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Audit and Inspection Note on the Accounts of Urban  
Development Authority H.P. Shimla-171009.

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Period of Audit 4/94 to 3/95

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Part-I

1. Last Audit Reports : The annotated replies showing the action taken on the old audit paras had neither been sent to this Department so far nor were put up during the course of audit. Hence no para contained therein could be settled during the course of present audit. This was not satisfactory and defeats the very purpose of audit. This sad state of affair is brought to the notice of the Government for taking necessary action.

The authorities may give top priority for the settlement of old audit paras, the details of which are given below :-

- 1) Audit report for the year 1988-89  
.....  
Para 6 and 10
- 2) Audit Report for the year 1989-90  
.....  
Para 6  
Para 8 (ख)  
Para 10  
Para 12 (ख)  
Para 12 (घ)  
Para 12 (च)  
Para 13 (ग-जे ड)  
Para 14 (क)  
Para 17 (घ) (न) (झ)  
Para 19 (अ) (ब) (न) (र) (ज) (झ) (ड)  
Para 23 (ग) (घ) (ङ)  
Para 24 to 27
- 3) Audit Note for the Period 1990-21 ..  
.....  
Para 5 to 11  
Para 13 to 18  
Para 20  
Para 27  
Para 29 to 32  
Para 33 to 35  
Para 37  
Para 42 to 44  
Para 46 to 48  
Para 50, Para 51  
Para 53(b)  
Para 58 to 61  
Para 62 to 67  
Para 70 to 71  
Para 73  
Para 75 to 76

....2.

These vague entries have been brought to the  
attention of the accounts under head "Provision  
Contd...2...3/-  
which may

- (4) Audit Report for the period 1991-92  
Para 5 to 11
- (5) Audit report for the period 1992-93  
Para 3 to 13
- (6) Audit report for the period 1993-94  
Para 4 to 35

PARAT-II

2. Present Audit :- The present audit and examination of accounts for the period 4/94 to 3/95 was conducted by S/Shri Kaul Singh, Dasant Singh Kanwar, Sita Ram Sharma, Akash Kalra, Anand Sud and Hem Raj Bhardwaj, Section Officers under the supervision of Sh. V.K. Gupta, Assistant Controller and Shri Hoshier Singh, Deputy Controller u.o.f. 1.12.95 to 6.4.96. The accounts for the month of 5/94 and 3/95 put to detailed check.
3. Audit Fee :- The fee for the Audit of accounts worked out to Rs.15800/- (Rupees fifteen thousand eight hundred only) as pointed out vide Audit Requisition No.360 dated 4.4.96. The amount of Audit fee stands received and deposited into capital treasury vide challan No.9 dated 22.5.96.
4. Final Accounts :- Balance Sheet, Income and expenditure accounts and other relevant record have been checked in audit and following irregularities were detected which shows that the Annual Accounts and Balance sheet do not depict the true picture of accounts. These irregularities may be attended to and compliance shown at the next audit.
  - (a) Grant in aid :- As pointed out in the previous audit reports the amount of Rs.3,67,50,000/- received from the H.P. Govt. have been shown as grant in aid, whereas this amount was granted for maintaining a revolving fund for the creation of land bank. Therefore, this amount may be treated as revolving fund and accounts be prepared accordingly.
  - (b) SURPLUS :- Figure and facts regarding surplus have been concealed. The authorities are deliberately making the efforts to show the surplus minimum. Every year vague entries have been brought in the income expenditure accounts under head "Provision

Contd...p...3/-

Following irregularities were noticed which may

Contd...p...5/-



for Repair and maintenance of essential services of various schemes". In this year accounts on amount of Rs.1,59,61,117/- had been shown on expenditure side on this account. This entry appeared to be Vague. The actual surplus for this year should be Rupees 1,60,40,836.23 in place of 79,719.23. Similarly the total surplus needed to be appeared in balance sheet should be Rs.1,73,24,637.13 and not Rupees 13,63,520.13.

This wrong picture of the surplus have given the adverse position of the Pradhikaran accounts.

(c) Reserves :- As per accounts of the present year Rs.1,59,61,117/- have been added as 'Reserves' which was actually income from sale of store. It was also pointed out in the previous audit report that since this was the income from the store, this amount should have been brought to the income and expenditure account. The total income of Rupees 6,64,91,702.45 shown as "Reserve" was therefore wrong.

(d) H.P. Govt. Loan :- The loan of Rs.31,80,000.00 received from H.P. Govt. was not repaid since last several years in spite of repeated objection raised by the audit. This should be re-paid immediately.

(e) Stock :- The stock balances have been shown in minus. This is very surprising that in spite of plus balances of stock in the working divisions, the figure in final accounts had been shown in minus. Therefore, the stock balances shown as (-) Rupees 15,96,906.23 may again be checked and actual position be brought to the notice of audit.

(f) Deposit on account of earnest money for Preferential Allotment and deposits of instalment

Up to 31.3.95 the total deposits have reached Rs.33,17,25,848.66 this amount is placed on liability side of balance sheet. Reason and justification for showing the amount collected under above two sub heads on liability side may be pointed out otherwise amount so collected be taken as income.

Contd..p..4/-

File No. 218 of 7/22 and 23/22/23

V.O. No. 15 of 1994-95  
Name of Contractor Sh. Metroo Ram Division No. I

During test audit check of above Voucher the following irregularities were noticed which may

Contd..p..5/-

be attended to and compliance shown at the next audit :-

(a) As per schedule :-

- 4 -

- (g) Deposit Works (1) Against the Deposit work for providing foot path leading to Brockhurst and Anji localities, an amount of Rs.19,457.00 was spent in excess. This amount may be recouped to the Fund at the earliest.
- (2) The amount of Rs.43,65,090.41 from Town and country Planning Department H.P. and Rupees 9,20,533.55 from H.P. Urban Development Project i.e. Rs.52,85,623.96 in gross were received long back for providing various services as per Annexure 'G' Sl. No. 1 a,b,c, 2 and 3 this amount remained unutilised as yet. Reasons for delay in utilisation of funds may be intimated.

- (h)7 Unwise raising of over draft which resulted in losses :-

Rs.1,31,98,582.66 were received as over draft from the Punjab National Bank against FDRs of Rs.3,05,40,000.00 with this bank. This amount of over draft was drawn by 2½% over <sup>and</sup> above the rate of interest which is to be specified for FDRs. During 93-94, Rs.274991+Rs.911514/- =Rs.11,86,505/- were paid as interest on over draft. The drawal of this much huge amount of over draft from the Bank against FDRs was not justified. This step has resulted in the shape of payment of extra interest <sup>month</sup> at 2½% above which is brought to the notice of the higher authorities/Government for appropriate action.

- (1) Sundry debtors and creditors :- As on 31.3.95 Rs.69,65,586.38 were shown as sundry debtors and Rs.1,09,901.73 have been shown as creditors with net debit balance of Rs.68,55,684.65. Efforts should be made to clear these debtors as well as creditors immediately.

5. Irregularities detected in Division No.I during course of Audit :-

Vr. No. 508 of 3/95 for Rs.2,262.00

v.o. No. 15 of 1994-95

Name of Contractor Sh. Nitroo Ram Division No.I

During test audit check of above Voucher the following irregularities were noticed which may

*huge losses to the Pradhikaran in*



be attended to and compliance shown at the next audit :-

(a) As per schedule of quantity for item No.1 (Marble work) the item was to be executed on through rate basis. While quoting rates against this item, the contractors S/Sh. Motra Ram and Kameshwar quoted ~~and~~ their labour rates by making insertion on the quotation quotations the word labour rate at their own level while the third contractor quoted his through rates.

Since, the third contractor Sh. Satish Sharma had quoted through rate of Rs.500/- per sqft. for above item. It was not understood as to why the work was awarded to the contractor who had quoted labour rate of Rs.480/- per Sqft. (rate before negotiation). This shows that the work was awarded in haste without examining the conditions of rates. The factual position in this regard may be intimated beside making recovery of excess payment if any on this account.

(b) As per departmental justification prepared in respect of item No.2 (white glazed tiles) the rate was worked out to Rs.555.70 per sqft. and for marble work the rate was worked out to Rs.411.27 per sqft. Against above justification the contractor was paid @ Rs.570/- and Rs.425/- per Sqft. respectively. The rates paid for above items were over and above the departmental justification. The over payment made on this account upto final bill may be worked out departmentally and recovery be made accordingly. More over while preparing the comparative statement neither the departmental justification was shown nor the percentage was worked out the justification for third item i.e. grill was not prepared which clearly shows that the procedure was not followed and the record was being prepared just to complete the formalities. The above observation may be accounted for now.

(c) As per agreement, the marble slab and cut pieces were not to be supplied from the Pradhikaran store which were however, supplied during the course of execution of work. Para 10.3.p.(b) of G.O. . Account contd.p..6/-

was not shown to audit in spite of repeated requests. The same may be shown at the next audit.

(d) The entire expenditure incurred was charged to construction work instead of charging the same to  
contd.p..7/-

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14-96

the allottees. In the instant case, the financial  
have been created which may lead to serious <sup>sub</sup> financial

-: 6 :-

code provides that if at any time subsequent to the execution of contract, on through rate basis, the contractor desires the issue of the material to him for bonafide use on a work, the material can be issued with the express authority of the Divisional Officer. The rates charged should be the market rates prevailing at the time of supply, or the issue rate whichever is greater. In this case also, the recovery was to be made in accordance with provision of said para which was not done. The same may now be made forthwith and compliance shown at the next audit.

As per entries recorded in concerned measurement books, total quantity of 75 sqft marble slab and cut pieces was supplied to the contractor from Fredhikaran store against which 61 sqft. <sup>constant</sup> was to be made at Rs.67/- per sqft and the balance quantity was to be returned by the contractor. In case he fails to return the balance quantity the recovery was to be made at double of the issue rate. As such total recovery of Rs.5965/- (4087+1876) was to be made from final bill of the contractor which was not made. Needful may be done now and compliance shown at the next audit.

\* The recovery of  
61 sqft was

In the instant case, the rate paid can also not be treated as labour rate because the recovery of cement was made at issue rate from his running bills.

## 2. Serious irregularities in West House Accounts

The following expenditure was incurred in connection with construction of West House of Urban Development Authority. The following observations made during the course of audit which may be attended to and compliance shown at the next audit :-

(a) The sanction of the appropriate authority to construct West House was not obtained. The incurring of expenditure without sanction may be explained. The visitor book and income received from visitors was not shown to audit in spite of repeated requests. The same may be shown at the next audit.

(b) The entire expenditure incurred was charged to construction work instead of charging the same to

contd.p.7/-

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44-86



to in <sup>increasing</sup> ~~causing~~ unnecessary financial ~~and~~ burden on the allottees. In the final accounts, no assets have been created which may lead to serious financial irregularity at later stage at the time of <sup>sale</sup> ~~note~~ of flat in which the Rest House was housed. The needful may be done now and entire expenditure incurred be transferred from const. of houses below B.C.S. Phase-I to Rest House and the proper account of furniture, fixtures, crockery cutlery etc. be made by showing their make, size and weight etc. because the perusal of bills reveals that size of item, its make and weight etc. were not found recorded on the bills.

The matter is also brought to the notice of H.P. Govt. to enquire into the matter and for taking suitable action as may be deemed fit.

| Sl. No. & date | Amount | Name of work                         | Ag/W.O.No.       | Name of contractor/<br>Supplier. | Remarks.                    |
|----------------|--------|--------------------------------------|------------------|----------------------------------|-----------------------------|
| 3 of 1.3.95    | 11,798 | 770 U.C.B.S. Phase-I Unit of 1994-95 | W.O. 10          | Sh. Matru Ram                    | Purchase of furniture       |
| 5 of -do-      | 9,781  | -do-                                 | -do-             | M/S Styleco Furnishers           | Purchase of curtain         |
| 13 dt. -do-    | 3,203  | -do-                                 | -do-             | Himachal Khadi Ashram            | Purchase of mattress.       |
| 18 dt. 7.3.95  | 44,550 | -do-                                 | -do-             | M/S A.S. Furnitures              | Purchase of furniture.      |
| 19 dt. -do-    | 9,707  | -do-                                 | -do-             | M/S Central Traders.             | Purchase of record          |
| 20 dt. 8.3.95  | 822    | -do-                                 | -do-             | -do-                             | Purchase of room heater     |
| 21 dt. -do-    | 2,700  | -do-                                 | -do-             | -do-                             | legible                     |
| 42 dt. 15.3.95 | 19,672 | -do-                                 | W.O. 16 of 94-95 | M/S Bawa Furniture               | Pvdg. cup Board.            |
| 44 dt. -do-    | 19,952 | -do-                                 | W.O. 11 of 94-95 | -do-                             | -do-                        |
| 45 dt. -do-    | 14,385 | -do-                                 | W.O. 17 of 94-95 | -do-                             | -do-                        |
| 50 dt. 16.3.95 | 9,263  | -do-                                 | W.O. 15 of 94-95 | Sh. Matru Ram                    | -do-                        |
| 53 dt. 20.3.95 | 3,700  | -do-                                 | -do-             | M/S Bawa Furniture               | Purchase of mattress.       |
| 59 dt. -do-    | 2,487  | -do-                                 | -do-             | -do-                             | Purchase of screen 4 fold.  |
| 60 dt. -do-    | 1,410  | -do-                                 | -do-             | -do-                             | Purchase of folding beds.   |
| 61 dt. -do-    | 12,172 | -do-                                 | -do-             | -do-                             | Purchase of woolen carpets. |
| 65 dt. 21.3.95 | 4,928  | -do-                                 | -do-             | M/S Rakesh Enterprises           | Purchase of 45 sqft. marble |
| 71 dt. 25.3.95 | 1,830  | -do-                                 | -do-             | M/S Krishna Furnish Co.          | Purchase of mattress        |

contd. p. 8/-

11 of 1994-95  
16 of 1994-95  
17 -do-  
18 of 1994-95

M/S Bawa Singh  
-do-  
-do-  
Sh. Devinder Thakur

-t 8 :-

|   |        |  |  |
|---|--------|--|--|
| 72 dt. 25.3.95                          | 10,015 | G/O C.O.DCS w.o.15 of<br>CGH Furnishing 94-95<br>of R.H.H.P.H.V.P. | M/S Central Purchase of<br>Electronics Godrej<br>Refrigerator<br>- or. |
| 73 dt. -do-                             | 5,163  | -do-   | M/S Styles<br>Furnishers<br>Purchase of<br>Bed sheets.                 |
| 74 dt. -do-                             | 1,831  | -do-   | M/S J.K. &<br>Co.<br>Purchase of<br>Jute matting                       |
| 2 dt. 1.4.95                            | 1,464  | -do-   | M/S Khadi<br>Apparel<br>-  |
| 57 dt. 25.4.95                          | 6,600  | -do-   | M/S A.S.<br>Purchase of<br>Furniture                                   |
| 41 dt. 27.4.95                          | 1,116  | -do-   | M/S Vinod &<br>Promod Agencies<br>Furniture.                           |
| 46 dt. 28.4.95                          | 5,687  | -do-   | Sh. Khageshwar<br>Parida   |
| 83 dt. 31.3.95<br>sub vr.no.20<br>to 66 | 16,907 | -do-   | Adjusted<br>against the<br>import of<br>A. .                           |
| 49 dt. 29.4.95<br>sub vr.No.258<br>26   | 200    | -do-   | -do-   |
| Total                                   |        | 22,922   |  |

(c) A sum of Rs.950/- was paid to the Indian oil corporation Ltd. on account of security of two L.P.G. Cylinders. The expenditure was wrongly charged to the work due to which no assets were created. Besides, in final accounts, this amount was required to be shown under the sub-head "security with other Departments" of major head "Sundry creditors." Due to this misclassification the true picture of assets was not <sup>shown</sup> in the balance sheet and it needs to be re-casted. Needful may be done now and compliance shown at the next audit.

