Kerala State Housing Board

Next Generation Tharangam-Rent Management Module

User Requirement Specification Rent & Asset Management System

1) Introduction

Kerala State Housing Board one of the premier housing agencies in the State is in the forefront of housing activities in the state since 1971. Board owns around 110 acres of land,15 commercial buildings and 6 revenue towers across Kerala. The Board currently has its head office at Thiruvananthapuram, three regional offices at Kozhikode, Kochi and Thiruvananthapuram and 14 divisional offices in 14 districts**.** Around 1000000 sq ft of commercial/Office space has beenbuild up by the Board and out this 875000 sq ft is rented out   by the Board in these buildings to public and Govt Offices.

From 2010, the rent collection of these buildings, which was done manually in the first phase, was started through Microsoft Excel spreadsheet. As it was difficult to manage 1000 or more accounts in this way, in 2010 the Board decided to develop an in house rent management module. The Board is still handling rent matters using this software which was developed by the in-house team in 2010.A digital Asset Management system should be developed for existing assets (including Buildings& Vacant Land) held by the Board.

i) Purpose of this document

An entire system study document was not prepared when the currently used software module was prepared. These activities were supervised by the staff that had previous experience of doing the said activities. Because of this, many changes were suggested subsequently by each user after the development. After 12 years since creation, many changes have been suggested to the said software and most of them are incorporated. <u>For this reason, such changes affect the stability of the software</u>.

Even though the build is up and running, the security audit is yet to be completed. One of the most important things is that allthe employees who are currently involved in the development of this software are due to retire from the Board service within a short period of time. In such a situation, it will be difficult for the Board to manage Rent matters using the said application. Various services of the Government have become " e-services". All the functions of the Board including Receipt of Rent etc need to be "e-receivable". The existing software module is inadequate.

ii) Scope

All assets of the Board should be GIS mapped and made available for viewing in a public domain. It is intended to create a web portal where individuals, institutions and offices who require spaces in the Board buildings in Kerala can apply online and participate in the online auction process. Allotment of Rooms/Office spaces, and all subsequent activities could be done online instead of the current manual auction system.

a) Most of the experienced staff who handles rental accounts are due to retire within a year. Future expenses can only be incurred by increasing the rental income, which is the major source of income of the Board. With the new application, the Board can accomplish the activities with lesser human power.

b) The rooms can be booked online as the rooms can be re-allotted as soon as they are reported vacant. Once the full payment is made online, the amount will be directly credited to Board Head Office account.

c) Collection can be increased by sending payment information and dues details through SMS.

d) All the tenants who have rented rooms and government institutions will be able to see the ledgers through their own dashboard and this would provide immediate information about their Account status.

e) Once the rent figures are made available online, the invoices can be given to the parties online. In addition to the invoice, the rent can be paid online or through the mobile app.

f) Preparation of statements regarding Payments, Dues Calculation, GST calculation, waivers if any etc can be easily be done through this portal

g) By making the Rent related Dash Board available through-out the payer (DDOs) and Control levels, reporting rent or dues in the case of Govt Offices would become hassle free, and thus the Board will be able to get the amount due in time or without arrears.

h) After completing the development of the module in a time bound manner additional modules can be incorporated as add-on modules as per requirement.

Development will be done in a time bound manner and the overall monitoring and control of this project will be done with the help and support of Kerala State IT Mission.

Expenditure will be met from the Boards Training and Office Automation funds.

iii) Overview

By using the proposed web portal, all tenants in KSHB can pay their rent online. Every customer will be provided with an identical Dash Board and will get account details up on login. By using this module, the employeeswork can be reduced by 70% and thereby increase the efficiency and accuracy of proceeds. All manual works are computerized and rental income increased. The new application in developed in open source platform and every one can access the portal online. This portal will be incorporated to the Government "e-sevanam" portal once the testing processes are complete. The mobile application can then be downloaded from Google play store and installed in android/ios devices.

2) General Description.

All the assets of the Board are mapped through GIS. Then the vacant buildings, office rooms and shops available for rent can be viewed through this portal. The importance of each place, other establishments operating there, therent expected by the Board can be seen by anyone without registering as a user, so the needy can apply and posses the space they wish through the online process. The Board currently allots rooms for rent to the public through auction. This system can be made online and v a c a n t spaces can be allotted to people for auction as per the schedulefixed by the Board. As and when spaces are finally reported vacant, such spaces come up for auction and allotment in the portal. Allotment of spaces to Government Departments / Public Sector Institutions is done on the basis of specific requisition and availability. The concerned Departments /PSI shall appoint a Rent Nodal Officer and the Nodal officer to register on the portal and apply for the space. On verification of application, availability and requisition, the officer in charge of the said building finalizes the allotment.

