
Audit and Inspection Note/Report on the accounts of Shimla
 Development Authority, Khalini, Shimla-171002, H.P.

Period: 4/87 to 3/88.

P A R T - I

1. Last Audit report: The position of last audit reports is given below:-

(a) Audit report for the period 1983-84:

- i) Para 10(a)(iii) Outstanding.
- Para 10-a(iv)(v-b)(vi)&(viii) settled.
- ii) Para 10-B(d)&(f) Outstanding.

(b) Audit report for the period 84-85.

- I) Para 17,18,25(i)(ii) Settled.
- ii) Para 21,22,24,A(iii),(xi) Outstanding.
- 24-B(iv),24-c(iii),(v),(vii)
(x) and 25(iii) and 25(iv)

(c) Audit report for the period 85-86:

- i) Para 11(vi),(xviii) Settled.
- ii) Para 9 Outstanding.
- iii) Para 11(xxxii),(xxxiii),
(xxxiv),(XL),(XLIX) (L)
and (Li) Outstanding.

(d) Audit report for the period 86-87:

- i) Para 3(a)&(b) Settled.
- ii) Para 3(c)(i) Outstanding
- iii) Para 3(c)(ii)(iii)(iv),3(d)
(i) and 3(e) settled.
- iv) Para 4 Settled.
- v) Para 5 Outstanding
- vi) Para 6 Settled.
- vii) Para 7

viii) Para 8

ix) Para 9

Latest position
 depicted in the
 Audit Report for
 the period 3/88.
 hence, settled
 from here
 Settled
 Partly settled.

However, no action had been taken to
 start contractor's earned money/
 security register

x) Para 10: Latest position taken in the audit
 report for the period 4/87 to 3/88.
 Hence settled from here. ...2

xi)	Para 11	Outstanding
xii)	Para 12	Settled.
xiii)	Para 13(i),(ii),(iii)&(iv)	Settled.
xiv)	Para 13(v)	Outstanding.
xv)	Para 13(vi)	Settled.
xvi)	Para 13(vii)	Outstanding.
xvii)	Para 14	Outstanding.

P A R T - II.

2. Present Audit: The present test audit and examination of accounts for the period 4/87 to 3/88, the results of which are detailed in the succeeding paragraphs, was conducted by Shri B.R.Sharma, Audit Officer(Inspection) from 10.7.89 to 16.11.89. The accounts for the months of 4/87, 9/11/87 and 2/88 were checked in detail.

3. Finances: The position of finances of the Authority upto and for the year 1987-88 has been depicted in the income and expenditure account and balance sheet attached to the Audit note.

(b) Investments: Rs.53961389.51 stood invested in term deposit receipts in 10 Nationalised Banks as on 31.3.88. However a big amount of Rs.41990000/- has been invested in Punjab National Bank, The Mall Shimla. The investments should be made in minimum three to four Banks so as to avoid errors and omissions in calculation of interest and maturity value of FDRs. The register of investments does not in all cases indicate the period of investments, rate of interest and amount at maturity etc. Though the reasons explained were for earning better interest, yet this discretion should not be utilised in the case of FDRs purchased for bigger amount. The register of FDRs may also be page numbered and every entry be got authenticated. Complete details of FDRs are given at appendix-A to this report.

(c) Loans: The Shimla Development Authority has received loans from the Government of India through the Government of Himachal Pradesh and directly from HUDCO, New Delhi. The position of loans outstanding for repayment as on 31.3 is exhibited below:-

✓

Year-wise details of grants-in-aid/Loan received and repaid upto 31.3.1988 (Rupees in lacs).

Year	Grant-in-aid	Loan assistance from Govt.		MUDCO Loan		Total loan		Amount repaid	
	from H.P.Govt.	of India through H.P.Govt.							
	Amount receive	Amt. received	Total	Amt. paid/repaid	Amt.	Total loan	Amount repaid		
	d(in lacs.)).	in lacs.	loan	Principle	received	(Progressive)	Princi	Balance	
			received	-pal	Rs.		-pal	Rs.	
			upto dat	Balance					
			e(inlac)	(inlac)					
1.	2.	3.	3-A	4.	5.	6.	6-A	7.	8.
1979-80	10.00	-	-	-	-	-	-	-	-
1980-81	3.00	-	-	-	-	-	-	-	-
1981-82	2.00	15.00	15.00	-	15.00	-	-	-	-
1982-83	25.00	13.12	28.12	-	28.12	-	-	-	-
1983-84	20.00	-	28.12	-	28.12	-	-	-	-
1984-85	45.00	6.66	34.78	-	34.78	2.05	2.05	-	2.05
1985-86	60.00	-	34.78	-	34.78	66.16	68.21	1.56	66.65
1986-87	40.00	-	34.78	-	34.78	51.88	120.09	17.36	101.17
1987-88	35.00	-	34.78	75000	34.03	-	120.09	16.29	82.88
Total	240.00							37.11	

sd/-xxx.
Accounts Officer,
Shimla Development Authority,
KHALINI, Shimla-2.

4. Audit Fee: Fee for audit worked out to Rs.3760/- as detailed vide appendix-B to this report. Chief Executive Officer-cum-Chief Engineer, SDA vide Audit Officers requisition No.923/BRS/10060 dated the 23rd Nov., 1989 was requested to credit this amount to Government under the head of account '0070-Other Administrative Services, 60-Other Services, 110-Fee for Government Audit, H.P.' under intimation to this department.

5. Grants-in-aid: Rs.3500000/- (Rupees thirty five lacs) only were received during the year 1987-88 as grant-in-aid by the Shimla Development Authority from the Government of H.P. for acquisition of land for undertaking development, viz. construction of residential complex below the Bishop's Cotton School, Shimla with the condition that the unutilised amount will be refunded to the Government.

The SDA has so far received Rs.240/- lacs (Rupee two crore and forty lacs only) so far as GIA from the Government of HP including the above amount of Rs.35 lacs out of which Rs.19767687.96 have been spent for the purpose it was sanctioned leaving an un-spent balance of Rs.4432313/-. This amount is, therefore, required to be refunded to the Government under the provisions of sanction letters. The needful may be done now and the compliance intimated to this department.

