

No.-Fin(LA)H(2)C(15)(14)115/87-Vol-14-1791-1792
Government of Himachal Pradesh
Local Audit Department.

From

The Director,
Local Audit Department,
Himachal Pradesh, Shimla-171009

To

The Additional Chief Secretary (Housing) to the,
Government of Himachal Pradesh,
Shimla-171002.

Dated, Shimla-171009, the ...12-03-2018....

Subject: ***Audit and Inspection Report on the Final Accounts (Balance Sheet, Profit & loss Account) of HIMUDA for the period 2015-2016.***

Sir,

Please find enclosed herewith the Audit and Inspection Report on the Final Accounts (Balance Sheet, Profit & loss Account) of HIMUDA for the period 2015-2016 alongwith certified balance sheet for taking further necessary action.

Endst. As above

Yours faithfully,
Sd/-
(Dr. Suneel Angra)
Joint Director,
Local Audit Department
Himachal Pradesh Shimla-171009

Endst. No. As Above.....,dated, the..12-03-2018. Shimla-171009

Copy forwarded to:- The Chief Executive Officer-Cum-Secretary, HIMUDA Nigam Vihar, Shimla-171002 alongwith a copy of Audit and Inspection Report and certified balance sheet for information and necessary action.

Sd/-
(Dr. Suneel Angra)
Joint Director,
Local Audit Department
Himachal Pradesh Shimla-171009

Government of Himachal Pradesh
Local Audit Department
Block No. 38, SDA Complex,
Kasumapti, Shimla-9



Audit and Inspection Report on the
Final Accounts of HIMUDA
For the Period 01-04-2015 to 31-03-2016

Table of Contents

Sr. No.	Particulars	Page No.
1	Preface	3
2	Overview	4-5
3	Suggestions	6-7
4	Audit and Inspection Report	8-42
5	Certified copy of Balance Sheet	43

PREFACE

The audit of final accounts (Balance Sheet, Profit and Loss Account) of HP Housing and Urban Development Authority, Nigam Vihar, Shimla -171002 for the year 2015-16 was conducted by the Local Audit Department under the provision of the HP Govt. Notification No. HSG-4(D) 1-1/92/2 dated 13.09.2004.

The audit and inspection report on the final accounts of HIMUDA for the period 01/04/2015 to 31/03/2016 has been prepared for the submission to the Government of Himachal Pradesh through the Principal Secretary (Housing).

This report is a summary of serious findings arising out of audit of final accounts of HIMUDA for the period 2015-16

The idea of this report is to give impression of functioning of HIMUDA and to draw the attention of the State Government for remedial action and improvement where ever necessary.

OVERVIEW

An overview to the audit and inspection report on the final accounts of HIMUDA for the year 2015-16

Sr. No.	Para No.	Brief Description	(₹) In crore
1	2.1	Under statement of balances in Balance Sheet than actually shown in Schedules of current Assets and liabilities	0.53
2	2.2	Hiding of amount of overdraft against FDR by merging the figure under Fixed Deposit Account in the Balance Sheet.	7.92
3	2.3	Hiding of amount of HUDCO Loan by merging the figure under Current Asset Account (Acquisition of Land at Jathia Devi) in the Balance Sheet.	33.98
4	3.1	Irregularity of inflation of Capital Reserve /Nett profit	1.27
5	3.2	Non-adjustment of reserve and surplus in NVP accounts	4.90
6	3.3	Unjustified creation of provision on account of interest redemption	3.66
7	3.4	Wrong accountal of Provisions for Allocation of interest under the Head "Grant utilized for development/ acquisition"	0.08
8	4.1	Wrong depiction of accounting head Interest Payable on Govt. Loan in Secured Loan instead of Current Liabilities	3.40
9	4.2	Wrong classification of amount under head "Head Office(LTC)" instead of "Head Office A/c"	0.51
10	4.3	Irregular Decrease of Current Assets by passing fictitious entry	6.65
11	5.1	Non adjustment of accounts viz material purchase, sundry creditors, stock adjustment a/c, contractors deposit(NVP),deposit works(NVP) etc.	1.05
12	5.2	Depiction of Debit entries worth ₹25.58 Crore under the head Initial Deposit/Earnest Money	25.58
13	5.3	Non utilization of advance received against deposit works	37.08
14	6.1	Non adjustment of book value of Rest House at Strawberry Hill	0.007
15	6.2	Less charging/depiction of depreciation of Fixed Assets in the P&L Account	0.29
16	7.1	Non adjustment of Work in Progress account and wrong depiction of Receipt from allottees.	1003.96

17	7.2	Non adjustment of Work Completed in hands.	4.48
18	7.3	Non settlement of "Cash in Transit account".	2.54
19	7.4	Non recovery on account of excess expenditure incurred on "Deposit Works".	2.66
20	7.5	Non adjustment of staff advances	0.45
21	7.6	Non Reconciliation of "Cost of Sale Receivable" account.	4.03
22	7.7	Income Tax Recoverable from IT Deptt.	13.41
23	7.8	Non recovery on account of "Maintenance, Water Charges & Rent Receivable"	3.51
24	7.9	Non adjustment of amount shown under the accounting head "Rectification (Cash Book)-1"	0.13
25	7.10	Non adjustment of various Accounts i.e Work completed in hand, works in store (NVP), Other miscellaneous advances (NVP),Suspense a/c etc.	1.33
26	8	Less accounting of interest receive/accured on FDRs in the final accounts	0.45
27	9.1	Irregular charge of Capital expenditure as Revenue expenditure to P & L Account	1.25
28	9.2	Irregular classification of Capital Receipt as Revenue income under P & L Account	12.52
29	9.3	Irregular classification of Miscellaneous Advance as Indirect Income under P & L Account	0.37
30	9.5	Excess expenditure on Establishment over and above the administrative charges	19.70
31	9.6	Revenue loss on maintenance of colonies	9.08
32	9.8	Wrong classification of payments of Leave Encashment as expenditure instead of Receivable A/c	3.12
33	10.1	Different items of Receipts/payments in r/o various Divisions either wrongly booked or not at all journalized in H.Q. accounts.	43.04
34	10.2	Different items of Receipts/payments in r/o various Divisions either booked under wrong Head of A/c or with wrong amount or on wrong side	39.31
35	10.4	Wrong classification of Receipt of Income from forfeiture of Earnest Money as Current liability	0.19

Suggestions

- 1 Uniformity in maintaining the accounts of HIMUDA units maybe brought out by preparing accounting manual/code specifying head of account as per accepted principles of accounting.
- 2 Periodicals review of adjustment of advances and recovery of water & maintenance charges etc.
- 3 Fixing targets for finalization of accounts of various housing colonies whose construction work has been completed.
- 4 Utilization of existing manpower to its maximum capacity in most economic manner.
- 5 Construction activities may be increased to bridge the gap between establishment expenditure and administrative charges receipt.
- 6 Advance receipt from different departments/institutions on account of deposit works maybe utilized in time bond manner.
- 7 The excess expenditure incurred by HIMUDA on deposit works may be recovered by taking up the matter with the Administrative Secretary of the concerned departments.
- 8 The final settlement of accounts viz. Reserve and surplus of NVP, Material Purchase Account, Sundry Creditor, Stock Adjustment Account, Contractors Deposit(NVP), Deposit Works(NVP), Work in Progress account, Works Completed in Hand, Material for works in store(NVP), Sundry Debtors, Other Misc. Advances(NVP), TDS Recoverable from IT Deptt., Suspense A/C, Rectification (Cash Book-1) a/c, Accumulated deemed profits, cash settlement suspense a/c, cash in transit account may be carried out in time bound manner so that the fair view of the financial statement can be ascertained.

- 9 To ensure time bound appropriate action against the allottees of plots/flats/commercial property who defaults in payments of instalments beyond the prescribed time limit continuously for longer period so that huge outstanding dues from them can be liquidated & used for fulfilling the mandate of HIMUDA.

Audit and Inspection Report on the Final Accounts (Balance Sheet, Profit and Loss Account) of HP Housing and Urban Development Authority, Nigam Vihar, Shimla-171002 for the year 2015-16

1 Preliminary

The audit of final accounts (Balance Sheet, Profit and Loss Account) of HP Housing and Urban Development Authority, Nigam Vihar, Shimla-171002 for the year 2015-16 was conducted under the provision of Section 28(3) of HP Housing and Urban Development Authority Act, 2004 read with the HP Govt. notification No. HSG-4(D)1-1/92/2 dated 13.09.2004.

- 1.1** The following officers functioned as Chief Executive Officer–cum-Secretary of the authority during the period 01.04.15 to 31.03.2016.

Sr No.	Name of the CEO Cum Secretary	Period
1	Er. Dinesh Kashyap, CEO	01.04.2015 to 31.03.2016

- 1.2** The audit of accounts of HP Housing and Urban Development Authority and its divisions were conducted by the audit parties consisting of S/Shri Hem Raj Bhardwaj, Assistant Controller, Ram Singh Chauhan, Manjeet Bhatia, Vipul Sood, Anil Sharma, Ravinder Singh, Sandeep Kamal, Section Officers & Sh. Lalit Kumar Junior Auditor & Narender Kumar, Article Assistant under the supervision of Sh. Satpal Singh Thakur and Shri Rakesh Kalra, Deputy Director, Local Audit Department.

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 account for the month of 03/2016 was selected for detailed audit and the results thereof are embodied in the succeeding paragraphs.

1.3 Audit Fee

The Audit fee for the audit of accounts of HIMUDA will be communicated separately to the Headquarter Office of HIMUDA for its remittance to the Director, Local Audit Department, Shimla-171009.

1.4 Non Compliance of observations relating to Balance Sheet

None of the observations on the Balance Sheet were being complied with as no compliance thereof was shown in subsequent audits. The irregularities are

being repeated year after year. It is advised that the special drive may be initiated to show the compliance of all such observations at the time of next audit.

