due to conversion of occupancy/parking space and unauthorised additions as detailed in **Table 5.8**. Details of buildings are given in **Appendix 5.3**.

Table 5.8: Shortage in car parking space after obtaining occupancy certificate

Sl. No	Number of ULBs	Number of buildings	Shortage in number of car parking space	Reason
1	10	34	255	Conversion of parking area
2	11	36	294	Unauthorised construction after occupancy

[80] Kozhikode Corporation conducted only two post occupancy audit

[81] Kochi, Kozhikode and Thiruvananthapuram Corporations, Attingal, Manjeri, Mukkam, Varkala, Thrikkakara, Aluva and Thripunithura Municipalities

[82] Kochi Corporation and Thrikkakara Municipality

Sl. No	Number of ULBs	Number of buildings	Shortage in number of car parking space	Reason
3	02	02	24	Conversion of occupancy
4	14	43	544	Unauthorised addition and conversion of parking/occupancy
5	06	08	93	Unauthorised construction, plot sold out, malfunctioning/absence of mechanised car parking and conversion of parking area
	Total	**123**	**1210**	

(Source: Scrutiny of building permit files and joint physical verification)

5.14.3 Shortage of two-wheeler parking due to conversion of parking area

According to Rule 29 (5) of KMBR, 2019, wherever off-street car parking is mandated, an additional 25 *per cent* of that area must be allocated for two-wheeler parking.

However, joint physical verification revealed that in seven instances across five ULBs[83], a total of 418.87 sq.m earmarked for two-wheeler parking had been converted for other uses such as storerooms and commercial spaces. Details of buildings are given in **Appendix 5.3**.

5.14.4 Conversion of recreational space for other purposes

As per Rule 43 of KMBR, 2019, residential apartments with more than 12 dwelling units in a single plot or single building, shall provide a recreational space of suitable size not less than six *per cent* of total floor area. However, joint physical verification revealed that, in three ULBs, area designated for recreational facility was converted to other purposes as detailed in the **Table 5.9**.

Table 5.9: Conversion of recreational area

Sl. No.	Details of Permit (Name of ULB)	Recreational area (in sq.m)				Mode of conversion
		Required as per KMBR, 2019	Provided as per approved plan	Unauthor-ised conversion	Shortage after conversion	
1	PW4 – BA 240/17-18 – 1,058.60 sq.m (Thripunithura Municipality)	63.52	89.02	47.38	21.88	Well and manhole
2	Laurel Park Apartments, E11/TP7/ BA/1141/07-1,300 sq.m (Thiruvananthapuram Corporation)	97.56[84]	111.33	22.32	8.55	Residential purpose
3	TBA 66698/2018 – 1,615.19 sq.m (Kozhikode Corporation)	96.91	100.00	34.00	30.91	Driveway

(Source: Scrutiny of building permit files and joint physical verifications)

[83] Kochi Corporation, Manjeri, Varkala, Kothamangalam and Attingal Municipalities

[84] 7.5 *per cent* of carpet area of 1,300.82 sq.m

Government stated (October 2025) that notice was issued by Thripunithura Municipality and in other cases further examination is ongoing.

5.14.5 Inadequate lift facility

As per Rule 40 of KMBR, 2019, buildings exceeding three storeys for hospital/medical occupancy and four storeys for other occupancies shall be provided with one lift. Additional lift shall be provided for every 2,500 sq. m. of built-up area or part thereof in excess of the initial 4,000 sq.m.

MAMO College, located within the Mukkam Municipality, unauthorisedly constructed an additional floor of 4,345.56 sq.m on an existing four storeyed building with a built-up area of 8,861.46 sq.m. The building became five storeyed with total built-up area of 13,207.02 sq.m, thereby necessitating the provision of five lifts. However, joint physical verification revealed that no lift had been installed (December 2024).

5.14.6 Inadequate/absence of rainwater harvesting system

According to Rule 109A (4) of KMBR, 1999 as well as Rule 76(1) and (2) of the KMBR, 2019 workable groundwater recharging and rainwater storage systems are mandatory for all newly constructed buildings, except for hazardous and storage occupancies, single-family residential buildings on plots smaller than five cents, and/or those with a built-up area of up to 300 sq.m and huts.

However, during joint physical verification, Audit noticed that 12 buildings across four[85] ULBs lacked rainwater harvesting and storage systems, despite being completed and occupied. Details of buildings are given in **Appendix 5.3**.

5.14.7 Absence of solar energy installations

According to Rule 77 of the KMBR, 2019, all buildings classified under categories A1, A2, C and D with a total built-up area exceeding 500 sq.m are required to have rooftop solar energy installations. However, joint physical verification revealed that 14 buildings across five ULBs[86] did not have the mandated solar installations. Details of buildings are given in **Appendix 5.3**.

5.14.8 Conversion of setbacks

Rule 26(4) of the KMBR, 2019 specifies the minimum and average setback requirements for different categories of buildings. During joint physical verification, the Audit noticed that in 40 buildings, under the categories residential, commercial and hospital across 10ULBs[87], mandatory setback areas had been altered and repurposed for other uses after obtaining occupancy certificates. These buildings continue to operate in violation of KMBR, 2019. Details of buildings are given in **Appendix 5.3**.

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[85] Aluva, Mukkam, Nilambur and Ramanattukara Municipalities

[86] Kochi and Kozhikode Corporations, Mukkam, Ramanattukara and Thrikkakara Municipalities

[87] Kochi, Thiruvananthapuram, Kozhikode Corporations and Attingal, Nilambur, Ramanattukara, Varkala, Thrikkakara, Aluva and Thripunithura Municipalities

Thus, failure of ULBs in conducting post occupancy audit and absence of monitoring mechanism led to non-detection of unauthorised conversion of occupancies.

Audit observed that though LFAC (2014-2016) in its thirtieth Report had recommended (March 2015) to establish a permanent system to detect unauthorised changes in occupancy, such system was not established by the selected ULBs.

Government stated (October 2025) that a squad is being formed for identifying illegal constructions. It was also stated that Attingal and Thripunithura Municipalities issued notices to the building owners and in respect of other cases further examination is ongoing.

However, the reply is silent on the non-conduct of post occupancy audit by ULBs. Further, despite lapse of 10 years, Government has not ensured that recommendation of LFAC has been implemented by ULBs.

5.15 Conclusion

There was an overall delay ranging from 44 days to 474 days in issuing building permits. Audit noticed short realisation of additional fee on FSI amounting to ₹54.37 lakh in three ULBs. Audit noticed undue delay in resolving unauthorised constructions by the selected ULBs. Though Kochi Corporation, Aluva, Varkala and Mukkam Municipalities were aware of KMBR violation in 28 buildings and these buildings were operational without a building permit and occupancy certificate, Secretaries did not initiate any action either to regularise or demolish these buildings invoking Section 406 of KM Act, 1994 and Rule 96 of KMBR, 2019. Three ULBs issued occupancy certificate/permit for 10 constructions without ensuring NOC from authorities concerned. Audit during joint physical verification detected 10 unauthorised constructions in four ULBs and 193 unauthorised additions/alterations in selected ULBs which indicated deficiencies in monitoring mechanism in ULBs. In selected ULBs 1,058 mobile towers remained unauthorised, incurring a minimum revenue loss of ₹2.12 crore towards fee for erection of towers. Audit noticed unauthorised conversion of occupancy after issuance of occupancy certificate in violation of KMBR, 2019 provisions resulting in inadequate recreational space, lift facility, setback, etc. Audit identified shortage of 1,210 car parking spaces in 123 buildings due to conversion of parking space and unauthorised additions. In the absence of post occupancy audits, these violations remained undetected by the ULBs.

5.16 Recommendations

- ***ULBs may introduce stringent measures to ensure that building permits and occupancy certificates are issued only after compliance with the mandatory requirements outlined in the KMBR.***
- ***Post-occupancy audits and squad activities may be strengthened and streamlined to effectively detect unauthorised constructions and deviations from approved occupancy.***
- ***The State Government may consider a timeline for regularisation/demolition of unauthorised constructions including provision for accountability to be fixed on the officials of the ULBs for delays in initiating action towards regularisation or demolition of unauthorised constructions.***
- ***ULBs may initiate measures to develop a Geographic Information System (GIS) to monitor and track building construction and develop digital systems like mobile applications for citizens to report unauthorised constructions.***
- ***Government may review the rules to introduce specific conditions or limitations based on the height, size or complexity of mechanical parking structures to ensure public safety.***

CHAPTER VI
COMPLIANCE AUDIT PARAGRAPHS OF URBAN LOCAL BODIES

6.1 Non-assessment of property tax resulting in loss/non-realisation of revenue in two Urban Local Bodies

Lack of diligence on the part of Kollam and Kochi Municipal Corporations in ensuring assessment of properties falling in their jurisdiction to property tax resulted in loss/non-realisation of revenue

Sections 230 to 233 of the Kerala Municipality Act, 1994 (KM Act, 1994) empowered the Urban Local Bodies (ULBs) to levy property tax on all buildings, including the land appurtenant thereto, situated within the jurisdictional area of the Municipal Corporations and Municipalities. According to Section 282 of KM Act, 1994, demand for tax claims should be made within four years from the date on which it has fallen due.

During the audit of Kollam and Kochi Municipal Corporations (2024-25), Audit noticed instances of non-assessment of property tax of a commercial building and a private self -financing college as detailed below:

(i) Non-assessment of property tax of a commercial building - Kollam Municipal Corporation

According to Kerala Municipality Building Rules, 1999 (KMBR), no person should develop any land or construct any building without obtaining valid permit from Secretary of the ULB. Further, a building should be occupied only after obtaining occupancy certificate for the building issued by the Secretary. The Town planning section of ULB issues building permits and occupancy certificates and the Revenue section assesses the tax on the basis of occupancy certificate issued by the Town planning section. Revenue Inspectors detect un-assessed and under assessed properties and Building Inspectors detect unauthorised constructions within their jurisdiction.

Section 242 of KM Act, 1994 stipulates that where any person has unlawfully constructed or reconstructed any building, the owner of such building shall be liable to pay property tax that would have been paid, had the said building been constructed lawfully, together with twice the amount towards property tax, from the date of completion or occupation whichever is earlier, till the date of demolition/regularisation of that building. The building constructed unlawfully was to be given special building number, purely for taxation purpose.

During the audit of Kollam Corporation, it was noticed that Town Planning section of the Corporation had identified an unauthorised building with the name 'AN Guna Shenoy & Bros', in Ward 49 of the Corporation, while conducting (2020-21) Geographic Information System property tax mapping of buildings in the Corporation area. In the Drishti software[88] data of the ULB, the

[88] This GIS based Property Tax Estimation software developed by M/s The Uralungal Labour Contract Co-operative Society was used for GIS mapping of building assets of the ULB in 2020-21

said building was marked as unauthorised construction (UA No. 51 in Ward 49 as per 2015 ward structure) and the year of the building construction was recorded as 2014. Google Earth Pro application also indicated the existence of the building in the year 2014. However, Town Planning section failed to initiate any action either to regularise or to demolish the building, though the building was constructed without issuing any permit. Audit noticed that the ULB had not issued building permit/occupancy certificate/allotted building number/assessed/levied/ collected property tax of this building. Audit during joint physical verification along with staff from Engineering section of the ULB noticed that this building measuring 825.476 sq.m was carrying out commercial activities[89].

Moreover, Health Wing of the Corporation had received applications for renewal of licence from the owner of A N Guna Shenoy and Bros during 2016-17, 2018-19 and 2019-20. Though the applications were rejected by the Health Wing for the reason that the building was unauthorised/did not exist in Sanchaya software[90], no action was taken by Health Wing to bring it to the notice of Town Planning Wing/Revenue Wing, the existence of a business establishment in an unauthorised building. However, Audit noticed that Revenue Wing had demanded and collected profession tax in respect of workers of the establishment since 2019-20, though building was functioning without any licence. Thus, Town Planning, Health and Revenue wing of the Corporation were independently aware of the existence of this unauthorised building.

Audit observed that gross negligence on the part of Town Planning, Revenue and Health wing of the Corporation in initiating necessary action on identifying an unauthorised building and lack of co-ordination among the wings resulted in the building remaining unassessed for the last seven years (March 2025). Non-assessment of the building resulted in loss of revenue on property tax amounting to ₹16.03 lakh[91] for the period 2016-17[92] to 2019-20 and non-collection of revenue of ₹16.23 lakh[93] during the period from 2020-21 to 2023-24.

(ii) Non-assessment of property tax of a self-financing college building by Kochi Municipal Corporation - ₹5.53 lakh

Section 235 (1) (d) of KM Act, 1994, had exempted buildings owned and occupied by educational institutions and registered with the Municipality from

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89 Retail sale of hardware, paint, sanitary fittings, etc.

90 Sanchaya (Property Tax) is an application software developed by Information Kerala Mission for Local Self Government Department, GoK for the assessment of Property Tax

91 Net Annual Property Tax ₹1,16,179 + twice the amount towards property tax for unauthorised construction = ₹4,00,818 (including the amount of 5 *per cent* Library cess and 10 *per cent* Service Charge).

Hence, total loss of revenue = ₹16,03,272 (₹4,00,818 x 4)

92 Loss computed from 2016-17 onwards as the details of application for renewal of license was available from that year onwards

93 Short collection of revenue for the period from 01 April 2020 to 31 March 2023 = ₹12,02,454 (₹4,00,818 x 3).

Property tax for the period 01 April 2023 to 31 March 2024 = ₹4,20,859 (five *per cent* increase on annual property tax applicable with effect from 2023-24 i.e., ₹1,21,988 + twice the amount towards property tax for unauthorised construction) = ₹4,20,859 (including the amount of 5 *per cent* Library cess and 10 *per cent* Service Charge).