(d) It was also noticed during test audit that the furniture fixture, cutlery etc. was neither purchased from approved source nor codal formalities were complied with. The irregularities may be not condoned with the sanction of the competent authority failing which the responsibility may be fixed for irregular purchase and action may be taken accordingly.

(e) Further ~~noticed~~ during the course of A.I. it was also revealed that Agency charges amounting to Rs.52656/- were also charged on the expenditure incurred on Guest house. The agency charges were contd.p..9/-



11 of 1994-95  
16 of 1994-95  
17 -do-  
18 of 1994-95

M/S Bawa Singh  
-do-  
-do-  
Sh. Devinder Thakur

- 9 -

not required to be charged by the Pradhikaran on its own buildings. Therefore necessary correction may be made accordingly in the Income and expenditure account and Balance sheet as well and compliance shown at the time of next audit.

(3) Work orders Nos. 19, 20, 21 & 23 of 1994-95 "Div. I"

Work orders 19, 20, 21 and 23 of 1994-95 were approved and issued by the Executive Engineer, Division No. I. The perusal of these work orders revealed that the name of contractor, date of agreement parties to agreement, stipulated period for completion of work etc. were not recorded in the Memorandum of agreement. The comparative statement of different contractors was not prepared. It appeared from the record that these work orders were prepared just to complete the formalities after the execution of works. The relevant record such as estimates of work done, notice inviting rates, earnest money deposited etc. may be put up for necessary verification at the time of next audit.

(4) Irregular issuance of work orders. (Div. I)

It was noticed during test audit check that in the following cases, there was no legal validity of work orders as the same were not signed by any officer on behalf of Pradhikaran. The estimated period of completion of works was also not entered in the relevant column of agreement. The record regarding calling of rates from contractors was not forthcoming. The requisite record may be shown at the next audit. The responsibility may also be fixed against the Officers at fault violating the procedures laid in the rules.

| Work order No. & date | Name of Contractor.    |
|-----------------------|------------------------|
| 2 of 1994-95          | Sh. Devinder Thakur    |
| 3 of 1994-95          | Sh. Ajay Kumar Gupta.  |
| 5 of 1994-95          | Sh. M. K. Miglani      |
| 7 of 1994-95          | -do-                   |
| 4 of 1994-95          | Sh. Ramesh Kumar Gupta |
| 5 of 1994-95          | Sh. Ajay Kumar Gupta   |
| 5 of 1994-95          | Sh. Anand Kumar Gupta  |

11 of 1994-95  
16 of 1994-95  
17 -do-  
18 of 1994-95  
13 of -do-  
12 of -do-  
17 of -do-  
24 -do-  
25 -do-

M/S Dawa Singh  
-do-  
-do-  
Sh. Devinder Thakur  
Sh. Ajay Kumar Gupta  
-do-  
Sh. Omesh Kumar  
Sh. Ajay Gupta  
Sh. M.K. MISLANI

(5) Excess payment of Rs. 848/-

Work order No. 6 & 7 of 1994-95 (Divn. I)

(a) On test check it was gathered that the consumption of material was in excess of that issued from the store of Panchkula which was not justified and it shows that the measurements were made wrong resulting in excess payment of Rs. 848/- as per detail given below. The amount may be recovered or made good now.

| Work order<br>H.B. & date | Name of item          | Qty.<br>measured. | Rate | Qty.  |
|---------------------------|-----------------------|-------------------|------|-------|
| 6 of 1994-95              | Angle iron<br>25x25x4 | 31.99 mtrs.       | 1.40 | 44.70 |
| 7 of -do-                 | -do-                  | 27.62 mtrs.       | 1.40 | 38.67 |
| 6 of 1994-95              | Bar 25x4              | 31.06 mtrs.       | 1.20 | 37.27 |
| 7 of -do-                 | -do-                  | 48.10 mtrs.       | 1.20 | 57.60 |

| Qty. issued from store | Difference | Excess | Rate  | Excess paid |
|------------------------|------------|--------|-------|-------------|
| 61-00 (Angle iron)     | 22.45      | 35.32  | 24.00 | 848.00      |
| 82 (Bar)               | 12.67      |        |       |             |

(6) Excess payment on account of carriage of grit from Panchkula to the tune of Rs. 3,43,661/- Division-I

The crushers at Shatta Rihar (Shimla) were banned by the Govt. in pursuance of decision of the Hon'ble High Court. Accordingly the contractors were allowed to procure grit from Panchkula (Haryana) and the rates were fixed in individual case. Later on in the month of August, 1993, the crushers at Shimla re-started their work and the contractors were informed vide letter No. BOA(B-II) 3D 6/93-5051-64 dated 13.8.93 that they will not be paid extra for grit procured from Panchkula as the crushers have started their work at Shimla.

During the course of test & pit check it was noticed that the contractors in the following cases have been paid extra even beyond the period

contd. p. 11/-

|                                |          |
|--------------------------------|----------|
| 3. Sh. Satish Kumar Gola       | 30000    |
| 4. M/S M.L. Gupta & Associates | 67200    |
| 5. Sh. Ajay Kumar Gola         | 300000   |
| 6. Sh. Mohinder Kumar          | 50000    |
| 7. Sh. R.M. Madan              | 1,00,975 |

contd. p. 12/-



from 13.8.93 onwards. Vide instruction issued from Head Office it was made clear that the extra rate for grit will only be admissible if documentary evidence is available in support of procurement of grit from Panchkula but ~~neither~~ <sup>neither</sup> the necessary documents were made available by the contractors nor any certificate was recorded by the respective Engineers in token of having received the grit from Panchkula only. The reasons for releasing extra payments without proper proof maybe intimated or recovery of amounts paid excess in each case from the officers/official at fault.

| Sl. No. | Date | Name of contractor | Qty. | Rate                                    | Amount |
|---------|------|--------------------|------|---|--------|
|         |      |                    |      | for which<br>excess rate<br>paid beyond |        |

13.8.93

|            |         |                 |          |        |        |
|------------|---------|-----------------|----------|--------|--------|
| 8 of 92-93 | 16.8.93 | Ajay Kumar Sood | 386.65 m | 366.45 | 141580 |
|------------|---------|-----------------|----------|--------|--------|

(Recorded ~~at~~ <sup>at</sup> 6.40 PM 10)

|            |         |                 |          |        |        |
|------------|---------|-----------------|----------|--------|--------|
| 9 of 93-93 | 19.8.93 | Ajay Kumar Sood | 572.60 m | 352.73 | 201973 |
|------------|---------|-----------------|----------|--------|--------|

(Recorded ~~at~~ <sup>at</sup> 78 of M.B. 2)

#### (7) Non deduction of income tax

It was noticed during audit that income tax on following advance payments was not deducted while making the advance payments to the contractors. As per section 194-G of Income Tax Act tax has to be deducted at the time of making any payment to it the time of making final payments/adjustments. The matter is brought to the notice of ~~the~~ <sup>higher</sup> authorities of the Pradhikaran as well as of the Government <sup>now</sup> for taking suitable action against the officers at fault.

| Sl. No. | Name of the Contractor      | Amount of advance<br>-oo payment. |
|---------|-----------------------------|-----------------------------------|
| 1.      | Sh. R.L. Rana               | 2567504                           |
| 2.      | M/S Deenax Co. Ltd.         | 1375000                           |
| 3.      | Sh. Satish Kumar Goll       | 30000                             |
| 4.      | M/S M.L. Gupta & Associates | 67200                             |
| 5.      | Sh. Ajay Kumar Sood         | 300000                            |
| 6.      | Sh. Mohinder Kumar          | 50000                             |
| 7.      | Sh. R.M. Madan              | 1100933                           |

|                             |         |
|-----------------------------|---------|
| 8. Sh. Prem Singh Atri      | 6000    |
| 9. M/S Aggarwal & Co.       | 200000  |
| 10. Sh. Madan Singh         | 2000    |
| 11. M/S S.S. R Engineer     | 40000   |
| 12. Sh. H.K. Kalia          | 1700000 |
| 13. Sh. M.E. Miglani        | 260000  |
| 14. M/S Deep Dhar Builders  | 8062333 |
| 15. Sh. Kundan Lal Hari Son | 455000  |
| 16. Sh. Asuok Madan         | 310000  |
| 17. Sh. Ram Lal Sharma      | 103000  |
| 18. Sh. Balvinder Gupta     | 1440000 |
| 19. M/S Kalra Hardware      | 100000  |
| 20. Sh. Kameshwar           | 150000  |
| 21. Sh. Ram Bhalai Singh    | 20000   |
| 22. Sh. Motra Ram           | 75000   |
| 23. Sh. Devinder Thakur     | 25000   |
| 24. Sh. Ajay Kumar Gadd     | 200000  |

- (8) Spec (a) The following bin cards were in operation in Sub. Division No. VII of Division No. I. It was noticed during test audit that no stock register of bin cards was maintained in the Divisional office to watch the issuance of bin cards. The bin cards operated were also not signed by the Assistant Engineer Concerned in token of its issuance. In the absence of proper record apprehension of misuse of bin cards can not be ruled out. These omissions may be accounted for and compliance shown at the next audit:-

| <u>Bin card No.</u> | <u>Name of item</u>             |
|---------------------|---------------------------------|
| 11                  | Cement                          |
| 12                  | 40 mm thick Flushdoor shutters. |
| 13                  | Cement.                         |
| 14                  | Cement.                         |
| 15                  | Steel 8 mm dia.                 |
| 16                  | C.C.I. sheets 0.63 mm           |
| 17                  | . . . I. sheets                 |
| 18                  | Cement.                         |
| 19                  | H. . . for steel 10 mm dia.     |
| 20.                 | H. . . for steel 8 mm dia       |
| 21.                 | Cement.                         |



(b) The perusal of entries in column 2, 3 B and 4 of Bin Card No.11 revealed that the entries recorded on dated 6.5.94 were tampered with this shows that the entries were not being made at the time of actual transaction but these were made just to tally the stock. The circumstances under which these entries were tampered with may be intimated. This irregular practice may be avoided in future.

(9) Vy.No. 14 dated 29.11.1994 for Rs.1,69,133/- (Div.I)

Deduction of Income tax amounting to Rs.11425/- was made from 5th running bill in respect of work "Residential complex below B.C.S.Phase II". The surcharge @ 12% was to be deducted to the tune of Rs.1371/- whereas Rs.371/- only were deducted from the above running bill resulting into excess payment of Rs.1000/- to the contractor and short/loss credit of 1 Lacs to Government. The omission may be accounted for.

(10) Irregularities in awarding work orders.

The work providing W.S.S. to K.E.C.Shirga, W.S.S. Stage Ist, was sub divided into different work orders. In order to avoid sanction of higher authorities and invitation of tenders besides observing other formalities. This was highly objectionable. Moreover the actual cost of work done against each work order exceeded the limit of Rs.20,000/- as shown below against each work order. The execution of these works on work order basis was, therefore, unjustified and irregular. The matter may be looked into by the higher authorities and expenditure incurred against each work order may be got regularized with the sanction of the competent authority:-

| Sr. No. | Particulars of Work orders | Name of Contractor | Amount Awarded | Actual Amount      | Remarks   |
|---------|----------------------------|--------------------|----------------|--------------------|---|
|         |                            |                    |                | paid to Contractor |   |
| 1.      | No.19 of 94-95             | Sh. Mesh Kr. Gupta | 20,000         | 40,096             | --  |
| 2.      | No.14 of 94-95             | do-                | 10,000         | 40,366             | Work order not signed by the Contractor as well as by Mr. -R. |

|                  |                  |        |        |  |
|------------------|------------------|--------|--------|--|
| 3.No.10 of 94-95 | M/S<br>Hekhsagun | 20,000 | 40,867 | Less deduction of surcharge on income tax and issue of Store without any agreement as such Recovery of material Issued be made at market rate. |
| 4.No.8 of 94-95  | -do-             | 20,000 | 42,309 | Store amounting to Rs.16592/- was issued to contractor without any agreement as such and less deduction of surcharge on Income Tax.            |

- (11) Non realisation of nominal fee of Rs.50/- per map from the Allottees for providing lay out plan for water connections

The CMO-cum-Chief Engineer vide office order No.SDA-AP (Planning) KZC-layout 8186-94 dated 12.9.89 ordered that the layout plan showing water connection ~~time~~<sup>line</sup> on tracing cloth may be supplied to allottees @ Rs.50/- per copy at the counter of Shimla Development Authority.

<sup>Required</sup> These layout plans on tracing cloth were ~~required~~ by the allottees for taking water connection -on from the Municipal Corporation, Shimla. Since the fitting of pipes etc was being done by ~~at~~ the SDA, therefore, completion certificate was required to be issued by the SDA and not by anybody else.

From the para 1 of the record put up to Audit it was revealed that only 150 allottees (approx.) deposited the amount @ Rs.50/- on account of issuance of completion report for releasing the water connection till date. Whereas the no. of allottees who had been given possession of House/ flats since the formation of SDA was much higher. This irregularity seems to have resulted into short realisation of thousands of Rupees. Therefore the matter may be properly investigated departmentally and amounts realized short on this account may be recorded or made good now and compliance shown at the time of next audit.