2. BALANCE SHEET

The balance sheet for the year 2015-16 was submitted by the HIMUDA Authority to the Director, Local Audit Department vide their letter no. HIMUDA/Acctts-319/BSS/2016/Vol.II,2585 dated 06.05.2017 and thereafter the same was put to examination along with schedules. It has been observed that the self-explanatory details/statements in support of items of various schedules, as per detail given below, were not found attached with the schedules referred to in the balance sheet:-

Head of Account	Schedule	Amount	Dr./Cr.	Remarks
Surplus on Valuation of Assets & Liabilities (NVP)	I	14,00,00,000.00	Dr.	Explanatory details not supplied and the item is also lying pending for settlement for the last so many years.
Provisions for liabilities anticipated work	XV	7,64,216.02	Cr.	Explanatory details not supplied.
Works completed in hand	XXXVI	4,48,08,972.53	Dr.	Explanatory details not supplied.
Material for works in Stores	XLI	6,95,37,029.33	Dr.	Explanatory details not supplied.
Material for works in Stores (NVP)	XXVI	39,35,946.68	Dr.	Explanatory details not supplied.
Other Misc. Advance (NVP)	XXVII	2,41,644.37	Dr.	Explanatory details not supplied.
Sundry Debtors	LI	85,04,270.87	Dr.	Explanatory details not supplied
Cash in Transit.	XLV	2,54,42,963.74	Cr.	Explanatory details not supplied.
Cost of Sale Receivable.	XXXI	4,03,47,249.78	Dr.	Explanatory details not supplied.
Suspense Account (Current Assets)	XXIX	5,76,425.00	Dr.	Explanatory details not supplied.
Rectification (Cash Book-1)	XXXIV	12,73,840.24	Dr.	Explanatory details not supplied.

2.1 Under statement of balances in Balance Sheet than actually shown in Schedules of current Assets and liabilities

From the perusal of the relevant record put up to audit, it has been observed that the amount as per schedule of current assets & liabilities has been

taken/shown less than the actual as per detail given below which is affecting the true & fair position of Himuda shown in the financial statements:-

Head of Account	Amount as per schedule (₹)	Amount shown/ taken in Balance Sheet as per Current Assets/Liabilities Main schedules– E & C (₹)	Diff. (₹)	Remarks (Effects in Financial Statements)
Imprest & CCS A/C	26,39,36,599.69Cr. (schedule XLIX)	26,39,99,361.69Cr.	62,762 Cr.	Amount of ₹62,762 Dr. pertains to Parwanoo Division as per schedule XLIX but the same was not included in total of said sub-schedule due to which total amount does not tally with its main schedule-E current assets
Loan & Advances (Assets) A/C	6,19,95,593.59 Cr. (schedule XL)	5,69,24,167.59 Cr.	50,71,426Cr.	Amount of ₹50,71,426 Cr. pertains to Head Office(LTC) as per schedule XL but the same was not included in total taken in total of main schedule-E and to balance sheet under head current assets
Duties & Taxes	2,08,22,134.76 Dr. (Schedule-XVI)	2,09,78,167.76 Dr.	1,56,033 Dr.	Amount of ₹1,56,033 excess carried over to main schedule-C & to balance sheet under current liabilities

Thus the said discrepancies may be reconciled and concerned financial statements be rectified accordingly.

2.2 Hiding of amount of overdraft against FDR amounting to ₹7.92 crore by merging the figure under head Fixed Deposit Account in the Balance Sheet.

During the course of audit, it has been observed from the perusal of statement of FDRs put up to audit that liability on account of overdraft against FDR amounting to ₹7,92,46,680 was credited irregularly to head 'Fixed Deposit Account' under Assets side in the Balance Sheet (Schedule XXV) which resulted into understatement of FDRs (assets) as well as over draft (liability) as per detail given below:-

Head of Account	Actual Amount (₹)	Amount shown (₹)	Diff (₹)	Remarks
Fixed Deposit (Asset)	61,94,86,162 Dr.	54,02,39,482 Dr.	7,92,46,680Dr.	Understatement of assets in the Assets Side of the Balance Sheet
Overdraft against FDR (Liability)	7,92,46,680 Cr.	Nil	7,92,46,680Cr.	Understatement of liability in the Liabilities Side of the Balance Sheet

Thus the Balance Sheet put up to audit is not depicting the true & fair position of HIMUDA affairs to the extent. Therefore, the said discrepancies may be reconciled and concerned financial statements be rectified accordingly.

2.3 Hiding of amount of HUDCO Loan amounting to ₹33.98 crore by merging the figure under head Current Asset Account (Acquisition of land at Jathia Devi) in the Balance Sheet.

During the course of audit, it has been observed from the perusal of statement of Current Assets attached with the Balance Sheet put up to audit that liability on account of HUDCO Loan amounting to ₹33,98,04,000 was credited irregularly to head 'Acquisition of land at Jathia Devi Shimla Account' under Current Assets (Work in progress C/O Buildings) on Assets side in the Balance Sheet (Schedule LII) which resulted into understatement of HUDCO Loan (liability) as well as Acquisition of land at Jathia Devi Account (assets) as per detail given below:-

Head of Account	Actual Amount (₹)	Amount shown (₹)	Diff (₹)	Remarks
Acquisition of land at Jathia Devi Account (Asset)	30,00,00,000 Dr.	3,98,04,000 Cr.	33,98,04,000Dr.	Understatement of assets in the Assets Side of the Balance Sheet
HUDCO Loan (Liability) sub.schedule-II of schedule B of Balance sheet	35,98,04,000 Cr.	2,00,00,000 Cr.	33,98,04,000Cr.	Understatement of liability in the Liabilities Side of the Balance Sheet

Thus the Balance Sheet put up to audit is not depicting the true & fair position of HIMUDA affairs to the extent. Therefore, the said discrepancies may be reconciled and concerned financial statements be rectified accordingly.

3. Schedule-“I” (Reserve & Surplus)

3.1 Irregularity of inflation of Capital Reserve/Net profit by ₹1.27 crore

In Schedule “I” under the head “Capital Reserve” {item No. 1 of Balance Sheet} a sum of ₹121.40 crore was shown as opening balance of Capital Reserve, whereas ₹122.67 crore was shown as the closing balance of Capital Reserve resulting thereby an increase of ₹1.27 crore but after necessary scrutiny it was found that during the year 2015-16, net profit of ₹1.27 crore will increase/decrease greatly due to the effect of irregularities pointed out vide various Audit Para of this report some of which involving huge amount in crores are detailed below. Thus huge variation in profit in the financial statements of HIMUDA is a very serious matter and itself speaks about the poor level of maintenance of accounts. Therefore, the reasons for this serious irregularity may be investigated and remedial measures there to be ensured in order to avoid repetition of such irregularities in future:-

Sr. No.	Particulars	Audit Para No.	Amount in lakhs (₹)
1	Irregular decrease of current assets	4.5	665.00
2	Less charging of depreciation from Profit & Loss Account for the year 2015-16	6.2	28.66
3	Less accounting of interest receivables on FDRs in Profit & Loss Account for the year 2015-16	8	45.07
4	Irregular charge of capital expenditure on account of electrification of Mandhala Colony as revenue expenditure to Profit & Loss Account under head Electricity & Water Charges for the year 2015-16	9.1	125.00
5	Irregular treatment of receipt as indirect income under head Misc. Receipts in Profit & Loss Account	9.2	1252.00
6	Irregular classification of net amount of Misc. Advance as indirect income under Misc. Receipts in Profit & Loss Account	9.3	36.54

7	Different items of various Divisions not at all journalized at H.Q. level in Final accounts of HIMUDA	10.1	4304.00
8	Different items of various Divisions wrongly booked with wrong head or amount or side at H.Q. level in Final accounts of HIMUDA	10.2	3931.00

3.2 Payment of ₹4.90 crore to the Government on account of valuation of Assets& Liabilities (NVP) over and above the Reserves & Surplus (NVP)

In schedule "I" (Reserve and Surplus), an amount of ₹4.65 crore and ₹4.45 crore were shown as Grant-in-Aid to NVP and Reserve & Surplus (NVP) respectively whereas ₹14.00 crore were paid to HP Government in earlier years resulting thereby an excess payment of ₹4.90 crore [₹14.00 crore-(₹4.45 crore+₹4.65 crore)] on account of valuation of Assets & Liabilities of Erstwhile Nagar Vikas Pradhikaran. The excess payment may be justified with reference to finalisation/adjustment of accounts of erstwhile Nagar Vikas Pradhikarn.

3.3 Unjustified creation of provision of ₹3.66 crore for interest redemption:-

A sum of ₹3,66,16,025.17 was shown under the head "Interest redemption account" in Schedule 'I' of the Balance Sheet. The account represents the provisions for interest chargeable to the various Housing Colonies completed in the earlier years. Since interest paid on all loans taken for Housing Colonies was charged on annual basis and the costing have been finalised. Therefore, there appears no justification for creating the provision unless such liability actually exists. The factual position may be investigated and results thereof may be intimated to audit besides making settlement of the provision in accordance with accepted principles of accounting.

3.4 Wrong depiction of Provisions for Allocation of interest of ₹0.08 crore under the Head "Grant utilized for development/land acquisition":-

₹1.465 Crore is being shown under the Head "Grant utilized for development/land acquisition" in Schedule-'I' for several years. This amount includes an amount of ₹8.03 lac (₹4,54,010.85+₹3,49,038.37=₹8,03,049.22) pertaining to "allocation of interest" in respect of Housing Colonies at Mandi, Dharamshala. The allocation of interest in respect of said Housing Colonies should have been accounted for and adjusted in the total expenditure chargeable to respective colonies. Therefore, after conducting necessary verification, the correction in Final Accounts may be carried out accordingly.