(b) Government has released grants-in-aid to the tune of Rs.240/- lacs as stated above at sub-para(a). From the perusal of the sanctioning letters, the amounts released are simply assistance in the shape of GIA to SDA as such it is to be treated as revenue expenditure and the beneficiaries are to get rebate proportionately on the cost of land. But this is irrelevant in the context of Commercial Organisation where the assets created out of the GIA amount are to be capitalised and its cost is required to be recovered from the allottees/beneficiaries which the SDA is doing. In doing so the amount released by Government is a Capital Fund/revenue funds and thus can be treated as grant in aid. In this case an authoritative decision from Government be sought and further action taken accordingly. This department may also be informed about the decision of the authorities.

6. Works: There has been improvement in the works about

However, some defects/overpayments to contractors were noticed which may be made good now.

(a) Over-payment of Rs.368.10:

Vr.No.33 of 15.9.87 for Rs.19666.40, Construction of RW/BW from RD 0/0 to RD 27(1st running bill), Agency: Shri Gian Chand Contractor.

In this bill it was noticed that measurements of cutting in earth work, placing and laying cement concrete, random rubble masonry and R.R.Masonry(Laid dry) were taken from RD 0 to RD 7.60 in the first step and accordingly the measurements were recorded but measurements of next step were taken from R.D.6.80 to RD 14.60 instead of 7.60 to 14.60. Hence measurement of portion 7.60-6.80 i.e. .80m³ have been taken twice which resulted into an overpayment of Rs.368.10 as noted below:-

(a) Cutting in earth work:

$$\text{Measurement taken } \frac{7.80 \times 1.78 \times 2.70 + 1.20}{2} = 27.07$$

$$\text{Measurement should be } \frac{7 \times 1.78 \times 2.70 + 1.20}{2} = 24.29$$

$$\text{Difference: } 2.78\text{m}^3 \times 5.32 = 14.80$$

(b) Placing and laying of cement concrete in 1:6:12

$$\text{Measurement taken } 7.80 \times 1.78 \times .23 = 3.19$$

$$\text{Measurements should be } 7 \times 1.78 \times .23 = 2.86$$

$$\text{Difference } .33\text{m}^3$$

$$\text{Amount } .33 \times 125.20 \text{ Rs. } = 41.30$$

(c) Random rubble masonry work with hard stones approved quality in foundation and plinth in

$$\text{Difference } .23\text{m}^3$$

$$\text{Vertical band } .28\text{m}^3$$

$$.51\text{m}^3$$

$$\text{Amount Rs. } 159.85 \times .51$$

$$\text{Rs. } 81.50$$

(d) Squared rubble masonry

$$\text{Difference } .15\text{m}^3$$

$$\text{Amount } 0.15 \times 205.65$$

$$30.85$$

(e) Stone filling behind the wall difference

$$\text{Amount } .88\text{m}^3$$

$$.88 \times 44.25$$

$$38.95$$

$$\text{Total over-paid amount Rs.}$$

$$368.10$$

- (b) Voucher No. 5, of 21.9.87 for Rs. 226723.37:
Construction of Social Housing Scheme at Kasumpti Zonal Centre.

Item No. 1/1 i.e. excavation in foundation and trenches etc in all kinds of soils such as pick work, jumper work, blasting including chieselling/wedgeing etc. was executed to the extent of $3.76m^3$ but while carrying forward this item to M.B.No.86(P-52) it was taken as $4.76m^3$. This has resulted into excess payment of Rs.35/- to the contractors M/S SRS & Co Sanjauli which may be recovered now.

- (c) Vr.No.15 of 8.9.87 for Rs.7480.16:

The work of construction of 3.50 meter wide road i.e. cutting in earth work in all kinds of soils and disposal of all excavated soil upto all leads and lifts was awarded to Shri Sagar Ram, Contractor @ Rs.17/- per m^3 . The work was awarded on 17.5.87. He was also awarded the work of 3.50m wide construction of road (vide agreement No.30 of 86-87) on 3.4.87. But this work was awarded @ Rs.15.50 per m^3 . Therefore the work awarded @ Rs.17/- per m^3 could too have been awarded @ Rs.15.50 per m^3 by inviting the contractor for negotiations. He executed $1480.59m^3$ work upto 3rd running bill. Had he been invited for negotiations and awarded work @ Rs.15.50 per m^3 an extra expenditure of Rs.2221/- would have been avoided. The Omission may be accounted for.

- (d) Vr.No.70 of 23.2.88 for Rs.26577.87:
Gross amount Rs.539972.35.

The work of construction of Social Housing Scheme at K.Z.C. (Building portion of EWS/LIG 48 nos flats) Phase-II was awarded to Shri Harvinder Singh Contractor. It was seen that upto this bill i.e. upto 9th running bill cement from store had been issued to the contractor, but recovery of the same amounting to Rs.19390/- against the following indents had not been effected from the contractor. This is a serious lapse and needs explanation besides recovering the amount from the contractor at the earliest.

Indent No. & date	Qty issued	Cost Rs.
508 dated 23.5.87	177 bags.	
515 " 5.6.87	100 bags.	
		<u>Rs.19390.00</u>

- (e) Voucher No.27 of 6.2.88 for Rs.171885.20:
Gross amount Rs. 1262616.60.

Construction of 48 flats under the Social Housing Scheme at KZC Kasumpti providing WS&SI and development of site.

The contractor Shri Ashok Madan was issued 57.828 MT steel upto this 6th bill(running) but while effecting recovery, 1.50 MT steel was shown transferred by him to another work namely c/o 8 nos MIG-II flats phase-IV but recovery of 1.50 MT steel were not shown against this work. The same may be shown at the time of next audit.

Steel weighing 49.800 MT and valuing Rs.298800/- was recovered from the contractor upto this bill still leaving a balance of 6.528 MT. Therefore, recovery particulars of 6.528 MT steel be shown at the time of next audit.

- (f) Vr.No.84 of 26.2.88 for Rs.16005.63:
Gross amount Rs.73270.83

4th running bill of Shri M.P.Jain.
Agreement No.29 of 87-88. Over payment of Rs.301.70.