After getting allotment of rooms, those who become tenants and sign the agreement, automatically get their **UTID (Unique Tenant ID)** from the Board and they all get a user Dashboard on the e-portal.

3) Functional Requirements

Adding Of Assets:-

In the first phase of this proposed application we are planning to develop it for collecting rent from Commercial Complexes and Revenue Towers.

Buildings are added to the portal by doing GIS mapping for the first time. Then the floor of each building is added to the portal. While Adding a building the details about the building such as Location, Building Name, District, Type, Built up Year, Total Rental Area, Details of Annual Building Tax, Details of Charge Officer with mobile number, Total number of shops and Total number of Office spaces to be rented out are added While creating a New Building in the portal.

Type Of Buildings: -

a) Commercial Complex

b) Revenue Towers

c) Rental Flats/Apartments

d) Guest Houses/Guest Rooms

e) Working Woman's Hostels

After creating the building details Rooms aere added to each building. While adding a room the following details are
collected.

a) Room Number
b) Sq feet area to be rented out.
c) Sq feet rate
d) After entering the above, system will automatically work out and the monthly rent will appear in the window.
e) Vacate from date
f) Rates and Tax for Each Room and Common amenity charges for the   period.

Date From:- Date
To:-

Monthly Rent:-
Revised Rent:-

Rent Interest:-

 GST:-
GST Interest:-
 Common Amenity
Common Amenity interest
Any cess or Taxes Proposed by Govt.
All the above details are entered and calculations are done based on this data entry.

List vacant rooms are available in through the MIS reports page. And it should be available to public for participating the auction process.

Type Of Users :-

i) Registered Tenants

ii) Division Office Nodal Officer

iii) Division Rent Head (Owner Of the building)

iv) Regional User

v) State Nodal Officer (Head Office User)

vi) Head Office Monitoring User (Secretary level)

vii) Office Nodal Officer (For Govt Offices and Public sector undertakings)

viii) Department Nodal Officer (Head of department)

ix) Housing Administration

x) Finance Administration

xi) Applicatio Administration

Valid email id and working mobile number are mandatory to register on this Portal.

A centralized account is maintained in head office for the online collection of Rent, Security Deposit registration fee, application processing charges etc.

The room is allotted to the person who participates in the auction and offers to **pay the highest Security Deposit**. Rent is fixed by the Board. There will be an account at the head office level to receive the application fee, EMD, other processing charges, security amount, rent and caution deposit received from the beneficiaries online. Initially, payments will be accepted at the offices in cash, but in due course the beneficiaries will have to make complete payments online. **Applicant will have to agree with the conditions of auction and allotment to partner in the process.** In the first phase, the rooms are rented for 3 years. After receiving the online confirmation from the concerned office, the tenants have to read and understand the rent conditions of the Board **and execute the agreement as per the prevailing rules of Registration of Documents.** . They added to the Board's tenant list and will get their dashboard. Also, after verifying the OTP received through SMS and e-mail, they can login to the portal. For subsequent logins, they will receive username and password.

All tenants will cease to have access to the portal on expiry of Lease. They will be reminded 15 days in advance to renew Lease Agreements on expiration. After remitting the SD if any and arrears, they are again allowed to enter the portal.

Room Allotment Stages

Public Tenants:-

a) Public Search Web Portal and find out vacant Office spaces
b) After that directly visiting the place to be rented with the concerned officials, they decide to participate in the e-auction.
c) Once one or two people come to the office showing interest in renting a room, the office starts the process of enabling auction on the portal by setting an auction date. On that day those who are offering highest Security Deposit amount is selected for the allotment.
d) Also suggest another method for allotment. This method is online bidding where the bid submission date and last date for that room auction.(Normally by system default 7 days from the date of starting auction. Can be edited by the office user)
e) Interested persons participate the Online Auction
f) For participating the auction an application fee of Rs.100 + GST (present rate 12% printed application form.