4. Schedule-II [Loans (Liability)]

4.1 Wrong depiction of ₹3.40 crore under the head “Secured Loan”

In Schedule II (Secured Loan), it has been noticed that an amount of ₹3,40,09,411.00 was shown as “Interest payable on Govt. Loan” whereas being current liability, the amount should have been depicted under the head Current Liabilities. The reasons for depicting the amount of interest payable on Govt. Loan in the Schedule of Secured Loan may either be explained & justified or necessary correction in the Balance Sheet be made as suggested above.

4.2 Wrong classification of ₹50.71 lakh under head ‘Head Office (LTC)’ instead of ‘Head Office A/C’

During the course of test audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that the balancing figure of ₹50,71,426 (Cr.) of Journal Voucher No. 8, dated 31.3.2016 pertaining to Electrical Division Shimla has been wrongly classified/shown under the head ‘Head Office (LTC) A/C’ instead of ‘Head Office A/C’. Resultantly, the balance under Head Loans & Advances to Staff vide **Schedule-LV** and Head Office A/C under Imprest & CSS A/C vide **Schedule-XLIX** have been decreased by the said **credit entry** in the Current Assets **Schedule-E** besides reflecting the amount twice under head ‘LTC Advance’ and ‘Advance to Staff’ in **Schedule-XL** pertaining to Loans & Advances (Asset) A/C. Therefore, the said discrepancy may be reconciled and concerned financial statements be got rectified accordingly.

4.3 Irregular decrease of current assets by passing fictitious entry of ₹6.65 crore in the Final Accounts.

During the course of test audit of the final accounts, it has been observed that on the basis of Trial Balance of Electrical Division Dharamshala (HMR), the entries journalized vide Journal Voucher No. 29, dated 31.3.2016 as per detail given at **(A) below** seems to be incorrect to the extent that amount of ₹6,65,03,410 credited to Head Staff Advance (Electrical Division) and accounted for as current assets under Head Loans & Advances (Asset) A/C (**Schedule-XL**) in consolidated Balance Sheet of HIMUDA, does not exist in the Trial Balance of the said Division & hence it is not understood as to how this huge amount of ₹6,65,03,410 find place in the said journal entry? However at the outset the entry of ₹6,65,03,410 seems to have been journalized and accounted for fictitiously in the final accounts of HIMUDA which resulted into the decrease of balance of current assets. Besides

this an amount of ₹3,55,13,600 cr. shown in the Trial Balance of the above said Division was also wrongly debited instead of credit to Imprest A/C. In fact after rectification of these errors the resultant amount required to the debited to Head Office A/c should have been ₹3,77,75,496 instead of ₹3,32,51,705 and thus the whole journal entry should have been classified as per detail given at **(B)** below instead of **(A)** & thus accounted for accordingly in the final account:-

(A) Journal Voucher No. 29, dated 31.03.2016

	Particulars	Debit (₹)	Credit (₹)
1	HEAD OFFICE (Note:- This is Balancing figure)	1	
2	Deposit Work	41,456	
3	Imprest Account of CSSA (Note:-As per Division's Trial Balance, this is a credit entry)	3,55,13,600	
4	Warm Cloth Advance (Electrical Division Hamirpur)	31,500	
5	Staff Advances (Electrical Division Hamirpur)	4,500	
6	HEAD OFFICE (Note:- This is Balancing figure)	3,32,51,705	
1	To Departmental Charges (Electrical Division Hamirpur)		2,57,668
2	To Deposit Work		20,66,334
3	To Cpf Board Share A/C		500
4	To Warm Cloth Advance (Electrical Division Hamirpur)		10,350
5	To Staff Advances (Electrical Division Hamirpur)		4,500
6	To Staff Advances (Electrical Division Hamirpur) (Note:- Entry not found in Division's Trial Balance)		6,65,03,410
	Total	6,88,42,762	6,88,42,762

On account of

Adjustment of Accounts for the month of 15-16

(B)

	Particulars	Debit (₹)	Credit (₹)
1	Deposit Work	41,456	
2	Warm Cloth Advance (Electrical Division Hamirpur)	31,500	
3	Staff Advances (Electrical Division Hamirpur)	4,500	
4	HEAD OFFICE (Balancing Figure)	3,77,75,496	
1	To Imprest Account of ASSA		3,55,13,600
2	To Departmental Charges (Electrical Division)		2,57,668

		Hamirpur)	
3	To	Deposit Work	20,66,334
4	To	CPF Board Share A/C	500
5	To	Warm Cloth Advance (Electrical Division Hamirpur)	10,350
6	To	Staff Advances (Electrical Division Hamirpur)	4,500
			3,78,52,952

Total

On account of

Adjustment of Accounts for the month of 03/2016

Therefore, the above said discrepancies may be reconciled and concerned financial statements be got rectified accordingly so that the final account of HIMUDA show the true & fair position of its state of affairs.

5. CURRENT LIABILITIES

5.1 Non adjustment of Accounts worth ₹1.05 crore under Current Liabilities

Under the head "Current Liabilities" (Schedule-C) a sum of ₹104.52 lac is being shown under different Head of Account for the last so many years as per detail given below but no efforts seems to have been made to settle these accounts. Therefore it is advised once again that the strenuous efforts may be made to settle these accounts in accordance with rules/regulations and accounting principles in a time bound manner so that these liabilities could be written off and factual position of accounts is ascertained:-

Sr. No.	Head	Amount(₹) in lac	Sr. No. of Schedule-C	Remarks
1	I & PH Department for WSS	17.83	6	The amount is pending for final settlement since last 21-22 years
2	Material Purchase a/c	1.51	7	The amount is pending for final settlement since last 21-22 years
3	Misc. Liabilities:-		8	The account pertains to Erstwhile NVP & is pending for final settlement since last 16-17 years
	(i) Contractors Deposit (NVP)	57.58		
	(ii) Misc. Recoveries (NVP)	1.28		
	Total	58.86		
4	R & D Adjustment	3.69	9	The amount is pending for final settlement since so many years

5	Stock Adjustment Account	2.56	10	The stock adjustment account pertains to Mandi Division is pending for final settlement since last 16-17 years
6	Development fund under Apartment Act	10.08	12	The amount is pending for final settlement since so many years
7	Provision for arbitration/works	7.64	15	The amount is pending for final settlement since so many years
8	Sundry Creditors	2.38	22	The amount is pending for final settlement since last 13-14 years
Total		104.55		

5.2 Depiction of Debit entries worth ₹25.58 Crore under the head “Initial Deposit/Earnest Money”

Under the head “Initial Deposit/Earnest Money” (Schedule “XIV”), an amount of ₹51.76 crore was shown as credit balance at the end of the financial year 2015-16. From the perusal of detail of transactions under the schedule, it has been observed that an amount of ₹25.58 crore was shown as debit balance against various scheme as per detail given below. It clearly implies that either ₹25.58 crore was refunded/paid over and above the amount of initial deposit/earnest money so received for these schemes or refunded amount classified to wrong scheme/head of account. Therefore appearance of debit balance in the said schedule needs to be examined threadbare so that the instances of excess refund/adjustment of initial deposit/earnest money or misclassification can be ruled out and thus enabling the schedule to show true picture of deposit position in the Balance Sheet :-

Sr. No.	Particulars	Amount (₹) (Debit Balance)
1	Demand Survey D/S Shimla	100.00
2	Demand Survey Mandhala Baddi	2,40,000.00
	Demand Survey Nalagarh	5,000.00
3	Demand Survey various places (Advertisement charges)	1,06,944.00
4	DS Solan, Kasouli, Chail, Nalagarh, Kandaghat, Brog	31,400.00
5	EM-Bid Money Parwanoo	3,00,000.00
	EM Daundi	2,28,000.00
6	EM-HIG, MIG Bilaspur	31,410.00
7	EM-HIG, MIG Jawalamukhi	500.00
8	EM-HIG, MIG Nadaun	6,500.00

9	EM-LIG, HIG, MIG Basal, Solan	1,68,212.50
10	EM-LIG, MIG Mehatpur	2,000.00
11	EM-Rakkar Una	30,79,186.02
12	EM-Straberry & Chhota Shimla, Cat-I,II,III,IV	16,837.00
13	EM-Type-B Plot, New Shimla	22,32,000.00
14	Initial Deposit/Earnest Money	24,92,99,585.78
15	Refund of earnest maney	10,000.00
	Total	25,57,57,675.30

5.3 Non-utilization of Funds worth ₹37.08 crore received against Deposit Works

A liability of ₹37,07,83,897.45 was shown in the Balance Sheet under the head 'Deposit Works A/C' (Schedule XX). From the perusal of the schedule, it has been observed that there was credit balance of ₹46,11,50,395.45 crore as on 1.4.2015. Funds ₹53.32 crore were received during the financial year 2015-16 and against total funds available under the head Deposit Works, only ₹62.36 crore were utilised on the "Deposit Works". Therefore funds worth ₹37.07 crore of previous years remained unutilised during the current financial year. Non - utilisation of available funds under the head 'Deposit Works' may result into loss of receipt of administrative charges. Reasons for non-utilisation of funds received against Deposit Works needs to be explained & justified besides making strenuous efforts for utilisation of the same.

5.4 Non Settlement/Adjustment of ₹0.59 crore shown under Current Liabilities

A sum of ₹59.07 lac ($₹3,14,762 + ₹33,98,200 + ₹21,94,373 = ₹59,07,335$) had been shown as 'Current Liabilities' under the head "Govt. H.P.- WSS Giri River Project, H.P. Govt. on account of Government Rental Housing Scheme and Police Rental Housing Scheme" (Schedule III, IV & V) and thus appears to be payable to the creditors. However under schedule XLVII pertaining to current assets (Schedule-E) certain amounts have been shown as receivable from other departments which includes Police Rental Housing Scheme (₹1,15,19,725.55) and Government Rental Housing Scheme (₹57,28,468.29) as per detail given in succeeding para no. 7.4 of this Report Therefore this matter needs to be examined deeply and in case if it is revealed that the amount is actually receivable from the said departments may be settled accordingly otherwise the amount needed to be adjusted against the proper head of accounts in the Final Accounts so that amount

shown as current liability/current assets under the similar heads be brought down to factual position in the balance sheet.