Hence, short collection of revenue = ₹16,23,313 (₹12,02,454 + ₹4,20,859)

property tax. This provision of Section 235 of KM Act, 1994 was amended in October 2009, limiting the exemption only to the buildings exclusively used for educational purposes under the ownership of educational institutions owned by Government, aided or functioning with the financial assistance of Government. Hence, buildings of unaided recognised educational institutions became liable for payment of property tax. In April 2012, the Department of Local Self Government directed that the buildings of unaided recognised educational institutions were to be assessed to property tax from 14 January 2011, date on which Kerala Municipality (Property tax, Service cess tax and Surcharge) Rules, 2011 came into effect.

Audit noticed that Kochi Municipal Corporation in November 2000 had exempted the college building of Avila College of Education, Edakochi (2420/B in Ward 15, Edakochi North), a self-financing college affiliated to the Mahatma Gandhi University, from property tax being levied, as the building was used for educational purpose. However, even after amendment of the KM Act, 1994 the municipal authorities did not assess the institution and the institution continued to be exempted from paying property tax (May 2025). On a joint physical verification conducted (May 2025) by the audit team along with the officials of the Corporation, the total area of the building was measured to be 3632.27 sq.m (Ground + two floors).

Audit observed that lapse on the part of ULB in assessing the property tax of the college building, resulted in loss of revenue to the tune of ₹2.75 lakh[94] for the period from 2016-17[95] to 2019-20 as the Corporation could not demand tax pertaining to period prior to four years as per Section 282 of KM Act, 1994 and non-collection of revenue of ₹2.78 lakh[96] during the period from 2020-21 to 2023-24.

These instances clearly point out the lack of diligence on the part of ULBs in ensuring that the properties falling in their jurisdiction are assessed in a timely manner. Non-assessment of these buildings resulted in loss/non-realisation of revenue to the tune of ₹37.79 lakh.

Government response to the paragraph is awaited (February 2026).

6.2 Avoidable payment of ₹27.72 lakh to contractor towards GST

Payment of GST to M/s Zonta Infratech Private Limited by Kozhikode Municipal Corporation for a service exempted from GST resulted in avoidable expenditure of ₹27.72 lakh.

Government of India, vide Ministry of Finance notification nos. 9/2017 and 12/2017 dated 28 June 2017, had exempted levy of Goods and Services Tax

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[94] Annual property tax is ₹68,650. Revenue loss for four year = ₹2,74,600 (₹68,650 x 4)

[95] The assessment of property tax on the basis of plinth area instead of annual rental value of properties was made applicable for new buildings in ULBs from 01 April 2013 and for existing buildings from 01 April 2016. Hence revenue worked out from 01 April 2016 onwards

[96] Short collection of revenue for the period from 01 April 2020 to 31 March 2023 = ₹2,05,950 (₹68,650 x 3)

Property tax for the period 01 April 2023 to 31 March 2024 = ₹72,083 (five *per cent* increase on annual property tax applicable with effect from 2023-24). Short collection of revenue = ₹2,78,033 (₹2,05,950 + ₹72,083)

(GST) on inter-State and intra-State supply of pure services[97] provided to a Municipality under Article 243 W of the Constitution. Solid waste management, being a function entrusted to urban local bodies under Article 243W of Constitution of India, falls under the above category of exempted services.

Government of Keralam (GoK) accorded (June 2018) sanction for setting up solid Waste-to-Energy (WtE) plants at seven sites in the State and one among them was Njalianparambu in Kozhikode district. As the site proposed for the WtE plant at Njalianparambu was accumulated with 1.30 lakh cubic meter of legacy waste, Kozhikode Municipal Corporation proposed (August 2019) rehabilitation of the site by adopting a combination of bio-mining and capping methods. Kerala State Industrial Development Corporation Limited (KSIDCL), the nodal agency appointed by Government for establishing WtE plants at various locations, floated an e-tender and identified (November 2019) M/s Zonta Infratech Private Limited, Bangalore as successful bidder for carrying out the rehabilitation of Njalianparambu site for ₹7.70 crore plus GST. KSIDCL then directed (November 2019) the Corporation to take further steps viz., issue of letter of acceptance, execution of agreement, supervision and monitoring of the project, etc. Though the said service was exempted from GST, the Corporation accepted the quoted rate of ₹7.70 crore plus GST and an agreement was executed (10 December 2019) with M/s Zonta Infratech Private Limited for carrying out rehabilitation of the site at the quoted rate with time of completion of one year. The work which commenced on 03 February 2020 was halted (May 2020) due to the outbreak of COVID 19 and continuous rains. As M/s Zonta Infratech Private Limited could not complete the work even after giving extension multiple times, Corporation Council (June 2023) decided to seek legal as well as technical advice to cancel the contract.

The Corporation had so far paid[98] ₹3.74 crore to M/s Zonta Infratech, which included Integrated Goods and Service Tax (IGST) of ₹27.72 lakh (March 2024). Audit observed that payment of GST for a service exempted from GST, resulted in avoidable expenditure of ₹27.72 lakh to the Corporation.

Government response to the paragraph is awaited (February 2026).

6.3 Unauthorised occupation of contingent staff quarters and inadmissible payment of House Rent Allowance of ₹1.44 crore to contingent employees occupying the quarters

Lapse on the part of the Kochi Municipal Corporation in the management of contingent staff quarters resulted in unauthorised occupation of Government quarters and inadmissible payment of ₹1.44 crore towards House Rent Allowance to contingent employees occupying staff quarters.

According to Section 48(5) of KM Act, 1994, the Secretary is the custodian of all Municipal properties. As per the provisions contained in Paragraph 3.6 of the Manual for Asset Management in Local Self Government Institutions (LSGIs) of Kerala, the Secretary of the LSGI should ensure that there is no encroachment/mis-utilisation of LSGI buildings. As per Government Servants'

[97] Except works contract services or other composite supplies involving supply of any goods

[98] Payments were made in February 2020, May 2020, November 2020, April 2021 and January 2023

Quarters – Revised Rules (2006), Government servants occupying the quarters should vacate the quarters on the date of retirement and Rule 15 (iii) stipulates that House Rent Allowance (HRA) shall be denied to the allottee of the quarters. No separate rules/orders were issued by GoK for regulating allotment of contingent employee quarters owned by LSGIs.

Kochi Municipal Corporation owned 174 family quarters in seven Health Circles for allotment to contingent employees[99]. Revenue wing was the custodian of quarters and Health wing allotted family quarters to the employees based on the seniority list with the approval of Health Standing Committee. Audit conducted in the Corporation in June – September 2023 revealed serious lapses on the part of the Corporation authorities in the allotment and management of these family quarters.

As per the records produced to Audit, 174 contingent employees family quarters located in Health Circles 2, 4, 10, 16, 17, 18 and 20 of the Corporation were occupied (May 2012) by 91 contingent employees, and 83 unauthorised occupants. Audit noticed that the issue of unauthorised occupation of quarters and construction of houses by encroaching the land nearby the quarters, owned by the Corporation, had come to the notice of the Corporation in May 2012. The lack of commitment of the Corporation authorities in implementing a system for proper management of quarters including maintenance of records even after lapse of 12 years since identification of this issue has resulted in continuation of unauthorised occupation of quarters by 76 persons. Audit noticed that the Secretary, Kochi Municipal Corporation failed to protect the corporation asset from unauthorised occupation/misutilisation.

Irregular payment of HRA to employees occupying quarters

Though the Government Order on allotment of quarters stipulated that employees who were allotted quarters were not eligible for House Rent Allowance (HRA), a scrutiny of the pay bill of contingent employees and the information furnished by the Corporation revealed that HRA was paid to 76 contingent employees occupying staff quarters during the period November 2016 to July 2023 resulting in inadmissible payment of ₹1.44 crore. Audit also noticed that HRA was not being paid to contingent employees occupying quarters in other ULBs like Thrissur, Kozhikode and Kannur Corporations.

Secretary, Kochi Municipal Corporation stated (December 2024) that approval of council was needed for vacating the unauthorised occupants from the quarters and further action would be taken on the basis of the council decision. It was also stated that the Corporation discontinued payment of HRA with effect from November 2024 to contingent employees occupying quarters.

Government stated (March 2026) that of the 174 quarters owned by the Corporation, 91 were occupied by regular contingent employees, 47 by

[99] Casual Labourers engaged on daily wage basis were regularised as permanent contingent employees in the post of Sanitation workers in the scale of pay 17,500-37,500. As per Section 224 of the KM Act, 1994, the Municipal Council is the appointing authority in respect of the contingent posts in the Municipal Service and appointing order in respect of them are issued by the Secretary, with the approval of the Council. Their pay and allowances are regulated by separate Pay Revision Orders issued by Finance Department, GoK in this regard from time to time. As per these Pay Revision Orders, they are entitled for Dearness Allowance, House Rent Allowance, Special Allowances, Hill Tract Allowance, Uniform Allowance, etc.

unauthorised occupants and 36 by casual/daily wage workers. It was also stated that efforts to evict these unauthorised occupants and reallocate the quarters to current employees were met with violent resistance and the residents who lack any land of their own submitted application to the Municipality and Government for allotting land titles (Pattayam). Two cases (OS No.1043/2019 and 1142/2024) were pending in Munsiff Court, Ernakulam against eviction by the Corporation. Government also stated that the Corporation has decided to recover HRA from 76 contingent workers/ pensioners from the salaries/benefits (in case of pensioners) with effect from January 2026.

However, fact remains that negligence on the part of the Corporation authorities in implementing a system for proper management of quarters including maintenance of records since identification of unauthorised occupation of quarters in 2012 resulted in continuation of unauthorised occupation till date and inadmissible payment of HRA.

6.4 Execution of plan projects through an unrecognised entity by Thiruvananthapuram Municipal Corporation

Thiruvananthapuram Municipal Corporation executed plan projects through an unrecognised entity - Human Resource Employment and Development Centre - without adopting open tender system resulting in ineffective implementation of projects and excess expenditure to the tune of ₹1.13 crore.

Paragraph 7.11 of Store Purchase Manual (SPM), 2013 stipulates adopting open tender system whenever the estimated value of the contract is ₹10 lakh or more. Further, GoK in May 2015 had directed that e-procurement should be followed in all Government Departments/Boards/Public Sector Undertakings for all tenders above ₹five lakh. According to the plan formulation guidelines[100], all works which are not directly executed by LSGIs or executed through beneficiary committees, approved associations, accredited agencies or as deposit works, should be tendered. However, Thiruvananthapuram Municipal Corporation established an entity named Human Resource Employment and Development Centre (HREDC) and carried out plan projects through them without adhering to the provisions of Store Purchase Manual resulting in ineffective implementation and excess expenditure as detailed below:

I. Establishment of an entity by Thiruvananthapuram Municipal Corporation without Government sanction

Thiruvananthapuram Municipal Corporation had established various institutions viz., reprographic centre, computer training centre, Akshaya Centres, book binding unit, women IT park, etc., under various plan projects since 1998. These centres were managed by the "Management Committee for Industrial Projects" established in 1998. In August 2015, the Municipal Council established an entity named HREDC and all the above institutions were brought under HREDC. According to the byelaw approved by the municipal council, the administration of HREDC was governed by a Director Board consisting of 15

[100] GO (Ms) No. 17/2018/LSGD dated 02/02/2018 – Para 11.2(3) (E)

members with Mayor as the Chairperson, Deputy Mayor as the Vice Chairperson, Corporation Secretary as Secretary, an official in Supervisor cadre in the Corporation as Co-ordinator, an expert person as Director and other 10 members of HREDC as decided by Development Standing Committee of the Corporation.

Audit noticed that approval of Government was not obtained by the Corporation before the formation of HREDC. Even though the byelaw was forwarded to GoK in October 2015, the same was not approved by Government (November 2024). According to Section 572(1) of KM Act, 1994 a byelaw would come into effect only after the same is approved and confirmed by Government. Further, HREDC was not registered under any Acts/Rules in force. Hence, HREDC was functioning without any authority. Audit noticed that though HREDC had no independent existence, the HREDC appointed staff required for its functioning, prepared separate annual accounts and executed plan fund as well as own fund projects entrusted by the Corporation as detailed below:

Appointment of Staff

Audit noticed that there were 42 salaried permanent employees working in HREDC (February 2024). However, the employees were selected without any public advertisement and no norms were fixed for appointment of employees in the byelaw. The staff of HREDC were appointed by the Director, HREDC initially as trainees and after a certain period they were appointed on contract basis after obtaining Council decision. In addition to salaried employees, there were five contract employees and 74 Data Entry Operators who worked on piece rate/daily wage basis depending on the demand or requirement. The expenses towards salary/wages were met by HREDC from its income.

Maintenance of separate Accounts

HREDC maintained separate bank accounts and revenue generated was deposited in these accounts. All the expenditure of HREDC were approved by the Secretary/Mayor. HREDC prepared financial statements (Balance Sheet, Receipt and Payment Account, Income and Expenditure Account) and was audited by Chartered Accountants. Transactions and balances of these bank accounts were not included in the financial statements of the Corporation.

Share of the Corporation plan fund in the revenue of HREDC ranged from 4.66 *per cent* to 28 *per cent* during the period 2018-19 to 2022-23 and it ranged from ₹0.19 crore to ₹1. 38 crore (total of ₹3.49 crore).