In the case of Online application, rate of GST is 18%. (This may change as per Govt Decisions) is collected through online.

g) Minimum auction amount for the room is 12 months rent + 12 months common amenity charges rounded off to nearest 1000. System will offer this automatically but provision required for the concerned office user to edit the field.

h) Separate EMD is deposited by them to participate in the auction. This can be set for each room/space while adding rooms in the portal by concerned office admin.(Room admin settings page)

i) Submission of offers by the applicant (Fill the online application) through online. Above the minimum amount set by the Board.

j) Bid opened online.

k) Confirmation of Highest offer.

l) A provisional allotment letter is given to the party from the office for allocating the room temporarily. In this allotment letter, the information about security deposit (EMD to be adjusted against the SD set), monthly rent, common amenity and Lease Agreement after paying the amount

m) Once the provisional allotment letter is generated from the system, notification is given through SMS and e-mail. **A Shop / Office space once allotted shall cease to exist in the vacant list. It shall automatically be grouped to the allotted list.**

n) Security deposit remitted by the applicant. (EMD+Balance Security deposit = Total Security deposit) shall form part of the Ledger too. **SD shall always be maintained at 12 times the Rent+CAE. If lower, the shortfall shall form part of dues in a separate row.**

o) Final Allotment letter generated through the system with direction to remit advance Rent + Common Amenity for one month and the Initial Deposit (ID) Rs.1000 and Annual Subscription (AS) Rs.500 due to the Managing Committee (MC) concerned. The ID & AS so collected shall later be transferred to the concerned MC Account from HO end.

p) Draft lease agreement issued to the applicant.

q) A draft Lease Agreement to be issued to the allotter for preparation on stamp paper worth as ascertained from Registration Authorities. This document shall be returned registered within one month and the original to be submitted to the Boards office concerned. The information of this agreement is uploaded in the portal as a pdf file from the office. First Agreement Executing date, Due date of the agreement system will calculate automatically. (3 year from the date of agreement).This can be edited by the user in some cases.

r) Then when the user in the rent sanctioning office enables the tenant's dashboard, the concerned tenants get alerts through mobile and SMS and rent related matters through portal login.

s) One Month advance rent and common amenity charges are paid by the tenant online

t) Out of the amounts vide para (O), the ID amount collected is refundable on surrender of space. This shall be met by the MC concerned. ID is a onetime deposit and the AS is payable every year. Subscription shall be renewed every year by paying the cost and is not refundable.

u) Usually, the tenants are given the keys from the office on the date of signing the contract. But in certain cases, some maintenanceworks may be required before handing over the premises. Rent is collected only after these works are completed and key handed over to the applicant. This is such a provision in the present system that the rent due date of the next month is calculated on the 10th for the remaining days of the rented month.

The rent shall be calculated from the date of Handing Over Key (system sets by default) or as set by the Officer in charge.

Govt Tenants:-

a) When renting rooms to Government offices, they look through the portal and office heads visit the place directly and fix the rent. In such cases, the rent can be fixed at the government level, on the basis of Board decision, or on the basis of letter of interest. The rent of government offices will also include common amenities.

In the case of allotment to GOs/ PSIs, the aspirant Officer shall submit a clear requisition after viewing the spaces offered through the portal, and the rent shall be fixed as per GO(Ms) No.27/2007/Hsg of the Secretary, HOUSING (B) DEPARTMENT Dated:18-8-2007.

b) In the new system that is planned to be built, each office that rents space will have a user login dashboard. Also, the department under which the said office belongs will have a dashboard at the control level. With the implementation of this system, they will be able to seethe rental figures online. This could enable them to have immediate data on the rent dues, Rent Ledger, Invoices generated and submitted etc.

c) In the case of GOs/PSIs EMD , Security Deposit, advance rent are not collected. But Cost of Application, the ID and AS vide para (O) due to the MCs are payable.

d) Due date is considered as the last date of every month while paying rent for government offices.

In the case of GOs/PSIs, Rent is due on the last day of every month.

After completing the allotment process, the next step in the rent module is payment of dues against the invoices.

Payment of Monthly Rent:-

Payment of monthly rent is against the invoice. Performa invoices are issued to tenants by rent management offices to collect monthly rent. Currently, tenants are requested to pay their monthly rent on the basis of this invoices. Tenants are liable to pay rent according to these invoices. But many of them default in paying rent. The Board is liable to pay GST once the original invoice is issued, and the Board cannot pay GST without collecting Rent and GST. To avoid this problem, numbered and original invoices are issued to those who pay the rent punctually and Performa invoices are issued to those not.

As per the new proviso of the Central GST Dep," e-invoicing" (Invoice to be produced through the GST portal of the Govt) is mandatory in the case of annual rent collectable in excess of 10 Cr from 01.10.2022.