5.5 Suspected irregularity with regard to debit balances depicted under various heads of accounts pertaining to Current Liabilities (Schedule-C).

During the course of audit it has been observed that the closing balances under various heads of accounts pertaining to Current Liabilities (Schedule-C) have been shown as debit, as detailed below which seems to be irregular because as a matter of accounting principle, the current liability has always a credit balance. Thus, showing of debit balance of current liabilities implies that either the amount has been paid in excess or classified under wrong head/side or excess debit has been given to the creditors or the current assets have been shown under current liabilities and vice-versa:-

Head of Account	Amount (₹)	Sub-Schedule
Employees' Pension Fund	50,77,812.00 Dr.	LVI
Duties & Taxes	2,09,78,167.76 Dr.	XVI
	850.00 Dr.	XVI

It is further amplified that similar irregularity also exists under different sub-schedules attached with main Schedule-C of current liabilities. For instance, the detail of such debit balances of sub heads in respect of Schedule-C 'Other Liabilities,' Sub-Schedule-XXI was as under:-

Head of Account	Sub-Head	Amount (₹)	Sub-Schedule
Other Liabilities	CPS Subscription A/C	39,986.00 Dr.	XXI
Other Liabilities	House Rent (Govt. A/C)	5,405.75 Dr.	XXI
Other Liabilities	LIC Board A/C	2,96,545.00 Dr.	XXI
Other Liabilities	Premium Recoverable A/C	3,760.00 Dr.	XXI
Other Liabilities	Car Advance A/C	22,507.00 Dr.	XXI
	Deputationists		
Other Liabilities	Deposit A/C Staff	36,150.00 Dr.	XXI
Other Liabilities	CPF Sub & Board Share	92,40,441.00 Dr.	XXI
Other Liabilities	Employees Welfare Fund A/C	9,890.00 Dr.	XXI
Other Liabilities	Income Tax & Surcharge A/C	38,28,720.00 Dr.	XXI

Therefore, reasons and circumstances leading to the said discrepancies/irregularities in main schedule as well as sub-schedules needs to be sorted out and reconciled besides doing necessary corrections in the final accounts so that financial statements depict HIMUDA's true state of affairs.

6. FIXED ASSETS – (Own Buildings)

6.1 Non adjustment of book value of Rest House at Strawberry Hill

An amount of ₹1.97 crore had been shown in Schedule XXIII under the head "Own Building". From the scrutiny of the relevant record it is revealed that this amount includes written down value of Rest House at Strawberry Hill worth ₹68,051.64 as on 31.3.2016 which was sold by the HIMUDA some time back in the year 2004-2005 but despite that its W.D.V. is being shown under the head "Own Buildings" which is contrary to the accepted principles of accounting. Besides, depreciation of ₹7,561.29 was also charged to accounts in respect of said property for financial year 2015-16 which is also irregular. Therefore, it is advised that after conducting necessary scrutiny at HIMUDA level, the adjustment of book value of rest house at the time of sale may be carried out immediately so that the financial statements of Himuda depict true and fair position of its state of affairs.

6.2 Less charging of depreciation to the tune of ₹28.66 lakh to the Profit & Loss Account for the year 2015-16.

(a) During the course of audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that the amount of depreciation on fixed assets to the tune of ₹28,65,800.65 has been less charged to the Profit & Loss Account (Schedule-H) as per detail given below. Resultantly, the profit has been inflated by the said amount and thus the Profit & Loss Account does not depict the true & fair view of the state of affairs of HIMUDA. Therefore, the said discrepancies may be reconciled and concerned financial statements got rectified accordingly:-

Nature of Asset	Actual amount of Depreciation as per Schedule 'D' as on 31.3.2016 (₹)	Depreciation charged to Profit & Loss Account as on 31.3.2016 (₹)	Depreciation Less Charged (Diff.) (₹)
Own Building	21,77,748.42	18,08,001.76	28,65,800.65
Other Fixed Assets	24,96,053.99		
Total	46,73,802.41		

(b) It has also been observed that the effect of charging the depreciation amounting to ₹28,65,800.65 in the final accounts has been nullified by passing the wrong journal entries vide various Journal Vouchers as per detail given below in which the said amount was debited to Head Office Account & charged to Current Assets under head Imprest & CSS Account (Schedule-E). Infact the said journal entries nullifying the effect of depreciation amounting to ₹28,65,800.65 were not at all required . This irregularity resulted into inflation of profit and current Assets to the extent and thus the Financial Statements do not depict the true & fair view of the state of affairs of HIMUDA. Therefore, the said discrepancies may be reconciled and concerned financial statements be got rectified accordingly:-

Sr. No.	Name of Unit	Depreciation Charged by Cr. to Assets A/c		Effect of Depreciation nullified by Dr. to Head Office A/c		Net depreciation charged (Diff.) (₹)
		Journal Voucher	Depreciation A/C	Journal Voucher	Depreciation A/C	
		31.3.16	(Dr.) (₹)	31.3.16	(Cr.) (₹)	
1	Division-II Shimla	28	50,353.89	29	50,353.89	0
2	Division-I Shimla	31	7,37,252.41	33	7,37,252.41	0
		34	1,21,041.20	32	1,21,041.20	0
3	Parwanoo Division	33	4,21,677.26	34	4,21,677.26	0
		35	8,018.56	36	8,018.56	0
4	Mandi Division	22	3,00,752.86	24	3,00,752.86	0
		25	33,080.77	23	33,080.77	0
5	Electrical Division Dharamshala	30	13,637	31	13,637	0
		32	4,327.26	33	4,327.26	0
6	Electrical Division Shimla	63	9,465.15	Not mentioned	9,465.15	0
		62	4,32,600.69	Not mentioned	4,33,287.32	686.63 Cr.
7	Dharamshala Division	41	6,94,963.64	42	6,94,963.64	0
		43	37,256.63	44	37,256.66	0.03 Cr.
8	Head Office Cash	77	18,08,688.42		-	18,08,688.42 Dr.
		Total	46,73,115.74		28,65,116.98	18,08,001.76 Dr.

6.3 Excess charge of depreciation to the tune of ₹76,563.37 from fixed assets.

(i) During the course of audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that the depreciation on fixed assets has been charged in excess to the tune of ₹76563.37 as on 31.3.2016 as per detail given below. Resultantly, the value of fixed assets has been decreased by the said amount. Hence the errors may be rectified to show the factual position:-

Sr. No.	Name of Fixed Asset	Actual Depreciation as per calculation sheet at Schedule 'D' (₹)	Depreciation charged from Fixed Assets in Schedule XXIV (₹)	Excess depreciation charged (Diff.) (₹)
1	Road Roller-22542	0	75000	75,000
2	New Car Innova	8,48,465.88	8,50,715.88	2,250
3	Survey & Mathematical Instrument (Dharamshala Division)	60	0	(-)60
4	Survey & Mathematical Instrument (Electrical Division Shimla)	502.56	0	(-)502.56
5	Survey & Mathematical Instrument (Division-II Shimla)	124.07	0	(-)124.07
Total				76563.37

(ii) Other Misc. observations

(a) The written down value of Road Roller- 22542 was ₹3297.52 as on 31.3.2016. On sale of this asset, ₹75,000 were realized. Therefore considering the stated facts, ₹3297.52 was required to be credited to the said fixed asset account and remaining amount of ₹71,702.48 (75000-3297.52) should have been treated as revenue receipts & credited to Profit & Loss Account. But contrary to this, the whole amount of ₹75,000 has been charged as depreciation and credited to fixed asset Road Roller account under head Fixed Assets Schedule XXIV of Schedule-D of balance Sheet which is irregular. Due to this irregularity, the balance of said asset has been shown as ₹(-) 71,702.48 in above schedule and thus effecting the position of profit & assets to the extent. Hence the error may be reconciled & rectified to show the factual position.

(b) Under Schedule-D of Balance Sheet, the depreciation for New Car H.Q. was worked out to ₹8,48,465.88 as on 31.3.2016 whereas it has been taken as ₹8,50,715.88 in Sub-schedule-XXIV of above Schedule. In this way ₹2,250 has been charged excess to the book value of asset concerned. The amount of ₹2,250 has actually been shown as sale adjustment to the said asset during 2015-16 which seems to be not correct because of the fact that the asset has not been sold. Therefore adjustment of amount of ₹2,250 as sale adjustment against the asset and further charging it as depreciation may either be justified or necessary rectification in final accounts be made accordingly.

(c) Under Schedule-D of Balance Sheet, it has been observed that the opening value of asset 'Car No. HP-52-0603 was shown (-) ₹6,599.44 as on 1.4.2015. Further an addition of similar value of ₹6,599.44 was made to the book value of asset during the year 2015-16 and closing balance was shown as nil. But as per supporting Sub-schedule-XXIV of fixed assets, no such addition of ₹6,599.44 was shown to the assets and the closing balance has been shown as ₹6,599.44 which is contradictory and needs to be reconciled & corrected accordingly.

7 "CURRENT ASSETS" (Work in Progress C/O Building)

7.1 Non adjustment of Work in Progress worth ₹1,003.96 crore

An amount of ₹50,69,81,123.53Dr. was shown under the head 'Work in Progress C/O Building' (Schedule-LII) of Currents Assets in the Balance Sheet. From the perusal of the schedule, it has been observed that an expenditure of ₹998.01 crore was incurred against the colonies as detailed below:-

Interest on Overdraft against FDR	1,92,13,134.00 Dr.
Housing Scheme(NVP)	1,77,86,02,935.92 Dr.
Housing Scheme	8,18,22,87,835.98 Dr.
Total	9,98,01,03,905.90 Dr.