II. Implementation of projects through HREDC

During the period from 2018-19 to 2022-23, the Corporation entrusted plan projects viz., vocational skill training, School Student Management System (SMS) in schools, Computer Maintenance of Schools, etc., to HREDC. HREDC entered into agreement with Institute of Human Resources Development (IHRD) for conducting training programs viz., Diploma in Computer Applications (DCA), Diploma in Data Entry Techniques, PGDCA and various other short-term courses. The classes were conducted by IHRD faculties and the total fees (fixed by IHRD for conducting classes at their premises) was apportioned between IHRD and HREDC in the ratio of 60:40. Forty *per cent* of the fee was retained by HREDC as the facility of HREDC was utilised for

conducting training. During the period from 2018-19 to 2022-23 HREDC received ₹55.53 lakh towards conducting IHRD training programmes entrusted by the Corporation utilising plan fund. Audit observed that payment of 40 *per cent* of the training cost to HREDC, for utilising own facility of the Corporation, was against the principles of financial propriety.

Further, Audit noticed financial impropriety and inefficiency in the implementation of the two Plan fund projects viz., School Student Management System (SMS) in schools and Computer Maintenance of Schools by the Corporation through HREDC as detailed below:

III. School Student Management System (SMS) Project

Thiruvananthapuram Municipal Corporation during 2018-19 formulated a project called 'SMS system in Schools', at an estimated cost of ₹65 lakh, with the aim to improve the standards of education of students from LKG to Standard XII in Government/Aided Schools within the jurisdiction of the Corporation. The project included issuing Identity Cards to the students and informing parents about their wards' performance via SMS, backed by a software developed by Information Kerala Mission (IKM). The Principal, Government Vocational Higher Secondary School for Girls, Manacaud, Thiruvananthapuram was the implementing Officer for the project.

Based on the directions of GoK (August 2015), the Corporation entrusted the portion of work pertaining to 'preparation of software and sending messages to parents via SMS' to IKM. In respect of printing of Identity Cards, the Corporation entrusted the work to HREDC, on the basis of permission granted (March 2005) by GoK for undertaking the printing jobs of the Corporation through the Reprographic Centre.

The work entrusted to HREDC included data entry of students' details, scanning and uploading of photographs of students and issuing identity (ID) cards with tag at ₹120 per ID card. An amount of ₹50.02 lakh was paid to HREDC for the printing of identity cards during 2018-19. TMC continued the project during 2019-20[101], 2021-22 and 2022-23 by entrusting the work to HREDC. HREDC reduced the rates to ₹80 per card + 18 *per cent* GST in 2021-22 and 2022-23. During the period from 2018-19 to 2022-23, HREDC supplied 1,41,490 ID cards and an amount of ₹1.65 crore was paid to HREDC .

Audit scrutiny revealed that instead of printing the ID cards at the Reprographic Centre, HREDC outsourced the ID card printing work to private firms at very low rates ranging from ₹15 to ₹24 per card during the period 2018-19 to 2022-23 against ₹80 - ₹120 (excluding GST) claimed from the Corporation. Audit noticed that HREDC obtained these low rates by inviting open tender for the work. In reply to the Audit observation, HREDC furnished the breakdown of its expenses as given in **Table 6.1**.

[101] ID cards were not issued during 2020-21 due to Covid

Table 6.1: Breakdown of expenses furnished by HREDC

Particulars	Year			
	2018-19	2019-20	2021-22	2022-23
Cost for printing one ID card (in ₹)	15	15	24	24
Daily Monitoring Charges per card for one academic year (in ₹)	15	15	0	0
Data collection, photo uploading and data entry charges per card (in ₹)	20	20	20	20
Form printing, transportation for data collection and distribution charges per ID card (in ₹)	29	29	7	7
Fixing, sorting, packing per card (in ₹)	25	25	9	9
Administration charges and office expense per card (in ₹)	16	16	20	20
Rate per ID card (in ₹)	120	120	80	80
GST (in ₹)	0	22	14	14
Total amount per ID card claimed by HREDC	120	142	94	94

(Source: Details furnished by HREDC)

It was seen that of ₹80-₹120 charged per ID card, cost of printed ID card and tag was only ₹15-₹24. Further, the daily monitoring, transportation and fixing/sorting/packing charges and administrative expenses together (₹99.84 lakh) was thrice the printing cost (₹30.57 lakh). Audit noticed that charges towards monitoring, transportation and fixing/sorting/packing charges were drastically reduced during 2021-22 and 2022-23. Specific reasons for charging higher rates during previous years were not available. Though HREDC claimed ₹71.34 lakh (inclusive of GST) towards transportation, daily monitoring charges, fixing sorting packing, etc., there were no records to prove that transportation, daily monitoring, fixing, sorting, packing, etc., were carried out by HREDC. Audit observed that HREDC prepared the component wise cost each year to tally with the total cost they claimed from the Corporation.

Further, HREDC claimed ₹20 per ID card towards data collection, data entry, photo uploading, etc., However, Audit noticed that Sampoorna School Management Software launched by Kerala Infrastructure and Technology for Education (KITE) in 2011 as part of its e-Governance initiatives was equipped to issue Identity Cards to students. GoK had made it mandatory (May 2017) for all schools for capturing details of all students from Standard 1 to 12 in the Sampoorna Software. As such, non-use of the available database resulted in duplication of data collection and data entry work and avoidable payment of ₹31.95 lakh (inclusive of GST).

Audit observed that, by adopting tender procedure and data from Sampoorna software, the Corporation could have printed ID cards at ₹31-₹44 per ID card (printing charges + administrative charges) and the total expenditure during the four years would work out only to ₹51.95 lakh instead of ₹1.65 crore (inclusive of GST). Details are given in **Appendix 6.1**.

Audit noticed that the Secretary/Mayor of the Corporation were aware of the exorbitant rates charged by HREDC as the selection of vendors as well as payment of their bills for printing ID cards was approved by the Secretary/Mayor of the Corporation (in the capacity of Secretary and

Chairperson of HREDC respectively) who also approved entrustment of printing work to HREDC and passed the payment to HREDC for the same work inflated several times the actual cost.

Thus, by entrusting the work to HREDC without adopting tender procedures, the Corporation incurred excess expenditure of ₹1.13 crore towards printing ID cards.

IV. Computer Maintenance of Schools

GoK had issued policy guidelines[102] (December 2005) for regulating Annual Maintenance Contracts (AMC) of computers and related equipment in Government departments. According to the guidelines, a firm entrusted with AMC should be registered under Company's Act, an authorised service provider for Original Equipment Manufacturer (OEM) brand equipment and should have OEM certified engineers, technicians, etc.

Thiruvananthapuram Municipal Corporation had taken up a project called "Computer Maintenance of Schools" during the years 2018-19, 2019-20 and 2021-22 for annual maintenance of 1446 computers in 118 Government schools under their control at a project cost of ₹25 lakh each year. Principal, Vocational Higher Secondary School for Girls, Manacaud, Thiruvananthapuram was the implementing officer for the project. Audit noticed that in violation of Government instructions, the Corporation entrusted the work to HREDC, though HREDC did not have dedicated and qualified staff to carry out the maintenance of computers. Further, HREDC did not satisfy any of the conditions stipulated in the policy guidelines. HREDC was also not recognised by the State Government as an accredited agency. Further, no agreements were executed between the Corporation and HREDC for proper execution of the work. During the first two years, maintenance of 1,446 computers in 118 Government schools were covered and during the third year 869 computers in 66 schools were covered under AMC. The Corporation spent an amount of ₹64.25 lakh[103] towards AMC during the period.

As per the Government policy guidelines on AMC, the firm entrusted with AMC shall conduct monthly inspection and quarterly preventive maintenance of the computers and equipment under AMC. However, out of the 118 schools (1446 computers) included under the maintenance contract, HREDC visited only 32 and 72 schools respectively during 2018-19 and 2019-20 leaving substantial number of computers unattended. During 2021-22, HREDC conducted AMC activities only in 22 out of the 66 schools. As such, HREDC was paid AMC charges without making even a single visit to 86, 46 and 44 schools respectively during 2018-19, 2019-20 and 2021-22. This also indicated lack of monitoring on the part of Corporation after entrusting the work to HREDC.

Regarding computer maintenance at schools, Government stated (January 2023) that HREDC was owned by Thiruvananthapuram Municipal Corporation and direct execution of projects was permissible and were approved by Development seminar, District Planning Committee and co-ordination

[102] GO (P)No.26/2005/ITD dated 24 December 2005 of Information Technology Department

[103] In 2018-19 - ₹24.91 lakh, 2019-20 - ₹24.57 lakh, 2021-22 - ₹14.77 lakh

committee. Also, it was stated that HREDC took the opportunity to train its students studying one-year NIELIT hardware courses. Regarding not visiting all the schools, Government cited the reasons such as time limit and high number of complaints due to rough and careless use by small kids.

The reply is not acceptable as HREDC executed projects as an independent entity and did not pass on the benefits accrued while implementing the projects to the Corporation. Further, HREDC is neither an accredited agency nor approved by Government for entrusting plan projects without adhering to the tender formalities. Further, entrusting the computer maintenance to trainee students, who have not completed their course may lead to delay in servicing, decreased system performance, shortened hardware life span, etc.

Thus, non-compliance with Government instructions and failure of Secretary/implementing officer of Thiruvananthapuram Municipal Corporation to ensure proper execution of services by HREDC resulted in ineffective implementation of the projects and excess expenditure of ₹1.13 crore.

Government response to the paragraph is awaited (February 2026).

6.5 Unfruitful expenditure on a drinking water project by Thiruvananthapuram Municipal Corporation - ₹71.41 lakh

Non-conduct of feasibility study, improper planning and laxity in implementation of a drinking water project by Thiruvananthapuram Municipal Corporation resulted in non-achievement of the objective of creating job for women and supply of low-cost drinking water in water scarce areas and unfruitful expenditure of ₹71.41 lakh.

Government of Keralam issued orders[104] for enhanced distribution of drinking water by establishing Reverse Osmosis (RO) drinking water production plants by LSGIs in collaboration with Kudumbashree Mission. As per Government Orders, LSGIs should select a Kudumbashree unit consisting of five members and arrange for land, building and licence for the RO plant and expenditure for the installation of the plant should be met by the selected Kudumbashree unit.

In line with the orders issued by GoK, Thiruvananthapuram Municipal Corporation formulated a project named "Drinking water project for employment generation to women Kudumbashree Groups in the Corporation" in the Annual Plan 2019-20 (Women Component Plan). An amount of ₹75 lakh from the Development Fund (General) was earmarked for this project and Executive Engineer of the Corporation was the implementing officer. Objective of the project was to provide drinking water to the beneficiaries of water scarce areas at low cost by purifying water from bore well and available nearby water resources using RO technology. Accordingly, out of the two locations suggested by the Corporation, the site near Vayambachira pond in Mannanthala ward was accepted by District Mission Co-ordinator (DMC) for implementing the project. Based on the request of the implementing officer, DMC Kudumbashree submitted an estimate for ₹75 lakh and the amount was transferred to the

[104] GO(Rt) No. 3244/2017/LSGD dated 07 October 2017 and GO(Rt) No. 2526/2018/LSGD dated 28 September 2018

account of the DMC in March 2020. An agreement was executed between the implementing officer and DMC in May 2020.

The DMC awarded (July 2020) the work to M/s Nanma Yuvashree Group, Palode, Thiruvananthapuram, a Kudumbashree unit affiliated to the DMC, at an estimated cost of ₹75 lakh. Construction work of 171.2 sq.m building and installation of RO Plant, laboratory equipment and generator were completed at a total cost of ₹69.57 lakh[105] and the keys were handed over by DMC to the Corporation in January 2022. Apart from this, DMC incurred an expenditure of ₹ 99,500 for obtaining electricity connection and the balance fund of ₹4.43 lakh was refunded to TMC in July 2022. A borewell was dug at the site by the Corporation through the Ground Water Department (GWD) at an estimated cost of ₹0.84 lakh (July 2022).

Audit noticed during joint physical verification (September 2024 and July 2025) that drinking water production plant was not functioning and the building was found abandoned. In this connection, following lapses on the part of TMC were noticed in the execution of the project.

i. As per Government Order, LSGIs should identify a Kudumbashree unit and arrange for land, building and licence for RO plants and the expenditure for installation of Plant should be borne by the selected Kudumbashree unit. However, the Corporation proceeded with the construction of the building and installation of the RO plant through DMC without identifying any Kudumbashree unit interested in installation and operation of the plant and the whole project cost was borne by the Corporation. This has resulted in excess expenditure of ₹19.76 lakh by the Corporation, being the cost of RO plant which was to be borne by the Kudumbashree unit identified for installation and operation of the plant.

ii. Audit noticed that before the commencement of the project, the Corporation did not conduct feasibility study for drinking water availability for a commercial RO plant. A request for construction of borewell was submitted to GWD only after the construction of the RO plant. On verification of GWD files related to construction of borewell and yield test report, it was noticed that the borewell constructed at the project site would not yield sufficient water for the functioning of the RO plant. GWD, after conducting a ground water excavation in the project site informed the Corporation that the possibility of getting enough potable water for running RO plant was remote and the construction of ground water extraction structure was not feasible in the site. No alternate adjacent sites were seen identified by the Corporation for ground water extraction structure till date (June 2025).

    Audit noticed that though the Corporation council had entrusted (January 2022), the operation of the plant for three years to DMC, DMC did not take over the plant due to non-availability of water and lack of proper road infrastructure to the plant.

[105] Civil work - ₹35.93 lakh, Electrification - ₹11.99 lakh, RO plant - ₹19.76 lakh and A.C - ₹1.89 lakh

iii. Though the Corporation files contain records relating to construction of borewell by GWD expending ₹0.84 lakh, corporation authorities failed to locate the borewell during joint physical verifications carried out. Since GWD records contradict the physical verification report, audit was unable to confirm the presence of borewell at the site. Further rejuvenation of borewell, if it exists, is highly unlikely as the same remained abandoned for more than 30 months. The RO plant laboratory equipment installed in the building and generator were not made functional and the electric power connection was found disconnected.

