

AUDIT AND INSPECTION REPORT ON THE ACCOUNTS OF HIMACHAL HOUSING AND URBAN DEVELOPMENT AUTHORITY FOR THE YEAR 2009-2010.

(BALANCE SHEET AND PROFIT & LOSS ACCOUNTS)

1. Preliminary :-

(i) The audit of accounts of H.P. Housing and Urban Development Authority including all its functional units for the year 2009-10 was conducted under section 28(3) of H.P. Housing and Urban Development Authority Act, 2004 read with the H.P. Govt. Notification No. HSG-4(D)1-1/92/2 dated 13-09-2004. The report is required to be laid in the Legislature after its approval by the authorities of the HIMUDA.

(ii) Sh. S.C. Sood functioned as Chief Executive Officer-Cum-Secretary of HIMUDA during the period under report :-

(iii) The audit of accounts of H.P. Housing and Urban Development authority and its Divisions was conducted under the supervision of Sh. Kaul Singh, Joint Director, Local Audit Department and the audit parties consisting of Sh. Sher Singh Kaith Assistant Controller, Sh. Padam Singh Kanwar, Assistant Controller, Sh. Suresh Gupta, Sh. Desh Raj Chauhan, Sh. Ajit Singh, Sh. Anil Sharma & Sh. Anil Mehra, Section Officer at Head Office, Division No. 1&2(Shimla), Parwanoo, Dharamsala, Mandi and Electrical Division at Shimla and Hamirpur. It is also added that the audit report has been prepared on the basis of record/information furnished and made available by the controlling officer of the institution. The Local Audit Department disclaims any responsibility for any misinformation or non-submission of information on the part of auditee. The record for the month of 3/2010 was subjected to detailed check. The results of audit are embodied in the succeeding paragraphs.

(iv) The audit fee for the audit of HIMUDA shall be intimated separately to the head office for its remission to the Local Audit Department.

2. Balance Sheet for 2009-10 :-

The Balance Sheet for the year 2009-10 was supplied by the HIMUDA authority vide their letter No. HIMUDA-Acctts-319/BSS/2006 dated 03-03-2011 to the Director, Local Audit Department. On receipt of the said balance sheet, the same was put to examination with its schedules, which revealed that the details/statements in support of schedules attached with the Balance Sheet had again not been supplied in self explanatory form as suggested in the previous reports nor any record relating thereto was forthcoming. Still there are items, which are lying outstanding for settlement/adjustment for decades together without any efforts to wipe out such items subsequently resulting huge difference in various heads of accounts and in its subsidiary record. Moreover it has been observed that authority is not conducting the physical verification of the assets where required in the relevant head of accounts. The examples of such items are as under:-

Head of Account	Amount	Dr/Cr	Remarks
interest redemption schedule “A”	₹3,66,16,025.17	Cr	Complete justification/ Explanatory details of colonies not furnished to create this provision.
Contractors deposit (NVP) schedule ‘C’ item No. 29	₹57,57,817.00	Cr	Individual detail not prepared.
Deposit work (NVP) Schedule ‘C’ item No. 28	₹46,05,790.41	Cr	Individual detail with complete particulars not prepared/attached.
Sundry creditor Schedule ‘C’ item No.6	₹2,37,564.18	Cr	Self-explanatory detail not furnished.
Stock adjustment account schedule ‘C’ item no. 12	₹2,56,390.17	Cr	Self-explanatory detail not furnished.
Works completed in hand	₹4,48,08,972.53	Dr	Self-explanatory detail not furnished.
Work in Progress as per % completion method schedule ‘E’	₹95,05,23,640.00	Dr	Self-explanatory detail not furnished.
Recoveries to be remitted to lending department schedule ‘C’ item No. 31	₹1,53,471.00	Cr	Self-explanatory detail not furnished.
R&D Adjustment account schedule ‘C’ item No. 33	₹3,68,888.00	Cr	Self-explanatory detail not furnished.
Advance payment against deposit works schedule ‘C’ item No. 35	₹82,19,19,970.04	Cr	Self-explanatory detail not furnished.
Sundry debtors schedule ‘E’ item No.9	₹85,04,270.87	Dr	Self-explanatory detail not furnished.
I&PH department for WSS Schedule ‘C’ item No. 27	₹17,82,978.81	Cr	Self-explanatory detail not furnished.
Material for works in store (NVP) Schedule ‘E’ item No. 4	₹39,35,946.68	Dr.	Self-explanatory detail not furnished.
Rectification schedule ‘E’ item No.34	(i) ₹11,63,271.00 (ii) ₹4,005.00	Dr.	Self-explanatory detail not furnished.