A perusal of Schedule further revealed that receipt from allottees of the above colonies worth ₹948.61 crore have been credited to the account as detailed below:-

Receipt from Allottees (NVP)	2,31,50,90,948.87 Cr.
Receipt from Allottees	7,17,09,73,079.56 Cr.
Total	9,48,60,64,028.43 Cr.

It is pertinent to mention here that the works of the most of the colonies such as Housing Scheme (NVP) have been completed since long and flats/houses were also sold out in the earlier years besides receipt from allottees of these colonies ₹9,48,60,64,028.43, as stated above, have also been accounted for in the annual accounts, therefore, the expenditure incurred against these colonies as shown under the head “Work in Progress C/O Building” was not found in accordance with the accepted principles of accounting. Further an amount of ₹107.65 crore (Dr.) was also shown under the head “Work in Progress as per Percentage Completion Method” (Schedule XXX) under current assets in the Balance Sheet. The head of account, i.e., “Work in Progress as per percentage completion method” appears to be incorrect as it is accumulated deemed profit from the colonies worked out on percentage completion method, the costing of which were not finalized during the financial year 2015-16. Therefore, the HIMUDA authority is advised to finalize the costing of colonies at the earliest and to give its effect in the final accounts so that amount shown as current liability/current assets under respective heads of accounts be adjusted & final position depicted accordingly in the balance sheet.

7.2 Non adjustment of Work Completed in hands of ₹4.48 Crore

An amount of ₹4,48,08,972.53 Dr. has been shown under the head “Work Completed in hands” in **Schedule XXXVI** under current assets in the Balance Sheet. From the scrutiny of record it is revealed that the value of works completed in previous years was shown under this head. It is therefore advised to carry out necessary adjustments in the books of accounts after scrutiny, besides conducting physical verification of works completed in hand, so that the balance sheet depicts the true and fair view of the state of affairs of HIMUDA.

7.3 Non settlement of “Cash in Transit” account” ₹2.54 crore (Cr.)

An amount of ₹2,54,42,963.74 Cr. has been shown under the head “Cash in Transit” in **Schedule XLV** under current assets in the balance sheet which seems to be irregular because as per accounting principle, current assets has always debit balance and thus this amount should have been shown under current liabilities in the balance sheet. Further from the scrutiny of record it is revealed that majority amount of Cash in transit with different Divisions was not reconciled even after lapse of two to six years as per detail given below. It is, therefore, advised that the said account may be reconciled immediately with the accounts maintained at

Divisions level, so that the true and fair view of the factual position in the final accounts could be ascertained:-

Name of Division	opening balance as on 1.4.15 (₹)	Closing Balance as on 31.3.16 (₹)	Period for which outstanding for adjustment
Cash in Transit Mandi Division	10,00,000 Cr.	10,00,000 Cr.	More than two years
Shimla Division-II	25,00,000 Dr.	25,00,000 Dr.	More than two years
Dharamshala Division (4-2012)	1,50,00,000 Dr.	1,50,00,000 Dr.	More than six years
Dharamshala cash in transit (22.3.13)	49,99,999.26 Dr.	49,99,999.26 Dr.	More than two years
Division- 1(Cash in Transit)	7,00,000 Cr.	7,00,000 Cr.	More than two years
Electrical Hamirpur Cash in Transit	5,00,000 Dr.	5,00,000 Dr.	More than two year
Electrical Shimla Cash in Transit	4,67,42,963 Cr.	4,67,42,963 Cr	More than two year

7.4 Non recovery of ₹2.66 crore on account of excess expenditure incurred on “Deposit Works” from other Departments

An amount of ₹2,66,28,157.00 Dr. was shown under the head “Recoverable Amount on A/C of Other Dept. Scheme” (**Schedule XLVII**) in current assets of the Balance Sheet as per detail given below:-

Sr. No.	Name of Scheme	Amount (₹)
1	Police Rental Housing Scheme (Net)	1,15,19,725.55 Dr.
2	Deposit work for Navodya Vidyalaya	93,79,963.16 Dr.
3	Govt. Rental Housing Scheme (Part-1)	57,28,468.29 Dr.
	Total	2,66,28,157.00 Dr.

From the scrutiny of the record, it has been noticed that the amount is pending for recovery on account of excess expenditure incurred by HIMUDA against amount received for these schemes under Deposit Work. Thus, incurring of expenditure over and above the amount received is a serious irregularity. It is pertinent to mention here that on the one hand the HIMUDA is paying interest @ 12% to 14% on borrowed capital for execution of own Schemes/Colonies but on the other hand, HIMUDA is also facilitating the departments without claiming

interest on excess expenditure. The matter is therefore, brought to the notice of the higher authorities to take necessary action immediately to recover the outstanding amount along with interest from concerned departments.

7.5 Non adjustment of staff advance of ₹0.45crore

An amount of ₹6,19,95,593.59 Cr.(50,71,426+5,69,24,167.59) was shown under the head “Loan & Advances to Staff” and “Loans & Advances(Assets)” respectively under **Schedule XL&LV** in current assets of the Balance Sheet but due to wrong Cr. of ₹6,65,03,410 vide Journal voucher No.29 dated 31.03.16 pertaining to Electrical Division Dharamshala (HMR) to the Account as pointed out **vide preceding Para No. 4.3**, the actual recoverable amount of outstanding staff advance comes out to ₹45,07,816.41. This huge amount was lying outstanding for recovery since long, but no serious efforts seems to have been made to adjust/recover these advances. Therefore the Authority is advised to take appropriate immediate action for the settlement of said pending advances.

7.6 Non Reconciliation of “Cost of Sale Receivable” account of ₹4.03 crore

An amount of ₹4,03,47,249.78 was shown under the head “Cost of Sales Receivable” (Schedule XXXI), in current assets of the Balance Sheet. The scrutiny of account revealed that no record/details of this account was prepared and this amount was not reconciled. This irregularity was also reported in previous Audit reports but no action seems to have been taken by the HIMUDA authorities. It is, therefore, advised once again that the accounts may be reconciled immediately.

7.7 Payment of Advance tax of ₹13.41 crore

An amount of ₹13,41,17,808.98 was shown under the head “Income tax recoverable from IT Department” in current Assets of the Balance Sheet (Schedule-XXXII) On scrutiny of records, it has been observed that advance income tax was paid to the income tax Department but no final assessment of tax was got conducted by the HIMUDA authorities from the said Department resulting thereby a huge amount pending for settlement since 2005-06. Therefore, necessary steps may be taken for final assessment of income tax so that financial statements depict the true and fair position of the HIMUDA’s state of affair.

7.8 Non recovery of ₹3.51 Crore on account of “Maintenance charges receivable”

An amount of ₹3,51,17,148 was shown under the head Maintenance Charges Receivable **Schedule XLIII** in current assets of the Balance Sheet. The year wise detail is given below:-

Sr. No.	Year	Amount Receivable (₹)
1	2007-08	1,72,67,815.00
2	2008-09	1,93,30,007.00
3	2009-10	2,48,83,502.00
4	2010-11	2,92,77,194.00
5	2011-12	2,97,53,488.25
6	2012-13	3,62,37,094.00
7	2013-14	3,36,92,039.00
8	2014-15	3,79,75,201.00
9	2015-16	3,51,17,148.00

The year wise comparative view clearly shows that the recoverable amount is increasing sharply though it slightly reduced in 2015-16 and is a matter of serious concern. Therefore, suitable instructions are required to be issued from the Head Office to the Divisions for taking effective steps immediately for the recoveries of outstanding amount in a time bound manner.

7.9 Non-adjustment of ₹12.74 lac shown under head “Rectification (Cash Book)-1”

An amount of ₹12,73,840.24 Dr. has been shown under the head “Rectification(Cash Book)-1” (**Schedule XXXIV**) in current asset of Balance Sheet and observed that no adjustment/rectification was made during the year 2015-16. Hence it is advised that the necessary steps may be taken to adjust the above amount so that true & fair view of the factual position to be shown in the balance sheet could be ascertained.

7.10 Non adjustment of Accounts worth ₹1.33 crore

An amount of ₹1,32,58,286.92 Dr. was shown under various heads of account in respect of “Current Assets” in the Balance Sheet as per detail given below. But no efforts seems to have been made to settle/adjust these accounts. Therefore strenuous efforts may be made to settle these accounts in accordance with rules/regulations and accounting principles in a time bound manner so that true & fair view of state of affairs of HIMUDA could be reflected by the financial statements:-

Sr. No.	Head	Schedule No.	Amount in (₹)	Remarks
1	Material for works in store (NVP)	XXVI	39,35,946.68	The amount is pending for final settlement for thirteen years
2	Other miscellaneous advances (NVP)	XXVII	2,41,644.37	The amount is pending for final settlement for thirteen years.
3	Suspense A/C (Current Assets)	XXIX	5,76,425.00	The amount is pending for final settlement for last several years
4	Sundry Debtors	LI	85,04,270.87	
Total			1,32,58,286.92	

7.11 Suspected irregularity with regard to credit balances depicted under various heads of accounts pertaining to Current Assets (Schedule-E).