Thus, due to not conducting feasibility study, inadequate planning and laxity in implementation by Thiruvananthapuram Municipal Corporation, asset created at a total cost of ₹71.41 lakh rendered unfruitful. Audit was also unable to draw assurance on the construction of borewell as both joint physical verifications failed to locate the site in the backyard (2.5 cents) of RO plant. Further, the project failed to achieve its intended objectives of generating employment for women and supplying low-cost drinking water to water scarce areas, even after three years of the construction of the building and the plant.

Government response to the paragraph is awaited (February 2026).

CHAPTER VII
FUNCTION BASED AUDIT OF URBAN LOCAL BODIES

Introduction

The seventy-fourth Constitutional Amendment Act, 1992 (CAA) recognised Urban Local Bodies (ULBs) as the third tier of the Urban Government and assigned them specific civic functions to enable them to function as institutions of Self Government. The Kerala Municipality Act, 1994 (KM Act, 1994), enacted in line with the seventy-fourth CAA, empowered ULBs in the State with necessary powers to function as self-governing institutions. The KM Act, 1994 aims to enhance public participation in planned development and local governance by establishing Municipalities and Municipal Corporations. The Function-Based Audit of ULBs with district centric approach evaluates how effectively these institutions are discharging the functions devolved through the seventy-fourth amendment of the Constitution.

7.1 FUNCTIONING OF SLAUGHTERHOUSES AND MEAT STALLS IN URBAN LOCAL BODIES

Article 243W of Constitution of India empowers the Municipalities to perform the functions and implementation of schemes as listed in the Twelfth Schedule. Regulation of slaughterhouses and tanneries is a devolved function under Twelfth Schedule. According to KM Act, 1994, regulation of slaughtering of animals and sale of meat is a mandatory function of ULBs. All ULBs were to establish slaughterhouse for ensuring slaughtering of animals in scientific way for producing hygienic meat. The roles and responsibilities of ULBs in establishment and maintenance of slaughterhouses are prescribed under Sections 452 to 455 of KM Act, 1994. Function based audit on the 'functioning of slaughterhouses and meat stalls' was taken up to analyse the adequacy of slaughterhouses and compliance with various regulations in the functioning of the slaughterhouses.

7.1.1 Audit objectives

Audit objective was to assess:

- whether ULBs have planned and constructed adequate number of slaughterhouses in their jurisdiction,
- whether slaughtering of animals, sale of meat and disposal of slaughter waste are regulated in accordance with existing Acts and Rules and
- whether the monitoring mechanism in ULBs are adequate to oversee proper functioning of slaughterhouses and meat stalls.

7.1.2 Audit criteria

Audit criteria were derived from the following Acts, Rules and Orders:

- Kerala Municipality Act, 1994
- Prevention of Cruelty to Animals (Slaughterhouse) Rules, 2001 issued by GoI
- Solid Waste Management Rules, 2016

- Regulations, orders and guidelines issued by Government of India, Government of Keralam (GoK), Hon'ble High Court of Kerala, Central Pollution Control Board, etc.

7.1.3 Audit Scope and Methodology

A Paragraph on 'Failure in operation and maintenance of slaughterhouses' was included as Paragraph 3.2.2.3 in the Compliance Audit on 'Maintenance of Environmental Hygiene by Urban Local Bodies' in the Report of the Comptroller and Auditor General of India on Local Self Government Institutions for the year ended March 2015. The Local Fund Accounts Committee (LFAC) in its sixty-nineth Report (2019-2021) had recommended that the LSGIs should strictly adhere to the directions issued by the Government in connection with functioning and maintenance of slaughterhouses.

Function based audit on 'Functioning of slaughterhouses and meat stalls in ULBs' was conducted in four Municipalities in Alappuzha district and two Municipalities in Idukki district covering the period from 2021-22 to 2023-24.

Audit methodology included scrutiny of records/documents maintained in the audited ULBs, issuing audit enquiries, conducting joint physical verifications, etc. Details were also collected from Department of Local Self Government (LSGD), Directorate of Animal Husbandry, Commissionerate of Food Safety, Information Kerala Mission (IKM), Suchitwa Mission, etc.

Audit findings

7.1.4 Status of Slaughterhouses in the State

According to Section 452 of KM Act, 1994, ULBs should provide sufficient number of places for use as public slaughterhouses and charge rent and fees at such rates as the ULB may think fit for use thereof. Number of slaughterhouses in ULBs in the State, selected districts and in selected ULBs are given in **Table 7.1**.

Table 7.1: Number of slaughterhouses in ULBs

	Government	Private	Total
State	14	1	15
Selected Districts			
Alappuzha	1	0	1
Idukki	1	0	1
Selected ULBs			
Alappuzha	0	0	0
Idukki	1	0	1

(Source: Data furnished by Principal Directorate, LSGD)

Though GoK instructed (September 2009) all LSGIs to establish slaughterhouses and a guideline for construction and maintenance of slaughterhouses was issued (October 2010) 78 of the 93 ULBs in the State did not have slaughterhouses with basic facilities for slaughtering of animals, processing of meat in hygienic way and proper disposal of waste generated.

7.1.5 Non-framing of Kerala Municipality Slaughterhouse Rules

Regulation of slaughterhouses and tanneries is a devolved function under Twelfth Schedule. Though the Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996 were framed to regulate slaughterhouses in panchayat areas, no corresponding rule was framed under the KM Act, 1994 for urban areas. The draft rules submitted (April 2022) by the Director, Department of Urban Affairs is pending with Government even after a lapse of more than three years (September 2025).

7.1.6 Financial status

Allocation of funds and expenditure for establishment/construction of slaughterhouses and allied facilities by ULBs in the State during the period from 2021-22 to 2023-24 are shown in **Table 7.2**.

Table 7.2: Allocation and utilisation of funds by ULBs in the State

(₹ in crore)

Year	Allocation	Expenditure
2021-22	1.31	0.15
2022-23	2.05	0.68
2023-24	0.45	0.16
Total	**3.81**	**0.99**

(Source: Data furnished by IKM)

The above data revealed that only a meagre amount had been earmarked by the ULBs for the construction/maintenance of slaughterhouses and allied facilities in the State.

In compliance with orders of Hon'ble High Court in December 2008 and August 2009, GoK instructed (September 2009) all LSGIs to initiate urgent steps to establish slaughterhouses within their jurisdiction or consider possibilities of establishing common slaughterhouses for neighbouring Panchayats. Further, Suchitwa Mission issued (October 2010) guidelines for construction of slaughterhouses. However, none of the selected ULBs formulated projects for establishment of slaughterhouses or undertook any survey or study to assess the demand for meat or to determine the number of animals to be slaughtered per day. As per the data furnished by District Animal Husbandry Officers (DAHO), number of animals slaughtered in the selected ULBs is given in **Table 7.3**.

Table 7.3: Number of animals slaughtered in selected ULBs

Year	Alappuzha	Idukki
2021-22	4549	4412
2022-23	4362	4288
2023-24	5249	4375
Total	**14160**	**13075**

(Source: Data provided by DAHO)

Though 14,160 animals were slaughtered in the selected ULBs in Alappuzha district during 2021-24, none of the selected ULBs in the district had slaughterhouses. Only one slaughterhouse was functioning in Kattappana Municipality, Idukki district. However, the Municipality closed the facility for maintenance in October 2024.

Alappuzha and Cherthala Municipalities stated that non-availability of suitable land was the reason for non-formulation of projects.

7.1.7 Functioning of the slaughterhouse in Kattappana Municipality

Kattappana Municipality constructed a modern slaughterhouse at Puliyanmala in 2014 at a cost of ₹240.13 lakh with the financial support of neighbouring panchayats[106] and Government agencies[107] with the objective to cater to the annual meat requirement of 1095 MT. Modern machinery was installed at a cost of ₹178.66 lakh to enable scientific slaughtering. The slaughterhouse was directly run by the Municipality till March 2019 and was leased[108] to a contractor during the period 2019-2025.

Audit noticed following flaws in the functioning of slaughterhouse.

- Though Veterinary Doctor was available in the Municipality, ante/postmortem inspections as mandated in the Act/Rules were not conducted.
- Annual Maintenance Contract for the maintenance of machinery was not entered into by the Municipality. The machineries became non-functional due to lack of maintenance, leading to unscientific floor-level slaughtering in violation of Government guidelines.
- As per Section 453 of the KM Act, 1994 the owner of the slaughterhouse should make necessary arrangements for maintaining slaughterhouses hygienic and for disposal of waste, failing which licences should be revoked. During joint physical verification (May 2024), Audit noticed that the slaughterhouse and its surroundings were unhygienic, with damaged floors and walls, piled animal remains, pooled blood, improper waste disposal, etc. Though the contractor had failed to uphold contractual obligations, compromising meat quality and hygiene, the ULB did not invoke any penal actions against the contractor.
- Though Food Safety and Standards Authority of India (FSSAI) licence was mandatory, the slaughterhouse did not possess the license.
- Essential facilities as envisaged in the Prevention of Cruelty to Animals (Slaughterhouse) Rules, 2001 such as reception area or resting grounds for animals and veterinary inspection, isolation pens for animals suspected to be sick, etc., were absent.

Images of slaughterhouse at Kattappana Municipality are shown in **Figure 7.1** and **Figure 7.2**.

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[106] Vandanmedu and Kanchiyar GPs

[107] Department of Environment and Climate Change, Panchayat Directorate, Idukki District Panchayat and Suchitwa Mission

[108] At the rate of ₹9.20 lakh (2019-20), ₹11.50 lakh (2020-21), ₹11.85 lakh (2021-22), ₹13.03 lakh (2022-23) and ₹14.99 lakh (2023-24) per annum



Figure 7.1: Corroded machinery, cutting of meat from Carcass partially touching the floor



Figure 7.2: Dirty walls and unusable conveyor belt

The above deficiencies revealed that the recommendation of the LFAC (January 2021) to strictly adhere to the directions issued by Government in connection with functioning and maintenance of slaughterhouses was not adhered to by the Municipality.

On this being pointed out by Audit, Kattappana Municipality closed (October 2024) the slaughterhouse for maintenance work. Since then, the meat requirements of Kattappana Municipality have been met through the slaughterhouse in Chakkupallom Grama Panchayat, which also did not have consent of Kerala State Pollution Control Board (KSPCB).

7.1.8 Absence of separate slaughterhouse for pigs

According to Rule 4 of the Kerala Panchayat Raj (Slaughterhouses and Meat Stalls) Rules, 1996 there should be separate slaughterhouses or places for slaughtering pigs, which should be at least 90 metre away from ordinary slaughterhouses. However, no rules were framed by the Government for regulating slaughtering of animals in municipalities as stated in paragraph 7.1.5. This regulatory gap has hindered municipal authorities from effectively addressing unauthorised slaughtering and illegal meat sales.

As per the data furnished by DAHO, 85 pigs and 138 pigs were slaughtered in four selected ULBs of Alappuzha[109] and Idukki[110] districts respectively during 2023-24. However, separate slaughterhouses for pigs were not available in any of the selected ULBs. This indicates that unauthorised slaughtering occurred and edibility of the pig meat was not ensured by the veterinary surgeons.

7.1.9 Closing down existing slaughterhouses and non-identification of alternate sites

In accordance with Government directions (2010) for modernisation of existing slaughterhouses, three selected Municipalities took up projects for modernisation of slaughterhouses. As the instructions issued (March 2017) by

[109] Alappuzha (45), Chengannur (1) and Cherthala (39) Municipalities in Alappuzha district

[110] Thodupuzha Municipality

KSPCB for maintaining a minimum distance of 90[111] m from nearest dwelling place to slaughterhouse could not be adhered to by the ULBs, modernisation was not completed and the facilities were not made operational. However, alternate sites were not identified by the ULBs. Audit noticed idling of machinery, conversion of slaughterhouse into MCF/Pakalveedu, etc., as detailed in succeeding paragraphs.

7.1.9.1 Conversion of slaughterhouse into material collection facility

Alappuzha Municipality constructed a modern slaughterhouse building with an area of 280 sq.m in Vazhicheri ward in 2007. However, the slaughterhouse could not be operationalised due to public protest as minimum distance of 90m was not provided from the nearest residential area and was adjacent to public roads. However, Municipality did not take any initiative to relocate the facility. The building was later converted into a material collection facility for inorganic waste. Joint physical verification revealed (May 2024) that the machineries were rusted and in damaged condition.



Figure 7.3: Slaughterhouse used as MCF in Alappuzha

7.1.9.2 Conversion of slaughterhouse into Pakalveedu and Anganwadi by Mavelikkara Municipality

Mavelikkara Municipality decided (April 2015) to upgrade the existing slaughterhouse at Puthiyakavu Market Ward, which was constructed in 2008 at a cost of ₹9.50 lakh, into a modern slaughterhouse at an estimated cost of ₹62.30 lakh. Though the work was tendered in December 2015, the work was not commenced as the slaughterhouse building was not satisfying the criteria of minimum distance of 90 m from the nearest dwelling place. Though, Municipal Council decided (March 2018) to find a suitable location for slaughterhouse, alternate location was not identified and the project was cancelled in February 2020. During joint physical verification, Audit noticed (August 2024) that a 'Pakal Veedu' and an 'Anganwadi' were functioning in the building.

7.1.9.3 Infructuous expenditure of ₹6.93 lakh by Cherthala Municipality

Cherthala Municipality formulated (2006-07) a project to modernise slaughterhouse near the private bus stand (Ward 28) at a cost of ₹19.98 lakh. The work was awarded to M/s SILK and an agreement was executed in July 2007. An amount of ₹6.93 lakh was paid (May 2009) to M/s SILK towards construction of electric hoist, ETP tank, etc. As M/s. SILK demanded for rate revision and did not complete the work, GoK directed (December 2010) the

[111] Later revised to 25 m with effect from 10 June 2022

Municipality to re-tender the work at the risk and cost of M/s.SILK. As the land was insufficient for providing necessary facilities stipulated in the guidelines issued by GoK and proximity of the facility to commercial area (near the bus stand), no further action was taken by the ULB. Audit conducted a joint physical verification (September 2024) and found that the structure was in a dilapidated condition with rusted machinery, rendering the expenditure of ₹6.93 lakh infructuous.