-1 15 :-

- (12) Name of work :- Providing W.S.S. to KMC Shimla,  
Providing and Augmentation of W.S.S.  
(Sl: Providing Internal S/1 to Pump  
House in Stage-III at Kasumpti  
Shimla) (Division-I)
- Agreement No. SDA-31 for 91-92
- Voucher No. 28 dated 19.5.94 IIIrd and final Bill
- Name of Contractor: M/s Digvijay Electric Co. Totu  
Shimla.

As per agreement, work awarded was required to be completed within one month from the invitation of the <sup>bid</sup> work. As per measurement book No.296, page-74, the work was measured and entered in the M.B. on 31.01.94 whereas the date of completion ~~was~~ of this work was shown as 31.12.91 by cutting and altering the actual date. Therefore, it was not understood that when the work was shown completed on 31.12.91 then how the second entry into the M.B. was made as late as on 31.3.94 by the Junior Engineer. Thus it seems that the work was not actually completed on 31.12.91.

Further, the contractor was given extension of time upto 31.12.91 without recording any date on the extension form and also on the letter granting extension seems to have been granted just to avoid the levy of penalty amounting Rs.2970/- to the contractor. Thus the irregular extension of time be either justified or suitable action be taken against the defaulter besides effecting the recovery of amount of penalty pointed out above and compliance shown at the time of next audit.

- (13) Less deposit of Rs.450/- each on a/c of sales tax and Income Tax during the quarter ending 12/94 deducted from the contractor. (Division-I)

Perusal of voucher No. 78 dated 23.3.95 reveals that the Gross amount of Rs.2,98,558/- was deposited in the State Bank of India on a/c of sales Tax and Income Tax for the quarter ending 12/94. But from the perusal of cash book it reveals that total sales tax deducted during the quarter ending 12/94 worked out only Rs.1,21,431/- out of which only Rs.1,20,931/- were deposited into the Bank thereby resulting into less dep

of sales tax amounting to Rs.450/-. Similarly Income tax amounting to Rs.450/- was also less deposited into the Bank. against the total collection Rs.1,59,845/-.

Besides above, the amounts deducted from the contractor on a/c of income tax were not being deposited into Bank in time as per the provisions of the Income tax Act. In the instant case the amount deducted during the quarter ending 12/94 was deposited after a gap of 3 months i.e. on 23.3.95 whereas it should have been deposited within a fortnight from the date of deduction.

The omission pointed out above may be accounted for now as well as invariably in future.

- (14) During the course of Audit, it was revealed that no security/Earnest money Register was being maintained by the divisions of H.P.N.V.P. In the absence of said Register correctness of receipts and refunds of security could not be checked in Audit. Further no <sup>written</sup> reference regarding refund of security/Earnest money was given in the cash book.

Thus, in the absence of above mentioned records references the apprehension of <sup>double</sup> ~~double~~ payment can't be ruled out. Therefore, the above records may be maintained now and compliance shown at the time of next audit.

Some of instances of refunds of security/Earnest money are given below :-

| Vr.No.& Date  | Amount refunded | Particulars of Payee             | Remarks.  |
|---------------|-----------------|----------------------------------|---|
| 56 of 18.3.95 | 6,672.00        | M/S Bawa Furniture House Shimla. | Withheld amount against the work order No.17 of 94-95   |
| 25 of 17.5.94 | 5,405.00        | Sh. Matroo Ram Contractor        | Refund of security of Rs.1500/- by Div.I which was deducted by Div.II and refund of Earnest money of Rs.650/- |
| 54 of 18.3.95 | 6,355.00        | Sh. Ajay Kumar Bood Contractor   | _____   |

contd.p..17/-

PURCHASES FROM Mandrovi which is quite far off from than Manjholi. As such responsibilities for excess payment of freight charges in respect of all such purchases be fixed and recovery effected unless otherwise justified.

contd.p..17/-



55 of 18.3.95 5,065.00 Sh. Unesh Kumar  
Sood, Contractor -----  
76 of 27.3.95 10,000.00 Sh. M.L. Gupta  
Contractor. -----

53 of 18.3.95 7,642.00 Sh. Davinder  
Thakur, Contractor As per M.B. No. 470  
Page 21 & 22 Rs.  
10349/- were  
recorded as the  
amount of security  
refunded to the  
contractor without  
recording any  
payment orders.

- (15) Non accountal of Geyress costing Rs. 9707/- (Div. I)  
M/s Central Traders, the Hall Shinde were paid  
Rs. 9707/- on a/c of purchase of two No. Geyress  
vide voucher No. 12 dated 29.7.88 and adjusted  
in a/c vide voucher No. 19 dated 7.3.95. In this  
connection, the quotations received were undated and  
even these were not seen and signed by the <sup>competent</sup> authority.  
Further as per record entry made in M.B. No. 460 at  
page 39, the material was shown as entered in M.B. No.  
for 3/95 and shown as issued to work. But in fact no  
entry of Geyress was found made in the MAS as  
referred to on the <sup>said</sup> M.B. Moreover the payment was  
also released to the firm without verifying  
whether the said materials were entered in the  
MAS or not. These Geyress being moveable property  
of H.P.N.V.P. were also required to be entered in  
the property register and thereby to be shown in  
the Balance Sheet under the Head Fixed Assets.

The serious irregularity warrants  
suitable action against the defaulter besides  
proper accountal of these Geyress into Books of  
Accounts of H.P.N.V.P.

- (16) Voucher No. 73 of 5/94 for Rs. 528/- (Div. I)  
The hand receipt for Rs. 290/- was passed in  
favour of J.S. for the purchase of one D.C. Capel-  
tor 50 V from M/s Kapila Traders vide cash memo  
No. 6158 dated 24.12.93. The payment was claimed  
by the J.S. concerned after a gap of 5 months  
i.e. on 31.5.94 from the date of its purchase.  
Further no stock entry and further disposal of  
above said material was shown to Audit. the  
needful may either be done now or the amount  
conced. p. 18/-

THE ABOVE AMOUNT REMAINS WHICH IS QUITE FOR OFF THESE  
responsibilities for  
of

- (17) amount spent may be recovered/ made good immediately.  
Purchase of Sand and Non-accountal thereof

Rs.14400/- were paid to M/S Lokinder Chandel, <sup>Govt</sup> contractor on A/c of supply of fine sand. The perusal of purchase voucher reveals that the said material was shown entered in M.B. No.359 at page 52 and 53 and in M.A.S. Register at Page-76 but infact no such entry was found recorded in the M.B.No MAS Register. Thus, the said material seems to have remained unaccounted for. Therefore either the stock entry and further disposal of sand may be shown now failing which the amount spent may be recovered or made good immediately.

- (18) Name of Contractor : Sh. Ajay Kumar Sood  
 Agreement No. : E/92-93  
 Name of work : C/O Residential complex below B.C.S.(Phase-II) Shimla (SH: C/O Type 'A' flats 24 units, type 'B' 48 units, type 'C' 6 units, type 'D' 6 units and development type 'B' plots 7 Nos ~~including~~ type 'B' plots with basement 3 Nos including internal water supply and sanitary installations and development of site)

Upto VIth Running bill, 18717.30m<sup>3</sup> cutting work and 5530.71 m<sup>3</sup> Excavation work had been executed against the estimated quantity of 2537.19m<sup>3</sup> and 1528.01m<sup>3</sup> respectively. The excessive quantity executed needs proper justification and approval of competent authority.

Moreover, no stock entry and further disposal of material extracted while executing above said huge quantities of cutting and excavation work were shown to Audit particularly. When pick work, jumper work, blasting including disking and wedging out of Rock work were also got executed. It is apprehended that the material extracted as such might have been consumed by the contractor for the execution/filling work. Therefore, the factual position may be

contd.p..19/-



verified by the higher authorities and results thereof shown at the time of next audit.

- (19) Name of work: G/O Residential complex below B.C.C.  
Phase I(G/O Stone masonry R/wall  
R.D. 0 to 12 and R.C.C. R/wall R.D.  
12 to 20

Agreement No.: 21 of 93-94

Name of Contractor: Sh. Kameshwar (Division-I)

Voucher No. 14 of 5/94

The item R.D. Masonry with hand stone of approved quality in foundation and plinth in cement mortar 1:6 including levelling up with cement concrete 1:6:12 was to be executed as per agreement. But from the perusal of record entries at page 81 of M.S. No.259 it revealed that the levelling up work in cement concrete 1:6:12 was not done and as such the payment on this m/c was required to be made at reduced rate than agreed to i.e. @ Rs.309.30 instead of Rs.318.30 per m<sup>3</sup>. Upto 2nd R/bill total quantity executed was 108.92m<sup>3</sup>. Therefore, the irregularity pointed out above has resulted into an excess payment of Rs.1851.93 as per details given hereunder:-

M. No.259 page 81, 100.42m<sup>3</sup> @ Rs.9/- Rs.974.70  
per m<sup>3</sup>

Add Premium 90% Rs.877.23  
Total Amount Rs.1851.93

Further, as per calculations done in Audit, 16 bags of cement were shown consumed in excess due to non execution of levelling up work with cement concrete 1:6:12. Thus the amount of Rs.1851.93 alongwith recovery of cost of 16 bags of cement at penal rate may be made good immediately under intimation to this Department.

- (20) Miscellaneous objections:- (a) As per C. No.136 the total value of material Received worked out to Rs.6,11,512/- in Audit as per details given below:-

| Sr.No. | Items       | Qty.      | Rate(Rs)     | Amount(Rs)      |
|--------|-------------|-----------|--------------|-----------------|
| 1.     | Steel 10 mm | 19.155 MT | 13093 per MT | 2,50,736        |
| 2.     | Steel 8mm   | 22.04 MT  | 13200        | 2,91,104        |
| 3.     | Steel 12mm  | 5.34 MT   | 13036        | 69,672          |
|        |             |           |              | <u>6,11,512</u> |

... which is quite for off men  
... As such responsibilities for

But in the books of accounts of the Division the amount was adjusted as Rs.6,13,386/- instead of Rs.6,11,512/- i.e. in excess by Rs.1874/- . The necessary correction in the books may be done now and compliance be shown to audit.

(b) Similarly vide G.R. No.143, the total value of material received worked out to Rs.2,60,620/- instead of Rs.2,04,356/- accounted for in the books i.e. less <sup>correct</sup> accountal by Rs.56264/-. The necessary ~~correct~~ accountal may be done now besides reconciling the accounts.

(c) Vide Indent No. SDA/AK/94-26 dated 21.7.94 5.85 MT 20mm dia steel was transferred from S.D. (G-I) to Design Division on 26.7.94 @Rs.12342/- per MT. The above cost included storage charges @ 2% amounting to Rs.1444/-. As per rules no storage charges are required to be levied while transferring of stores within the divisions of the same organisation. The omission may be rectified now and accounted for accordingly in the books.

(c) Perusal of adjustment voucher No.2 (period 1.4.94 to 13.11.94) on A/c of transfer of material from one work to another work. reveals that sum of Rs.6,39,632/- was adjusted against the actual amount of Rs.6,38,832/- thereby resulting in excess adjustment of Rs.1000/- (In transfer entry No.21, is the total amount works out to Rs.10586/- instead of Rs.11,586/-). The necessary correction may done now and compliance shown to audit.

(21) Name of work: C/O Residential complex below B.C.C.  
Phase I (Sa: Providing internal  
Electrical Installation for various type  
flats under Job.No.2 of 1989-90)  
Type 'C' Flats 9 Nos and 6 Nos type  
'b' Flats Tob III)

Name of contractor: M/S Kumar Enterprises (Pvt.)  
Voucher No.10 of 1.3.95 Ist Running Bill

(a) According to Agreement, work was required to be completed within one month from the date of start of work i.e. by 19.6.94. But as per record



entry at pages 26 to 28 of M.B.No.460 the work was not completed till 24.1.95. Thus, the penalty was required to be imposed on the contractor under clause-2 of the agreement for delay in the completion of work within stipulated period. Provisional extension in time upto 31.10.94 was granted to the contractor vide letter No.SDA-D-1/Acctns/7/94, 1246-49 dated 30.9.94 just to keep the contract alive. The amount of penalty for delay in the completion of work @ 10% worked out to Rs.9523/- The above amount may be recovered or made good immediately under intimated to audit.

- (b) As per page 28 of M.B. No.460, no record entry was found made in the M.B. against the item providing of call bell point. Whereas as per abstract of cost an amount of Rs.675/- was paid to the contractor on account of providing of a call bell points. Therefore, the payment without any record entry in the M.B. may be justified ~~but~~ failing which amount paid be made good immediately
- (22) Voucher No.5,6& 13 of 5/94 amounting to Rs.25007/- Rs.39672/- and Rs.34713/- respectively :-

The Executive Engineer vide supply order No.SDA.D-1, Corres-2/94,247-249 dated 7.3.94 placed supply order on M/S Ravi Electrical works Chandigarh for amounting to Rs.55100/-+ sales Tax. The firm vide bill No.6509 dated 30.4.94.

Supplied the following material to SDA:-

| Dr.No. | Items   | Qty.   | Rate         | Amount (Rs) |
|--------|---|--------|--------------|-------------|
| 1.     | Carbon Brushes for<br>IE motor 225 E.Watt<br>per sample                     | 30 Pcs | Rs.330 each  | 9900.00     |
| 2.     | Star Delta Starter<br>15 H.P.IE make ME-1<br>fully automatic<br>Star Delta. | 2 Nos  | Rs.3250 each | 6500.00     |
| 3.     | Ends for motors 2<br>motor long complete<br>thimble                         | 9 Nos. | Rs.800 each. | 7200.00     |

Total Amount 23600.00  
Sales Tax 10% 2360.00  
Surcharge 2% 472.00  
Gross Amount 26432.00

From the Payment to M.B. for the work A/A and

contd...p...22/-

M/O W.S.S. Kasumpti Zone at Shinla it revealed that the above material was received during the month 4/94. Out of above material only 12 nos Star Delta Starter 15 H.P. were shown issued to work in 4/94 but the correctness of the above material could not be verified in Audit because no reference of M.B. was found given in the MAS Register. In absence of which issue and consumption account could not be verified.

The concerned J.E. Incharge of above scheme already stands relieved from the Pradhikaran who had still not handed over the material to the Pradhikaran Authorities. Moreover, there seems to be no justification of purchase of above said material when not required for immediate use. The investment in question without any pre-requirement has thus blocked the funds of the Pradhikaran which would otherwise have been invested/expended on some urgent/priority work.