The work of providing and fixing water supply and sanitary installation, was awarded to the contractor at 108.64% above HPSR-1979. The contractor executed extra and substitute items upto this 4th running bill. But the rate of extra/substitute items had been paid higher than it was admissible. In this way the contractor stood overpaid Rs.301.70 as noted below which may be recovered from him now and future payment may also be regulated accordingly.

Item	Rates	Item	Paid	Executed	Excess	Total
	quoted	Rs.executed	Rates	Quantity	payment	Rs. or Paym
(i) Providing and fixing cast iron/cast iron(spun) spigot and socket soil waste and ventilation pipes.						
50mm dia	64/-	75mm dia.	81/-	21x 123.36RMT	123.36RMT	
(ii) Bends of required degree (item 3(8)(c) of the bill).						
50mm dia 15/-each		75mm dia	24.15	96nos	.81each	133.22
(iii) Collars:						
50mm dia 9/-each		75mm	13.03	72nos	1.26each	77.76

Total:-

... 309.70

(g) Sanction for extra/substitute items executed worth Rs. 265281.63:

Vr. No. 78 of 25.2.88 for Rs. 59460.06
Gross amount " 2305095.55

21st Running bill of Sh W.R. Gupta

The undermentioned extra/substitute items were executed by the contractor, the value of which upto this bill was Rs. 265581.69. This was beyond the powers of Executive Engineer under the provisions of Section of CPWD Manual Vol. II and also as per Schedule of delegation of financial powers of Shimla Development authority. Therefore, this required the sanction of Superintending Engineer which may be obtained and shown at the time of next audit. Final payment of the bill may however not be made so long sanction of extra/substitute items is received from the authority concerned:-

Sr. No.

of bill Name of Extra/substitute items Amount Rs.

1/17	Providing 30mmx3mm flat iron hold fast 40 cm long including fixing to frame and embedded in CC Block of 30x10x15 in 1:3:6	8769.60
2/18	Providing 30mmx3mm flat iron hold fast 20 cm long Rs. 4.22, 810 Nos.	3418.20
3/19	10 mm cement plaster in single coat on fair side of brick walls. Rs. 8.41, 3207.14m ²	26972.05
4/20	Providing and laying cement concrete in 1:1½:3 and curing complete in columns, pillars and posts 7.40, 740.06m ³	5478.66
5/21	Second class brick work in superstructure in 1:6 687.85, 31.6052	2248.55
7/23	Providing form work of ordinary timber plankings propping and centering below supporting floor to ceiling upto all heights. 35.33m ² , 288.367	10188.00
8/30	Applying 2 coats of wood preservative 3.24m ² , 427.33	1384.55
9/34	Cement plaster skirting 20.35m ² , 698.016	14204.62
10/35	Applying cement slurry on RC slate on CC work using 2.75kg cement. 3.85, 1472.24	5668.12
11/37	Providing and fixing M.S. Grill of required pattern in wooden frames. 11.02 per kg 3919.104	36576.53
12/38	Providing and fixing to wall ceilings and galvanised mild steel tubes 40.62 685.44	27842.57
13/25	Providing ridges or hips 50cm overall in plain G.I. Sheets 15.00 LR 163.85	2457.75
14/26	" " " " 48.22m " GI Sheets	...

Providing and laying
in 1:2:4 and
in loose in vertical
horizontal not
than 0.10 m forming
concrete and precast
as

- 15/27 Providing and fixing steel Galvanised door windows and ventilators of standard rolled steel. Fixed in Steel windows.

	140.15	66275	8733.44
	130.15	3.960	515.39
Steel windows	245.22	325.857	79834.96

- 16/36 Providing common clay building bricks 7.62 cm thick in cement mortar 1:3

	65.16	58.354	3802.35
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Grand Total:- Rs. 265581.69

- (h) Voucher No.63 of 2/88 for Rs.33590/-
Gross amount 108303.45

The work of c/o Link road to Social Housing Scheme/ Colony from RD 900 to RD 1200 has been awarded to Shri Sohan Lal Contractor and upto this 3rd running bill he was issued 410 bags of cement. The theoretical consumption of cement on the work executed up-to-date, as under comes to 428.27 bags and there is a saving of cement of 18 bags. Therefore, while preparing final consumption statement, the quantity of work executed in cement has to be taken after this 3rd running bill and in no way this saving of 18 bags was to be adjusted. The irregularity may be accounted for ^{and} needful may be done now and compliance shown at the time of next audit.

Cement concrete work

in 1:6:12 38.66m³ 85.05 bags.

R.R. Masonary work

in 1:6 208.01m³ 343.22 bags.

428.27 bags.

Saving in cost of cement comes to Rs.1260/-.

- (j) Vc.No.39 of 11.2.88 for Rs.10681.01:

Work bill of contractor Shri Rajinder Sood of c/o retaining wall from RD 0 to 0/45 (IB No.19 P 80 to 86).

The area of profile has been worked as $\frac{2.14 \times .90 + 2.14}{2}$

3.25 instead of $\frac{2 \times 2.14 + .90}{2} = 3.04$. The working out of area in this way has resulted into excess measurement of 0.87m³ and the contractor stood overpaid by Rs.9.57.

In the subsequent profiles also measurements have been taken on the higher sides. and excess measurements of 1.19 has caused overpayment of Rs.13.10.

Therefore, Rs.23/-(9.57+13.10) may be made good from the contractor and compliance shown at the time of next audit.

(k) Vr.No.36 of 4/87 for Rs.2475/-.

Rs.2475 were shown paid to the Executive Engineer, HPPSEB on account of shifting of L.T.line passing over 96nos EWS Flats. There were no estimates from the HPSEB nor completion report was forthcoming. The actual payee's receipt was also not forthcoming. The said requirements may be met with and compliance shown at the time of next audit.

(L) Acceptance of measurements by the contractors and APRs/signatures on the bills.

In most of the cases, the signatures of contractors in token of having accepted the measurement were not obtained on the MBs. In some cases it was also seen that the contractors were not signing their bills submitted to office for arranging payment. APRs of payments were also not obtained in most of the cases. This state of affairs is against the rules on the subject and non observance of these essential requirements may land the SDA in trouble at any stage. Therefore, remedial steps may be taken to fulfill these requirements before payments are made to the contractors. A few instances of such lapses are given below:-

(i) Vr.No.5 of 3.9.87 for Rs.10197.61:
Agency: Shri Amar Singh Kaushal.