Images of the slaughterhouse at Cherthala Municipality is shown in **Figure 7.4** and **Figure 7.5**.



Figure 7.4: Dilapidated building



Figure 7.5: Rusty machinery

Thus, the slaughterhouses in Alappuzha, Mavelikkara and Cherthala Municipalities could not be made operational and alternate sites were not identified by the Municipalities.

7.1.10 Non-commencement of project even after spending ₹6.52 lakh

Thodupuzha Municipality decided (August 2018) to construct a slaughterhouse in the Municipality and Detailed Project Report (DPR) for ₹5.07 crore was prepared through M/s Centre for Farming and Food Processing incurring an expenditure of ₹6.52 lakh[112]. Though the Municipality requested for Kerala Infrastructure Investment Fund Board (KIIFB) fund, the municipality could not produce ownership details and revenue sketch of the proposed land required by KIIFB. Hence, Municipality decided (October 2023) to establish modern slaughterhouse at an estimated cost of ₹91.08 lakh using finance commission grant and invited (November 2023) expression of interest for preparation of DPR. As single tender was received for preparation of DPR, the Municipal Council decided (January 2024) to retender work. No further progress was achieved (September 2025).

Thus, the amount of ₹6.52 lakh spent for DPR preparation by Thodupuzha Municipality remained unfruitful as the municipality could not commence construction of the slaughterhouse so far (October 2025).

[112] DPR: ₹6.02 lakh, Soil survey: ₹37,993, Land survey: ₹9,600 and Advertisement: ₹2,940

7.1.11 Functioning of meat stalls

Government of Keralam directed (September 2009) that LSGIs should close down all unauthorised meat vending points with immediate effect. The details of meat stalls functioning in the selected ULBs are given in **Table 7.4**.

Table 7.4: Meat stalls functioning in the selected ULBs

Name of ULB	Number of meat stalls functioning		
	Authorised	Unauthorised	Total
Alappuzha	31	0	31
Cherthala	0	7	7
Mavelikkara	0	2	2
Chengannur	0	1	1
Thodupuzha	0	14	14
Kattappana	4	0	4
Total	**35**	**24**	**59**

(Source: Data furnished by selected ULBs)

Audit observed following drawbacks in the functioning of meat stalls in selected ULBs:

- As seen from **Table 7.4**, 24 out of 59 meat stalls were unauthorised in the selected ULBs. Audit noticed that other than issuing notices to unauthorised meat stalls to comply with rule provisions, no effective action was taken by the ULBs to close down the unauthorised meat stalls.

  Images of meat stalls are shown in **Figure 7.6** and **Figure 7.7**.



Figure 7.6: Meat sold by hanging in front of the meat stall under unhygienic conditions at Cherthala



Figure 7.7: Unhygienic environment in the premises of meat stall at Cherthala

- Alappuzha Municipality issued licence to 31 meat vendors based on the declaration that the source of meat, approximately 2,000 kg to 2,500 kg meat per day, would be obtained from a private slaughterhouse in Elanthoor, Pathanamthitta district which is 60 km away from the

Municipality. Audit conducted (May 2024) joint physical verification of private slaughterhouse and found that only one cattle per day was slaughtered. The slaughterhouse did not have the capacity to cater to the requirement of around 2,500 kg meat per day to the meat vendors. Thus, it is evident that the meat vendors obtained meat from unauthorised sources or through unauthorised slaughtering and ULB did not ensure the source of meat to these shops before issuing licence.

7.1.12 Monitoring

7.1.12.1 Inspection and penal action by the ULBs

Audit noticed lack of inspection by ULBs and Food Safety Commissionerate and KSPCB as detailed below:

- Section 453 of KM Act, 1994 empowers the Secretary to cancel the licence if the slaughterhouse is functioning in an unhygienic manner and without necessary arrangements for the disposal of waste. According to Section 476 of KM Act, 1994 it is the duty of the Secretary to make provision for inspection of carcasses, meat, flesh, etc., hawked for sale or brought to any place for sale. Further, according to Section 477 of the Act, Secretary or any person authorised by him may conduct inspections without notice in slaughterhouses and meat stalls at any time. Audit noticed that though Alappuzha Municipality conducted regular inspections in meat stalls during the audit period, the ULB did not ensure the veracity of the source of meat declared by them as detailed in Paragraph 7.1.11. Mavelikkara and Kattappana Municipalities though conducted four to 10 inspections during the audit period, no effective action was taken against unauthorised meat stalls. Thodupuzha Municipality did not conduct any inspection though 14 unauthorised meat stalls were functioning in their jurisdiction.
- Though fourth schedule of KM Act, 1994 prescribed for levying penalty at the rate of ₹5000 for unauthorised slaughtering, only Alappuzha and Kattappana Municipalities imposed penalty.

7.1.12.2 Inspections by Food Safety Officer

According to Section 42(1) of the Food Safety and Standards Act, 2006, the Food Safety Officer (FSO) is responsible for inspecting food businesses, collecting samples and forwarding them to the Food Analyst for analysis. Further, according to Rule 4 (iii) of Food Safety and Standards Rules, 2011, it shall be the duty of the FSO to conduct frequent inspections in all food establishments licensed for manufacturing, handling, packing, selling of food items and to satisfy that conditions of licences are being complied with. Audit noticed that no routine inspections were carried out in slaughterhouses or meat stalls to verify the quality of meat being produced or sold. Inspections were limited to specific drives, complaints or on special occasions.

Commissioner of Food Safety stated (June 2025) that due to acute shortage of staff, it was not feasible to carry out regular inspections in slaughterhouses and meat stalls across the State. However, the reply cannot be accepted as Audit had identified unhygienic and floor level slaughtering in the slaughterhouse in Idukki and unauthorised slaughtering in meat stalls functioning in Idukki and

Alappuzha. Further, FSO had conducted only one and 21 inspections in Idukki and Alappuzha districts respectively during the period 2021-2024 though there were one slaughterhouse and 59 meat stalls functioning in the selected ULBs of Idukki and Alappuzha districts indicating that even one inspection per year was not conducted in the slaughterhouse and meat stalls by the FSO.

7.1.12.3 Absence of monitoring by Pollution Control Board

The KSPCB is the principal agency vested with the responsibility to monitor compliance with relevant rules governing air and water pollution. According to the circular[113] issued by KSPCB in (October 2017), Red Category industries were to be inspected once in six months and Orange category industries, once in a year. Audit noticed that KSPCB conducted only one inspection (February 2024) in the slaughterhouse at Kattappana Municipality during the period 2021-2024. In the absence of regular inspections, KSPCB did not issue any notice or impose any penalty during the audit period, though slaughterhouse at Kattappana Municipality was functioning in unhygienic environments, violating various regulations.

Audit noticed that after conducting inspection in the slaughterhouse at Kattappana Municipality in February 2024, KSPCB renewed (June 2024) the validity of consent up to 31 December 2028. During joint physical verification, Audit noticed (May 2024) lapses viz., non-functional machinery, unscientific floor-level slaughtering, unhygienic surroundings, improper disposal of waste, etc., as detailed in Paragraph 7.1.7. On this being pointed out by Audit, Kattappana Municipality closed (October 2024) the slaughterhouse for maintenance work. Thus, it is evident that while renewing the consent, KSPCB neglected the above deficiencies.

7.1.13 Conclusion

Though GoK had directed ULBs to establish slaughterhouses,78 of the 93 ULBs did not have any authorised slaughterhouses in their jurisdiction. Mandatory veterinary inspections, as outlined in relevant Acts and Rules, were not being conducted and essential infrastructure such as waste management facilities was absent in the slaughterhouse at Kattappana Municipality. Though modernisation of slaughterhouse projects taken up by Alappuzha, Mavelikkara and Cherthala municipalities were abandoned as the sites did not conform to the norms, suitable location in compliance with the extant rules were not identified. Furthermore, no effective measures were taken to shut down 24 unauthorised meat stalls operating in four ULBs. Audit noticed that Alappuzha Municipality gave licence to meat stalls without ensuring the source from which the vendors collected the meat.

[113] KSPCB Circular PCB/HO/Circular-01/03/2017/C dated 10 October 2017

7.1.14 Recommendations

- ***Government may consider establishing micro abattoirs that can handle less than ten animals per day to suit daily requirement of meat in areas under the jurisdiction of ULBs.***
- ***Accountability must be fixed on the officers concerned for the failure to enforce penal provisions against unauthorised slaughterhouses and meat stalls.***
- ***Service of Veterinary Surgeon may be ensured in slaughterhouses to certify livestock health and meat quality.***
- ***Departmental level monitoring may be conducted at regular intervals to enforce compliance with safety and hygiene standards, supplemented by randomised and surprise inspection at check posts.***

(PREETHI ABRAHAM)
Accountant General (Audit I),
Kerala

Thiruvananthapuram,
The 28 September 2026

Countersigned

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

New Delhi,
The 01 October 2026

APPENDICES

Appendix 1.1
Eleventh Schedule (Article 243G)
(Reference: Paragraphs 1.4 and 2.3, Pages 3 and 8)

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

Appendix 1.2
Twelfth Schedule (Article 243W)
(Reference: Paragraph 1.4, Page 3)

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the physically and intellectually disabled.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughterhouses and tanneries.

Appendix 2.1
Details of outstanding IRs and Paragraphs of PRIs
(Reference: Paragraph 2.6, Page 12)

Year	Number of IRs	Number of II A Paras	Number of II B Paras
2019-20	98	13	400
2020-21	38	8	173
2021-22	44	1	173
2022-23	58	8	446
2023-24	85	4	1041
Total	**323**	**34**	**2233**

Appendix 3.1
List of selected PRIs for Function Based Audit
(Reference: Paragraphs 3.1.4 and 3.2.1.1, Pages 22 and 33)

Sl. No.	Alappuzha District	Sl. No.	Idukki District
1.	Alappuzha District Panchayat	1.	Idukki District Panchayat
Block Panchayats		**Block Panchayats**	
2.	Kanjikuzhy	2.	Thodupuzha
3.	Muthukulam	3.	Kattappana
4.	Ambalapuzha	4.	Devikulam
5.	Pattanakkad	5.	Idukki
Grama Panchayats		**Grama Panchayats**	
6.	Kanjikuzhy	6.	Upputhara
7.	Cherthala South	7.	Chakkupallom
8.	Kadakarappally	8.	Ayyappankovil
9.	Cheppad	9.	Marayoor
10.	Chingoli	10.	Munnar
11.	Muthukulam	11.	Chinnakkanal
12.	Ambalapuzha South	12.	Arakkulam
13.	Ambalapuzha North	13.	Vathikudy
14.	Punnapra North	14.	Vazhathoppu
15.	Kuthiyathode	15.	Muttom
16.	Kodomthuruthu	16.	Manakkad
17.	Ezhupunna	17.	Karimkunnam

Appendix 4.1
Details of outstanding IRs and Paragraphs of ULBs
(Reference: Paragraph 4.5, Page 47)

Year	Number of IRs	Number of II A Paras	Number of II B Paras
2019-20	46	46	237
2020-21	14	5	63
2021-22	9	4	45
2022-23	19	35	242
2023-24	17	46	379
Total	**105**	**136**	**966**

Appendix 5.1
Statement showing district-wise list of ULBs selected for detailed audit
(Reference: Paragraph 5.4.2, Page 56)

Sl. No.	Name of District	Municipal Corporation/Municipality
1.	Thiruvananthapuram	Thiruvananthapuram Municipal Corporation[114]
2.		Attingal Municipality
3.		Varkala Municipality
4.	Ernakulam	Kochi Municipal Corporation[115]
5.		Aluva Municipality
6.		Kothamangalam Municipality
7.		Thrikkakara Municipality
8.		Thripunithura Municipality
9.	Kozhikode	Kozhikode Municipal Corporation[116]
10.		Mukkam Municipality
11.		Ramanattukara Municipality
12.	Malappuram	Manjeri Municipality
13.		Nilambur Municipality
14.		Perinthalmanna Municipality

[114] Zonal offices: Vizhinjam, Fort, Attipra
[115] Zonal offices: Edappally, Fort Kochi
[116] Zonal offices: Beypore, Cheruvannur

Appendix 5.2
Short collection of additional fee on excess FSI due to increase in floor area
(Reference: Paragraph 5.9.4, Page 64)

Sl. No.	Details of building (Name of ULB)	Date of issue of occupancy certificate	Floor area (In sq.m)	Plot area (In sq.m)	Initial FSI (permissible with additional fee)	Total floor area (In sq.m)	Excess floor area due to unauthorised addition/ alteration for which fee payable (In sq.m)	Revised FSI (Maximum FSI permissible with additional fee)	Additional fee to be collected on revised FSI (in ₹)
a	b	c	d	e	f	g	h	i	j=h* 5000
1.	BA 972/16-17 dated 23.6.17 Residential (Thrikkakara Municipality)	07.03.2020	15274.84	4047	3.77 (3)	16036.67	761.83	3.962 (4)	3809150
2.	BA789 dated 12.09.2013, Commercial (Thrikkakara Municipality)	31.10.2015	501.6	223.8	2.24 (3)	785.68	114.138	3.510 (4)	570690
3.	TP10/123079/13 dated 06.06.15, Residential (Kozhikode Corporation)	22.10.2019	6428.53	1618.8	3.97 (3)	6473.53	45	3.998 (4)	225000
4.	TP9/2228/16 dated 26.09.2018, Commercial cum Spl. Residential (Kozhikode Corporation)	20.12.2018	9988.8	3200.25	3.12 (2.5)	10188.8	200	3.183 (4)	1000000
5.	EYP1/121/COC/0371/17 IOC Officers' Co-operative Housing Society, Residential (Kochi corporation)	06.06.2022	16921.24	4838	3.497 (3)	17369.65	448.41	3.590 (4)	2242050
6.	EYP2/316/973/19 dated 08.11.2019 MD Dream Flower housing project, Residential (Kochi corporation)	21.03.2023	3933.81	1275	3.09 (3)	4396.83	463.02	3.448 (4)	2315100
7.	Director, Lisie Hospital Permit dated 23.02.2018 (Kochi Corporation)	Occupancy certificate not issued	8626.9	3373	2.557 (2.5)	10145.87	1713.37	3.065 (3.5)	8566850