Adjustable amount (JNNURM) Schedule 'E' item No. 33	₹3,10,69,839.74	Dr	Self-explanatory detail not furnished.
Assets in hand/ work completed in hand Schedule 'E' Sr. No. 3	₹4,48,08,972.53	Dr	Individual detail with complete particulars not prepared.
Cost of Sale receivable Sr.No. 11 of schedule 'E'	₹4,94,59,666.78	Dr	Individual detail in self-explanatory form not prepared.

3. Schedule 'A' Reserve & Surplus:-

(a) ₹1,53,860.48 have been shown as surplus in profit and loss accounts for the year 2009-10. A sum of ₹90,25,890.00, ₹3,65,05,236.00, ₹80,35,832.00 and ₹1,50,00,000.00 pertaining to fund created in the previous year for Leave Encashment Fund, Pension Fund, Gratuity and Provision for Arrear Payment due to Revision of pay scales respectively resulting increase in the reserve and surplus accounts to ₹1,27,09,83,794.25 over the previous years. ₹6,85,66.958.00 pertaining to Leave Encashment Fund, Pension Fund, Gratuity and Provision for Arrear Payment due to revision for Arrears of pay Scales has been transferred without obtaining the approval of competent authority as required under the accounting principals.

(b) ₹3.66 crore (₹3,66,16,025.17) had been shown as reserve & surplus in the interest redemption account but neither colonies-wise detail nor any supporting record thereof was prepared to justify the above provision. Further the scrutiny of loan record revealed that no such liability was pending in respect of this account. Beside this, the interest paid on all loans had been charged to the concerned housing colonies annually and as such, there was no justification for creating this liability, which require suitable explanation and necessary action accordingly.

(c) ₹9.10 crore (₹9,10,28,084.29) on account of grant in aid pertaining to NVP and reserve and surplus have been shown as Reserve and Surplus in schedule 'A' of the balance sheet whereas ₹14 crore have been shown paid vide Sr. No. 1(ii) and 3(vi) of schedule 'A' attached with the Balance Sheet to the Govt. which resulted in excess of ₹4,89,71,915.71. This may be justified with reference to non-finalization of final adjustment of receipt and expenditure of housing scheme of Nagar Vikas Pradhikaran.

(d) ₹1.78 crore (₹26,32,200.00, ₹4,65,136.00, ₹1,46,50,000.00 and ₹23,000.00) had been shown as reserve and surplus under the head grant-in-aid for the last several years. The above figure of ₹1,46,50,000.00 includes a component of ₹24,78,049.22 pertaining to sub head "For allocation of interest in respect of Mandi, Dharmashala and Hamirpur". These sub heads were shown in the Balance Sheet under the head of account grant-in-aid, grant utilized for Development/Land Acquisition," The perusal of Balance sheet revealed that nature of sub head i.e. allocation of interest does not tally with the major head. As such reasons for merging the allocation of interest figure in Major head of account grant-in-aid may be explained in detail.

4. Schedule 'B' Secured Loans :-

(a) The position of Loans from HUDCO, National Housing & others amounting to ₹70.88 crore (₹70,88,30,712.00) has been depicted in this schedule. In fact the real liability of the authority is ₹36,43,79,000.00 and liability amounting to ₹34,44,51,712.00 is of the State Government to whom this loan has been passed on and discharging the same accordingly.

(b) A sum of ₹5,69,91,000.00 has been shown under the head Loan against F.D.R's. On checking it has been found that neither the self-explanatory record in support of the loan against F.D.R has been prepared nor any schedule in self-explanatory form has been attached. Non-maintenance of such an important record required suitable explanation beside taking appropriated action.

(c) In schedule 'B' of "Secured Loans," zero balance/amount has been shown under the head of account loan from HUDCO. But on checking of the record it has been noticed that a sum of ₹34,44,51,712.00 is outstanding for repayment under this head of account. More over ₹27,50,83,000.00 is outstanding for repayment of HUDCO loan for HIMUDA's own scheme, where as it is being shown by ₹61,95,34,712.00 wrongly. By this way both the head of account does not reflect the clear position and mislead the data presented which required suitable explanation and rectification accordingly.