During the course of audit it has been observed that the closing balances under various heads of accounts pertaining to Current Assets (Schedule-E) have been shown as credit as detailed below which seems to be irregular because as a matter of accounting principle, the current asset has always a debit balance. Thus, showing of credit balance of current assets implies that either the amount has been recovered in excess or excess credit has been given to the debtors or the current liabilities have been shown under current assets and vice-versa:-

Head of Account	Amount(₹)	Sub-Schedule
Loans & Advances to staff	50,71,426.00 Cr.	LV
Rent Charges Receivable	1,84,072.00 Cr.	XXVIII
Income Tax (TDS) Pensioner A/C	1,77,087.00 Cr.	XXXIII
Water Charges Receivable	39,82,845.00 Cr.	XXXIX
Loans & Advances (Asset)	5,69,24,167.59 Cr.	XL
Other Misc. Advances	8,99,015.00 Cr.	XLII
Cash in Transit	2,54,42,963.74 Cr.	XLV
Imprest & CSS A/C	26,39,99,361.69 Cr.	XLIX
Misc. Advance A/C	25,17,069.39 Cr.	L

It is further amplified that similar irregularity also exists under different sub-schedules attached with main Schedule-E of current assets. For instance, the detail of such credit balances of sub heads in respect of Schedule-E 'Work in Progress C/O Building' (Sub-Schedule-LII) was as under:-

Head of Account	Sub-Head	Amount(₹)	Sub-Schedule
Work in Progress C/O Building	Acquisition of land at Jathia Devi Shimla	3,98,04,000 Cr.	LII
Work in Progress C/O Building	C/O Admin Block at Dharamshala	16,96,000 Cr.	LII
Work in Progress C/O Building	Maintenance Charges Baddi	50,87,812 Cr.	LII
Work in Progress C/O Building	Maintenance Charges Receivable Kalujhanda	1,06,94,783 Cr.	LII

Therefore, reasons and circumstances leading to the said discrepancies/irregularities in main schedule as well as sub-schedule needs to be sorted out and reconciled besides doing necessary corrections in the final accounts so that financial statements depict HIMUDA's true state of affairs.

7.12 Error in totals of Current Assets Schedule LII "Work in Progress C/O Buildings".

During the course of audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that the balance taken in Balance Sheet under head Current Assets does not tally with the total of schedule due to totaling errors in sub Schedule LII "Work in Progress C/O Buildings" as per detail given below which will affect the position of Balance Sheet as on 31.03.2016. Therefore, the said discrepancies may be reconciled and concerned financial statements got rectified accordingly:-

Sr. No.	Head of Account	Actual amount (₹)	Amount shown in Schedule LII (₹)	Error in total (Diff.) (₹)
1	Acquisition of land at various places	5,92,91,762.30 Dr.	5,84,14,310 Dr.	8,77,452.30 Dr.
2	Housing Scheme	8,24,07,02,145.98 Dr.	8,18,22,87,835.98 Dr.	5,84,14,310 Dr.
3	Grand Total of Schedule LII	50,78,58,575.83 Dr.	50,69,81,123.53 Dr.	8,77,452.30 Dr.
4	Balance Sheet/ Current Assets	50,78,58,575.83 Dr.	50,69,81,123.53 Dr.	8,77,452.30 Dr.

8. Less accounting of interest receivables on FDRs amounting to ₹45.07 lakh in final accounts of HIMUDA for the year 2015-16.

During the course of audit, it has been observed from the perusal of statement of FDRs put up to audit, that an amount of ₹4,83,55,870 was

accrued/received as interest on FDRs during the financial year 2015-16 out of which after TDS of ₹45,06,922 the net interest receivable amount was ₹4,38,48,948 which actually stand reinvested in FDRs/deposited in bank but according to Journal Voucher No. 95, dated 31.3.2016, the amount of interest credited as income was ₹4,38,48,948 instead of ₹4,83,55,870 which is Less by ₹45,06,922. Further due to totalling error, the closing balance of FDRs as on 31.3.2016 was shown/taken as ₹60,75,33,450(Dr.) instead of ₹60,75,03,450(Dr.) which is excess by ₹30,000(Dr.). These irregularities not only affect the Assets & Liabilities position but also the net profit shown in the Profit & Loss Account as per detail given below:-

Head of Account	Actual Amount (₹)	Amount shown/taken (₹)	Difference (₹)	Effects in Financial Statements
Interest accrued/received on FDRs (Income)	48355870 Cr.	43848948 Cr.	4506922 Cr.	understatement of income/net profit in the P & L Account as well as liability side of Balance Sheet
TDS (Prepaid) during the year	4506922 Dr.	-----NIL---	4506922 Dr.	The amount of TDS has not been journalised hence resulted the understatement of current assets.
Closing Balance Fixed Deposit (Asset)	607503450 Dr.	607533450 Dr.	30000 Dr.	Under statement of Fixed Deposits in the Balance sheet.

Thus the Balance Sheet as well as Profit & Loss Account put up to audit is not depicting the true & fair position of HIMUDA affairs to the extent. Therefore, the said discrepancies may be reconciled and concerned financial statements be rectified accordingly.

9. The following observations relating to profit & loss account may be attended to

9.1 Irregular charge of capital expenditure of ₹125 lakh on account of electrification of Mandhala Colony as revenue expenditure to Profit & Loss Account for the year 2015-16 under head Electricity & Water Charges.

During the course of audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that an amount of ₹1,25,00,000 was paid to

A.E. HP State Electricity Board, Division Chhota Shimla vide Payment Voucher No. 257 dated 21.5.2015 on account of electrification of Mandhala housing colony. Being capital expenditure of colony, the same was required to be capitalized and charged to head 'work in progress' of Mandhala Colony under current assets. But it has actually been charged irregularly as revenue expenditure to Profit & Loss Account under head 'Electricity & Water Charges'. Resultantly, the profit, current assets and current liabilities have been decreased whereas revenue expenditure inflated to the extent. Therefore, the said discrepancies may be reconciled and concerned financial statements be got rectified accordingly.

9.2 Irregular treatment of receipt of ₹12.52 crore as indirect income under head Misc. Receipts in Profit & Loss Account.

During the course of test audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that following receipts to the tune of ₹12,52,48,409 pertaining to Dharamshala Division shown under respective heads of account vide Journal Voucher No. 3, dated 31.3.2016 have irregularly been treated as indirect income under head Misc. Receipts in Profit & Loss Account **Schedule-'H'** due to which amount of profit of ₹1,26,57,599.11 shown in Profit & Loss Account stands inflated by the said amount whereas after rectification of the error there would be net loss of ₹11,25,90,810 instead of net profit. Besides this, the position of current assets & current liabilities shown in the balance sheet will also be affected by the said wrong classification of receipt. Since the irregularity pointed out will greatly affect the position shown in the financial statements particularly in Profit & Loss Account, therefore the matter is brought to the notice higher administrative authorities of HIMUDA for proper justification & taking necessary steps to rectify the discrepancies in the financial statements put up to audit so that said statements depict true & fair view of the state of affairs of HIMUDA:-

Account	Nature of Income	Head of Account	Sub-Head	Amount	Remarks
Profit & Loss Account	Indirect Incomes	Misc. Receipts	Receipt from CEO-cum-Secretary Shimla	11,90,00,000 Cr.	Amount to be shown in Balance Sheet under Imprest & CSS A/C and adjustable under Current Assets/current liabilities as the case may be.
			Withheld Amount	59,68,927 Cr.	Amount shown & adjustable under Current Assets/current liabilities as the case may be.
			Secured Advance	2,79,482 Cr.	-do-
				12,52,48,409 Cr.	

9.3 Irregular classification of net amount of ₹36.54 lakh (Dr.) of Misc. Advance as indirect income under Head Misc. Receipts in Profit & Loss Account.

During the course of test audit of the final accounts of HIMUDA for the financial year 2015-16, it has been observed that net balance of ₹36,54,817 (Dr.) pertaining to Dharamshala Division shown under head Misc. Advance A/C was irregularly treated/classified as Misc. Receipts under head Indirect Income in Profit & Loss Account (**Schedule-‘H’**) vide Journal Voucher No. 17, dated 31.3.2016 whereas the transactions being of capital nature are required to be classified and shown under head current assets in the balance sheet. Thus irregular classification of receipts/payments affects the position of profit/current assets shown in the balance sheet as per detail below and therefore the financial statements do not depict the true & fair view of the state of affairs of HIMUDA to the extent. The irregularity may either be justified/reconciled or the concerned financial statements be got rectified accordingly:-

Head of Account	Account where amount shown	Account where to be shown	Amount (₹)	Effects in Financial Statements
Misc. Advance A/C	Profit & Loss Account- Indirect Incomes- Misc. Receipts	Balance Sheet-current assets	2,38,78,786 Dr. 2,02,23,969 Cr. Net Balance= 36,54,817 Dr.	Under statement of profit in P&L A/C and current assets in balance sheet

9.4 Suspected irregularity with regard to minus balances depicted under various heads of account pertaining to Income & Expenditure sides in the Profit & Loss Account for the financial year 2015-16 (Schedule-H).

During the course of audit it has been observed that the balances under various heads of accounts pertaining to income & expenditure sides of the Profit & Loss Account (Schedule-H) have been shown as minus as detailed below which seems to be irregular because as a matter of accounting principle, the income or expenditure side may not have minus balance. Thus, showing of minus balances of income or expenditure implies that either the amount has been classified under wrong head/side or excess debit/credit has been given to the income/expenditure head of accounts or transactions of current liabilities/assets have been classified as revenue expenditure/income etc.:-

Profit & Loss Account for the year ending as on 31.3.2016

Particulars	Amount (₹)
(A) Income (Credit Side):-	
License Fee A/C of Promoter	(-) 8,616
Sewerage Connection Fee	(-) 2,36,112
(B) Expenditure (Debit Side):-	
CPF Board Share A/C	(-) 93,166
Appeal Charges	(-) 3,28,154
Demages Charges	(-) 36,851
Service Tax Payment (P&L) A/C	(-) 939
Stock Storage Expenses	(-) 14,72,690
AR & MO of Vehicle	(-) 38,26,51
Bank Charges	(-) 24,835
RM of Vehicle	(-) 27,07,322
Misc. Expenses	(-) 86,293

Therefore, reasons and circumstances leading to the said discrepancies/irregularities in Profit & Loss account may be sorted out and reconciled besides doing necessary corrections in the final accounts so that financial statements depict HIMUDA's true state of affairs.