There were no signatures of the contractors on the MB or on the bill nor APR of payment had been obtained.

(ii) Vr.No.53 of 11/87 for Rs.9620.98:

Net amount after deductions was paid to the tune of Rs.8466.98 to Shri Madan Singh, Contractor but his APR had not been obtained.

(iii) Vr.No.20 of 17.11.87 for Rs.45903.48:

Paid to Shri Vipin Kumar Gupta on account of payment of his three bills. But there were not signatures of the contractor on the bills nor in the MB in token of having accepted the measurements. The APR was also not forthcoming.

(iv) Vr.No.9 of 4.2.88 for Rs.28548.59(MB No.166).

Shri Gurdas Ram, Contractor was paid Rs.28548.59 on 4 1988 on account of payment of his bill. But there were no signatures in the MB nor on his work bill nor APR had been obtained from him.

- (v) Voucher No.37 of 2/88 for Rs.20864.51:
Gross amount Rs.27724.51

Shri Rajiv Chopra, contractor was paid Rs.20864.51 (vide MB No.120 page 25 to 30) but there were no signatures on the MB and on the bill of the contractor.

- (vi) Voucher No.48 of 12.2.88 for Rs.30064.38:

M/s United Construction Co Chandigarh were paid Rs.30064.38 on account of payment of their first running bill. But there was no signatures of the contractors on the MB or on the work bill nor any APR had been obtained from them.

7. Re-imburement of cost of in-admissible medicines:

While checking the re-imburement bills of medical expenses, it was seen that in some cases cost of in-admissible medicines too had been re-imbursed. Particulars of employees to whom cost of in-admissible medicines has been re-imbursed are given below. Recoveries may therefore, be effected from them and shown compliance shown at the next audit.

Name of the Officer/official Vr.No.& Dt. Name of in-admissible medicines. Cost Rs.

1.	2.	3.	4.
Shri Kulbir Singh JE	117 of 9/87	Medical exam Fee charged by Sanitarium.	10.00
Sh Harinder Singh Kaushal -do-		Tab.Dulcolax	1.85
		" Unienzyme	1.50
		Dulcolax	0.90
		Tab.Cystone	61.40
Sh T.S.Battoo -do-		Arcolic Acid Tab	3.9
		(He purchased the medicines on 10.7.87 vide CM No.915 but doctor had not prescribed it)	
Sh Munshi Ram Thakur ADM	117 of 9/87	Quadridrum 200gm bath oil almora	5.5 33.5
Sh H.S.Kalsi AE	104 of 9/87	Soda Glycerene	4.0
Sh Shashi Bhadwal A. Arch.	60 of 4/87	Bonnisan Syrup	6.0
		Zefs.	10.0
Sh O.C.Handa AE	77 of 4/87	कुवाडाचि यमते अमृतम-55 महाकाम-0204 ABA No.Hot	149.10 11.85 9.45 31.70

(nomenclature on the document is not clear).

1.	2.	3.	4.
Sh T.S.Battoo	170 of 9/87	Ostocalcium	5.95 6.00
Sh Mathoo Ram	27 of 11/87	एवरी स्ट्रेपसिल	168.00
Sh T.S.Battoo	67 of 11/87	Syp Macalvit	14.95
" D.C.Gupta, HDM	125 of 4/87	12 cap Karvol	9.70
		30 tab Muscalt	17.10
		Akik Bhasam	3.80
		(Ayurvedic medicines).	
Sh Vijay Singh Asstt.	125 of 11/87	Lyomyn syp	14.70 14.70
Shri Man Mohan Singh	71 of 11/87	2 Amp.vitamins	7.00
		3 " "	10.50
Sh S.K.Malhotra CEC	152 of 2/88	40 tab strepsils	13.30
		20 " "	6.00
		Vicks	5.50
		40 tab strepsils	12.80
		25 " Unienzymes	10.00
		Sweetex	6.20
		20 tab Dulcolax	6.20
		20 " Strepsils	7.00
		20 " "	6.20
		30 " Unienzymes	12.00
		20 " Dulcolax	6.20
		30 " Unienzymes	12.30

8. Payments:

(a) Voucher No.115 of 16.9.87 for Rs.2146/-.

Rs.2146 were paid to the P&T Department on account of rental charges of Phone No.6706 for the period 1.10.87 to 30.11.87 and trunk call charges for the period 16.6.87 to 15.8.87 and shifting charges of Rs.900/-. The shifting charges are excessively high against the normal charges of Rs.250/-. Phone No.6706 previously with the Executive Engineer (Design) was shifted to Executive Engineer Construction Division in the same building to upper floor with extension to A.O. Therefore, shifting charges of Rs.900/- paid are excessively high against the normal rates. Therefore, refund of Rs.650/- may be claimed from the department concerned and compliance shown at the time of next audit.

(b) Vr.No.136 of 21.9.87 for Rs.300/-.

Rs.300/- were paid to Shri Shashi Bhushan Bhadwal, Asstt. Architect as imprest. Its adjustment account was not put up. The same may be obtained and compliance shown at the time of next audit.

(c) Vr.No.166 of 24.9.87 for Rs.1495/-.

Ammonia printing machine was got repaired from M/s Draughtsman Reprographers, Solan vide their bill No.510187 dated 24.9.87 for Rs.1495/-. The job done included the following:-

1.Replacement of 18 volts
DC motor(German) Rs.1200/-

2.Replacement of 24 volts
step down transformer Rs. 250/-.

While making payment, the old motor and transformer should have been obtained from the firm or its cost as determined by the SDA should have been charged from the firm or the above machinery was taken back in stock. Therefore, the above parts valuing Rs.1450/- be taken back and from the firm and entered in stock. or the cost made good from the official at fault.

(d) Vr.No.74 of 12.11.87 for 1130.85:

Rs.1130.85 were paid to the Hotel Holiday Home, HPTDC Shimla on account of Boarding charges of Guests of the SDA. The boarding charges were paid on 21.10.87. Sanction for treating the HUDCO team as guests of the SDA was not forthcoming. Moreover, the HUDCO team visited from 15.10.87 to 19.10.87. Therefore, the expenditure of Rs.1130-85 be ~~justified~~ justified.