In order to overcome this, the Invoices against which payments received are fetched through tally software and uploaded as a jsn file in the e-invoice portal. **Ref portal** : https://einvoice1.gst.gov.in/ for details about e invoicing. This enables the Board to sum up the collected GST and file the returns for onward remittance to GST portal.

In order to overcome this, amounts collected against all invoices issued by the Board are separately persons who are paying rent against the invoice issued by the Board, the invoices of the rents so collected are fetched through tally software and uploaded as a jsn file in the e-invoice portal. **Ref portal** : https://einvoice1.gst.gov.in/ for details about e invoicing.

Common amenity Charges Collected from Tenants:-

The CAE is the amount collected every month along with Rent& GST. This amount collected is as such remitted to the Board Account and later transferred to the concerned Office for onward transfer to the MC as per requisition forwarded by the Office concerned. Rent receipts being issued shall contain the CAE collected if any, and shall go to the Ledger Account through the system. The Monthly Collection of CAE can thus be readily available by viewing the CAE ledger and the said requisition can thus be made without complication.

This much is true in the case of private tenants, but the CAE of GOs/PSIs, if clubbed with the Rent will be received as Rent only. There were severe objections from the AG on levy of CAE for GOs/PSIs. Hence the Board decided to collect CAE from GOs/PSIs without showing the split up figures and not recording in the Receipt issued. This has lead to severe complications. CAE received from GOs/PSIs are credited to the Rent Ledger directly. This prevents the assessment of actual Rent or CAE collected during a particular period. CAE, if clubbed with the Rent would attract GST on CAE

too. CAE collected is the revenue due to Managing Committees, who manages the upkeep of RTs with funds out of the said CAE. That from GOs/PSIs when clubbed with Rent would cause loss of income to the MCs which are legally constituted for the above purpose. There the MCs would make an argument that the CAE is charged for private tenants and GOs/PSIs are exempted. This SHALL IMMEDIATELY BE TAKEN UP BY THE BOARD AND PAYMENT OF CAE BE MADE ADMISSIBLE TO GOs/PSIs.

Every tenant is liable to pay the general maintenance cost of the building along with the rent. This is mentioned in the tenant agreement. This is fixed by the management committee of each building from time to time and approved by the Board. This amount received along with the rent is paid into a separate account of the management committee under that office. Many disputes and cases arise in this regard. Some tenants claim that they will only pay rent not the general maintenance cost. In some cases, the Board negotiates with them and allows concessions, such as interest waivers and installment payments. Many of these benefits are granted to individuals or tenants in a building. Such concessions are not possible in the current program.

Waivers Allowed To Tenants:-

In some special circumstances, the Board allows various types of concessions on Rent. The concessions are complete concession on fixed term rent, rent interest, GST ,concession on general maintenance cost, and sanctioning payment of rent arrears in installments. Also there are situations where concessions are to be extended on rates of interest also.

Deduction Of TDS by Tenant:-

Tenants whose annual rent payment exceeds Rs.240000/- in any FY, should deduct 10% of such amounts as TDS and pay to the appropriate authority by way of return filed before the 5th of succeeding month. This TDS is credited to the Boards PAN and hence shall form part of the Rent. Hence this TDS shall be credited to the Rent as and when such certificate is submitted by the tenant before the closure of the FY. No separate voucher shall be generated for this purpose. A simple Cr entry by way of TDS only need be made.

Government offices and private individuals who have taken premises on rent, if their annual rent (Rent excluding GST) is currently Rs.240000 or more (a month above Rs.20000) shall deduct 10% amount as TDS from the rent payable to the Board and pay it to the Board's PAN account and then submit Form 16A. The tenant's account must be credited otherwise the tenant will be considered in arrears. This will depend on the TDS rules from time to time.

Calculation Statement Preparation:- Major Part of the application.

Rent and dues will be calculated on daily basis.

Once a tenant on the Board receives a payment invoice, presently there are three ways in which he can pay the amount :

1St Case – Regular payment (amount specified in the invoice)

In this case the amount is accounted as per the invoice.

Paid amount= Rent+Rent interest if any + GST+GST interest if any+Common Ammentiy Charges+ CAE interest if any+ Any Other charges. (CAE to be separately shown in the Receipt)

2nd Case -Excess Remittance (Excess amount paid by the tenant)

Paid amount = Rent + Rent interest if any+ GST+ GST interest if any+ Common amenity charges+ CAE interest if any+ any other charges. After calculating all this balance amount will be accounted as Suspense account and will be postedfor the next month's calculation.