5. Schedule 'C' Current Liabilities and Provisions :-

(a) A sum of ₹1.51 lac (₹1,51,290.10) has been shown under the head "Material Purchase Account" at Sr. No. 4. This amount is being carried over to next years unnecessarily for the last several years but no efforts have been made to settle this head of account by scrutiny of basic record. Strenuous efforts may be made to find out the basic record pertaining to these items and settle the issue accordingly in time bound manner in accordance with rules regulations and accounting principles.

(b) A Sun of ₹2.37 lac (₹2,37,564.18) have been shown under the head "Sundry Creditors" at Sr. No. 6. of the schedule. The amount pertains prior to merger of NVP in HIMUDA which is pending for settlement for more than 11 years. Non-settlement thereof may be explained besides getting the needful done in accordance with rules, regulation and accounting Principles without any further delay.

(c) A sum of ₹2.56 lac (₹2,56,390.17) has been shown under the head "Stock Adjustment account" which pertains to Shimla Division-I and Mandi Division are still lying pending for settlement. Necessary steps may be taken for settlement of this liability.

(d) ₹57.58 lac (₹57,57,817.10) have been shown under the head "Contractors deposit". This liability also being shown prior to merger of NVP in HIMUDA but no efforts have been taken so far to settle this liability in accordance with accounting procedure, rules & regulation, Needful may be done now.

(e) A sun of ₹1.53 lac (₹1,53,471.00) has been shown under the head "Recoveries to be remitted to lending department" In this provision, a sum of ₹1,22,510.00 pertains to Bank Account (NVP). This figure is pending for settlement for the last several years and requires settlement with the concerned bank through reconciliation. But instead of depicting this figure independently, the above amount merged under different kinds of Major Head i.e.

“Recoveries to be remitted to lending department” which needs to be explained beside settlement as per accounting procedure.

(f) A sum of ₹9.63 crore (₹9,63,69,942.00) has been shown as liability under head “Initial Deposit/Earnest Money” and Earnest money/Security deposit at Sr. No. 1 and 4. In scrutiny of the record the above figure includes minus figures of lac of rupees, which shows that the factual position of this head is not correct which requires certain adjustment. It has also been noticed that self-explanatory schedule has not been prepared. In absence of the said information it could not be ascertained the period from which these amounts are lying outstanding for adjustment. The omission may be reconciled/rectified.

(g) ₹6.95 crore (₹6,95,09,411.00) has been shown as liability under the head “Interest on Loan” for the last several years. In the record nothing has been mentioned about this outstanding liability. No efforts have been taken to settle the outstanding liability which may be explained beside doing the needful.

(h) A Sum of ₹16,41,678.00 has been shown under the head of account “Provision for OD”. Although the name of account head does not clear its nature but it seems that the same has been opened for the “Interest Payable on OD”. On checking it has been noticed that this provision has been created for the interest on overdraft for the year 2009-10 for which the concerned bank has issued necessary certificate. The final accounts of HIMUDA has been finalized after the completion of 11 months. After passing of 11 months times it is not proper to create a provision for the actual expenses of “Interest on Over Draft”. Position in self-explanatory form may be explained and the necessary adjustment may be made after clarifying the fact.

(i) ₹46,05,790.41 has been shown under the head of account “Deposit works (NVP). This head of account is pending for settlement more than a decades, which reflects the bad picture on account of HIMUDA. More over no self-explanatory record has been found in support of the above head of account, which required necessary settlement in accordance with the factual position/rules & regulation.

6. Schedule ‘E’ current assets, loans and advances :-

(a) ₹156.84 crore ₹1,56,84,01,966.92 has been shown as expenditure on work (NVP) against the receipt of ₹1,80,16,25,264.37 from allottees as shown at Sr. No. 1(ii) of the above schedule. The figure shown as work-in-progress does not reflect the true picture as most of the colonies/schemes have since been completed and allotted to various allottees as back as 20-25 years but the costing of these colonies have not been completed so far since the inception of NVP till its merger with HIMUDA and even till date also. The expenditure on the schemes and colonies which have been completed were required to be shown under the distinct heads as “Colonies Works” and “Works-in-Hand” and final costing of completed works may be done. In spite of the repeated audit observations for the last several years, no concrete action to settle these objections has been taken and expenditure is still being booked on these colonies/schemes even after their completion and allotment as above. In addition to this the work in progress figure is being shown minus (-) ₹23,32,23,297.45 which is against the accounting procedures/rules. The irregularity requires personal attention of the authority to settle this issue on priority basis as per procedure laid down in this regard.