9.5 Huge gap of ₹19.70 crore between Administrative/Departmental charges received and Establishment Expenditure incurred by HIMUDA

An expenditure of ₹20,07,76,826 was incurred on salary of staff during the year against the receipt of Administrative/Departmental charges of ₹37,94,822 which clearly indicates that the construction activities are not matched with administrative expenses i.e. salary etc. There is dire need to increase the construction activities to bridge the huge gap of ₹19,69,82,004 (₹20,07,76,826 - ₹37,94,822). Hence the HIMUDA authorities are advised to increase its constructions activities in order to bridge the gap between departmental charges received and administrative expenditure incurred from time to time.

9.6 Revenue loss of ₹9.08 crore on Maintenance of Colony

From the perusal of Profit & Loss Account, it is revealed that an expenditure of ₹9,74,73,455 was incurred on repair and maintenance of various colonies against the actual receipt of ₹66,47,142 resulting thereby a revenue loss of

₹9,08,26,313 on this account which needs full justification. The HIMUDA authorities are advised to bring the expenditure on maintenance of various colonies at par with the receipt on this account, to avoid the revenue losses, in future.

9.7 Surplus on sale of colonies of ₹2.37 crore

Surplus on sale of colonies of ₹2,36,63,430.10 was shown in the profit and loss account. This amount pertains to yearly profit calculated by HIMUDA on the basis of percentage completion of works of different colonies, the adjustment of which shall be carried out subsequently on completion and finalization of costing of each colony. Hence the amount stated above should have been shown under the head “Deemed Profit on Work in Progress” instead of “Surplus on sale of colonies”. It is, therefore, advised that nomenclature of this account head may be examined and necessary correction may be carried out unless justified.

9.8 Wrong classification of payments of ₹312.10 lakh as expenditure in Annual Accounts for the Financial year 2015-16.

From the perusal of the relevant record in r/o selected month 3/2016, put up to audit, it has been observed that an amount of ₹15,37,440 was paid as leave encashment to the Board employees out of HIMUDA fund vide voucher No. 2158, dated 31.3.2016 and the same was wrongly debited to ‘leave encashment and charged to Profit & Loss Account of HIMUDA whereas being receivable amount from Employees Leave Encashment Fund constituted & maintained by the Himuda for the purpose separately in which ₹401.46 Lac were lying in credit as on 31.03.16, the above said leave encashment payment should have been debited to ‘Leave Encashment Trust/Receivable Account’ and shown as Debtors under Head current Assets on Asset side of the Balance sheet. On detailed audit, the irregularity during the whole financial year 2015-16 amounts to ₹3,12,09,550 as per detail given below: -

Month	Journal/cash Voucher No.	Date	Amount (₹)
(i) HQ Himuda			
6/2015	Cash Vr. No. 479	30.6.15	5,69,413
10/2015	Cash Vr. No.1026	1.10.15	5,61,180
11/2015	Cash Vr. No. 1343	27.11.15	22,842
	Cash Vr. No. 1344	27.11.15	5,58,590
1/2016	Cash Vr. No. 1602	6.1.16	8,841
2/2016	Cash Vr. No.1949	29.2.16	5,90,220

3/2016	Cash Vr. No.2158	31.03.16	15,37,440
3/2016	Cash Vr. No.2165	31.03.16	1,00,00,000
3/2016	Cash Vr. No.2166	31.03.16	1,00,00,000
(ii) Dharamshala Division			
3/2016	Journal Vr. No.12	31.3.16	30,40,649
(iii) Division-I			
3/2016	Journal Vr. No.24	31.3.16	22,27,766
(iv) Electrical Division Dharamshala (HMR)			
3/2015	Journal Vr. No.27	31.3.16	10,12,816
(v) Division Mandi			
3/2016	Journal Vr. No.2	31.3.16	10,79,793
Grand Total (i)to(v)			3,12,09,550

The above irregularity resulted in to understatement of current Assets ,net profit, Reserve & surplus and over statement of expenditure of ₹3,12,09,550 and thus the Balance Sheet as well as Profit & Loss Account is not depicting the true & fair position of HIMUDA affairs to the extent. Therefore, the said discrepancy may be reconciled and concerned financial statements be rectified accordingly besides ensuring replenishment of 'HIMUDA Fund' from 'Employees Leave Encashment Fund' by the said amount.

10. Annual Accounts

While consolidation of the Trial Balance of various Divisions & H.Q. Office with the Trial Balance & final Accounts of HIMUDA for the Year 2015-16, the following errors of omission/commission have been observed:-

10.1 Transactions of huge amount of ₹43.04 crore of various Divisions not at all journalized at H.Q. level in the Final accounts of HIMUDA.

It has been observed that the during the course of Audit of final accounts of HIMUDA for the F.Y. 2015-16. transactions involving huge amount ₹9,36,42,887 Debit & ₹33,67,19,513 Credit =Total ₹43,03,62,400 under different head of accounts of various Divisions, as stated in Table(A) & (B) respectively of **Annexure-A** of this report, have not at all been journalized while consolidation of accounts at H.Q. level which leads to wrong depiction of profits /Reserve & surplus/Income/expenditure/current Assets/ Current Liabilities shown in the P&L account and Balance Sheet for the year 2015-16 and thus affect the true & fair position of the state of affairs of the Himuda being shown as on 31.3.2016

10.2 Transactions of huge amount of ₹39.31 crore of various Divisions wrongly booked with wrong head or amount or on wrong side at H.Q. level in the Final accounts of HIMUDA.

(i) While consolidation of accounts at H.Q. level, the transactions involving huge amount ₹22,67,27,695.78 & ₹16,63,86,765.25 =Total ₹39,31,14,461.03 under different head of accounts of various Divisions, as stated in Table(A) & (B) respectively of **Annexure-B** of this report, have been Journalized/booked with wrong amount or under wrong head of account besides wrong side i.e debiting instead of crediting the head of account or vice versa which resulted into wrong depiction of profits/Reserve & surplus/Income/expenditure/current Assets/Current Liabilities shown in the P&L account and Balance Sheet for the year 2015-16 and thus affect the true & fair position of the state of affairs of the Himuda being shown as on 31.3.2016. Few examples of effect on the financial statements of such type of said transactions involving major amounts have been narrated vide Table (C) of said **Annexure-B** of this Report.

Therefore the said errors/irregularities may be justified & reconciled besides making necessary rectification in the final accounts so that financial statements depict HIMUDA's True state of affairs.

10.3 Depiction of figures under multi similar/same head of accounts maintained in computerized Tally software

During the course of test audit of the final accounts of HIMUDA H.Q. for the financial year 2015-16, it has been observed that following Amounts have been depicted under multi similar/same heads and sub heads of accounts maintained in the computerized Tally software. It is due to creating/opening of similar head of accounts with minor/slight difference. Resultantly, it is creating confusion over bona fide accountal of figures in the various financial statements. Hence, it is suggested that this practice may be dispensed with and similar nature of head of A/Cs may be grouped in one head only to facilitate perusal of factual balances under particular head of A/Cs by various authorities in unambiguous manner besides ensuring suitable correction of discrepancies in the concerned schedules and so in the financial statements also, wherever necessary:-

Sr. No.	Head of account	Schedule	Amount (₹)	Remarks
1	Loans & Advances (Assets)	Current Assets Schedule-XL (i)Head Office LTC (ii)LTC Advance A/C	50,71,426 Cr. 50,71,426 Cr.	Figure shown under detailed inner heads but not included in the total of this main head

	Loans & Advances to staff	Current Assets Schedule-LV	50,71,426 Cr.	Figure originally shown and taken in total under this head
2	Work in Progress C/O Buildings:- Acquisition of land at various places	Current Assets Schedule-LII	38,910 Cr. 3,472.30 Dr. 31,237 Dr. 1,221 Dr. 3,148 Dr.	Figures shown under this head but not included in total.
	Work in Progress C/O Buildings:- Housing Scheme:- Acquisition of land at various places	Current Assets Schedule-LII	38,910 Cr. 3,472.30 Dr. 31,237 Dr. 1,221 Dr. 3,148 Dr.	Figures shown under this head but not included in total.
	Work in Progress C/O Buildings:- Acquisition of land at various places (New)	Current Assets Schedule-LII	3,472.30 Dr. 31,237 Dr. 1,221 Dr. 3,148 Dr.	Figures shown and originally taken in total under this head.
	Work in Progress C/O Buildings:- Receipt from Allottees	Current Assets Schedule-LII	38,910 Cr.	Figure shown and originally taken in total under this head.
3	Service Tax under head Duties & Taxes	Current Liabilities Schedule-XVI	4,40,45,305 Dr.	Figures shown and originally taken in total under this head.
	Misc. Receipts under Indirect Incomes	Profit & Loss Account Schedule-H	12,20,82,756 Cr.	Figures shown and originally taken in total under this head.
4	Misc. Receipts A/C under Indirect Incomes	Profit & Loss Account Schedule-H	65183733 Cr.	-do-

10.4 Wrong classification of receipt of income of ₹19.16 lakh on account of forfeiture of Earnest Money deposited by allottees as current liability

During the course of audit of receipts/expenditure in respect of selected month 03/2016, it has been observed that in accordance with terms & conditions of the allotment of flats/plots, the amount of earnest money was forfeited due to cancellation/surrendering of allotted plots/flats under various housing colonies. But the amount of earnest money so forfeited was wrongly credited to the head 'Earnest Money' under current liability instead of income head 'Forfeiture of Earnest Money A/C' under Profit & Loss Account. This irregularity resulted into decrease in income/profit/reserve & surplus and increase in current liability to the tune of ₹19,16,029 as per detail given below:-