3rd Case- Amount paid less than the actual demand.

Suppose that the rent is defined as 'X' then the calculation statement as follows.

Payment by a Tenant =X+CAE

Presently GST Rate is 18% of rent amount.

Amount paid = X+(X*12% rent interest*no of default days)+(X*9+9)%)+X*[(9+9)%* no of default days)]+CAE+(CAE*12%*no of default days)

Tenants account Statement :-

Payment Portion in Tenant Register:-

I	Due Date	Date Of Payment	No of Default days	Amout Paid	Rent Accounted	Rent Interest Paid	GST paid	GST interest Paid	CAE paid	CAE interest Paid	Cess Paid	Total Amt Paid	Suspense amount

Due Portion in Tenant Register

Rent Due	Rent Interest Due	GST Due	GST Interest Due	CAE Due	CAE Interest Due	TDS Due	Cess Due	Total Due

Waiver Portion in Tenant Register

Due date	Date Of Payment	Amount Waived

Defaulters In Payment:-

In every month after due date of payment defaulters list will be prepared in the sections and intimations are sent to defaulters. Minimum 12 month rent is collected as security deposit from private tenants. Once the tenant defaults two months' rent, the process of legally collecting the rent from the tenantis initiated by the Board. As a first step of action a normal notice is sent in the registered address. Then after 15 days of this notice Form 1 notice issued. If the dues not remitted after 15 days of Form 1, Form 2 notice to be sent through registered post. If the arrear amount is not cleared by the tenant, eviction process is initiated and a registered intimation is sent to the tenant and information is sent to concerned police station for eviction. If the tenant vacates the room then the vacancy position is highlighted in the List of Vacant rooms.

 After vacating the rooms the security deposit is adjusted to the rent arrear and all other dues. A demand notice charge is also to be proposed in future (presently no notice charge collected.) balance if any will be refunded to the tenant.

In case if the security deposit is not enough to clear the dues, RR procedure imitated against the tenant. For this a property owned by tenant is needed in the RR portal Entry. (rrkerala.gov.in)-Presently this is not insisted by the rent applicant. This document must be insisted from the tenants while applying for rent.

Revenue Recovery details are follow up from the RR cell at head office but at any time we need the account details of the previous tenants.

Renewal Of agreement and extending Lease Period:-

When the rooms are rented out in the first phase, the contract period is 3 years for private, 5 Years for GOs/PSIs. After the expiry of the period, if the rooms are still required, the tenants have to execute a fresh agreement with the Board. From the date of renewal of the rent agreement, if the rent has been increased, the tenant will have to pay the increased rent, if the general maintenance cost has been increased, and the remaining security deposit according to the rent increase. The rental software must have the effective date of the increased rates and be able to invoice accordingly in subsequent months.

Vacating Rooms after the Period of agreement.

Application for Surrender of space shall be submitted 3 months in advance. It naturally means that the Closing Statement will be prepared with dues up to 3 more months from the date of application. That is an application for surrender dated 20.09.22 will attract dues up to 31.12.22. This is to avoid spaces lying vacant and curb loss to the Board.

Tenants can vacate the rooms as soon as the rent period is over. So the tenants who want to vacate the room and want to return the keys should inform the office through the online portal and upload a request in the pdf format, then the rent officer of the concerned office will prepare a closing statement according to this application and send an online approval, after accepting the key and returning the rest of the security deposit. This request submitted from Online will approve by Rent Nodal officer and submit to Accounts section for online payment. We have collected the account details of the tenant at the time of rent application and can be once again verified by the tenant at the time of vacating request.

The Balance amount will be transferred to this account from Head Office Accounts User. This user will have a record of total security deposit received from tenants and total number of refund request etc.

After vacating and getting key the concerned user in the sub office enlist the room in the vacant space list.

MIS Reports:-

1) List Of Buildings

2) Vacancy List

3) Rent Collection - >Daily,Monthly,Yearly,Fin year wise,Building wise,Office wise,

4) Defaulters List->Office wise,Building wise,No of instalment > X,Due Amt>X etc

5) DCB Statements->Arrear Deamd-Curent Demand-Total Demand,Arrear collection,Arrear Balance,Current balance,Totoal balance

6) Reports of CAE, TDS,GST etc..

7) Rent Closing statement of Individual Tenants