Sl. No.	Details of building (Name of ULB)	Date of issue of occupancy certificate	Floor area (In sq.m)	Plot area (In sq.m)	Initial FSI (permissible with additional fee)	Total floor area (In sq.m)	Excess floor area due to unauthorised addition/ alteration for which fee payable (In sq.m)	Revised FSI (Maximum FSI permissible with additional fee)	Additional fee to be collected on revised FSI (in ₹)
8.	BA/216/20-21 dated 24.12.2021, Converted to Educational from Commercial (Varkala Municipality)	07.11.2023	992.54	639	1.55 (2.5)	1607.25	9.75	2.515 (3)	48750
9.	BA/174851/16 dated 25.09.2017, Commercial cum Residential (Thiruvananthapuram Corporation)	18.05.2024	9556.31	2433	3.93 (3)	9604.185	47.875	3.947 (4)	239375
10.	BA/101849/18 dated 17.05.2019, Sun Projects, Residential (Thiruvananthapuram Corporation)	15.09.2023	4419.09	1225	3.61 (3)	4491.82	72.73	3.666 (4)	363650
11.	BA/258149/2018 dated 2.11.2018, Commercial, Residential and Assembly (Tripunithura Municipality)	12.12.2022	1404.39	635	2.21 (2.7)	1763.22	358.83 (fee to be paid for 48.72 sq.m)	2.77[117] (3.70)	243600
12.	BA 648/14 dated 25.10.17, Noel Palm Dale, Residential (Thrikkakara Municipality)	28.05.2020	23299.05	5923	3.93 (3)	23994.58	695.53	4.051 (4)	FSI exceeded the maximum permissible limit with additional fee
13.	EYP1/140/6588/20 dated 13.09.2021 Abad Builders, Residential (Kochi corporation)	05.02.2024	6968.44	1762	3.96 (3)	7050.04	81.6	4.001 (4)	
14.	BA/184522/16 dated 20.10.2018, Residential (Thiruvananthapuram Corporation)	19.05.2022	8918.3	2252.39	3.96 (3)	9156.68	238.38	4.065 (4)	
	Total								**19624215**

[117] Calculated based on weighted average method. Permissible FSI without additional fee was 2.7.

Appendix 5.3
KMBR violations detected by Audit during joint physical verification
(Reference: Paragraphs 5.11.2, 5.12.5, 5.13.1, 5.14.1, 5.14.2, 5.14.3, 5.14.6, 5.14.7, 5.14.8, Pages 68,73,74,77,78,79)

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
1.	Aluva	BA/40/19-20	A2	195.29	58587	4		5.13.1, 5.14.2
2.	Aluva	BA/18/21-22	F	67.90	20370	3		5.13.1, 5.14.2
3.	Aluva	BA/22/22-23	F	0	0	8		5.14.2
4.	Aluva	BA/39/18-19	F	0	0	6	Setback	5.14.2, 5.14.8
5.	Aluva	BA/66/19-20	A1, F	250.95	75285	0	Change of occupancy	5.13.1, 5.14.1
6.	Aluva	BA/79/21-22	A1, F	310.66	93198	0	Change of occupancy	5.13.1, 5.14.1
7.	Aluva	BA/99/19-20	A1, F	143.56	43068	0	Change of occupancy	5.13.1, 5.14.1
8.	Aluva	BA/111/18-19	F	241.16	72348	3		5.13.1, 5.14.2
9.	Aluva	BA/29683/18-19	A2	58.12	17436	0		5.13.1
10.	Aluva	BA/131/18-19	C	0	0	27	Fire NOC, setback	5.12.5, 5.14.2, 5.14.8
11.	Aluva	BA/52/10-11	A2	359.25	107775	0	Change of occupancy	5.13.1, 5.14.1
12.	Aluva	BA 22/18-19	F	0	0	0	Rainwater storage storage, setback	5.14.6, 5.14.8
13.	Aluva	BA/85/21-22	F	0	0	0	Setback	5.14.8
14.	Aluva	BA/142/19-20	B	0	0	0	Rainwater storage	5.14.6
15.	Aluva	BA/81/22-23	F	732.53	219759	12	Setback	5.13.1, 5.14.2, 5.14.8
16.	Attingal	BA/244/17-18	A1	264.01	79203	0	Change of occupancy	5.13.1, 5.14.1
17.	Attingal	BA/369/17-18	F	141.56	42468	5		5.13.1, 5.14.2
18.	Attingal	BA/286/19-20	A1	0	0	0	Change of occupancy	5.14.1
19.	Attingal	BA/209/21-22	A1, F	120.65	36195	0		5.13.1
20.	Attingal	BA/82/19-20	F	184.73	55419	0		5.13.1
21.	Attingal	BA/54/19-20	B	597.67	119534	0		5.13.1
22.	Attingal	BA/70/19-20	F	0	0	1		5.14.2
23.	Attingal	BA/441/18-19	F	0	0	2		5.14.2
24.	Attingal	BA/372/20-21	F	286	85800	0		5.13.1
25.	Attingal	BA/202/19-20	F	129.20	38760	0		5.13.1

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
26.	Attingal	BA/382/18-19	A2	373.53	112059	8	Change of occupancy	5.13.1, 5.14.1, 5.14.2
27.	Attingal	BA/162/21-22	F	90.82	27246	3	Setback	5.13.1, 5.14.2, 5.14.8
28.	Attingal	BA/375/17-18	F	114.08	34224	2		5.13.1, 5.14.2
29.	Attingal	BA/374/17-18	F	200.28	60084	3		5.13.1, 5.14.2
30.	Attingal	BA/253/18-19	A1, F	252.22	75666	5		5.13.1, 5.14.2
31.	Attingal	BA/176/18-19	F	623.80	187140	10	Setback	5.13.1, 5.14.2, 5.14.8
32.	Attingal	BA/216/21-22	A1, F	370.43	111129	0		5.13.1
33.	Attingal	BA/337/19-20	F	0	0	4		5.14.2
34.	Attingal	BA/94/20-21	A1, F	545.97	163791	21	Change of occupancy, two wheeler parking	5.13.1, 5.14.1, 5.14.2, 5.14.3
35.	Attingal	BA/18-20-21	F	0	0	0	Change of occupancy	5.14.1
36.	Attingal	BA/34/20-21	F	0	0	2		5.14.2
37.	Attingal	BA/415/20-21	F	0	0	0	Setback	5.14.8
38.	Attingal	BA/360/20-21	G	935.85	280755	0		5.13.1
39.	Attingal	BA/389/19-20	F	0	0	0	Setback	5.14.8
40.	Kozhikode	TP 5/BA(11602)/2020	F	0	0	8		5.14.2
41.	Kozhikode	TP11/TBA 67008/2017	F	323.55	97065	6		5.13.1, 5.14.2
42.	Kozhikode	TP11/TBA 67008/2017	A1, F	0	0	0	Change of occupancy	5.14.1
43.	Kozhikode	TP6/31651/18	F	1636.48	490944	0		5.13.1
44.	Kozhikode	TP 10/123079/13	A1	45	13500	0		5.13.1
45.	Kozhikode	TP10/BA 40366/2016	C	200	48000	4	Setback	5.13.1, 5.14.2, 5.14.8
46.	Kozhikode	TP 6/ 39492/22	F	0	0	9		5.14.2
47.	Kozhikode	TP8/219/2020	F	203.50	61050	8		5.13.1, 5.14.2
48.	Kozhikode	TP9/ new BA 66696/2019	A1	66	19800	0		5.13.1

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
49.	Kozhikode	TP3/60041/2021	F	565.59	169677	18	Setback	5.13.1, 5.14.2, 5.14.8
50.	Kozhikode	TP16/BA 8324902018	F, A2	0	0	19	Change of occupancy	5.14.1, 5.14.2
51.	Kozhikode	TP 4/45000/21	F	0	0	21		5.14.2
52.	Kozhikode	TP11/4616/12	F	716.90	215070	19		5.13.1, 5.14.2
53.	Kozhikode	TP/6/15250/21	A1	0	0	0	Solar	5.14.7
54.	Kozhikode	TP9/49826/13-10-21	F, A2	0	0	6		5.14.2
55.	Kozhikode	TP11/12542/20-12-17	F	834	250200	71		5.13.1, 5.14.2
56.	Kozhikode	TP5 31503/6-3-10	F	0	0	9		5.14.2
57.	Kozhikode	TP4/98017/13-7-18	F	369.18	110754	7		5.13.1, 5.14.2
58.	Kozhikode	TP 10- TBA 80747/2017	F	839.33	251799	36	Change of occupancy	5.13.1, 5.14.1, 5.14.2
59.	Kozhikode	TP15/9246/23	F	142.24	42672	0		5.13.1
60.	Kozhikode	TP15/8464/21	F	137.38	41214	2		5.13.1, 5.14.2
61.	Kozhikode	TP15/1595 6.8.19	G	0	0	6		5.14.2
62.	Kozhikode	TP92228/16	F	200	60000	4		5.13.1, 5.14.2
63.	Kochi	EYP1/121/COC/0371/17	A1	448.41	134523	0		5.13.1
64.	Kochi	EYP1/158/447/17	A1, A2	209.12	62736	6	Change of occupancy	5.13.1, 5.14.1, 5.14.2
65.	Kochi	EYP2/210/7920/20	A1, F	272.97	81891	11	Change of occupancy, Setback, two wheeler parking	5.13.1,5.14.1, 5.14.2, 5.14.3, 5.14.8
66.	Kochi	EYP2/316/973/19	A1	463.02	138906	0		5.13.1
67.	Kochi	EYP3/198/0638/18	F	0	0	8		5.14.2
68.	Kochi	EYP3/98/4917/21	F	912.30	273690	17	Setback	5.13.1, 5.14.2, 5.14.8
69.	Kochi	EYP3/131/3907	A1	255.32	76596	0	Fire NOC	5.13.1, 5.12.5
70.	Kochi	EYP3/159/2319	F	258.57	77571	0		5.13.1
71.	Kochi	EYP3/178/8611/19	A1, F	140.98	42294	0		5.13.1
72.	Kochi	EYP3/198/0638/18	A2, F	363.72	109116	9	Change of occupancy	5.13.1, 5.14.1, 5.14.2

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
73.	Kochi	EYP/443/2019/11	F	0	0	11	Setback	5.14.2, 5.14.8
74.	Kochi	EYP3/221/10683/20	A2, F, E	0	0	0	Change of occupancy	5.14.1
75.	Kochi	EYP3/189/9962/19	F	376.65	112995	0		5.13.1
76.	Kochi	EYP2/12/034/20	F	87.18	26154	4	Setback	5.13.1, 5.14.2, 5.14.8
77.	Kochi	EYP3/184/3185/19	A1	275.11	82533	0	Fire NOC	5.13.1, 5.12.5
78.	Kochi	EYP3/242/12845/22	A1	185.89	55767	0	Solar	5.13.1, 5.14.7
79.	Kochi	EYP3/94/5229/20	A2, F	210.47	63141	2	Change of occupancy	5.13.1, 5.14.1, 5.14.2
80.	Kochi	EYP3/167/1688/19	D	540.50	129720	0		5.13.1
81.	Kochi	EYP3/90/4782/22	F	243.90	73170	3		5.13.1, 5.14.2
82.	Kochi	EYP3/212/10974/21	D	0	0	0	Change of occupancy	5.14.1
83.	Kochi	EYP3/40/1563/2019	A2, F	105.38	31614	2		5.13.1, 5.14.2
84.	Kochi	EYP3/154/8538/19	F C	350.30	105090	10	Fire NOC, Change of occupancy	5.13.1, 5.12.5, 5.14.1, 5.14.2
85.	Kochi	EYP3/341/1215/17	A2	0	0	0	Change of occupancy	5.14.1
86.	Kochi	EYP2/226/3365/19	A1, F	150.12	45036	2	Change of occupancy	5.13.1, 5.14.1, 5.14.2
87.	Kochi	EYP2/132/0351/18	F	100.13	30039	0		5.13.1
88.	Kochi	EYP1/180/0464/18	F	241.70	72510	0		5.13.1
89.	Kochi	EYP1/338/1376/17	A2, F	87.82	26346	0	Setback	5.13.1, 5.14.8
90.	Kochi	EYP3/319/1214/17	A1, F	185.38	55614	0	Fire NOC, Setback	5.13.1, 5.12.5, 5.14.8
91.	Kochi	EYP2/1304722/20	A1	315.12	94536	2		5.13.1, 5.14.2
92.	Kochi	EYP1/156/6101/17	A1, F	562.10	168630	0	Change of occupancy	5.13.1, 5.14.1
93.	Kochi	EYP3/79/0249/17	A1	198.38	59514	0		5.13.1
94.	Kochi	EYP1/140/6588/20	A1	81.60	24480	0		5.13.1
95.	Kothamangalam	BA/47/20-21	F	385	115500	0		5.13.1
96.	Kothamangalam	BA/90/18-19	F	0	0	6		5.14.2