(e) Vr.No.66 of 11/87 for Rs.1971:

Interim relief arrears of Shri Ram Lal Gupta for the period 28.1.86 to 31.7.87 amounting to Rs.1971(Rs.1404/- arrears in GPF and Rs.567/- in cash).

Arrears of I.R. of the above named driver have been prepared for the period 28.1.86 to 31.7.87. But he joined on deputation with the SDA w.e.f.1.8.87 from the Town and Country Planning Department, of H.P.P.W.D.. Therefore, the arrears of interim relief should have been paid from the office from where he drew pay in the above period and should not have been paid by the SDA. Therefore, a grave irregularity has been committed and the amount of Rs.1971/- irregularly paid for the period during which the official was never an employee of the SDA may immediately be claimed from the department concerned of the employee and credit particulars shown at the time of next audit.

It is just possible that the official has drawn the arrears of IR from his parent deptt and from the SDA also.

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(f) Voucher No.77 of 24.2.88 for Rs.84/- (Div.a/c).

Rs.84/- were paid to the Assistant Engineer, IPH, sub-division I, Shimla on account of carriage charges of 14mm G.I. pipes from Mahli Store to Khalini, through Truck No.HPS-3127 on 12.8.87. The receipt issued by AE was non on proper form. A proper printed receipt may be obtained and put up at the time of next audit.

(g) Vr.No.58 of 19.2.88 for Rs.2510/- (Div.a/c).

Earnest money of Rs.2510/- was shown refunded to Shri Dig Vijay Singh, Electric Contractor, Totu. But APR was not forthcoming.

(h) Vr.No.42 of 23.11.87 for Rs.2600/-.

20 chairs with full arms were purchased for Rs.2600/- from Khadi Asharam, Shimla but its stock entries have not been made. The needful may be done now.

ntd - on 14 h
Dangar (ii) Vr.No.38 of 16.9.87 for Rs.400.50:

Vehicle No.HPS 6405 was repaired on 21.8.87 from Himachal Motors, Tilak Nagar, Shimla and repair charges of Rs.255/- were paid. But the log book, to see the entry of repairs was not shown.

(iii) Vr.No.39 of 16.9.87 for Rs.1558.50:

The under mentioned quantity of POL for vehicle HPS-6405 was purchased but the log book was not put up.

21.8.87 45litres petrol Rs.237.50

25.8.87 20 litres " } Rs.240.00

5 " M.Oil }

27.8.87 30 litres petrol Rs.225.00

(iv) Vr.No.62 of 20.2.88 for Rs.946.80:

Vehicle No.HPS 6405 was got repaired from Imperial Motors, Dhalli and some parts like front shockers, suspension kit, suspension link(HM) were replaced. But entries in the log book/repair register had not been pointed out nor the disposal of the replaced articles was pointed out.

(v) Vr.No.117 of 18.4.87 for Rs.1000/-.

Vr.No.142 of 24.4.87 for Rs.1000/-.

Rs.2000/- were advanced to Shri Rattan Chand driver of vehicle No.HPS 6405 for the purchase of POL etc. but its adjustment account was not put up. The same may be put up at the next audit.

(vi) Vr.No.19 of 10.9.87 for Rs.972/-. POL etc. for vehicle No.3518 was purchased but the log book was not put up...1!

(i) Vr.No.79 of 8.4.87 for Rs.29.40:

Rs.29.40 were re-imbursed to Shri Harpal Singh including the cost of Rs.22.50 of Land Acquisition Act. The book had not been taken in Library Stock register. The needful may be done now or Rs.22.50 made good from Shri Harpal Singh.

(j) Vr.No.109 of 16.4.87 for Rs.146.47:

One leather bound register was purchased for Rs.146.47 from M/S Joshi Madralaya, L.B.Shimla but its stock entry had not been made nor disposal of the register was pointed out.

9. Vehicles:

(a) (i) Vr.No.37 of 9/87 for Rs.183.15:

One jack with rod was purchased for car No.HPS-6405 from Prashar Motors, Khalini for Rs.183.15 but the vehicle log book alongwith the entry of the jack was not put up.

contd on page 14

Moreover the vehicle was not the property of SDA. The expenditure may be justified.

10. Late credits by Banks on deposits:

(a) Vr.No.30 of 4.4.87 for 15725/-.

Rs.15725/- were deposited into the Punjab National Bank, Shimla in account No.40780 on 4.4.87(through the cash officer of the Bank) but its credit in the Bank statement was given in June, 1987 i.e., after 2 months. No doubt the Bank cash book contained the receipt entry of Rs.15725/- on 4.4.87 but it appeared in the SDA Accounts No.40780 in June, 1987. Thus the SDA has sustained a loss of interest for 2 months on the said amount which may be claimed from the Bank and compliance intimated.

(b) Vr.No.110 of 15.9.87 for Rs.1500/-.

A reverse entry of Rs.1500/- was made on in the cash book on 15.9.87 as cheque No.608511 dated 3.9.87 received from Shri /Dr.H.K.Malhotra & Mrs Diksha Malhotra was dishonoured. Its reverse entry in the PIA of the allottees and interest due on late receipt of instalment may be pointed out.

(c) The FDRs whose particulars are noted below were encashed on 4.6.88. The maturity value of the FDRs worked out to Rs.1025559.70 upto 3.6.88 i.e. interest Rs.25550.70 and Principal amount Rs.1000000/-. But the bank allowed interest (added in the saving account No.40780) of Rs.15328.75 on 4.6.88 but difference of Rs.10221.95 was given by the bank on 13.6.88(added in the saving account). The credit on 13.6.88 i.e. after the 10th of the month has put the SDA into loss of interest for one month and its recurring loss upto date. This may be claimed now.

FDRN and date	Amount in -vested	Interest upto 3.6.88	Rate of instt.	Amt. credited in Saving A/c 40780.	Date of Credit.
306/87 18.11.87	100000	4361.65	8%	1015328.75	4.6.88
307/87 18.11.87	100000	4361.65	"		
308/87 18.11.87	100000	4361.65	"		
164/88 25.2.88	500000	8904.10	6½%	10221.95	13.6.88
165/88 25.2.88	200000	3561.65	"		

(d) The amounts noted below were received on the dates noted against each but the bank(PNB) gave its credit in 11/87 as per statement furnished by them. The bank has accounted for these amounts about 18 months late. This has resulted into loss of interest to the SDA to the tune of Rs.726.25 which may be claimed from the Bank.