(b) ₹530.78 crore(₹5,30,78,87,638.04) had been shown under the head “work-in-progress” at Sr.No.1(i) of schedule ‘E’ under various housing schemes against the receipt of ₹4,29,78,48,296.71 from the allottees. the perusal of record revealed that most of the housing schemes have since been completed more than 6 to 7 year back but the complete colonies/schemes are not being shown under the head “Completed works” which is not only irregular but objectionable also. Although the audit has raised such type of objection so many times in the past, but no action is being taken to settle the issue. This omission may be set right and in future as and when the housing schemes are completed, their costing/adjustment should also be completed in a time bound manner so that true and fair picture is depicted in the accounts. No scheme has been finalized since last 5 years. In future complete detail of completed work and work in progress may be prepared separately and furnished in relevant schedule.

(c) ₹85.04 lac (₹85,04,270.87) were shown under the head “Sundry Debtors”. From the scrutiny it was noticed that the self explanatory detail of sundry debtors was not forthcoming. This current asset is being depicted for the last many years as sundry debtors without any details but no efforts are being taken to recover this amount which speaks of mismanagement of the authorities besides causing huge loss of receipt to the HIMUDA.

(d) A sum of ₹2.06 crore (₹2,06,46,897.42) was shown as debit balance under the head “Own Buildings” The scrutiny of the record revealed that Rest House at strawberry hill had been sold by the HIMUDA some time back in the year 2004-05 but the same is still being shown under the head “Own Buildings”. This omission may be accounted for and results of Physical verification of the assets conducted as on 31-03-2010 may be intimated with reference to above position.

(e) A sum of ₹95.05 crore (₹95,05,23,940.14) has been shown in current assets under the head “Work in Progress as percentage completion method.” It was disclosed by HIMUDA authority that actually the above figure is on account of accumulated profit on various colonies and the same has been calculated on the basis of completion of various colonies in each year . It is pertinent to mention here that the work on these colonies is still in progress and colony wise final adjustments will be carried out from the above figures as and when the each colony is completed and final costing worked out by HIMUDA authority accordingly. But after the completion of colonies/schemes, which has been completed more than 20 years ago no efforts has been made to finalize the costing of these scheme/colonies and no action has been taken to settle the figure of the above said head of accounts. However, the detail of relevant record was not put up to audit to verify the correctness of above figure which is depicted in the financial statement. The relevant record may therefore be prepared now and got verified from the audit.

(f) ₹39.36 lac (₹39,35,946.68) had been shown at Sr. No. 4 of the schedule under the head “Material for Works” in store (NVP). This amounts is being shown under this head from date of merger of NVP in Housing Board. In fact, there does not exist any work material in the store physically but the value of store handed over less by the NVP to the Board at the time of handing over and taking over of the liabilities and assets of the NVP. It is strange how this material was taken less physically and even after the expiry of 9-10 years no action seems to have been taken by the HIMUDA authority to recover the value of short material less handed over by the store in charge in spite of repeated objection raised by the audit in previous reports. This matter is again brought to the notice of authorities to conduct a

detailed enquiry on this issue and value be recovered from the defaulters so that true and fair picture is depicted in the books of accounts.

(g) A sum of ₹5.76 lac (₹5,76,785.00) had been shown under the head “Suspense Account” at Sr. No. 28 of the schedule for the last several years. Depiction of this figure for such a long period needs immediate rectification.

(h) ₹26,67,301.47 has been shown as debit balance under the head “CSS Account” at Sr. No. B-10 of schedule ‘E’ in respect of different Divisions. This head of account pertains to non-settlement of adjustment of huge amount related to divisions. The scrutiny of record revealed that no information in support of balance figure has been prepared/depicted in self explanatory form. In the absence of said information it could not be ascertained from which date/year these figures were brought forward. Needful may be done now and settlement of these items may be ensured.