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
97.	Kothamangalam	BA/18/21-22	F	90	27000	5	Two wheeler parking	5.13.1, 5.14.2, 5.14.3
98.	Kothamangalam	BA/424/10-11	A2	336.12	100836	0		5.13.1
99.	Kothamangalam	BA/107/20-21	B	736.51	147302	54		5.13.1, 5.14.2
100.	Kothamangalam	BA/177/16-17	A2	529.15	158745	0		5.13.1
101.	Kochi	MOP 1 287/07	F	520	156000	0		5.13.1
102.	Kochi	MOP 1411/2019	A1	0	0	0	Change of occupancy	5.14.1
103.	Kochi	MOP 1 25047/19	A1, E	0	0	5	Change of occupancy	5.14.1, 5.14.2
104.	Kochi	MOP 1- 3850/2018	B	250	60000	0	Fire NOC	5.13.1, 5.12.5
105.	Kochi	MOP 1 31175/19	F	151	45300	5	Two wheeler parking	5.13.1, 5.14.2, 5.14.3
106.	Kochi	MOP1COC/1596/19	F	54.15	16245	0		5.13.1
107.	Kochi	MOP1COC925/17	A1	361.60	108480	0		5.13.1
108.	Kochi	FCP 2- 29/2022	F	265.23	79569	9		5.13.1, 5.14.2
109.	Kochi	FCP 2-468/2019-	A2	0	0	0	Solar	5.14.7
110.	Kochi	FCP 2-341/2019	A1	0	0	0	Solar	5.14.7
111.	Kochi	MOP 1 26340/20	F	186.73	56019	3		5.13.1, 5.14.2
112.	Kochi	KRPNO314/21	F	279.67	83901	6		5.13.1, 5.14.2
113.	Kochi	KRP1/238/19	F	422.31	126693	7	Solar	5.13.1, 5.14.2, 5.14.7
114.	Manjeri	BA 217/19-20 dated 6.7.19	C	205	41000	0		5.13.1
115.	Manjeri	E3-BA 78986/2019 (BA 10/19-20)	F	334.54	100362	5		5.13.1, 5.14.2
116.	Manjeri	E3-BA 56050/2024 (BA-122/23-24)	F	688.56	206568	10		5.13.1, 5.14.2
117.	Manjeri	BA 402/15-16	C	290.89	58178	0	Change of occupancy	5.13.1, 5.14.1
118.	Manjeri	BA 250/08-09 revised permit on 21.1.14	F	601.20	180360	12	Change of occupancy, Two wheeler parking	5.13.1,5.14.1, 5.14.2, 5.14.3
119.	Manjeri	E3- BA (14721) 2016 (BA 403/15-16 dated 19.4.16), BA- 873/19-20	F	580.83	174249	10	Two wheeler parking	5.13.1,5.14.2, 5.14.3

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
120.	Manjeri	Prasanthi hospital Private Limited	C	863	172600	0		5.13.1
121.	Manjeri	BA506/15-16	F	383.73	115119	4		5.13.1, 5.14.2
122.	Manjeri	BA 404/7-8	F	715.68	214704	13		5.13.1, 5.14.2
123.	Manjeri	BA 285	F	470.47	141141	5		5.13.1, 5.14.2
124.	Manjeri	Nirman institute	F	50	15000	0	Change of occupancy	5.13.1, 5.14.1
125.	Manjeri	BA 211/13-14	F	858.96	257688	13		5.13.1, 5.14.2
126.	Manjeri	Korambiyil hospital	C	1784.18	356836	0		5.13.1
127.	Manjeri	BA913/9-10	F	552.18	165654	5		5.13.1, 5.14.2
128.	Mukkam	E2-5259/23	B	0	0	0	Fire NOC	5.12.5
129.	Mukkam	A4-5822/22 dated 31.5.22	B	0	0	0	Fire NOC, rainwater storage	5.12.5, 5.14.6
130.	Mukkam	No permit, KMCT Engineering College (1050 sq.m)		0	0	0	Fire NOC, rainwater storage, solar	5.12.5, 5.14.6, 5.14.7
131.	Mukkam	A4-6687/2020 dated 24.12.2020	A2, C	0	0	0	Change of occupancy, rainwater storage, solar	5.14.1, 5.14.6, 5.14.7
132.	Mukkam	A4-BA(197366)/2018	F	572.30	171690	14		5.13.1, 5.14.2
133.	Mukkam	A4-BA(28)/22-23	F	930	279000	0		5.13.1
134.	Mukkam	BL561/13-14	F	219.39	65817	12	Fire NOC	5.13.1, 5.12.5, 5.14.2
135.	Mukkam	MAMO Higher secondary school	B	500	100000	0		5.13.1
136.	Mukkam	BA/58204/2018	C	1441.95	288390	24	Fire NOC, DTP (Table 5.5, Sl.No. 5)	5.13.1, 5.14.2
137.	Mukkam	Karassery Service Co-operative Bank	F	339.20	101760	9	Fire NOC	5.13.1, 5.11.2, 5.14.2
138.	Mukkam	MAMO College library	B	500	100000	0		5.13.1
139.	Mukkam	MAMO College	B	4345.56	869112	0	Fire NOC	5.13.1, 5.11.2
140.	Mukkam	BL434/9798/2-2020	B	1011.40	202280	0		5.13.1
141.	Mukkam	BA189/21-22	A2	0	0	0	Rainwater storage, solar	5.14.6, 5.14.7
142.	Mukkam	BA190/21-22	A2	0	0	0	Rainwater storage, solar	5.14.6, 5.14.7

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
143.	Mukkam	BA194/21-22	B	0	0	0	Rainwater storage	5.14.6
144.	Nilambur	TP 1-9516/2018 (BA – 129/18-19)	F	63.61	19083	4		5.13.1, 5.14.2
145.	Nilambur	TP 1-18613/2023-24 (BA – 211/23-24) Regularisation	F	100	30000	0		5.13.1
146.	Nilambur	TP 1-4152/21 (BA – 506/20-21)	F	221.81	66543	3		5.13.1, 5.14.2
147.	Nilambur	TP 1-3208/2022-23 (BA – 520/22-23)	F	206.18	61854	0		5.13.1
148.	Nilambur	BA18507/2016	F	260.32	78096	7	Rainwater storage	5.13.1,5.14.2, 5.14.6
149.	Nilambur	BA111446	F	449.10	134730	6		5.13.1, 5.14.2
150.	Nilambur	BA208	F	0	0	3		5.14.2
151.	Nilambur	BA329	F	806.46	241938	32		5.13.1, 5.14.2
152.	Nilambur	BA 6/22-23	F	478.57	143571	6		5.13.1, 5.14.2
153.	Nilambur	TP 1-BA (102801)/2021	F	110.16	33048	5	Rainwater storage, setback	5.13.1,5.14.2, 5.14.6, 5.14.8
154.	Perinthalmanna	BA321808	F	870	261000	44		5.13.1, 5.14.2
155.	Perinthalmanna	E2-BA 55300/2017 (BA 293/16-17)	F	674.43	202329	0		5.13.1
156.	Perinthalmanna	BA 16/14-15	F	0	0	31		5.14.2
157.	Perinthalmanna	TP1- BA (321776)/2021 (BA-328/21-22)	F	274.04	82212	4		5.13.1, 5.14.2
158.	Perinthalmanna	TP1-BA (48207/2022) (BA 390/21-22)	F	44	13200	3		5.13.1, 5.14.2
159.	Perinthalmanna	TP 1- BA (977)/2023	F	88.91	26673	3		5.13.1, 5.14.2
160.	Perinthalmanna	BA 690/15-16	F	228.35	68505	5		5.13.1, 5.14.2
161.	Perinthalmanna	BA- 13702012-13	F	671.78	201534	0		5.13.1
162.	Perinthalmanna	BA- 13702012-13	F	0	0	15		5.14.2
163.	Perinthalmanna	TP B1 (105643)/2021	F	562.86	168858	0		5.13.1

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
164.	Ramanattukara	BA (44522)/2019 (BL-364/18)	F	339.36	101808	0		5.13.1
165.	Ramanattukara	B1/BA (183127)/2019	C	737.57	147514	0	Fire NOC	5.13.1, 5.12.5
166.	Ramanattukara	No permit	B	0	0	0	Setback	5.14.8
167.	Ramanattukara	B1/BA (211993)/2019	B	223.47	44694	0		5.13.1
168.	Ramanattukara	No permit, Farook College Ladies Hostel	A2	0	0	0	Fire NOC, rainwater storage	5.12.5, 5.14.6
169.	Ramanattukara	No permit, Farook College	A1	0	0	0	Fire NOC, rainwater storage, solar	5.12.5,5.14.6, 5.14.7
170.	Ramanattukara	BA9563/3-6-19	B	504	100800	0		5.13.1
171.	Ramanattukara	BL431/15-16	F	653.79	196137	40		5.13.1, 5.14.2
172.	Ramanattukara	No permit, Farook Institute of Management Studies		0	0	0	Solar	5.14.7
173.	Thrikkakara	No permit, Jade Heights	A1	0	0	0	Fire NOC	5.12.5
174.	Thrikkakara	TP1-BA 128/2022	A2	250.57	75171	3	Fire NOC, Change of occupancy, solar	5.13.1,5.12.5, 5.14.1,5.14.2, 5.14.7
175.	Thrikkakara	BA 456/19-20	A2	0	0	0	Change of occupancy	5.14.1
176.	Thrikkakara	TP 1- BA 57/2023	F	0	0	5		5.14.2
177.	Thrikkakara	BA 112/2022	A1	85	25500	0	Solar	5.13.1, 5.14.7
178.	Thrikkakara	BA 944/19-20	C	290.45	58090	4	Fire NOC, Change of occupancy	5.13.1,5.12.5, 5.14.1, 5.14.2
179.	Thrikkakara	BA 325/2023	F	36	10800	0		5.13.1
180.	Thrikkakara	BA 387/2022 & BA-388/2022	F	159.84	47952	0	Setback	5.13.1, 5.14.8
181.	Thrikkakara	BA 648/14	A1	710.54	213162	0		5.13.1
182.	Thrikkakara	BA 571/19-20	A2	194.56	58368	0		5.13.1
183.	Thrikkakara	TP 1 BA-173/2023	A2	0	0	0	Fire NOC	5.11.2
184.	Thrikkakara	TP 1 BA 174/23	A2	0	0	0	Fire NOC	5.11.2
185.	Thrikkakara	BA789/12-9-2013	F	249.18	74754	7	Fire NOC, setback	5.13.1,5.12.5, 5.14.2, 5.14.8
186.	Thrikkakara	TP1-BA344324	A2	0	0	8		5.14.2

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
187.	Thrikkakara	TP1-BA 151/2020	A1	0	0	0	Solar	5.14.7
188.	Thrikkakara	TP1BA-318468/8-11-2019	F	358.48	107544	12		5.13.1, 5.14.2
189.	Thrikkakara	B and B hospital	C	70	14000	0		5.13.1
190.	Thrikkakara	BA 972/16-17	A1	824.95	247485	0		5.13.1
191.	Thrikkakara	BA277/17-1-23	B	1515.55	303110	0		5.13.1
192.	Thiruvananthapuram	BA/39/18-19	A2	0	0	5	Change of occupancy	5.14.1, 5.14.2
193.	Thiruvananthapuram	FE1/10704/22	A1	139	41700	0	Change of occupancy	5.13.1, 5.14.1
194.	Thiruvananthapuram	FE1/17328/22, Kerala Agro Industrial Corporation	F	292.50	87750	0	Heritage (Table 5.5, Sl. No. 4)	5.13.1
195.	Thiruvananthapuram	FE2/8969/23	A1	106.36	31908	0		5.13.1
196.	Thiruvananthapuram	FE4/47/2014	A1, F	0	0	0	Change of occupancy	5.14.1
197.	Thiruvananthapuram	FE2/95/2020	A1, F	200.43	60129	0	Change of occupancy	5.13.1, 5.14.1
198.	Thiruvananthapuram	FE1/130/15	A1	0	0	0	Change of occupancy	5.14.1
199.	Thiruvananthapuram	BA/195/18	F	175.26	52578	3		5.13.1, 5.14.2
200.	Thiruvananthapuram	ZAE/BA/2019	A1	285.32	85596	0	Fire NOC, Change of occupancy, setback	5.13.1,5.12.5, 5.14.1, 5.14.8
201.	Thiruvananthapuram	No Permit, ZAE/BA/B/22	A1, F	0	0	1		5.14.2
202.	Thiruvananthapuram	BA/38/2022	F	170.39	51117	10	Change of occupancy, Fire NOC	5.13.1,5.12.5, 5.14.1, 5.14.2
203.	Thiruvananthapuram	ZAE/1090/08	A1, F	0	0	7	Fire NOC	5.12.5, 5.14.2
204.	Thiruvananthapuram	BA/81/2022	F	0	0	0	Setback	5.14.8
205.	Thiruvananthapuram	BA/301/2020	A2	300.52	90156	0		5.13.1
206.	Thiruvananthapuram	BA/289/2018	A1	152	45600	0		5.13.1
207.	Thiruvananthapuram	BA/193/2018	A1, F	171	51300	0		5.13.1
208.	Thiruvananthapuram	BA/255/2017	A2	150	45000	0	Change of occupancy, Fire NOC	5.13.1,5.12.5, 5.14.1
209.	Thiruvananthapuram	ZAE/BA/2019	A1, F	0	0	0	Change of occupancy	5.14.1
210.	Thiruvananthapuram	BA/113/2021	F	148.28	44484	0		5.13.1