Amount Rs.	Date of receipt	Credit by bank.
1500	7.11.86	Statement of 11/87.
10000	4.11.86	
3300	25.11.86	

(e) A debit of Rs.101/- was passed in the Cash book on 30.11.87 on account of collection charges of draft received from Shri H.S.Popli drawn on Indian Bank, Madras. This amount should be added to his account for recovery.

11. Deposit Work:

Vr.No.115 of 19.11.87 for Rs.10000000/- (One crore):
 Vr.No. 6.2.88 for Rs. 1662500/- (Rt.No.11222):

The above amounts were received from the Director Town and Country Planning Department as deposit works for providing water supply to Kasumpti Zonal Centre of SDA. The execution of work has now been started. Its separate accounts may be maintained and put up for checking when the audit is conducted for the period during which amount is spent.

12. Outstanding advances:

The employees have been given warm clothing advances, Festival advances and advances for other departmental purchases but the employees noted below have not rendered account thereof. The personal advances are outstanding against these officials even prior to the year 1986. Some of the employees have even left the department and not even a single instalment of advance was recovered from them. This is a very serious irregularity and the amounts noted against each below may be recovered immediately or deducted from the arrears of revision of pay scales. Shri Rakesh Puri who has taken warm clothing advance has not paid even a single instalment and is stated to be working in the HPPSC.

Name of official	Ant. of advance outstanding
Shri Ganga Ram	Rs. 320.00
Shri Rakesh Puri	600.00
Shri Hemant Kumar	4.00
Shri C.R.Tanwar	1004.39
Shri O.C.Handa JE	1994.00
Shri H.S.Kaushal	11.00

The interest due may also be recovered.

13. Miscellaneous:

(a) Rounding of payments: The Shimla Development authority is following the Government pattern of accounts. Govt. has decided since 1.4.87 in rounding payments in whole rupee but SDA is not following this pattern. The desirability of following Government pattern may be considered and final position as may emerge be intimated to this department in due ^{course of} time.

(b) Remittances of GPF subscriptions:

The GPF subscriptions, HPGE G.I. subscriptions are remitted through cheques to A.G.H.P. and to the parent departments of the officials on deputation with the SDA but these amounts/cheques are not being encashed, by the parent offices of the deputationists. with the result that huge amounts of cheques are lying in SDA accounts ~~through~~ though discharged through Cash Book. Some system be evolved so as the employees subscriptions deducted are accounted for in their appropriate head of accounts.

14. Objection statement: It has been issued to the Chief Executive Officer-cum-Chief Engineer, SDA, Shimla for disposal in advance to this report.

15. Conclusion: There has been considerable improvement in the upkeep of accounts as compared to previous years and it is expected that this tempo is maintained.

sd/-xxx.

Deputy Director,
Local Fund Accounts,
Himachal Pradesh, Shimla-171002

Endst.No.Fin(LA)H(2)C(15)XIV(75)/83(B) Vol. 17. Dated: 17.3.90

Copy forwarded for information and necessary action to:

1. The Chief Executive Officer, Shimla Development Authority, Shimla-171002, with the request that an annotated reply showing the action taken on this Audit Note may please be sent to this Department at an early date.
2. The Secretary(P.W.D.) to the Govt. of Himachal Pradesh.
3. Shri B.R.Sharma, Assistant Controller(Audit), C/O

Deputy Director,
Local Fund Accounts,
Himachal Pradesh, Shimla-171002.

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APPENDIX- A, referred to at para 3(b).

Abstract of F.D.Rs Rs. as on 31.3.88.

<u>S.No.</u>	<u>Name of the Banks.</u>	<u>Amount of FDRs.</u>
1.	New Bank of India	44,46,775.00
2.	Union Bank of India	10,27,100.00
3.	State Bank of Patiala(E)	11,00,000.00
4.	State Bank of Patiala(Shimla-1)	1,00,000.00
5.	State Bank of India	8,26,410.00
6.	Central Bank of India	3,83,204.51
7.	UCO Bank(N.V.)	14,39,400.00
8.	UCO Bank H. Q.PH & HP Area	9,00,000.00
9.	UCO Bank(Main) Shimla-1	17,48,500.00
10.	Punjab National Bank	4,19,90,000.00

Total ; - Rs.

5,39,61,389.51

sd/-xxx.
Accounts Officer,
Shimla Development Authority,
Khalini, Shimla-2.

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APPENDIX- B
(Referred to in Para 4).

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<u>Dated of Audit</u>	<u>Amt. of Audit Fee. Rs.</u>
10.7.89 to 13.7.89	160
15.7.89	40
17.7.89 to 18.7.89	80
22.7.89	40
24.7.89 to 29.7.89	240
31.7.89 to 5.8.89	240
7.8.89 to 11.8.89	200
14.8.89	40
16.8.89	40
18.8.89 to 19.8.89	80
21.8.89 to 22.8.89	80
24.8.89 to 26.8.89	120
28.8.89 to 2.9.89	240
4.9.89 to 8.9.89	200
11.9.89 to 16.9.89	240
18.9.89 to 23.9.89	240
25.9.89 to 30.9.89	240
4.10.89 to 7.10.89	160
11.10.89 to 13.10.89	120
16.10.89 to 21.10.89	240
23.10.89 to 28.10.89	240
1.11.89 to 4.11.89	160
6.11.89 to 10.11.89	200
15.11.89 to 16.11.89	80
23.11.89	40

Total Rs.	3760.00
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DISCUSSION CERTIFICATE

Certified that the Audit Report was discussed with the
Superintending Engineer in the presence of Accounts
Officer and Executive Engineers.

sd/-XXX.
B.R.SHARMA,
Audit Officer(Inspection)
Local Audit Department, H.P.Shimla.