(i) ₹20.20 crore (₹20,20,47,275.95) had been shown under the head “In fixed deposit (HIMUDA)” at Sr. No. A-10 of schedule ‘E’ whereas in the details supplied to audit in the shape of schedules it has been shown ₹20,20,66,947.95 leaving difference of ₹19,672.00. This difference is being carried over from the previous years but no efforts have been made to reconcile the difference. The figures shown in the FDR register and schedule have not reconciled with the bank certification as on 31-03-10. The HIMUDA authority did not care to reconcile the position with the concerned bank and registers of FDR. The FDR register was also not maintained properly which may be maintained now as advised during audit. Non-maintenance of proper record and non reconciliation requires suitable explanation and action accordingly.

(j) ₹2.48 crore (₹2,48,83,502.00) had been shown as maintenance charges, water charges and rent receivable at Sr. No. 20,21 & 22 of the schedule in respect of various housing colonies of HIMUDA against the recoverable amount of ₹1,72,67,815.00 in the previous year 2007-08 and ₹1,93,30,007.00 for the year 2008-09. This clearly shows that instead of decreasing the recoverable amount the same has been increased to the extent of ₹55,53,495.00 which is a matter of serious concern. Suitable instructions required to be issued from Head Office level to effect the recovery of outstanding charges to ensure minimum balance outstanding at the end of the financial year.

(k) ₹4.48 crore (₹4,48,08,972.53) had been shown as “Works completed in hand” whereas this amount pertains to ‘Assets in Hand’ meaning thereby that the colonies have since been completed, their final costing have also been completed but pending for sale. As such this figure may be depicted under proper head of account. The wrong accountal of the amount may be explained. Besides above, efforts may be made to sell these completed colonies after completing the formalities under the rules. In addition to above it has also been noticed that the concerned branch has intimated assets in hand of ₹16,42,80,279.00 is pending for sale as on 31-03-10. But the figure shown with final accounts mismatch and reflects as huge difference of ₹11,94,71,306.47 which is a serious irregularity which requires Physical verification and necessary action accordingly without any delay.

(l) ₹33.98 lac (₹33,98,200.00) had been shown payable to the Govt. under the head “Recoverable from H.P. Govt for GRHS executed by HPPWD” at Sr. No. B-13 of schedule ‘E’ which should be shown as current liability in the books of accounts. The liability may be settled in view of factual position without further delay.

(m) A sum of ₹1,38,04,616.00 has been shown under the head of accounts 'Cash in transit' at Sr. No.A-10(iii) of schedule 'E' as debit balance. But no such detail in support of above mentioned figure in self explanatory form has been prepared or attached with the annual accounts. In fact this figure should be supported with the facts and figures derived after reconciliation with the concerned Divisions of HIMUDA. This omission require suitable action and settlement accordingly.

(n) ₹11.67 lac (₹11,63,271, ₹4,005.00 and ₹(-)5,202.00) had been shown under the head "Rectification" at Sr. No. 34. This amount in fact pertains to cash book balances for the year 2006-07,2008-09 and 2009-10 respectively . The difference found in cash book pertained to last 3 years in not being corrected /rectified since long. The error/omission may be traced out and discrepancy may be reconciled.

(o) ₹2.44 crore (₹2,43,95,832.92) shown at Sr. No. 9 in the above schedule are recoverable on account of other miscellaneous advances. Huge amount was lying outstanding for recovery since long but no such detail was prepared in self explanatory form. This figure includes "₹2,41,644.37 which were recoverable prior to merger of NVP in HIMUDA. After the lapse of a decade, no serious efforts have been made to adjust/recover these old advances. Action may be taken against the defaulters after fixing responsibility for non-adjustment of advances in time and recovery may be ensured in time bound manner.

(p) At Sr. No. 11 of the schedule, a sum of ₹4.95 crore (₹4,94,59,666.78) was shown as debit balance under the head "Cost Receivable". The scrutiny of record revealed that no record/details of this amount has been prepared but only rough work was done which was not even properly authenticated by the concerned authority. Besides above, the closing balance shown in "Cost Receivable" does not tally with the balance shown in the ledgers of HIMUDA. Although, the audit has pointed out this irregularity in the previous reports also but no action has been taken by the HIMUDA authorities to settle these serious lapses/irregularities. Some of the instances are given below :-

Name of colony	As per statement balance as 31-03-10	Balance as per ledger
Kangra	1,61,442.00	1,11,026.00
Solan	7,72,791.00	17,55,125.00
Parwanoo	5,38,281.00	1,39,935.00
Baddi	2,28,79,895.00	2,38,87,640.00
Paonta Sahib	28,44,080.00	34,08,177.70
Palampur	1,54,675.00	3,49,222.00
Parwanoo PWN Sec.6	17,55,635.00	18,63,655.00

The amount of other colonies could not be verified as the record of the same was not put up to audit. As such the figure depicted in the balance sheet cannot be treated as authenticated.