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
211.	Thiruvananthapuram	BA/79/2022	A1, F	203.50	61050	8	Change of occupancy, Setback	5.13.1,5.14.1, 5.14.2,5.14.8
212.	Thiruvananthapuram	BA/243/2018	A1, F	134.62	40386	9		5.13.1, 5.14.2
213.	Thiruvananthapuram	ZAE/130/2019	A2	558	167400	0		5.13.1
214.	Thiruvananthapuram	FE4/43/2020	A1, F	73.55	14710	0	Change of occupancy	5.13.1, 5.14.1
215.	Thiruvananthapuram	FE4/48/2021	A1, F	0	0	0	Setback	5.14.8
216.	Thiruvananthapuram	BA/20284/19	A1, F	122.25	36675	7	Change of occupancy, Setback	5.13.1, 5.14.1, 5.14.2, 5.14.8
217.	Thiruvananthapuram	BA/1507/03	A1	133.94	40182	0	Fire NOC	5.12.5, 5.13.1
218.	Thiruvananthapuram	BA/84444/19	A1	274	82200	0		5.13.1
219.	Thiruvananthapuram	BA/174851/16	A1, F	47.87	14361	0		5.13.1
220.	Thiruvananthapuram	BA/309/14	A1, F	80	24000	0		5.13.1
221.	Thiruvananthapuram	BA/184522/16	A1	238.38	71514	0		5.13.1
222.	Thiruvananthapuram	BA/101849/18 Sun Projects	A1	72.73	21819	0	PCB (Table 5.5, Sl. No. 2)	5.13.1, 5.11.2
223.	Thiruvananthapuram	BA/72515/20	A2, E	426	127800	0	Change of occupancy	5.13.1, 5.14.1
224.	Tripunithura	No Permit, BA 308/1718	A2	0	0	2		5.14.2
225.	Tripunithura	BA/464/15-16	F	237.48	71244	9		5.13.1, 5.14.2
226.	Tripunithura	BA/308/17-18	A2	100.81	30243	0	Setback	5.13.1, 5.14.8
227.	Tripunithura	BA/240/17-18	A1, F	0	0	0	Setback	5.14.8
228.	Tripunithura	BA/121/17-18	A1, F	213.06	63918	0	Setback	5.13.1, 5.14.8
229.	Tripunithura	BA/102/20-21	A1	166.45	49935	0		5.13.1
230.	Tripunithura	BA/71/17-18	F	173.67	52101	0		5.13.1
231.	Tripunithura	BA/409/17-18	F	100.75	30225	0		5.13.1
232.	Tripunithura	BA/508/17-18	A1, A2, F	288.27	86481	18	Change of occupancy, Fire NOC	5.12.5,5.13.1, 5.14.1,5.14.2
233.	Tripunithura	BA/75/21-22	F	0	0	3	Setback	5.14.2, 5.14.8
234.	Tripunithura	BA/76/20-21	A1, F	127.44	38232	4		5.13.1, 5.14.2
235.	Tripunithura	BA 95/18-19	F	0	0	6	Setback	5.14.2, 5.14.8

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
236.	Tripunithura	BA/ 305/20-21	F	327.44	98232	15	Setback	5.13.1,5.14.2, 5.14.8
237.	Tripunithura	BA/16/22-23	C	336.44	67288	0		5.13.1
238.	Tripunithura	BA/71/22-23	F	0	0	5		5.14.2
239.	Tripunithura	BA/82/19-20	F	36.25	10875	0		5.13.1
240.	Tripunithura	BA/249/21-22	A1	0	0	0	Change of occupancy	5.14.1
241.	Tripunithura	BA/274/18-19	F	0	0	0	Setback	5.14.8
242.	Tripunithura	BA/365/17-18	F	276.62	82986	0		5.13.1
243.	Tripunithura	BA/387/21-22	A2, F	0	0	0	Change of occupancy	5.14.1
244.	Tripunithura	BA/393/17-18	A2	196.70	59010	5	Change of occupancy	5.13.1,5.14.1, 5.14.2
245.	Varkala	BA/216/20-21	F	293.26	87978	12	Change of occupancy	5.13.1, 5.14.1, 5.14.2
246.	Varkala	BA/2519-20	A1	345.57	103671	21		5.13.1, 5.14.2
247.	Varkala	BA/80/19-20	F	434.78	130434	13	Setback	5.13.1, 5.14.2, 5.14.8
248.	Varkala	BA/112/21-22	F	63.87	19161	0		5.13.1
249.	Varkala	BA/116/17-18	D	83.26	16652	0		5.13.1
250.	Varkala	BA/139/21-22	A1	133.24	39972	0		5.13.1
251.	Varkala	BA/167/20-21	F	0	0	6	Change of occupancy	5.14.1, 5.14.2
252.	Varkala	BA/171/22-23	B	503.54	100708	0	Fire NOC	5.12.5, 5.13.1
253.	Varkala	BA/283/18-19	F	229.58	68874	0		5.13.1
254.	Varkala	BA/291/20-21	A1	0	0	0	Change of occupancy	5.14.1
255.	Varkala	BA/544/17-18	A1	195.21	58563	0		5.13.1
256.	Varkala	BA/626/17-18	A2	139	41700	5	Setback	5.13.1,5.14.2, 5.14.8
257.	Varkala	BA/101/19-20	A2	323.04	96912	0	Setback	5.13.1, 5.14.8
258.	Varkala	BA/34870/2015	F	648.41	194523	29	Setback	5.13.1,5.14.2, 5.14.8
259.	Varkala	BA/21/21-22	F	0	0	2	Two wheeler parking	5.14.2, 5.14.3
260.	Varkala	BA/163/18-19	A2, F	148.53	44559	4		5.13.1, 5.14.2

Sl. No.	Name of ULB	Permit Number	Category	Area (In sq.m)	Compounding fee (in ₹)	Car parking shortage	Other deficiencies	Paragraph reference
261.	Varkala	BA/180/21-22	F	0	0	5		5.14.2
262.	Varkala	BA/233/17-18	A1	0	0	0	Change of occupancy	5.14.1
263.	Varkala	No Permit	F	0	0	0	Setback	5.14.8
264.	Varkala	BA/246930/2018	F	967.85	290355	17		5.13.1, 5.14.2
265.	Varkala	Extension	F	1001.22	300366	7		5.13.1, 5.14.2
266.	Varkala	BA/99/19-20	A1, F	472.08	141624	12	Setback	5.13.1, 5.14.2, 5.14.8
267.	Varkala	BA/149/2020-21	F	0	0	5	Setback	5.14.2, 5.14.8
268.	Varkala	BA/362/17-18	A1	91.74	27522	0	Change of occupancy	5.13.1, 5.14.1
269.	Varkala	BA/501/17-18	A1	108.16	32448	0	Change of occupancy	5.13.1, 5.14.1
270.	Varkala	BA/596/17-18	A1	140.22	42066	0	Change of occupancy	5.13.1, 5.14.1
		Total		**71171.73**	**19630690**	**1210**		

Appendix 5.4
Statement showing details of unauthorised constructions
(Reference: Paragraph 5.13.1, Page 74)

Sl. No.	Name of ULB	Name of Building/ Owner	Area (In sq.m)	Category
1.	Kochi Corporation	Amrita Institute of Medical Sciences	1155.57	Educational
2.	Mukkam Municipality	KMCT Engineering college, Ladies hostel	1050	Educational
3.	Mukkam Municipality	A4/13677/19 (under construction)	944.66	Commercial
4.	Nilambur Municipality	OC Kunjumuhammed	85.40	Commercial
5.	Ramanattukara Municipality	Al Farook residential School (under construction)	773.76	Educational
6.	Ramanattukara Municipality	Farook College- building near bank (under construction)	200	Commercial
7.	Ramanattukara Municipality	Farook College- RUSA building	374	Educational
8.	Ramanattukara Municipality	Farook College- ladies hostel	1800	Educational
9.	Ramanattukara Municipality	Farook College – Dr. Moopan's Computer Science block building	1200	Educational
10.	Ramanattukara Municipality	Farook Higher Secondary School block - new building	600	Educational
	Total		**8183.39**	

Appendix 5.5
Statement showing details of unauthorised additions/alterations
(Reference: Paragraph 5.13.1, Page 74)

Sl. No.	Name of ULBs	Number unauthorised additions/ alterations	Total area (In sq.m)	Compounding fee (In ₹)
1.	Thiruvananthapuram Corporation	24	4655.90	1389415
2.	Kochi Corporation	36	10112.83	2986419
3.	Kozhikode Corporation	14	6279.15	1871745
4.	Varkala Municipality	19	6322.56	1838088
5.	Attingal Municipality	16	5230.80	1509473
6.	Kothamangalam Municipality	05	2076.78	549383
7.	Thrikkakara Municipality	12	4745.12	1235936
8.	Aluva Municipality	09	2359.42	707826
9.	Tripunithura Municipality	13	2581.38	740770
10.	Perinthalmanna Municipality	08	3414.37	1024311
11.	Manjeri Municipality	14	8379.22	2199459
12.	Nilambur Municipality	09	2696.21	808863
13.	Mukkam Municipality	09	9859.8	2178049
14.	Ramanattukara Municipality	05	2458.19	590953
	Total	**193**	**71171.73**	**19630690**

Appendix 5.6
Buildings occupied without obtaining occupancy certificate
(Reference: Paragraph 5.13.1, Page 74)

(Area in sq.m)

Sl No	Name of building/owner (Name of ULB)	Category	Area having permit and occupied without occupancy certificate	Area of unauthorised construction and occupied	Area with occupancy certificate	Total area of the building occupied
1.	PW2-BA(133939)/2019 (Attingal Municipality)	Special Residential	578.86	0	0	578.86
2.	Jyothis Academy of English, BA54/19-20 (Attingal Municipality)	Educational	1932	597.67	966	3495.67
3.	MOP/126340/20 (Kochi Corporation)	Commercial	543.46	184.73	399.08	1127.27
4.	Kerala Province of St. Theresa's Congregation, MOP1/COC/19975/2021 (Kochi Corporation)	Educational	1023.54	0	994.15	2017.69
5.	Mar Baselious College, 128/2019-20 (Kothamangalam Municipality)	Educational	3500	0	0	3500
6.	Director, Carmal Nivas, BA107/20-21 (Kothamangalam Municipality)	Educational	892.15	736.51	6011.37	7640.03
7.	Life Style Flat, E9/57085/08 (Kozhikode Corporation)	Residential	15109.66	0	0	15109.66
8.	KMCT college of Allied Health Science, A4-5173/20 (Mukkam Municipality)	Educational	4287.74	0	3948.16	8235.9
9.	KMCT institute of Emerging Technology and Management, BA16/2022-23 (Mukkam Municipality)	Educational	10227	0	0	10227
10.	Staff quarter 1, KMCT Medical College, BA189/2021-22 (Mukkam Municipality)	Special Residential	4198.89	0	0	4198.89
11.	Staff quarter 2, KMCT Medical College, BA190/2021-22 (Mukkam Municipality)	Special Residential	4198.89	0	0	4198.89
12.	Ayurveda college, KMCT Medical College, A4-BA(194) 2021-22 (Mukkam Municipality)	Educational	6365.38	0	0	6365.38

Sl No	Name of building/owner (Name of ULB)	Category	Area having permit and occupied without occupancy certificate	Area of unauthorised construction and occupied	Area with occupancy certificate	Total area of the building occupied
13.	Urban Co-operative Bank, BA100/20-21 (Perinthalmanna Municipality)	Commercial	811.70	0	862.90	1674.60
14.	Jade Heights (Thrikkakara Municipality)	Residential	31258	0	0	31258
15.	Sunrise Institute of Medical Sciences, A15244/10-11 (Thrikkakara Municipality)	Hospital	2604.75	0	2610.04	5214.79
16.	TP BA 318468/19 (Thrikkakara Municipality)	Commercial	351.18	351.18	1971.08	2673.44
17.	ZAE/BA/46/2018 (Thiruvanathapuram corporation)	Commercial	1027.29	0	0	1027.29
18.	MGM Central Public School, ZA2/3771/03 (Thiruvanathapuram corporation)	Educational	9495.72	7996.34	0	17492.06
19.	FE4/BA/48/2021 (Thiruvanathapuram corporation)	Residential + Commercial	78.44	0	281.56	360
20.	Shanoor Projects, ZAE/5689/2019 (Thiruvanathapuram corporation)	Residential	2847.84	0	0	2847.84
21.	St. Xaviers Training College for Women, BA22/18-19 (Aluva Municipality)	Educational	1103.46	1558.78	0	2662.24
22.	Grand Residency, BA/1002/0237/2019 (Varkala Municipality)	Special Residential	1475.74	345.57	0	1821.31
Total			**103911.69**	**11770.78**	**18044.34**	**133726.81**

Appendix 6.1
Details of rates charged by HREDC from Thiruvananthapuram Municipal Corporation for ID card project
(Reference: Paragraph 6.4, Page 91)

Year	Number of ID cards supplied by HREDC to Corporation	Rate charged per card by HREDC from Corporation	Amount paid by Corporation to HREDC (inclusive of GST)	Rate per card at which HREDC outsourced the ID card and tag from private firms	Administration charge and other office expenses charged by HREDC from Corporation per card	Price of ID card and Administrative expenses per card	Actual Expense for which, Corporation could have printed ID cards
1	**2**	**3**	**4**	**5**	**6**	**7 = 5 + 6**	**8 = 7 x 2**
2018-19	39,960	120	50,01,580	15	16	31	12,38,760
2019-20	39,331	120	56,15,455	15	16	31	12,19,261
2021-22	13,652	80	12,88,749	24	20	44	6,00,688
2022-23	48,547	80	45,82,838	24	20	44	21,36,068
	1,41,490		**1,64,88,622**			**Total:**	**51,94,777**

(Source: Details collected from Thiruvananthapuram Municipal Corporation and HREDC)

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