Further from the perusal of T&P register, page 74,75 and 76 it revealed that the material having value in thousands was still lying in the charge of above mentioned J.E. in the form of stock but neither the charge was handed over by him while relieving from the Pradhikaran nor the amount is being shown in the Balance Sheet under Head Assets.

The whole material lying with the concerned Junior Engineer should be taken over without any further delay and suitable action may also be taken against the officer responsible for relieving the concerned Junior Engineer without taking the complete charge.

The serious irregularity is also brought to the notice of the higher authorities of the Pradhikaran.

(23)

~~While~~ While checking the MAS Register maintained by the concerned divisions/Sub divisions of H.P.M.V.P. ~~many~~ following irregularities were noticed which may be complied with now and the compliance shown at the time of next audit:-

contd.p..23/-

purchases from Kandrevi which is quite far off from  
from Manjholi. As such responsibilities for  
of



(1) Although most of the works had been completed since long but the various items of material purchased specifically for these works were still being shown lying in the MAS Register whereas the same were required to be transferred to other works undertaken for construction thereafter.

(ii) There was no record available as to how many MAS Registers were issued to each Junior Engineer. In the absence of above said records it could not be ascertained as to whether the material entered on each MAS Register had actually been consumed or handed over at the time of the transfer of the concerned Junior Engineer.

(iii) Although most of the Junior Engineer had either been transferred or left the services of the services of the Peshikaram yet the record relating to handing/taking over of various material by such Junior Engineers, was not put to audit. Therefore it appears that material lying in stock as per MAS register may not have been misappropriated by the concerned Junior Engineers.

(24) Purchase of Steel from M/S Sood Steel Industries Kandrori

While auditing the stock A/C of Division No.1, it was noticed that the H.V.P was making the purchase of Steel from M/S Sood Steel Industries, Kandrori instead of effecting the purchase from M/S Himachal Steel Rolling Mills Majholi, Malagarh Distt. Solan since both the firms are approved on rate contract basis and Majholi is nearer to Shimla. Moreover the rates of Steel are *ex-factory* so had the purchase been effected from Majholi there would have been lesser payment of freight charges as compared to payments made by making purchases from Kandrori which is quite far off than Majholi. As such responsibilities for excess payment of freight charges in respect of all such purchases be fixed and recovery effected unless otherwise justified.

Further, it was also noticed that the firm was ~~not~~ not supplying full quantity of Steel against the supply orders within stipulated period and the supply seems to have been delayed just to make the sale of steel at increased rates with the increase of rate of steel. The fresh supply orders were being given to the firm without receipt of total steel against the old supply orders.

Thus it appears that the firm was ~~unsuccessfully~~ delaying supply in order to charge higher rates.

The matter may be got investigated Departmentally and results thereof be intimated at the time of next audit.

The record relating to above purchases may also be made available for checking at the time of next audit without fail because the same was not put up at the time of present audit in spite of several verbal as well as written requests vide Audit requisition No. 1111 dated 19.2.96 including subsequent reminder dated 15.3.1996.



6. IRREGULARITIES DETECTED IN CONSTRUCTION  
DIVISION NO. II

...

1) Non Accountal of Material Worth Rs. 1,41,337/-.

As per orders of the Chief Administrator of the Pradhikaran all articles of stock and store lying with the various division of the pradhikaran were to be transferred to the Central store. While auditing the accounts of the Pradhikaran it was observed that where as all the articles of stock were transferred by all other division, the following articles and stock and store of division No.II were still lying with Shri Vinod Kapoor, J.E. of the division. Moreover material for execution of various works under taken by the above Division No. II was got issued from the central store from January, 1995 onwards and the material mentioned below lying with the ~~above~~ aforesaid J.E. was still lying unconsumed with him. This was clear violation of the orders of the Chief Administrator. The material lying with the Junior Engineer may be transferred to central stock forthwith failing which the cost of material may be recovered from the official at fault. Physically verification of material may also be done now and results, thereof intimated at the time of next audit:

STOCK BALANCE OF STORE SUB DIV.NO.IV UNDER DIV. NO.II  
AT PRESENT POSITION

| No. | Item                       | Bin card No. | Qty.    | Rate @     | Amount  |
|-----|----------------------------|--------------|---------|------------|---------|
|     | M.S.Channel 75x40mm        | D-II/105     | 1.518MS | Rs.12010/- | 18231/- |
|     | Steel window F-7bt 60x1.20 | D-II/106     | 60 Nos. | Rs. 300/-  | 18000/- |
|     | R.C.C. pipe 300mm dia      | D-II/50      | 1 No.   | Rs. 570/-  | 570/-   |

Contd. ...

|  |          |                                     |           |         |
|--|----------|-------------------------------------|-----------|---------|
| RCC Collar 600mm dia                                     | D-II/45  | 4Nos.                               | Rs. 25/-  | 100/-   |
| RCC Collar 300 mmdia                                     | D-II/51  | 7 Nos.                              | Rs. 15/-  | 105/-   |
| RCC pipe 600 mmdia                                       | D-II/44  | 1 No.                               | Rs. 900/- | 900/-   |
| RCC pipe 900mm dia                                       | D-II/30A | 8 Nos.                              | 1250/-    | 10000/- |
| CGI sheet 0.63x800x3000                                  | D-II/109 | 1.71 <sup>1</sup> / <sub>4</sub> MT | 25361/-   | 43469/- |
| Flush door shutter<br>40 mm thick size<br>0.70 x2005     | D-II/78  | 8Nos.                               | 1000/-    | 8000/-  |
| Sliding doorbolt 250mm                                   | D-II/82  | 40 Nos.                             | 25/-      | 1000/-  |
| M.S. Towerbolt 250x16 mm                                 | D-II/83  | 80 Nos.                             | 10/-      | 800/-   |
| M.S. Handle 100mm size                                   | D-II/84  | 80 Nos.                             | 6/-       | 480/-   |
| Door Stoper  | D-II/85  | 40Nos.                              | 10/-      | 400/-   |
| Cut pieces of Top steel<br>in Diffs. dia in<br>scrapshop | D-II/95  | 2.821MT                             | 12600/-   | 35545/- |
| Kail wood  | D-II/19  | 1.580 m <sup>3</sup>                | 2365/-    | 3737/-  |

Total: Rs. 1,41,337/-

Sd/-  
Executive Engineer,  
Construction Division No.II  
H.P.Nagar Vikas Pradhikaran  
New Shimla-9

## 2. Non Accountal of Store :

The following store items i.e. cement and steel etc. were transferred from one work to another but the transfer entries of the material were not made properly. The perusal



- 27 -

of the indent enclosed with the transfer entries vouchers revealed that neither the date and signature of the issuing authority appeared on the indents nor the signatures of the receiving officers were obtained on the indents. Even the detail of transfer entries and proper references were not recorded and also no contractor ledger had been maintained. Besides above no entries had been made in the recovery register with the result that transfer and adjustment of stock mentioned could not be checked in audit. As such there is every likelihood of misappropriation of these store items. The above record alongwith transfer and adjustment account may be shown at the time of next audit failing which cost of material in each case may be recovered or made good from the officials(s) at fault under intimation to this department.

| Material<br>which was<br>transferred | Quantity | Value | Particulars  |
|--------------------------------------|----------|-------|--|
| -----                                | -----    | ----- | -----  |
| 0 bags cement                        | 20 Nos.  | 2240  | Transferred vide transfer entries No. 98 dated 4/94 from work, Phase-I c/o 25 Nos. type-A. House 21 Nos. Type B House Job No. 5, 3 meters wide steps and wall to A Houses. |
| For Steel<br>8 mm dia                | 0.034    | 279/- | Transferred vide transfer entries No. 99 dated 4/94 c/o A type House II to c/o 25 Nos. type A-21 Nos. type - B.  |
| For steel<br>8 mm dia                | 120 MT   | 984/- | Shown transferred from Phase-I c/o 25 Nos. type-A, 21 Nos. Type-B but it was not clearly mentioned for which work material was transferred.                                |

Contd.....

|                      |              |             |   |
|----------------------|--------------|-------------|---|
| 1 sheets<br>mm thick | 150 MT       | 2785/-      | Transferred vide transfer entry No.110 dated 5/94 transferred from c/o Phase-I 25 Nos. type A. Houses, 21 Nos. type B. Houses It was not clearly mentioned that for which work these store articles were transferred. |
| ment                 | 10 bags      | 720/-       |   |
| r Steel 10mm         | .010         | 82/-        |   |
| ment                 | 10 bags      | 1120        |   |
| Steel                | .018         | 1342<br>222 | Transferred vide T.E. No. 114 dated 5/94 from the work c/o 25 Nos. type-A, 21 Nos. type-B to c/o Phase-I 3 mtrs. wide steps RD. 100 to lane No. II RD-65  |
| ment                 | 7 bags       | 112/-       | Transferred vide T.E.No. 116 dated 5/94 from the work c/o 25 Nos. type-A, 21 type B. House but it was not clearly mentioned that for which work the cement was issued.  |
| GI Sheets<br>" long  | .062 MT      |             |   |
| do-10" long          | .105MT       | 3100        | Transferred vide T.E. NO.117 dated 5/94 from the work Phase-I c/o 25 Nos. type-A House, 21Nos. type B House but it was not clearly mentioned for which work this material was transferred.                            |
| For Steel<br>8 mm    | .035<br>.055 | 738         | Transferred vide transfer entry No. 118 dated 5/94 from c/o 25 Nos. type-A, 21 Nos. type-B House Phase-I but it was not clearly mentioned on the enclosed indent for which work above material was issued.            |
| Cement               | 11 bags      | 1232        | Transferred vide T.E. No. 125 dated 7/94 Phase-I c/o Retaining wall on load lane & plots to RCC Retaining wass on main road   |
| Cement               | 30 bags      | 2160        | shown transferred vide T.E.No. 153 dated 12/94 from Job No.7 to Job No. 5   |
| For Steel 8mm        | .250MT       | 3086        | shown transferred vide T.E.No. 188 dated 2/95 from RCC retaining wall Job No.ito various type of flats house in JobNo. I  |



|                    |        |      |   |
|--------------------|--------|------|---|
| or Steel<br>mm dia | 130kg. | 1040 | shown transferred vide transfer entry No. 191 dated 3/95 from the work c/o RCC retaining wall on the site plot B-65- in main road to RCC diamention Phase-I                                   |
| or Steel<br>mm dia | 83 kg. | 664  |   |
| ement              | 22bags | 2618 |   |
| ement              | 15bags | 1080 | Transferred vide transfer entry No. 190 of 3/95 from the work c/o 25 Nos. type-A 21 type B <sup>mention</sup> but it was not clearly manetioned that for which work this material was issued. |
| ement              | 25bags | 1800 | Transferred vide transfer entry No. 198 dated 3/95 from Phase-I Job No. 7 to Job No.5 Phase-I   |

3. Name of work :  
.....  
Residential complex below DCS phase-I construction of  
2 Nos. type D. House-II-16 Nos. Type(a) Flats (ii), 10Nos.  
type 6 and 15 Nos. type (c) Flats in composite blocks  
(iv) 4 Nos. type b and 6 Nos. type D Blats in composite  
block in composite block(Job No.3) Building portion in-  
cluding ( W.S & S.I)

Agreement No. : SDA (D) -II-8-89-90  
.....

Tendered Amount : Rs. 62,33,740.92  
.....

Date of commencement of work : 20.10.1989  
.....

Stipulated date of completion : 19.7.1991  
.....

Name of the Contractor : Sh. Ranjeet Singh Rana.  
.....

1) During the course of audit it was observed that upto  
the 21st running bill of above work total sum of RS.  
1,16,997/- was paid in excess on account of payment of  
following items of work at higher rates than the rates  
actually approved by the higher authorities. The excess

payment worked out below may be recovered or made good now besides taking suitable action against the official responsible for making excess payment.

| am No.              | Description of item   | Qty. of work          | Rate paid | Amt. paid | Rate app- roval       | Amt. payable | Excess payment |
|---------------------|---|-----------------------|-----------|-----------|-----------------------|--------------|----------------|
| 59                  | White glazed tiles 6 mm thick in starting rising of step  | 684.47M <sup>3</sup>  | 514.50    | 352160    | 352.50                | 241276       | 110884.00      |
| 60                  | Extra to laying while glazed tiles in <i>skirting bases</i> of steps and <i>dial</i> where they are required to be cut (only area of portion of cut tiles to be measured. | 29.41M <sup>3</sup>   | 139.05    | 4089      | 123.98                | 3646         | 443.00         |
| 61                  | Precast Tarazotiles 20 mm thick white marble chips special shade and side   | 185.34M <sup>3</sup>  | 193.50    | 35863     | 185.34                | 172.55       | 3883.00        |
| 62                  | Painting two coat excluding primer on new wood based surface.   | 1017.46M <sup>3</sup> | 12.95     | 12260     | 1017.46 <sub>pr</sub> | 9.23 9391    | 2869.00        |
| -----               |   |                       |           |           |                       |              | 286293         |
|                     |   |                       |           | 404372.00 |                       |              |                |
| 1% rebate deduction |   |                       |           | 4044.00   |                       |              | 2862           |
| Paid payable        |   |                       |           | 400328    |                       |              | 283431         |
| Payable             |   |                       |           | 283431    |                       |              |                |

Therefore excess payment made to the contractor Rs.: 116,917.00

Contd. ....



- 31 -
- 11) The above contractor had deposited security worth Rs. 1,00,000

Against the above workout of which sum of Rs. 90,000 was released to the Contractor vide M.B. No. SDA 416 page 65. Since the contractor had not completed the above work till the date of release of above security. Therefore, was a contradiction of the agreement. Moreover the contractor seems to have left the above work uncompleted. Therefore, the security deposited by him was required to be forfeited under the agreement. The serious irregularity warrants a suitable action against the officer(s) at fault responsible for release of security without completion of work.

- iii) Remaining work worth Rs. 10,194/- was got done vide <sup>work</sup> order No. 93 of 1995-96. The above amount may be recovered from the contractor because the remaining work was required to be executed at the risk and cost of the above contractor.

- iv) Upto the 21st running bill, a sum of Rs. 9,09,239/- was paid to the contractor on account of 10 cc claim. Since the contractor had not completed the work within stipulated time as per agreement and no regular extension in time was approved by the competent authority, therefore, the payment on account of 10 cc claim amounting to Rs. 9,09,239/- may be justified suitably at the time of next audit.