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25
SHIMLA DEVELOPMENT AUTHORITY
BALANCE SHEET AS AT 31ST MARCH, 1988

Previous year. (1986-87) (Rs. p)	Liabilities.	Amount. (Rs. p)	Total. (1987-88) (Rs. p)	Previous year (1986-87) (Rs. p)	Assets.	Amount. (Rs. p)	Total. (1987-88) (Rs. p)
1.	2.	3.	4.	5.	6.	7.	8.
	<u>CAPITAL FUNDS</u>				<u>FIXED ASSETS</u>		
	Grant-in-aid from Govt. of H.P. as per last balance sheet.	2,05,00,000.00		2,25,532.59	As per Annexure 'A'.	3,04,104.57	3,04,104.57
1,05,00,000.00	Add during the year.	35,00,000.00	2,40,00,000.00		<u>WORK IN PROGRESS</u>		
	(i) SURPLUS				(A) Assumpti Zonal Centre Shimla.		
26,15,863.41	As per last balance sheet.	26,15,863.41		55,67,028.24	(i) Acquisition of land.		
	Add during the year. 32,52,403.59				As per last balance sheet.	55,67,028.24	
	(ii) TO				Add for the year.	5,05,854.62	
	<u>RESERVES</u>					60,72,882.84	
	stock				(ii) Expenditure on execution of works.		
	Storage (-) 826.62	32,51,574.97	32,51,574.97		Social housing scheme KZC.		
	Less provision for construction of office Building for SDA. (-)	30,00,000.00	58,67,438.38		Shimla.		
	LOAN FROM HP	28,67,438.38	28,67,438.38	1,97,94,059.23	As per last balance sheet.	1,97,94,059.23	
	GOVT.				Add during the year.	1,09,44,349.39	
	Loan assistance from the Govt. of India through H.P. Govt.					3,07,38,408.62	
34,78,000.00	As per last balance sheet.	34,78,000.00			(B) Residential complex below BCS Shimla.		
	Repaid during the year.	75,000.00	34,03,000.00	83,98,515.75	(i) Acquisition of land.		
					As per last balance sheet.	83,98,515.75	
					Add during the year.	8,606.90	
						84,07,122.65	

Contd....2/-

2.	3.	4.	5.	6.	7.	8.
<u>LOAN FROM HUDCO</u>						
As per last balance sheet, Received during the year.	1,01,17,000.00			(ii) Work in progress .		
Total.	1,01,17,000.00			As per last balance sheet.	1,16,392.00	
Repaid during the year(-)	<u>18,29,000.00</u>			Advertisement	<u>1,16,392.00</u>	
	<u>82,88,000.00</u>	82,88,000.00		Add during the year.	<u>1,16,392.00</u>	
Earnest money/ deposit from applicants under various schemes				(iii) Expenditure on execution of works.		
As per last balance sheet.	2,99,10,463.00		66,584.80	As per last balance sheet.	66,584.80	
(i) Earnest money and deposit received during the year.	3,28,08,197.30			Add during the year.	<u>69,78,601.29</u>	
	<u>6,27,18,662.30</u>		78,662.00	(c) Commercial complex under Ist S.F.S.	<u>70,45,186.09</u>	
Refund during the year. (-)	<u>4,64,315.00</u>			(i) Advertisement	78,662.00	
	<u>6,22,54,345.30</u>	6,22,54,345.30		Add during the year.(works).	<u>13,57,259.68</u>	
(ii) Preference deposit as per last balance sheet.	9,450.00			Total.	<u>14,35,921.68</u>	
Received during the year.	<u>26,798.00</u>			(i) Acquisition of land A(i)		
	<u>36,248.00</u>	36,248.00		+ B(i).	1,44,80,005.49	
				(ii) Expenditure on execution of works.(A)(ii)		
				+ B(ii)+(iii)		
				+ C(i).	<u>3,93,35,908.39</u>	
				STOCK IN HAND.	<u>5,38,15,913.88</u>	5,38,15,913.88.
				(i) Store articles.	2,86,283.15	
			9,385.00	(ii) Stationery	<u>3,191.37</u>	
			3,930.15		<u>2,89,474.52</u>	2,89,474.52.

Contd....3/-

2.	3.	4.	-3-	5.	6.	7.	8.
<u>LIABILITIES & RECEIPTS.</u>					<u>SUNDRY DEBITORS</u>		
A(i) DEPOSIT				2,62,723.29	As per last balance sheet.	2,62,723.29	
W.S.S.					Add during the year.	5,48,719.71	
(Town & Country Planning Organisation HP Carrying out various planning survey and investigation for preparation of development plan for Shimla. Deposit as per last balance sheet.						<u>8,11,443.00</u>	8,11,443.00
Less expdt. during the year.	22,549.55				LOAN AND ADVANCES.		
(A)(ii) Providing W.S.S. to Kasumpti Zone of Shimla Planning area and Augmentation of Shimla W.S.S.				3,250.00	(i) arm clothing and Festival Advance.	8,760.00	
Deposit during the year.				12,993.67	(ii) misc. advances with staff.	7,369.73	
W.S.S. Expdt. during the year.				155.00	(iii) TTA Advance.	<u>155.00</u>	
Total(A)(i) + A(ii).	22,549.55					<u>16,284.73</u>	16,284.73
				26,817.00	<u>PREPAID EXPENSES</u>		
					For telephones.	26,817.00	
					Less credit during the year.	<u>1,440.00</u>	
				5,110.00		<u>25,377.00</u>	25,377.00
				3,000.00	<u>SECURITY DEPOSITS</u>		
				<u>500.00</u>	(i) With HPSEB.	5,110.00	
				<u>8,610.00</u>	(ii) do-P&T Department.	3,000.00	
					(iii) do-W.C. Shimla.	<u>700.00</u>	
						<u>8,810.00</u>	8,810.00