The factual position may be verified so that the true picture may be exhibited in the balance sheet.

(q) A sum of ₹28.13 crore has been shown as debit balance under the head of account “Recoverable amount against deposit works as shown at Sr. No. B-2.3.4 of Schedule ‘E’ On scrutiny of the record it has been noticed that this amount is pending for recovery from the different deptt. on account of excess expenditure made by the HIMUDA against deposits works. In fact no such expenditure should be incurred without the receipt & after receiving the proper/exact amount the expenditure on Deposit Work should be started, More over this type of irregular facility is being provided to different deptt./ organization on 0% interest, whereas the allottees of HIMUDA is being charged with 12 to 15% interest and after failing to pay the installment the same is being charged with 14% penal interest thereon. The whole case shows that HIMUDA authority apply double standard which requires suitable explanation. The matter is therefore brought to the notice of the higher authorities to form clearly policy for future deposit work and strenuous efforts should be made to recover the outstanding amount.

(r) ₹6.76 lac (₹6,75,915.80) had been shown recoverable under the head “Building Centre” in the previous year i.e. 2008-09 at different places as shown at Sr. No. 14,18,19,26 & 29 of the schedule for the last several years. On checking of the record it has been noticed that these head of account has been settled by raising/ allocating the amount to the concerned housing colony/scheme whereas this figure of excess expenditure should meet with the receipt of the basic scheme of ‘Building centre’ on which the specific grant-in-aid/ assistance is being received by HIMUDA. Wrong allocation of expenditure to the colonies/schemes is highly irregular and against the accounting principal Unnecessary booking of expenditure to the housing colonies requires suitable explanation and settlement accordingly.

7. Profit & Loss account for the year ending 31st March, 2010 :-

The profit & loss account for the year 2009-10 exhibits total expenditure of ₹27,39,78,603.96 against income of ₹27,42,11,373.44 resulting excess income of ₹1,53,860.48 over the expenditure after deducting income tax amounting to ₹78,909.00 which stand transferred to reserve and surplus account. The following observations of audit may be attended to :-

(a) ₹1,26,80,456.70 has been shown as income on account of repair and maintenance of various colonies against the expenditure of ₹3,71,05,256.00. The huge difference of expenditure of ₹2,44,24,799.30 over the income may be justified so that it may not affect the revenue of the HIMUDA. Though the difference of expenditure over the income was also pointed out by the audit earlier but no steps have been taken by the authority to rationalize the abnormal expenditure against the income.

(b) A sum of ₹2,37,38,541.00 has been shown as expenditure under the head of account “Leave Encashment”. On scrutiny of the record, it has been noticed that this figure does not pertain to a single head of account but more than one and different nature head of account i.e. Leave Encashment, Provision for Leave Encashment etc. No. such detail has been furnished with the accounts submitted to audit and in ledger also such head is not found in self explanatory form. In ledger at page 163 the head of account has been named with Encashment of E.L. in which the amount paid to HDFC, Stander Life has also been included

which is irregular and merged the different head of accounts which pertain to revenue and capital expenditure. Non-presentation of proper head of account and payment made to HDFC Stander Life for future provision and scheme amounting to ₹2.25 crore being shown under the head “Leave Encashment” may be explained in accordance with accounting principals .

In addition to above ₹2.25 crore charged to leave encashment head of account during the year. This expenditure pertain to previous and future years expenditure of HIMUDA. The whole expenditure being so charged to Profit and Loss account may be explained in accordance with accounting principal.

(c) ₹12.99 lac (₹12,99,211.69) has been shown as expenditure under the head “Stock Storage Account”. This is a revenue receipt head and from this head of account, relating expenditure to work charged employee pertaining to the stock and stores are to be debited from the debit balance of stock store account. This clearly shown that unnecessary manpower is being charged to stock storage accounts resulting excess expenditure to the tune of ₹12,99,211.69 which requires suitable explanation.