- v) As per note recorded in M.B. No. 416 page 71, the following amounts were recoverable from the contractor on account of penalty imposed upon him due to executing the following items of work in a defective way. These amounts may be

Contd....

recovered without further delay and compliance shown to audit

- a) Recovery of reverse stop  
intrajutile flooring and dismantling and  
and recasting filling with white cement  
rubbling galazed tiles work done without  
direction. 5000.00
- b) Amount of token ponalty imposed vide  
letter No. Job No. 3,6,7 /93-7615-18  
dated 15.6.94 5000.00
- c) Recovery of defects in white  
washing handle etc. 3194.00

vi) As per details given below the following excessive extra  
items of work were executed by the contractor but the  
approval of the competent authority was not obtained. This  
was irregular. It may be intimated as to under which cir-  
cumstances these extra items were not included in the  
original estimate of the work. Expenditure incurred on these  
extra items.- may be regularised with the sanctioning  
competent authority :-

|    | Item Executed  | Qty.    | Rate              | Amount   |
|----|--|---------|-------------------|----------|
|    | .....  | ...     | .....             | .....    |
| 5  | applying 2 coats of<br>hot bitumen   | 224.376 | 22.55             | 5060     |
| 6  | Square rubble<br>massionery 1:6:12   | 30,827  | 688.95            | 21238.00 |
| 67 | Random rubble<br>massionery 1:6:12   | 40.81   | 564.40            | 23033.00 |
| 68 | Stone filling<br>behind rataing wall   | 87.95   | Cub.mtr 179.15    | 15756.00 |
|    |  | 77.64   | -do-              | 1860.00  |
| 69 | Providing staring<br>mechanical mixed and<br>vibrated rain<br>reinforcement. | 25.701  | cum 811.45 P/Cu.m | 20855.00 |

.....



|   |                 |                  |                   |
|---|-----------------|------------------|-------------------|
| Providing and<br>fixing angle iron  | 267.30 Rmt.     | 46.70            | 12479.00          |
| Providing and fix-<br>ing sand cast iron  | 88 Nos.         | 50.70            | 4462.00           |
| 75mm Nominal size   | 58 Nos.         | 63.30            | 3671.00           |
|   | 12 Nos.         | <del>48.35</del> | <del>578.00</del> |
| Offset band   | 12 Nos.         | 48.35            | 578.00            |
| 100mm Nominal size  |                 |                  |                   |
| single equal branch<br>plain  |                 |                  |                   |
| 75mm Nominal size   | 95 Nos.         | 74.90            | 7116.00           |
| 100mm Nominal size  | 7 Nos.          | 101.00           | 707.00            |
| Providing and fix-<br>ing sand cast iron<br>loose socket.                               |                 |                  |                   |
| 75mm Nominal size   | 262 Nos.        | 26.50            | 6943.00           |
| 100mm Nominal size  | 60 Nos.         | 34.30            | 2058.00           |
| Furnishing wall with<br>water providing<br>cement paint.                                | 2356.09 Sq.mtr. | 15.18            | 35765.00          |
| Providing chanes<br>75mm wide 50mm<br>deep (silling with<br>cement 1:3:6)               | 347.70 R mt.    | 7.25             | 2521.00           |
| Providing and fix-<br>ing 40mm nominal size<br>bone galvanised M.S.<br>tube motor 1:3:6 | 16.50 Rmt.      | 106.70           | 1761.00           |
| Construction manhole<br>with RCC top slab<br>in 1:2:4                                   | 2 Nos.          | 1026.80          | 2053.00           |
| a) Inside size 1200x<br>900mm and 1 meter<br>deep                                       | 5 Nos.          | 2117.65          | 10588.00          |

With 150mm  
wall of RCC  
1:2:4

3Nos.

2162.70

6486.00

Providing fixing  
stone wall

1) Square mouth  
100mmx100mm

4Nos.

169.97

672.00

Cutting holes  
up 15cmx15cm

82Nos.

14.90

1222.00

Cutting in earth  
work and disposal  
all lead avg length

125.70

32

4022.00

Demolition of  
stone massoney

182.96 cum.

118.95

21763.00

Providing & fixing

C.I. I lane pipe  
32mm for wash basin

45.85 Rmt.

82.50

3783.00

5. Extra expenditure of Rs. 76,66,072/- due to non-negotiation  
of rates (Div. -II)

-----  
The construction work of residential complex in Phase-I below  
BCS was awarded to M/S. United Construction Co. Chandigarh  
at uniform rates vide agreement No. 15,16 and 17 of 1987-88  
Later on the said contractor left the work incomplete and  
accordingly fresh NIT were called in the month of May, 1989  
to complete the remaining work. At this stage the work was  
divided into seven jobs and awarded to the contractors as  
per detail given below :-

Ag.No. & date

Name of Contractor

Job No.

12 of 89-90

Sh. R.K. Kapila

1

10 of 89-90

M/S. Deep Dhara

2

8 of 89-90

Sh. R.S. Rana

3

14 of 89-90

Sh. R.K. Kapila

4

.....



|             |                        |   |
|-------------|------------------------|---|
| 13 of 89-90 | M/S. Scemax Const. Co. | 5 |
| 11 of 89-90 | Sh. R.S. Rana          | 6 |
| 9 of 89-90  | Sh. R.S. Rana          | 7 |

The perusal of rates quoted by these contractors revealed that the various contractors quoted absurdly high and low rates for same items which were accepted by the Shimla Development Authority. The authorities did not care to unify the rates of same items in the same site/locality of work at the time of negotiations with the contractors. In certain items, there was a variation of 20% to 300 % and that of single contractor also varied from 10 to 20% though the tenders were invited in the same period and opened on the same day. The negotiations were also held between 4.10.89 and 6.10.89. It was noticed in test audit check that no efforts were made by the authorities to bring parity among the rates of various contractors who were awarded the works. So much so the rates of single contractor who awarded more than one contract were also not brought at par. Since the contractors~~can~~ quoted their rates after analysing their profit, it was evident that even the lowest rates were workable and profitable to them. In case the authorities could have made efforts to negotiate the rates at par with other lowest items rates for the similar item before the award of work the S.D.A could have saved the extra expenditure Rs. 76,66,072/- as per detail given in appendix 'E' to this report. The above amount is likely to increased upto the completion of these works. Further, reasons for not executing the work at the risk and cost of the previous contractors were also not intimated.

- 35 -

The observations made above may be attended to immediately and responsibility for loss by way of excess payments made to the contractors may be fixed under intimation to this Department.

6. Splitting of Construction work/Irregular award of work orders  
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- 1) Rule/instructions regarding construction of various works prevailing in H.P.P.W.D. were mutatis mutandis made applicable in Himachal Pradesh Nagar Vikas Pradhikaran. These rules provide that a contractor should not be awarded more than two works orders at the same time, so that the works could be completed within the stipulated date. During test audit of the accounts it was observed that more than two works were simultaneously awarded to the same Contractor. Detailed information in this regards are given in Appendix 'B' attached to this ~~report~~ audit note. The irregularity may be accounted for and these instructions may be adhered to strictly in future.
- ii) As per rules/instructions construction work should not be splitted up in various work orders to avoid calling of open tenders as the Executive Engineer concerned is competent to award such work to any contractor at his own level. During the course of audit it was observed that in construction division No. II works worth Rs. 29,97,348/- were awarded for ~~construction~~ construction to the various contractor on works orders basis and these works were splitted upto as many as 175 various works order as per detail given in Appendix 'B' to this audit note. All these works were kept below Rs. 20,000/- so that the Executive Engineer could award these works at his own level. without obtaining the sanction of higher authorities.



- 37 -

Due to above irregularity the benefit of the competitive market could also not be availed. The circumstances under which these works were splitted up in excessive work orders may be justified and expenditure incurred may be got regularised with the sanction of the competent authority. In future irregular practice may be avoided.

7. 3 Nos room heaters costing Rs 1098/- were received vide G.R.No. 285/95 dated 18/2/1995, and were entered in the bin card No-H.P. N.V.P /117. These room heaters were shown issued vide indent No Nil dated 24/2/95 but It was not clearly mentioned on the indent as to whom these heater were issued and signature s of the receiving officers were also not obtain. These heaters were requested to be entered in the stock register instead of bincard <sup>card</sup>. The omission may be accounted for now and compliance shown st the next audet
8. Again on perusal of the bin card of Division No.2, It was observed that following items were entered on the bin cards. and shown issued but it was not clearly mentioned as to whom these items were issued. The items should have rather been entered in the vehicle <sup>maintenance</sup> and T.C.P. registers. Irregularity may be accounted for now and complince may be shown to audit :-

| Bin card No. | Name of articles       | Cost    | remarks   |
|--------------|------------------------|---------|---|
| 112          | 2 maruti van Tyre tube | 298.60  | received vide G.R.No. 685/95 dt.20.1.95.                                      |
|              | Two van tyre           | 2172.82 |   |
| 113          | 2 No.D FS Hammer       | 270.00  | Purchased <sup>sent</sup> from M/S. H.P. Agro Industries, Com. LTD. Shimla-1. |
| 114          | 4 No. Grow Bar brush   | 740.00  | vide G.R.No 684/95.   |
| 115          | 15 No. Pick axes       | 1425.00 |   |
| 116          | 10 No. shawl.          | 560.00  |   |

- 38 -
9. As per bin card No. C.II D/2/9 of division No.II 1.580 m<sup>3</sup> kailwood was shown in the stock as balance since 5.8.1989. The above kailwood was not consumed on any of the works executed there after and the same was shown still unconsumed and lying in stock the material may also be got physically verified and results, there of be intimated at the time of Next audit. In case the above wood was not required for use its purchase may be justified failing which amount spent on its purchase may be recovered or made good immediately .
  10. Total 160 No.s cement bags were issued to the contractor for executing the work C/O Residential Complex below BCS phase I SH . development of site , levelling of plots 1/C Construction of 3 meter wide step for main road R.D. 1235 to R.D 1400 vide ~~\*aggriment\*~~~~No.agreement~~ agreement No-22 for 1993\_94 , while checking the 3rd and final bill of the above work. it was observed that only 155 No.s of cement bags were consumed on the work. Remaining 5 bags were shown received back from the contractor vide indent No SDA/55 -116/94 dated 4/94 but these bags were neither found accounted for in the bin card nor in the M.A.S register. This was ~~was~~ irregular . It seems that false entry was made in the indent just to save the contractor for the recovery of Rs 1120/- on account of cost of five bags of Cement at panel rate. The amount may be recovered or made good now from the defaulter .
  11. Again 10 metric tone to 10mm. dia steel was also issued to the Contractor for use on the above work but only .082 metric tone of 10mm dia steel was shown consumed on the above work. Balance 0.018 M.T. of steel was shown taken back from the contractor vide indent No.SDA-J.S. 116/94 dated 4/94



but the aforesaid steel was also not accounted for in the bin card or in the M.A.S. register. The cost of steel which works out to Rs. 444/- at penal rate may, therefore, be recovered from the defaulter.

12. Vide V.No. 82 dated 28.3.95 a sum of Rs. 28,500/- was paid to M/S. Gurcharan Industries, Sanjauli, Shimla-6 on account of purchase of tree guards of light 1200 mm 16 SWG wex kits mesh fitted with three M.S. flat support ring coated with prince and painted in sky, blue rings stands black painted 20 kg. each. Tree guards 20 kg. load 50 Nos. i.e. 1000kg. @ 28.50 per k.g. but no stock entries was made in the stock register and the A.P.R. in support of the payment was also not shown in audit. The above material may be entered in the stock register now and compliance along-with APR may be shown at the time of next audit.

13. A sum of Rs. 5651/- was paid vide V. No. 66 dated 20.3.95 to the Assistant Executive Engineer Electrical Division No.II on account of payment of bill of direct light in BCS Phase-I colony but the Electricity consumption register was not put up to audit. Therefore, in the absence of above said record the correctness of above payment could not be verified and apprehension of double payments can not be ruled out. The aforesaid record may be made available at the time of next audit for necessary check.

14. Vr.No. 17 dated 5.5.94 for Rs. 17,625/-  
.....  
A sum of Rs. 17,625/- was paid to the Assistant Engineer, National Highway Shoga on account of purchase

of 15 drums of bitumen @ 1175/- per drum. But neither the stock entry nor the consumption on account of the bitumen was shown to audit. This was irregular. The needed stock entry and further disposal be shown at the time of next audit failing which amount spent made good immediately.

Rs. 6279/- and Rs. 5157/- were paid vide muster Roll No. 343 and 345 of 5/94 on account of wages of Junior Engineer, massons, bel-dars etc. but the detail of work done by these daily wages and progress of the work done was not recorded on Part-III of the muster Roll as required under rule. The needful may be done now and invariably in future.

Vide Vr.No. 94 dated 30.5.95 a sum of Rs. 81,872/- was paid to Sh. R.S. Rana Contractor on account of carriage charges of 216.02 cubic meter of grit from punchculla @ 379/- per cum meter. It was reported by the Assistant Engineer incharge of the work vide his letter No.SDA-II-Job No.5-7958-59 dated 2.8.94 that the contractor was using local grit on the works staked by the contractor before 25.1.94. It was also intimated that work was executed by using local grit because sufficient quantity of grit had been staked by the contractor before 25.1.94 on the site of work. Therefore the question for payment of extra leads for using grit does not arise. Moreover, no documentary proof in support of the fact that the contractor had bought the grit from punchkulla was put up. As such the irregular payment made to the contractor may be recovered immediately unless otherwise justified.

17. Rs. 80,000/- against job No. 7 to Sh. R.S. Rana contractor for the work awarded vide agreement No.9 of 1989-90 and Rs. 15000/- to Sh. Matro Ram contractor against agreement No.I for the year



1994-95 were paid as advances without any measurements of work done by them. There is no provision in the rules in regard to payment of advances without measurement of work actually done. The payment of these advances may be justified in view of relevant provisions in the rules and the adjustment accounts, thereof be also put up at the time of next audit.

18. Vr .No. 32 dated 8.3.1995 for Rs. 1516/-  
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Rs. 1516/- were paid to M/S. Hari Dass and Co. for the purchase of stationery articles. These stationery articles were purchased from the open market without observing codal formalities. Since these items were required to be purchased either from the printing and stationery department or from the Government approved sources. Purchase from the open market without observing codal formalities may therefore be justified and all codal formalities may be observed strictly in future for effecting such purchases.