Contd...4/-

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-4-

2.	3.	4.	5.	6.	7.	8.
B. CONTRACTORS ACCOUNT. Earnest money & Security deposit. As per last balance sheet. 4,52,066.00 Add for the year. 7,09,444.00 (a) 11,61,510.00 MISC. DEPOSITS. As per last balance sheet. 21,048.00 Add during the year. 15,653.25 (b) 36,701.25 LOANS TAK. As per last balance sheet. 1,077.00 Add during the year. 13,292.00 (c) 14,369.00 Total a+b+c= 12,12,580.25 C. EXPENSES. PAYABLE. As per last balance sheet. 1983-84. 721.75 1984-85. 12,711.15 1985-86. 22,357.30 1986-87. 4,12,993.84 Add liabilities for 1987-88. 21,30,207.25 25,78,991.29				INTEREST RECEIVABLE. Interest accrued on F.D.Rs. As per last balance sheet. 28,02,660.03 Add for the year. 31,46,773.00 59,49,433.03 Less interest received. 13,94,570.00 45,54,863.03 45,54,863.03 FIXED DEPOSIT WITH SCHEDULED BANK. i) New Bank of India Shimla. 44,46,775.00 ii) Union Bank of India Shimla. 10,27,100.00 iii) United Commercial Bank Main Shimla. 17,48,500.00 iv) United Commercial Bank Nigam Vihar Shimla. 14,39,400.00 v) United Commercial Bank HQ, PH & HP Area. 9,00,000.00 vi) Punjab National Bank Shimla. 4,19,90,000.00 vii) State Bank of Patiala (S) Shimla. 11,00,000.00		

Contd..5/-

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2.	3.	4.	5.	6.	7.	8.
Less liabilities cleared 1983-84. -				viii) State Bank Patiala		
1984-85. 4,915.00				The Mall Shimla.	1,00,000.00	
1985-86. 21,217.00				ix) State Bank of India Shimla.	8,26,410.00	
1986-87. 3,81,442.41				x) Central Bank of India Shimla.	3,83,204.51	
<u>4,07,574.41</u>				CASH AND BANK BALANCE	5,39,61,389.51	5,39,61,389.51
Upto date liabilities.	21,71,416.88	21,71,416.88		a) CASH		
D. INTEREST PAYABLE TO ALLOTTEES.				i) Cash in hand.	180.75	
As per last balance sheet.	60,970.00		250.45	ii) -do-(D.C).	2,214.14	
Add for the year.	<u>1,612.00</u>		445.79	iii) Postage Stamps.	311.50	
Less allowed during the year.	62,580.00		99.15	iv) Cash in Transit.	-	
	<u>49,140.00</u>		<u>37,64,000.00</u>		<u>2,706.39</u>	2,706.39
	<u>13,440.00</u>	13,440.00	<u>37,64,795.39</u>			
E. Provision for construction of office Building for SDA.	30,00,000.00	30,00,000.00				

Contd...6/-

[illegible]

H.K. Singh
Accounts Officer, 21/11/89
Inland Development Authority,
Calicut, Kerala-171002.

खेडा ३३८: २३/१/८९
Executive Engineer (D),
Shimla Development Authority,
Khalini, Shimla-171002.

GEO-Cum-Chief Engineer,
Shimla Development Authority,
Khalini, Shimla-171002.

We have audited the above Balance sheet of the Shimla Development Authority, Shimla-2, for the year ended on 31.3.88 and report that the above balance sheet ~~and~~ exhibits a true and fair view of the state of affairs to the best of our information and explanation given and shown by the Books of accounts.

(B.R. Sharma)
Auditor (Officer In-charge)
Local Audit Department.

SHIMLA DEVELOPMENT AUTHORITY
KHALINI, SHIMLA-171002.

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 1988.

<u>S.No.</u>	<u>Particular.</u>	<u>Cost as on 1.4.1988.</u>
1.	Car No.HPS-6405.	Rs. 35,220.27
2.	Car No.HIS-948.	Rs. 86,020.00
3.	Furniture and Fixture.	Rs.1,07,376.89
4.	Office Equipments.	Rs. 56,596.68
5.	Drawing, Survey and Scientific Instruments.	Rs. 12,793.12
6.	General Tools and Plants.	Rs. 2,117.12
7.	Crockery and Cutlery.	Rs. 156.29
8.	Books and Publication.	Rs. 3,824.20
	TOTAL:	Rs.3,04,104.57

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SHIMLA DEVELOPMENT AUTHORITY
KHALINI, SHIMLA-171002.

Income and Expenditure Accounts for the year ending 31st March, 1988.

Previous year (1987-88) (Rs. P)	Expenditure.	Amount. (Rs. P)	Total. (1987-88) (Rs. P)	Previous year (1986-87) (Rs. P)	Income	Amount. (Rs. P)	Total. (1987-88) (Rs. P)
1.	2.	3.	4.	5.	6.	7.	8.
13,04,354.50	<u>1. To Estt. Account.</u>				<u>By interest.</u>		
	a) Salary and other allowances.	19,41,570.00		9,19,844.17	a) interest on FDRs.	6,31,100.07	
26,870.95	b) Medical charges.	35,946.24		12,44,829.00	b) Interest accrued but not due.	31,46,773.00	
15,198.05	c) T.A. expenses.	15,195.00			c) Interest on Saving Bank account.	19,058.75	
		<u>19,92,701.24</u>				<u>37,87,931.82</u>	
3,89,368.01	<u>2. To Office expenses.</u>	<u>4,29,850.03</u>	24,21,551.27	28,205.49	By Misc. receipt.		4,08,565.47
	Total Administrative expenses.				Agency charges.		18,33,251.85
34,247.11	3. Depreciation Assets.		50,993.18	1,17,028.45			
35,987.50	4. Provision for interest to allottee in r/o SWS Resumpti Zonal centre Shimla			6,30,141.45			
	5. To interest earned on loan from the Govt. of H.P.		3,14,901.10				
11,24,522.44	6. Surplus taken to balance sheet.		<u>32,52,403.59</u>				
29,49,048.56			<u>60,39,649.14</u>				<u>60,39,649.14</u>

H.K. Singh
Accounts Officer, 1/11/88
Shimla Development Authority,
Khalini, Shimla-2.

23/11/89
Executive Engineer (P),
Shimla Development Authority,
Khalini, Shimla-2.

23/11/89
CEO-cum-Chief Engineer,
Shimla Development Authority,
Khalini, Shimla-2

I have audited the above Income & Expenditure account of the Shimla Development Authority, Shimla-2 for the year ended on 31.3.88 and report that the above Income & Expenditure accounts exhibits true and fair view of the state of affairs to the best of our information and explanation given, and shown by the books of accounts.

(M. K. Sharma)
Audit Officer (Insp)
Local Audit Dept. H.P.