(d) ₹15.50 lac (₹15,49,665.00) has been shown as (-) minus expenditure under the head of account “Repair & Maintenance” of vehicles. It shows that revenue is being earned from the account head “Repair & Maintenance of vehicles” irregularly by charging the excess expenditure on the running works. Moreover vehicle being used for administrative purposes, is also being allocated to running works irregularly. Overcharges of vehicle expenses on the running works required suitable explanation and settlement accordingly.

(e) A sum of ₹1,32,074.00 has been shown expenditure in Profit & Loss account under the head of account “Display on H.R.T.C. Bus Stand.” On Checking of the record it has been found that this type of expenditure is being incurred by the HIMUDA Division-I for the advertisement in Bus Stand for display board. More-over this type of expenditure is being incurred by the other Division of the HIMUDA, but no such expenditure is being shown in the final account under the relevant head of account. It seems that this expenditure is being allocated to another head of account. Such type of cases also lying in Division-II of HIMUDA who have allocated the expenditure wrongly raised to SC/ST Hostel for Boys at Govt College Sanjauli. Revenue expenditure so hide and wrongly booked/allocated to the HIMUDA works/Depots work required imitable explanation and rectification accordingly.

(f) A sum of ₹1.90 crore (₹1,90,20,627.00) has been shown as surplus on sale of colonies. Actually, the above figure pertains to yearly profit which has been calculated by HIMUDA authority on the basis of percentage completion of work of different colonies and the adjustment of which will be carried out subsequently after completion and finalization of costing in respect of each colony. The head of account which appears wrong may be charged as “Profit on Work in Progress during the year calculated as % completion method”, so that head of accounts be named properly.

(g) ₹4.52 crore (₹4,52,94,698.00) has been shown as expenditure on Pension Contribution during the year. On checking, it has been noticed that this payment has been made to LIC for maintaining the Pension Scheme, which pertain to previous and future liability also. Whole the expenditure being so charged to Profit & Loss account may be justified in accordance with accounting principals.

Audit of construction Divisions of HIMUDA

1. Parwanoo Division :-

(i)	Para 4	Recovery of ₹79.59 was outstanding as on 31-03-10 on account of water and maintenance charges from various housing colonies.
(ii)	Para 5,6,7&8	Excess payment of ₹0.23 lac on account of pay and allowances to the various officials.
(iii)	Para 9	Undue benefit of ₹77.87 lac allowed to the contractor by set asiding provision of clause 15(a) of the agreement in Mandhala Township work.
(iv)	Para 10	Excess/irregular payment of ₹10,14,727.00 to the contractors on account of 10-CC claim, wrong calculation of quantities, etc.
(v)	Para 11	Less receipt of ₹60,779.00 on account of water charges by less billing to the allottees.

2. Mandi Division :-

(i)	Para 5	A sum of ₹17,38,651.00 were outstanding as on 31-03-10 on account of Maintenance charges of various housing colonies.
(ii)	Para 6(क)	Suspected misappropriation of stock (cement and steel) worth ₹35,544.00.
(iii)	Para 6(ख)	Difference of building material worth of ₹73,40,523.48 in ledger account of Division and Sub Division.
(iv)	Para 4(क)	Non-adjustment of advances to the tune of ₹26,98,989.00 as on 31-03-10.
(v)	Para 7(i)	Wrong accountal of advances amounting of ₹29,41,848.00 paid on account of purchase of stock material.
(vi)	Para 7(ii,iii & iv)	excess payment of ₹1,51,099.00 to the contractor.
(vii)	Para 7(xii)	Building material worth ₹1,57,368.00 lying in store without use for years together.
(viii)	Para 8	payment of extra/substitute items of ₹7,47,323.00 without approval of the competent authority.