19. In the following cases the truck No. H.P.-07.822 of the Pradhikaran was used in private capacity by the individual/Contractors and in some cases the distance covered while using the vehicle in official capacity was shown much higher than actual distance travelled. But no recovery was made for using the truck in private capacity from the defaulter(s) at the out term rate of Rs, 14/- per ~~sixteen~~ k.m. Moreover, the recovery of distance shown in excess of the actual milage for official journeyes was also required to be made good from the official(s) at fault. The amounts recoverable in each case as worked out below may be recovered or made good now.

12.94 BCS HUDA  
office

36km.

24km

12km Vehicle used by  
the Executive  
Engineer Div No TT

- 42 -

|        | Place of Visit                           | Kilometers covered | Actual Distance. | Diffs. | Rate Rs. | Amt. Rs. | Remarks   |
|--------|--|--------------------|------------------|--------|----------|----------|---|
|        | .....                                    | .....              | .....            | .....  | .....    | .....    | .....   |
| 94     | Residential complex BCS to SDA Store     | 44 k.m.            | 8 km.            | 36 km. | 14       | 504      | Assistant Engineer Sub.Div.No.5   |
| 94     | SDA Office to Snowden PWD Store and back | 62 k.m             | 20km.            | 42     | 14       | 588      | Assistant Engineer Sub.Div.No.II  |
| 94     | BCS Local                                | 7km.               | -                | 7km.   | 14       | 98       | M/S. Jitender Thakur, Cont-ractor, Private.   |
| 94     | -do-                                     | 25km.              | -                | 25km.  | 14       | 350      | -do-  |
| 94     | -do-                                     | 15km.              | -                | -      | 14       | 210      | -do-  |
| 5.94   | Local BCS                                | 33km.              | -                | -      | 14       | 462      | M/S. Semex Construction Co. Pvt.  |
| 5.94   | -do-                                     | 8km.               | -                | -      | 14       | 112      | M/S. Jatinder Thakur cont-ractor, Pvt.  |
| 5.94   | -do-                                     | 25km.              | -                | -      | 14       | 350      | Sh. M. K. Maglani cont-ractor, Pvt.   |
| 5.94   | -do-                                     | 10km.              | -                | -      | 14       | 140      | -do-  |
| 5.94   | Local BCS                                | 30km.              | -                | -      | 14       | 420      | M/S. M. K. Maglani Cont ractor, Pvt.  |
| 5.94   | -do-                                     | 38 km              | -                | -      | 14       | 532      | -do-  |
| 5.94   | Dhanghat Chogi & back                    | 65km.              | -                | -      | 14       | 910      | It was stated in the log book that the vehicle was taken for the J.E. Store for bringing bitumen was received, so the Journey may be justified also the amount may be recovered from the concerned official |
| 0.5.94 | Local BCS                                | 5km                | -                | -      | 14       | 70       | M/S. M. L. Gupta Cont-ractor, Pvt.  |

as per statement of the log book no bitumen was received, so the Journey may be justified also the amount may be recovered from the concerned official

.....



|  |               |      |  |
|--|---------------|------|--|
| 12.94 BCS HUDA office                                  | 36km.         | 24km | 12km Vehicle used by the Executive Engineer. Div No 11                                     |
| - 43 -   |               |      |  |
| 1.94 Local Bcs   | 8 km.         | 14   | 112 M/S. M.K. Maglani Contractor, PVT.   |
| 5.94 -do-  | 5km.          | 14   | 70 M/S. M.L. Gupta Contractor, PVT.  |
| 5.94 -do-  | 30km.         | 14   | 420 M/S. M.K. Maglani Contractor Pvt.  |
| 5.94 -do-  | 25km.         | 14   | 350 -do-   |
| 5.94 BCS to Jatog and back & local BCS                 | 45 km         | 14   | 630 Vehicle was shown used by the A.E. V but the purpose of the journey was not mentioned. |
| 7.94 Local BCS   | 28km          | 14   | 392 M/S. Jatinder Kumar Contractor Pvt.  |
| 7.94 -do-  | 30km          | 14   | 420 -do-   |
| 7.94 -do-  | 30km.         | 14   | 420 -do-   |
| 2.7.94 -do-  | 35 km.        | 14   | 490 -do-   |
| 18.7.94 Local BCS removing surplus earth dargaria darg | 32km.         | 14   | 448 -do-   |
| 1.9.94 Local BCS                                       | 7km           | 14   | 98 M/S. Rajjit Singh contractor, PVT.  |
| 1.9.94 -do-  | 10km          | 14   | 140 M/S. M.L. Gupta contractor, PVT.   |
| 14.9.94 -do-   | 25km.         | 14   | 1316 M/S. Sharad Chand contractor, PVT.  |
| 15.9.94 -do-   | 24 km. 94 km. | 14   | 1260 -do-  |
| 16.9.94 -do-   | 45 km.        | 14   | 982 M/S. R.S. Rana contractor, PVT.  |
| 17.9.94 -do-   | 60 km 90km.   | 14   | 112 -do-   |
| 19.9.94 -do-   | 30km.         | 14   | 84 M/S. M.L. Gupta & Associate Pvt.  |
| 20.9.94 Local BCS                                      | 7km.          | 14   | 252 -do-   |
| 26.9.94 -do-   | 8km.          |      |  |
| 27.9.94 -do-   | 6km.          |      |  |
| 27.9.94 -do-   | 18 km.        |      |  |

Contd....

|   |             |  |
|---|-------------|--|
| 11.94 Local BCS                               | 18km.       | 14 252 Sh. Matro Ram Contractor Pvt.     |
| 11.94 -do-                                    | 35km.       |  |
| 11.94 -do-                                    | 10km. 45km. | 14 630 Sh. M.C.Gupta & Associates,Pvt.   |
| 2.94 Local BCS carriage of surplus earth work | 36km        | 14 504 M/S. Arvind Karol contractor Pvt. |

In the following cases the distance covered for journeys undertaken through Van. No. HIS-2673 was either shown much higher than the actual distance or in some other cases places visited were not mentioned in the log book of the vehicle. In the pretext of the observation made above it seems that the vehicle was being used in private capacity and the milage covered for journey undertaken in private capacity was being adjusted by showing the milage higher for official journeys actually covered. The factual position may be verified and cost of milages shown in excess of the actual distance may be made good now :-

| te    | Place visited                     | Distance show in log book | Actual Distance | Diff. | Particulars   |
|-------|-----------------------------------|---------------------------|-----------------|-------|---|
| 12.94 | Place visited not mentioned       | 38                        | -               | 38    | Vehicle was shown used by A.O.  |
| 12.94 | Head office of SDA to BCS 2 trips | 36                        | 16              | 20    | Used by Executive Engineer Division No.II distance were shown excess. |



- 45 -

|       |  |       |       |       |  |
|-------|--|-------|-------|-------|--|
| 12.94 | BCS HUDA<br>office   | 36km. | 24km  | 12km  | Vehicle used by<br>the Executive<br>Engineer Div.No.II<br>distance shown was<br>not correct.   |
| 2.94  | -do-   | 48km. | 24km. | 24km. |  |
| 12.94 | HUDA office<br>to BCS Complex<br>local to HUDA<br>.A.G. Office<br>to HUDA to<br>winter field<br>and back to<br>office. | 58km. | 24km. | 34km. | Vehicle was<br>shown to be used<br>by the Executive<br>Engineer- II<br>but the distance<br>were shown<br>higher                                |
| 1.95  | Office to<br>Bcs complex<br>to D.C. Office<br>to BCS two<br>trips and<br>back.   | 48km. | 28km. | 20km. | Vehicle was<br>shown to be used<br>by the Executive<br>Engineer -II<br>but the<br>distance were <sup>was</sup><br>not shown <sup>as well</sup> |

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148 k.m.

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Contd....

7.

Irregularities detected in Design Division

(1) Name of work : C/O Commercial complex at K2C  
(SI: Earth/Boulder filling behind  
existing retaining wall, provid-  
ing stone masonry R/Wall, cement  
concrete pavement behind A2&B1  
Block)

Ag. No. and date: 12 of 1994-95

Name of contractor: Sh. Balwinder Gupta, contractor  
(Design Division)

The following serious irregularities were noticed during test audit check which may be attended to and compliance shown at the time of next audit.

(a) The above work was awarded to Sh. Balwinder Gupta, contractor vide letter No. SDA(D) Acctt. 7/94-713-19 dated 17.9.94. The tendered amount was Rs. 1,09,052.75 which was 212.30% above the amount put to tender on rates based on H.P.S.R., 1987 for civil work. The over all premium @ 212.30% over and above the H.P.S.R., 1987 seems to be un-reasonable and un-justified. Moreover in the same period, the overall premium was worked out to 116.17% above the H.P.S.R. 1987 in civil work c/o commercial complex at K2C (SI: Prdg. channel type drain in R.W. masonry behind block A3 to back side of C-1 block) which was awarded to Sh. Girm Chand contractor vide letter No. SDA(D) Acctt-7/94-767-73 dated 21.9.94. Also another work Restoration of rain damages in social Housing Scheme at K2C (SI: Restoration of rain damages retaining wall in front of Block A-1)" was awarded on overall premium of 116.52% above the H.P.S.R. 1987 vide letter No. SDA(D)-Acctt-7/94-445-51 dated 28.1.95. Therefore the above work awarded at too higher and at exorbitant rates needs to be suitably justified failing which the excess payment made may be recovered or made good from the defaulters.

(b) It was noticed during test audit that the departmental justification was prepared just to

contd...P..47/-



favour the contractor as is evident from the following observations:-

For item "excavation in earth work and filling, the rate was quoted for Rs.105/- per cum. which was further reduced to Rs.90/- per cum in ~~some~~ negotiation. The departmental justification was worked out to Rs.93.30 per cum. The perusal of justification revealed that the rate of truck for full day was taken as Rs.1200/- per day whereas the rate of departmental truck belonging to Pradhikaran was only Rs.500/- per day. However, the rate for above noted item worked out to Rs.58.30 only after taking into consideration the rate of department truck as below:-

|   |       |
|---|-------|
| Rate as per HPSA, 1967 vide item No.6,7 | 10.45 |
| Head load upto 50 mtrs..                | 2.00  |
| Total :-                                | 12.45 |

Add difference in cost of

|                                      |         |       |
|--------------------------------------|---------|-------|
| labour = $\frac{23.00-14.00}{14.00}$ | 100%    | 12.45 |
|                                      | Total:- | 24.90 |

Carriage of mechanical transport  
i.e. 1 Km. (as taken in estimate)  
assuming distance 5 km. and 4 trips  
in a day (as worked out in justification  
prepared)  $\frac{500}{4} = 125.00$

Loading and unloading assuming  
6 beldars for full day  $\frac{6 \times 23}{4} = \frac{42.00}{167.00}$

Cost of 5 km. = 167  
Cost of 1 Km. =  $167 \div 5 = 33.40$  per km.  
Hence rate =  $24.90 + 33.40 = 58.30$  per cum.  
Rate Paid Rs.90.00  
Difference Rs.31.70  
Qty executed and paid = 608.35 cum. = 19205/-

Therefore the amount paid excess works out to which may be recovered from the defaulter. A perusal of different departmental justifications. (e) Total sum of Rs.54754/- have been paid to the contractor on account of filling behind the R.C.C. wall at the back of A<sup>2</sup> blocks. The perusal contd.p.48/-

of cross section at P-3 of M.B. No.33 revealed that the filling was done upto ground level of the School/ground at a height of 4.50 mtr. to 8.20 mtrs. along 27.3 mtrs. long R.C.C. wall. It was not the liability of the Pradhikaran to raise and fill the R.C.C. wall upto the school ground level. It could also not be ascertained as to whether the R.C.C. wall had been constructed by the Pradhikaran or by the Education Department. The Pradhikaran authorities were requested time and again to produce the relevant record to verify the above facts but no record was made available to audit. In case, the R.C.C. wall was constructed by the Education Deptt. the entire expenditure incurred for filling work was to be recouped from the concerned department and in case, the R.C.C. wall was constructed by the Pradhikaran the filling work was to be done by the contractor who constructed the R.C.C. wall and the work was not to be executed through another contractor as balance work. Moreover there was no justification to raise the R.C.C. wall at a height from 4.50 mtrs to 8.20 mtrs. because no building structure was to be raised behind the R.C.C. wall. As such, the matter is brought to the notice of Govt. to enquire the whole matter and to take suitable action against the officers/officials concerned beside recouping the above expenditure.

(d) It was also noticed during audit that the payment of 2nd running and final bill was not routed through the Assistant Engineer. The payment made in absence of verification and test check by the Assistant Engineer especially in respect of total hidden items be explained.

(e) The payment of second and final bill was made on 23.12.94. The security deducted from the running bills of the contractor was released on the same day which was contrary to the rules. This clearly shows that the contractor was given undue benefit by releasing the security amount earlier than the due date. The irregularity may be accounted for and provision of rule followed

contd.p..49/-



strictly in future.

(f) A perusal of letter No.L.O(S)KL/94 dated 24.1.95 revealed that Sh. Balwinder Gupta, Contractor was not registered in the list of contractors. The issuance/acceptance of his tender without registration may be justified.

(2) Gross irregularities in award of works

Name of work: C/O commercial complex at KMC Shimla  
(SH: C/O Block 1, 22, 23, 24 and 32)

Dy.No. and date : SDA(D)-1/92-93 (Design Division)

During the last audit check the following gross irregularities were noticed which may be attended to and compliance shown at the next audit.

(a) Award of additional work of 4 blocks

The work of block Nos. 25, 26, 33 and 34 was awarded to Sh. Balwinder Kumar Gupta, contractor vide letter No.SDA(D)-Acctt-7/93-460 to 464 dated 29.9.1993 on the same terms and conditions and rates in respect of agreement No.SDA(D)-1/92-93. The following irregularities were noticed.

(i) The preliminary formalities such as estimate of work, D.M.I.T. layout plans etc. were not prepared for this major work. The tenders were not called due to which the benefit of competitive rates could not be availed. It was also the requirement of the rules and procedure to call fresh tenders for every major work. The technical sanction of the works awarded to the contractor was also not obtained from the competent Authority. The execution of work in the absence of work in the absence of technical sanction may also be justified. The matter is brought to the notice of Govt, to probe into the lapses stated above and to take suitable action against the officer at fault.

(ii) Excess payment of Rs.2,02,596/- on account of removal of slip.