Sr. No.	Bill/Voucher & Date	Name of Allottee & Plot No. (S/Sh.)	Forfeited amount of Earnest Money & interest (₹)
1	02.03.2016/1963	Satinder Kumar (B-183),	188000

2	02.03.2016/1964	Mandhala, Solan Mahesh Madan (B-196), Mandhala, Solan	138000
3	02.03.2016/1965	Pradeep Kumar (A-21), Mandhala, Solan	192000
4	14.03.2016/1966	Kuldeep Kumar Grewal (B-108), Mandhala, Solan	138000
5	14.03.2016/1967	Phoola Rani (B-58), Mandhala, Solan	138000
6	02.03.2016/1968	Neelam (B-26), Mandhala, Solan	138000
7	02.03.2016/1969	Sohan Lal (C-113), Mandhala, Solan	88000
8	02.03.2016/1970	Gurdev Singh (B-91), Mandhala, Solan	138000
9	14.03.2016/2045	Harpal Singh (B-47), Mandhala, Solan	115954
10	14.03.2016/2046	Ram Kumar (B-152), Mandhala, Solan	138000
11	14.03.2016/2047	Sameer Singh (C-195), Mandhala, Solan	88000
12	02.03.2016/2048	Praveen Kumar (B-105), Mandhala, Solan	138000
13	14.03.2016/2049	Ashok Kumar (B-163), Mandhala, Solan	138000
14	14.03.2016/2056	Swaraj Chaudhary (C-305), Mandhala, Solan	44275
15	15.07.2016/589	Dinesh Bansal, Cat-IV, Flat No. 3, Block No. 13, Flower Dale, Shimla	95800
Total			1916029

Therefore, the irregularity may either be justified or the necessary correction may be made in the final accounts as well in the financial statements besides taking similar action in other similarly situated cases which may be sorted out at their own level so that the financial statements show true & fair position of HIMUDA.

10.5 Wrong classification of Payment of Imprest amounting to ₹30 crore to the Head of account 'Acquisition of land at Jathia Devi' under current Asset

During the course of audit of receipts/expenditure in respect of selected month 03/2016, it has been observed that an amount of ₹30 crore , as detailed below, was paid as imprest to The Tehsildar ,HIMUDA to defray the expenditure relating to the Acquisition of land at Jathia Devi & accordingly the said amount was transferred to separate Saving A/c no. 916010006622432 opened in the Axis Bank in the name of Tehsildar, HIMUDA:-

Sr.No	Voucher No.	&	Particulars	Amount (₹)
.	Date			
1.	1781/03.02.16	Paid to	Tehsildar ,HIMUDA	10000000.00
2.	1782/03.02.16	Paid to	Tehsildar ,HIMUDA	30000000.00
3.	1789/03.02.16	Paid to	Tehsildar ,HIMUDA	20000000.00
4.	1837/08.02.16	Paid to	Tehsildar ,HIMUDA	10000000.00
5.	1874/12.02.16	Paid to	Tehsildar ,HIMUDA	30000000.00
6.	2060/15.03.16	Paid to	Tehsildar ,HIMUDA	100000000.00
7.	2107/26.03.16	Paid to	Tehsildar ,HIMUDA	100000000.00
Total				300000000.00

While journalising the above said transactions, the amount of ₹30 crore was irregularly debited directly to the Head of account 'Acquisition of land at Jathia Devi' instead of 'Imprest to The Tehsildar ,HIMUDA A/c'. This irregularity can further be amplified with the fact that as on 31.03.16 , out of total amount of imprest of ₹30 crore only ₹26,13,42,532 was utilised for the purpose of Acquisition of land at Jathia Devi whereas ₹3,88,80,962 (including interest earned on saving account ₹2,23,494) was still lying in credit in the above said saving account in Axis Bank. This clearly shows that finally as on 31.03.16 ₹3,86,57,468 was charged / debited in excess to the Head of account 'Acquisition of land at Jathia Devi' whereas interest earned/credited in the above said saving account of ₹2,23,494 was not at all journalised as credit to the Head 'Interest Receipt Income' in Profit & Loss Account. Resultantly the income/profit/reserve & surplus as well as Current Assets decreased to the extent of ₹2,23,494 whereas balances of Head of account 'Acquisition of land at Jathia Devi' inflated

& Bank balance deflated to the extent of ₹3,86,57,468 and thus the Financial Statements put up to Audit does not depict the true & fair view of the state of affairs of HIMUDA to the extent. Therefore the said discrepancies may be reconciled and concerned financial statements got rectified accordingly.

11 Construction Divisions

The serious irregularities noticed during the audit of accounts of all construction divisions for the year 2015-16 are exhibited below for taking further necessary action.

11.1 Excess payment of ₹ 21.63 lac to the various contractors & suppliers

The detailed checking of construction bills revealed that excess payment of ₹21.63 lac was made to the various contractors due to calculations errors, wrong payment of rates, less recovery of material, non deduction of statutory dues ie. Royalty, sales tax, income tax, labour cess, excess payment of security, non approval of rates from competent authority etc. The division wise detail of excess payment is given below:-

Sr. No.	Name of the Division	Para No	₹(in Lacs)
1	Shimla Division No-I	17.1,18.2,18.3,20.1,22.1 व 23	0.85
2	Shimla Division No-II	8(i) से (iv),9, 11(ii),12(i) व 17	3.14
3	Mandi Division	11(क) व 15	0.12
4	Parwanoo Division	8,10(क),11(ख),12(क)व(ख),13(क),19 व 20	1.52
5	Dharamshala Division	10,11,12,14(ख),15(ख),18(क),22(ख), 23(ख) व 24(ख),	16.00
Total			21.63

11.2 Non recovery of secured advances amounting to ₹ 43.04 lac. from various contractors

From the scrutiny of the record of secured advances paid to the various contractors, it is revealed that secured advances of ₹ 43.04 lac as per detail given below were pending for recovery as on 31-03-2016. As per the provisions of contract agreement, the secured advances are sanctioned when the material is required for immediate use in the work. In such a situation, the recovery of secured advances is to be effected from the next running bill of the work, whereas, the secured advances were pending for recovery for a long period. Thus, non recovery of secured advances in a time bound manner is a serious irregularity. The HIMUDA may take

necessary steps to effect the recovery of secured advances unless the delay is justified. The division wise detail of pending recovery of secured advances is given below:-

Sr. No.	Name of the Division	Para No	₹ (in Lacs)
3	Electrical Div. Shimla	5	28.05
4	Electrical Div. D-Shala	6	14.99
Total			43.04

11.3 Non utilization of stock articles of ₹ 9.46 lac.

During the examination of stock account of construction Shimla Division-I and Dharamshala Division, it is noticed that stock articles worth ₹9.46 Lac was lying unutilized since long time as per detail given below. The reasons for non utilization of stock articles may be intimated besides utilizing the same.

Sr. No.	Name of the Division	Para No	₹ (in Lac)
1	Shimla Division No-I	9	9.46
Total			9.46

11.4 Irregular/excess payment of Salary and TA of ₹8.48 lac.

While examining the establishment expenditure of various divisions, it is noticed that irregular/excess payment of ₹8.48 lac was made to the employees of divisions/Head Office. The authority may take necessary action for regularization of irregular payments besides effecting the recovery of excess payment of pay and allowances. The division wise detail of the excess/irregular payment is given below.

Sr. No.	Name of the Division	Para No	₹(in lac)
1	Head Office	53	5.25
2	Shimla Division No-I	10.1	0.02
3	Shimla Division No-II	24 व 25	0.18
4	Parwanoo Division	25,26,27,28 व 29	3.03
Total			8.48

11.5 Non adjustment of staff/miscellaneous advances of ₹465.15 lac.

A sum of ₹465.15 lacs on account of staff/miscellaneous advances were lying pending for adjustment since long time with the staff members and various contractors. The adjustment of these advances may be ensured. The division wise detail is given below:-

Sr. No.	Name of the Division	Para No	₹(in lac)
1	HIMUDA HQ	11 व 12	116.44
2	Shimla Division No-I	5,5.1 व 5.2	100.10
3	Shimla Division No-II	4(क),(ख)	27.62
4	Mandi Division	4 व 18	182.10
5	Dharamshala Division	5(क)	31.26
6	Electrical Div. Shimla	4(क),(ख)	7.29
7	Electrical Div. D-Shala	7	0.34
Total			465.15

12 Pending Audit Reports/ paras

The position of the outstanding audit paras as on 31-03-2016 in respect of Head Office and seven divisions* of HIMUDA are given below. There are 1304 audit paras pending for settlement. The executive Engineer/Chief Accounts Officer are responsible of the settlement of audit paras but it is very strange that inspite of best efforts of this department these paras could not be got settled. Non settlement and increasing para indicates inadequate response to audit findings and observations and thus leads to wearing away of accountability. The CEO cum Secretary HIMUDA may review the compliance/settlement of outstanding audit paras periodically so that the maximum audit paras can be settled.

S. N.	Name of the Division	Audit Period	Outstanding para prior to audit period	Paras added during the current audit	Total	Paras settled during the current audit	Balance
1	Head Office	4/15 to 3/16	429	56	485	37	448
2	Shimla Division No-I	4/15 to 3/16	305	26	331	25	306
3	Shimla Division No-II	4/15 to 3/16	107	23	130	45	85
4	Mandi Division	4/15 to 3/16	139	22	161	76	85
5	Parwanoo Division	4/15 to 3/16	53	31	84	34	50
6	Dharamshala Division	4/15 to 3/16	254	31	285	50	235
7	Electrical Division Dharamshala	4/15 to 3/16	21	7	28	7	21
8	Electrical Division Shimla	4/15 to 3/16	71	14	85	11	74
Total			***1379	210	1589	285	1304

*** Above paras also includes sub paras.

**Director,
Local Audit Department,
Himachal Pradesh, Shimla-09**