(ix)	Para 10	Non-recovery of compensation amount of ₹1,59,44,000.00 from the contractor.
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3. Shimla Division No. 1 :-

(i)	Para 4	₹46,83,454.00 were outstanding for adjustment as on 31-03-10 on account of various advances.
(ii)	Para 5,6,7&8	₹13,60,638.00 were outstanding for recovery on account of maintenance and water charges as on 31-03-10 from various housing colonies.
(iii)	Para 9	wrong depiction of credit of ₹16,81,467.00 on account of earnest money in the books of accounts.
(iv)	Para 10	Security amounting to ₹10,77,754.00 wrongly shown as debit in the accounts of Division.
(v)	Para 11,12,13&14	Excess payment of ₹40,660.00 to the various contractions in execution of works.
(vi)	Para 18	Irregular Payment of ₹5,20,45,477.00 to the contractor without grant of extension beyond stipulated period in execution of work.
(vii)	Para 19&20	Purchase of steel and cement worth ₹23,58,025.00 without obtaining approval of the competent authority.
(viii)	Para 21	₹68,69,823.00 were recoverable from various departments on account of deposit work.
(ix)	Para 22	Irregular adjustment of ₹63,72,831.00 without bill/receipts.
(x)	Para 23	Non-debiting of building material for recovery worth ₹7,40,382.00 issued to various contractors.

4. Dharamsala Division :-

(i)	Para 4	Irregular expenditure of ₹212.09 lac on account of deposit work without receipt of amount from the concerned department.
(ii)	Para 5	Non-adjustment of ₹55.20 lac outstanding as on 31-03-10 on account of misc advances.

(iii)	Para 6,7&10	Recovery of ₹172.67 lac outstanding as on 31-03-10 on account of maintenance and water charges from various colonies.
(iv)	Para 11	Excess payment of ₹31.43 lac to the contractor in execution of Poly.Tech. College building.
(v)	Para 12	Excess payment of ₹3.23 lac to the contractor on account of payment of extra items.
(vi)	Para 13,14,15&16	Excess payment of ₹1.63 lac to the contractor in various works.
(vii)	Para 27&28	Excess payment of ₹1.32 lac to the officials on account of pay and allowances.
(viii)	Para 30	Difference of ₹1.10 lac in stock account of Division and sub-Division.

5. Electrical Division Shimla :-

(i)	Para 4	Non-adjustment of advances to the tune of ₹7,50,494.00 as on 31-03-10.
(ii)	Para 5	Non-adjustment of secured advances from contractors to the tune of ₹32,36,897 as on 31-03-10.
(iii)	Para 11	Excess consumption of fuel/petrol to the tune of ₹75,250.00 on account of less mileage of vehicles.

6. Electrical Division Hamirpur :-

(i)	Para 6	Non refund of ₹14.57 lac by the HPSEB on account of un-utilized amount of deposit work.
(ii)	Para 7	Non-adjustment of ₹22,21,906.00 on account of secured advances Paid to the contractors.
(iii)	Para 8	Irregular payment of extra items to the tune of ₹1,53,485.00 without approval of the competent authority.

7. Shimla Division No-II :-

(i)	Para 4(क)	Non-adjustment of ₹35,05,787.00 on account of advances as on 31-03-2010.
(ii)	Para 5	Non-recovery of ₹13,59,046.00 on account of maintenance charges from various allottees.
(iii)	Para 12	Non-recovery of ₹20,84,712.00 from contractors on account of compensation.
(iv)	Para 13	Excess payment of ₹1,08,198.00 to the contractors.
(v)	Para 18,19	Suspected misappropriation of 300 cement bags.
(vi)	Para 21	Irregular payment of ₹17,79,527.00 on account of extra/substitute items.

8. Head-quarter Shimla:-

Deposit works to the tune of ₹28.13 crore executed without its receipts resulting loss of crores of rupees due to 0% interest financing.

Non maintenance of record of “Loan against fixed Deposits” amounting to ₹5,69,91,00.00 in F.D.R register or any other place.

Non maintenance of proper record/self explanatory record of ₹95.05 crores which pertains to “works in progress as present completion method” head of account.

Houses/flats/plots amount of ₹45.64 crore are lying pending for sale as on 31-03-10.

A difference to the tune of ₹11.94 crore in “Assets in Hand” head of account and record prepared thereof.

Unnecessary creation of Provision under the head of account “Interest Payable” to the tune of ₹16.41 lac.

Irregular/wrong allocation of Expenditure to various colonies to the tune of ₹70.16 lac.

Wrong/irregular allocation of expenditure to various colonies to the tune of ₹6.75 lac.

Non maintenance of proper record of fixed deposits receipts resulting difference of ₹19,672.00.

Non reconciliation of cash book bank balance with the concerned and also F.D.R. balance with the bank as on 31-03-2010.

Less receipt of interest in F.D.R account amounting to ₹2,92,915.00.