The condition No.14 of General specifications and conditions annexed with tender

contd...p.50/-

which form part of agreement provides that "No payment shall be made to the contractor for any damages caused to work or material by rains/snow or floods due to any other cause, what so ever during the execution of work and no such claim on this account shall be entertained. He will have to make good all such damages at his own cost." Beside above, condition No.19 also provides that "Any damages during the execution of work will be the responsibility of the contractor and he will have to restore such damages at his own cost and nothing will be paid by the department on this account".

In the instant case a quantity of 2773.10 cum on account of removal of ~~slip~~ was executed and paid @Rs.72.90 per cum .I.E total Rs. 2,02,596.00 The slip was occurred during the execution of work and as per condition of the agreement referred to B above, it was the responsibility of the contractor to make good all damages at his own cost. Hence no payment was admissible to the contractor in view of the foregoing conditions . As such irregular payment of Rs. 2,02,596.00 paid to the B contractor may therefore be recovered unless otherwise justified with reference to conditions of agreement.

(5)(iii) Less payment of Rs. 2,43,356.30 on account of disposal of excavated earth (Extra item)

The rate of extra item "Disposal of surplus excavated earth up to a level above Rm. by mechanical transport and filling the same behind wall and parking in front of B<sup>2</sup> block and link road bifurcated from "L" block" was derived from item of cutting in earth work, excavation in earth work, and filling plinth with sand which was not correct because the surplus soil was to be lifted from site and it was not to be derived from cutting and excavation. It was rather to be derived from disposal of surplus soil as under :-

(a) Disposal of surplus excavated earth by 1 lorry.



Rate of extra item i.e. carriage of earth 1 Km. by mech. transport as per H.P.S.R., 1987 (item No. II(a)(ii))..... 23.002 cum  
Add. 20% extra for 10% Katcha Road.... 0.46 cum.  
Total :- 23.46

Add. Contractor's premium of 83.46%.. 19.57  
G.Total:- 43.03

Rate paid = 43.79

Difference = 43.79 - 43.03 = 5.76

Qty. paid upto 16th running bill = 3604.93 cum.

Excess paid upto 16th running bill = 3604.93 x 5.76 = 20,764.39

(b) Disposal of surplus excavated earth/ 2 Km. by mech. transport including loading & unloading complete.

Rate as per H.P.S.R., 1987 (item No. 6 II(a)(ii)) 26.002 cum

Add. 20% extra for 10% Katcha Road 0.52 cum.  
Total : 26.52

Add. Contractor's premium of 83.46%... 22.13  
G.Total : 48.65

Rate paid = 55.15

Difference = 55.15 - 48.65 = 6.50

Qty. paid upto 16th running bill = 34244.91 cum.

Excess paid upto 16th running bill = 34244.91 x 6.50 = 2,22,591.91

Total excess paid = 20764.39 + 2,22,591.91 = Rs. 2,43,356.30

The recovery excess payment be made unless otherwise justified.

(3) Name of Work: C/O S.H.S at KZC (S.H.C/O 96 Nos. LMS Flats)

Ag. No. and date : 15 of 1989-90

Name of Contractor: M/S Kandan Lal Hari Son Design Division

The following irregularities may please be attended to :-

(a) The contractor had given rebate @ 2% on his tendered rates. During the course of test audit, it was noticed that while deriving the rates of extra/substitute items from similar items, the rebate was not taken into consideration in the following cases due to which excess payment of Rs. 9645.00 was made to the contractor as worked out below.

contd...p..52/-

-do-

The amount, thus paid in excess may be recovered or made good.

| Name of Item  | Qty.<br>accounted. | Rate paid<br>Rs. | Rate worked<br>out in audit<br>Rs. | Diff<br>-acc. | Excess<br>paid<br>Rs. |       |
|---|--------------------|------------------|------------------------------------|---------------|-----------------------|-------|
| S.R. Masonry  | 125.585cum         | 606.70cum        | 594.60                             | 12.10         | 1520.00               |       |
| S.R. Masonry<br>laid dry.   | 49.230cum          | 333.90cum        | 273.30                             | 110.60        | 5445.00               |       |
| Pvdg. & fixing Steel<br>window of standard<br>rolled steel section<br>joints. | 54.238sqt          | 299.50           | 293.10                             | 6.40          | 347.00                |       |
| Pvdg. & fixing S.C.I./<br>cast iron spun fitting<br>and accessories.          |                    |                  |                                    |               |                       |       |
| (a) Plain Bond  |                    |                  |                                    |               |                       |       |
| 75 mm   | 23 Nos.            | 55.85            | 54.75                              | 1.10          | 31.00                 |       |
| (b) Plain Bonds   |                    |                  |                                    |               |                       |       |
| 100mm   | 107 Nos.           | 62.55            | 61.30                              | 1.25          | 134.00                |       |
| Single equal Branch<br>of required degree                                     |                    |                  |                                    |               |                       |       |
| (i) Plain 75mm  | 6 Nos.             | 72.55            | 71.40                              | 1.15          | 7.00                  |       |
| (ii) 100 mm<br>nominal size   | 6 Nos.             | 83.70            | 86.95                              | 1.75          | 11.00                 |       |
| S.I. Chiller  |                    |                  |                                    |               |                       |       |
| (i) 75mm  | 158 Nos.           | 29.20            | 23.60                              | 0.60          | 95.00                 |       |
| (ii) 100mm  | 136 Nos.           | 37.75            | 37.00                              | 0.75          | 102.00                |       |
| Const. of man-<br>hold  | 18 Nos.            | 1429.55          | 1416.20                            | 12.35         | 222.00                |       |
| 2nd class brick<br>masonry  | 7.62cum            | 17.85sqt         | 105.05                             | 103.30        | 1.75                  | 31.00 |
| Pvdg. & fixing to wall<br>ceiling galvanised mild<br>steel tube               | 450.26sqt.         | 72.15            | 70.70                              | 1.65          | 833.00                |       |
| Pvdg. & fixing vitreous<br>china wash basin<br>single hole                    | 16 Nos.            | 272.05           | 266.60                             | 5.45          | 87.00                 |       |
| S.I. Steel work<br>welded in built<br>up sections<br>trusses etc.             | 1949.174 Kg.       | 21.25            | 20.85                              | 0.40          | 730.00                |       |
|   |                    |                  |                                    |               | Total : 2645.00       |       |

(b) The perusal of measurement books revealed that 9135 bags were issued to the contractor from the store. out of above quantity, 8180 bags were consumed upto 9th running bill and the consumption of cement after 9th running bill and upto 10th & final bill was worked out to 730 bags only the detail of which has been given below. In the final bill recovery of 766 bags (730+36 variation) was to be made from the contractor whereas it was made

contd.p..53/-



for whole balance quantity of 955 bags at issue rate. The balance quantity of 189 bags were to be returned by the contractor and in case the contractor fails to return the balance quantity, the recovery was to be made at double of the issue rate. As such, the recovery of Rs.13600/- on account of cost of 189 bags at panel rate may be made from the contractor or the officials at fault immediately.

| Name of item                                   | Qty. upto<br>9th running<br>bill. | Qty. upto<br>10th running<br>bill | Qty.<br>consumption<br>9th and 10th<br>running bill |               |
|--|-----------------------------------|-----------------------------------|---|---------------|
| <b>Cement Concrete</b>                         |                                   |                                   |   |               |
| 1:6:12 Foundation<br>and plinth                | 172.306                           | 179.743                           | 7.124   | 15.67         |
| <b>C.C. 1:2:4</b>                              |                                   |                                   |   |               |
| (a) Foundation &<br>footing                    | 179.901                           | 180.549                           | 0.648   | 4.147         |
| (b) walls                                      | 119.870                           | 126.876                           | 6.606   | 42.278        |
| (c) Suspended & floors,<br>roofs landing etc.  | 258.068                           | 271.628                           | 3.560   | 22.784        |
| Applying Cement<br>slurry                      | 608.94                            | 1010.42                           | 401.48  | 22.031        |
| <b>Brick work</b>                              |                                   |                                   |   |               |
| Second class in<br>C.M. 1:6                    | 31.751                            | 33.129                            | 1.378   | 1.653         |
| R.R. Masonry in<br>C.M. 1:6                    | 1209.507                          | 1285.247                          | 75.74   | 124.971       |
| S.R. Masonry in<br>C.M. 1:6                    | 125.263                           | 125.585                           | 0.322   | 0.483         |
| Second class Half brick<br>masonry in C.M. 1:4 | 236764                            | 2385.87                           | 18.25   | 3.882         |
| Cement concrete<br>flooring 1:2:4              | 865.78                            | 1471.77                           | 605.99  | 181.797       |
| Cement Plaster in<br>C.M. 1:4                  | 1373.75                           | 2157.46                           | 783.71  | 45.104        |
| -do-10mm in<br>C.M. 1:6                        | 1752.02                           | 2857.79                           | 1105.77   | 63.088        |
| Cement Plaster in<br>C.M. 1:6                  | 1529.36                           | 1975.10                           | 445.74  | 33.333        |
| Cost of sun-hole 180.                          |                                   |                                   |   | 4.25          |
| Pldg Plinth protection<br>50mm in 1:3:6        | 50.09                             | 531.705                           | 481.615   | 153.635       |
| For petty works                                |                                   |                                   |   | 7.204         |
|  |                                   |                                   | <b>Total:</b>                                       | <b>720.00</b> |

(4) Name of works: C/O commercial complex at JEC  
(at proposed partition of 2nd  
floor of Block No.9).  
Costed. p...54/-

|              |        |                     |                                      |
|--------------|--------|---------------------|--------------------------------------|
| 33dt.21.1.95 | 100000 | -do-                | -do-                                 |
| 29dt.23.5.95 | 600000 | Sh. Balvinder Gupta | C/O Block No. 22, 23,<br>24, 25 & 32 |
| 30dt.23.5.94 | 25,000 | M/S. Kandan Lal     | C/O 96 Nos. EWS                      |

By.No. & date : 14 of 1994-95 (Design Division)

The work was awarded to the contractor for Rs.1,42,940.63 against the estimated value of Rs.89,239/- i.e. 60.08% above the amount put to tender. Though payment of final bill had been released to the contractor but the approval for deviation from the competent Authority had not been obtained. Needful may be done now and compliance shown at the next audit. The reasons for not obtaining the same before making final payment may also be intimated.

(5)

Name of work: Balance work of J(13-A) Block in  
-cluding W.S. and S.I. at K20

By.No. & date: 8 of 1994-95 (Design Div.)

The following audit observations may please be attended to :-

The recovery of angle iron tee joints and channels was made @ Rs.1367/- per quintal whereas it was required to be made @ Rs.1502/- per quintal on schedule rate of Rs.610/- per quintal plus overall premium of 146.30%. Upto 1st running bill short recovery of Rs.2410/- @ 155/- per quintal for 17.85 cwt. was due from the contractor which may be recovered now and compliance shown at the next audit.

contd...p..55/-



(6)

-55-

Irregular advance payments to contractors to the tune of Rs. 48,15,000/-

(Design Division)

It was noticed during test audit that the following advance payments were made to the contractors on hand receipts without any assessment of amount payable to them for value of work done. This is very serious and may also lead to excess payment to the contractors as is evident in the case of M/S. Semex Construction Co. Ltd. to whom advance payments were made but no work was executed. Though, the Chief Administrator of Pradhikaran issued strict instructions in the beginning of calendar, year, 1995 not to make the advance payments. But these instructions were also not adhered to by the Executive Engineers and during the year, 1994-95 total advance payments to the tune of Rs. 48,15,000/- were made. Also in some cases, the previous advance payments were not adjusted but subsequent advance payments were released. This was highly objectionable. The matter is also brought to the notice of higher authorities as well as the State Govt. for looking into and taking suitable action against the officers concerned :-

| e of Div.   | Vr. No. & Date | Amount<br>Rs. | Name of<br>Contractor       | Name of Work                         |
|-------------|----------------|---------------|-----------------------------|--------------------------------------|
| Design Div. | 23dt.23.4.94   | 200000        | M/S. Kundan Lal<br>Hari Ram | C/O 32Nos MIG II Flat                |
| do-         | 22dt.16.5.94   | 150000        | Sh. Ashok Madan             | C/O FGHIJMAN Block.                  |
| do-         | 23dt.21.1.95   | 100000        | -do-                        | -do-                                 |
| do-         | 29dt.23.5.95   | 600000        | Sh. Balvinder Gupta         | C/O Block No. 22, 23,<br>24, 25 & 32 |
| do-         | 30dt.23.5.94   | 25,000        | M/S. Kundan Lal<br>Hari Ram | C/O 96 Nos. EWS<br>Flats.            |

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|       |               |        |                          |   |
|-------|---------------|--------|--------------------------|---|
| Div.  | 4dt.1.6.94    | 30,000 | M/S. Kundan Lal Hari Ram | C/o 32 Nos. MIG II Flats.                             |
|       | 43dt.28.6.94  | 100000 | -do-                     | -do-  |
|       | 24dt.22.7.94  | 103000 | Sh. Ram Lal Sharma       | Renewal of Metalling & Tarring on feeder Road to SHS. |
|       | 10dt.2.8.94   | 600000 | Sh. Balvinder Gupta      | G/o 1, 22, 23, 24 & 32 Blocks.                        |
|       | 29dt. 21.9.94 | 400000 | -do-                     | -do-  |
|       | 18dt.7.10.94  | 100000 | M/S. Kundan Lal Hari Ram | C/o 32 Nos. MIG II                                    |
|       | 4dt.1.11.94   | 150000 | -do-                     | -do-  |
|       | 8dt.22.11.94  | 350000 | Sh. Balvinder Gupta      | C/o 1, 2, 23, 24 & 32 Blocks.                         |
|       | 18dt.15.12.94 | 90,000 | -do-                     | -do-  |
|       | 34dt.23.12.94 | 50000  | M/S. Kalra Hardware      | C/o Block No. 32, 33 & 34                             |
|       | 27dt.19.1.95  | 50000  | -do-                     | C/o block No. 2, 3, 4 & 5                             |
|       | 22dt. 18.2.95 | 150000 | Sh. M. K. Miglani        | C/o Balance work of J. Block.                         |
|       | 45dt.25.2.95  | 60,000 | Sh. Ashok Madan          | C/o P.G.H.I.J.M.A.N Block.                            |
| No. I | 40dt. 6/94    | 50000  | Sh. Kameshwar            | Job No. 2 of 89-90                                    |
|       | 24 of 8/94    | 20000  | Sh. Ram Bhalai Singh     | Job No. 2 of 89-90                                    |
|       | 32 of 18/8/94 | 25000  | Sh. Matru Ram            | -do-  |
|       | 3 of 1/95     | 25000  | Sh. Devinder Thakur      | Job No. 2 of 89-90                                    |
|       | 4 of 31.1.95  | 25000  | Sh. M. K. Miglani        | -do-  |
|       | 7 of 13.1.95  | 30000  | Sh. Matru Ram            | -do-  |
|       | 18dt.13.1.95  | 60000  | Sh. M. L. Gupta          | -do-  |
|       | 19dt.27.1.95  | 20,000 | Sh. Kameshwar            | -do-  |
|       | 20dt.27.1.95  | 20000  | Sh. Matru Ram            | -do-  |
|       | 24dt.27.1.95  | 20000  | Sh. Ajay Kumar Sud       | Job No. 6 of 92-93                                    |



|       |              |                                  |                              |   |
|-------|--------------|----------------------------------|------------------------------|---|
| No.I  | 4dt.2.2.95   | 25000                            | Sh.Kameshwar                 | Job No. 2of 89-90   |
|       | 15dt. 6.2.95 | 25000                            | Sh. Miglani                  | Job No.2  |
|       | 25 of 2/95   | 10000                            | Sh. Kameshwar                | Job No. 2of 89-90   |
|       | 28of 22.2.95 | 5000                             | -do-                         | BCE Phase-I   |
|       | 33dt.23.2.95 | 20000                            | -do-                         | -do-  |
|       | 34dt.23.2.95 | 20000                            | -do-                         | -do-  |
|       | 9 of 1.3.95  | 10000                            | -do-                         | -do-  |
| No.II | 12 of 4/94   | 6000                             | Sh. Dila Ram                 | Ag.No.3 of 93-94  |
|       | 15 of 8.4.94 | 39500<br>35500                   | Sh.Mohinder Kumar<br>-do-    | Ag.No.29 of 93-94<br>-do- 28of 93-94                              |
|       | 48dt.25.4.94 | 15000                            | Sh.M.K.Miglani               | Ag.No.30of 93-94  |
|       | 29dt.9.5.94  | 15000                            | Sh.Matru Ram                 | -do- 1 of 94-95   |
|       | 47dt.11.5.94 | 80000                            | Sh.R.S.Rana                  | -do- 9 of 89-90   |
|       | 83dt.24.5.94 | 100000                           | Sh.R.N.Madan                 | -do- 14of 93-94   |
|       | 14dt.7.6.94  | 10000                            | Sh.Matru Ram                 | -do-20 of 93-94   |
|       | 15 dt.7.6.94 | 30000                            | Sh.Matru Ram                 | -do- 6of 94-95  |
|       | 44dt.23.6.94 | 35000                            |                              | -do- 16 of 93-94  |
|       | 28dt.8.7.94  | 5000<br>5000<br>10000            | Sh. Matru Ram                | Ag.No.32 of 93-94<br>-do- 31of 93-94<br>-do- 7 of 93-94           |
|       | 31dt.7.10.94 | 28000<br>18000<br>23000<br>22000 | M/S.Bhandwaj<br>Electricals. | Ag.No. 36of 93-94<br>-do- 31 -do-<br>-do- 40 -do-<br>-do- 42 -do- |
|       | 3dt.3.1.95   | 100000                           | M/S.M.L.Gupta                | -do- 1 of 93-94   |
|       | 20of 1/95    | 100000                           | -do-                         | -do-  |

|       |               |       |                      |                  |
|-------|---------------|-------|----------------------|------------------|
| No.II | 43dt.13.1.95  | 25000 | M/S. Bhardwaj Elect. | Ag.No. 22of94-95 |
|       | 61dt.21.1.95  | 50000 | M/S.N.R.Electricals  | -do- 12 of 94-95 |
|       | 62dt. 24.1.95 | 40000 | M/S. Bishan Dutta    | -do- 46 of 93-94 |
|       | 71 dt.24.1.95 | 30000 | M/S.Kalra Hardware   | -do-23 of 94-95  |
|       | 20dt. 9.2.95  | 30000 | Sh. Matru Ram        | Phase-I          |
|       | 40dt. 13.2.95 | 40000 | Sh. R.S. Rana        | Ag.No. 6of 92-93 |
|       | 47 dt.15.3.95 | 25000 | Sh. Matru Ram        | -do- 26of 94-95  |

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Total : 48,15,000/-  
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(7) Splitting up of Works :  
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It has been noticed during test audit that the major works were splitted up in different sub-works so as to avoid the approval of higher authorities, to give undue favour to the contractors and also avoiding the wide publicity to avail the completion of rates. Moreover, the works were awarded to the same contractors on same dates under different agreements which was objectionable and against the prescribed procedure. The reasons for splitting up the works into sub-works may be intimated beside taking suitable action against the officers at fault. This practice may strictly be avoided in future.

| of Div. | Name of work | Ag.No. & Date | Date of issue of award letter | Stipulated date of completion of work | Tendered Amt. Rs. | Name of Contractor |
|---------|--------------|---------------|-------------------------------|---------------------------------------|-------------------|--------------------|
| 1.      | 2.           | 3.            | 4.                            | 5.                                    | 6.                | 7.                 |



|  | 2.          | 3.      | 4.      | 5.        | 6.                                | 7. |
|--|-------------|---------|---------|-----------|-----------------------------------|----|
| Div. Prdg.wire crates<br>work from RD<br>0/151 to 0/156  | 3 of 93-94  | 13.8.93 | 12.9.93 | 94749.35  | Sh. Balvin-<br>der Gupta.         |    |
| -do-<br>RD 0/156 to RD<br>0/162.25   | 4 of 93-94  | -do-    | -do-    | 100558.95 | -do-                              |    |
| -do- RD 0/162.25<br>to RD 0/189.75   | 5 of 93.94  | 13.8.93 | 12.9.93 | 99788.35  | Sh. -do-                          |    |
| Prdg. Fitting<br>railing in front<br>of block path<br>Job. No. I                                 | 9 of 93-94  | 11.1.94 | 25.1.94 | 81152.17  | -do-                              |    |
| -do- Job No. 2   | 10 of 93-94 | -do-    | -do-    | 54092.85  | -do-                              |    |
| Addition & Alterat-<br>ion in D <sup>1</sup> D <sup>2</sup> , F, B<br>and stair cases<br>Job. I  | 13 of 93-94 | 31.1.94 | 14.2.94 | 78686.60  | Sh. Jyoti<br>Prakash<br>Sanjauli. |    |
| -do- Job II  | 14 of 93-94 | 4.2.94  | 18.2.94 | 55263.40  | -do-                              |    |
| Removal of Metall-<br>ing & tarring in<br>feeder Road to RD<br>0/420 to 0/756 Job No. I          | 2 of 94-95  | 19.4.94 | 3.5.94  | 107061.14 | Sh. Ram<br>Lal Theog.             |    |
| -do-   | 3 of 94-95  | -do-    | -do-    | 114715    | -do-                              |    |
| Prdg. & fixing M.S.<br>Sheets in ceiling<br>welded complete with<br>angletees in Block<br>No. 22 | 9 of 94-95  | 16.2.95 | 16.3.95 | 148664.48 | Sh. Ajay<br>Gupta                 |    |
| -do- Block No. 32  | 10 of 94-95 | -do-    | -do-    | 152854.76 | -do-                              |    |
| -do- Block No. 33  | 15 of 94-95 | 24.3.95 | 23.4.95 | 152675    | Sh. Balvinder<br>Gupta, Sanjauli. |    |
| -do- Block No. 34  | -do-        | -do-    | -do-    | 179211    | -do-                              |    |

|                               |                      |                 |       |                                  |
|-------------------------------|----------------------|-----------------|-------|----------------------------------|
| I Pydg. & fixing<br>cup Board | WO 11of94-95 20.2.95 | Not<br>recorded | 20000 | M/S. Bawa<br>Furniture<br>Shimla |
| -do-(Supplementary<br>w.o)    | WO 166f94-95 26.2.95 | -do-            | 20000 | -do-                             |
| -do- -do-                     | WO 17of94-95 28.2.95 | -do-            | 20000 | -do-                             |

(8) Store(Design):  
.....

The following irregularities were noticed in test audit check which may be attended to and compliance shown at the next audit.

30 drums of bitumen were purchased from HPPWD, Dhalli vide G.R. No. 292 and 296 in 12/94 @ Rs. 1359.60 per drum. The perusal of indent No.BKG-01/94 dated 17.12.94 revealed that these drums were issued to the work @ Rs. 1200/. each drum whereas the issue rate was to be derived after adding storage charges of 2% which was however worked out to Rs. 1386.80 in audit. The amount of Rs. 5604/- @ Rs.186.80 per drum for 30 drum was charged less to the works. Needful may be done now and compliance shown at the next audit.

(9) Vr. No. 60 dated 31.3.95 for Rs. 64,985/- (Design Division)  
.....

Rs. 64,985/- were adjusted vide above adjustment voucher on account of imprest of Sh. B.B. Bhardwaj A.E. for the month of 2/95 which called for the following audit observations :-

- a) During the month of 2/95 the following staff was shown



engaged on muster-roll against store of the Design Division:-

| Sl. No. | Name of work  | Name of Post         | Strength & rate | Name of J.E. to whom M.R. issued. |
|---------|---------------|----------------------|-----------------|-----------------------------------|
| 1       | Stock storage | Store supervisor     | 1No.@44.75 Pd.  | Sh. Anand Kapoor J.E.             |
| -do-    |               | Chowkidar(Night)     | 3Nos.@26/-pd.   | -do-                              |
| -do-    |               | Beldars              | 4Nos.@26/-pd.   | -do-                              |
| -do-    |               | Chowkidar            | 1No.@26/-pd.    | -do-                              |
| -do-    |               | StoreMunshi          | 1No.@44.75pd    | -do-                              |
| 194     | -do-          | Store Keeper         | 1No.@44.75pd.   | -do-                              |
| -do-    |               | Beldar-cum-Chowkidar | 2Nos.@26/-pd.   | -do-                              |

The engagement of three employee viz. store supervisor (Muster Roll No. 182) Store Munshi (Muster Roll No. 183) and store keeper (Muster roll No. 553/194) with respect to their duties may be justified in one store especially when regular J.E. (Store) was posted 4Nos. Chowkidars were shown engaged on muster roll which may also be justified.

6Nos. Beldars were shown engaged in store while recording their progress in the muster roll, these beldars were shown deputed in the store to maintain the store material which does not seem to be correct. For instance the stocking of cement was being done by Sh. Gulam Navi Sheikh, Contractor who was paid vide Vr. No. 11 dated 4.3.95 the sum of Rs.

18361/- on account of unloading and stocking of store material.

In case, these six beldars were actually deployed in the store then there was no justification to pay for unloading and stocking to Sh. Gulam Navi Sheikh, Contractor.

The deployment of excessive staff for store may be justified suitably failing which excess payment made may be recovered or made good immediately.

- b) In the following cases, the expenditure was incurred on account of photostat charges. On the face of hand receipts it was recorded that the photo stat work was done from open market due to the reason that the photostat machine of Pradhikaran was not in order. The reason recorded seems to be incorrect because the photostate machine was very much in order on the dates given below as per official record. As such the bills procured were appears to be not genuine and justified. The payments adjusted may therefore, be recovered from the official concerned unless otherwise justified and compliance shown at the next audit.

| Vr. No.<br>Date | Name of Official            | Name of Firm                           | Amount(Rs.) | Date    |
|-----------------|-----------------------------|--|-------------|---------|
| 05.5.94         | Sh. Khem Singh              | M/S. Jawalamukhi Enterprises, Kasumpti | 50.50       | 30.4.94 |
| -               | -do-                        | -do-                                   | 42.25       | -do-    |
| 15.5.94         | -do-                        | -do-                                   | 200.50      | 5.5.94  |
| 19.5.94         | Sh. J. S. Battu             | -do-                                   | 495.00      | 9.5.94  |
| 31.3.95         | -do-                        | -do-                                   | 54.00       | 26.3.95 |
| -do-            | -do-                        | M/S. Quick copy Centre, Shimla         | 21.00       | 16.3.95 |
| 28.2.95         | Rajinder Singh (Division I) | M/S. Jawalamukhi Enterprises, Kasumpti | 300.00      | 28.2.95 |



- (10) Vr.No. 55 of 3/95 for Rs. 5715.00 (Design Div.)  
.....

A sum of Rs. 5715/- was paid to M/S. Good year India Ltd. on account of purchase of 4 Nos. tyres and 4 Nos. tubes. The entry of old replaced tyres and tubes was not made in the concerned register and sanction of the competent authority to incur this expenditure was not shown to audit. Further, the purchase was required to be made from approved source i.e. from a firm approved on rate contract basis. Further the NOC was also not obtained from Controller of Stores in support of effecting the purchase from open market. These omission may be accounted for now and compliance shown at the next audit.

- (11) Irregularities in expenditure incurred for accessories of vehicle No. HP-03-1632 (Design Division)  
.....

One new Ambassador Car was purchased in the month of 3/95 for which the following accessories were purchased from M/S. Hind Motors, Chandigarh and others. The following irregularities were noticed which may be attended to :-

- a) Sub.Vr. No. 32 of 3/95 for Rs. 12,992/-  
.....

The purchase of accessories was made at Chandigarh for which comparatively higher rates seems to have been paid. Since these items were available at reasonable and low rates at Shimla, the purchase made at Chandigarh be justified. For instance, the curtain with fitting was paid for Rs. 1000/- and Rs. 1400/- for loose seat

-64-

covers whereas these two items were available for Rs. 1450/- only at Shimla with M/S. New Universal Automobiles Dhalli (rates attached with comparative statement prepared for repair of vehicle No. HIS 948/- page 118.19 of File No. SDA-AB-Vehicle/93 Vol IIII).

55- was made to m/s hind motors, chandigarh where it was available for Rs. 31/- only at Shimla as per rate list of 8-2-94 of above referred file.

The mudguard mirror was purchased from chandigarh at a rate of 200/- whereas it was available for Rs. 85/- with M/S. New Universal Automobiles. The amounts paid excess due to a *abnormal* difference in rates be recovered from the officers/officials concerned who were responsible for this purchase. The purchase of seats may also be justified as the same were fitted with deluxe instrument panel and seats as per their proforma invoice No. DB/MKN/F-427/94 dated 21.12.1994. Moreover, the entire expenditure of Rs. 12 92/- was to be capitalised because this expenditure was incurred on the vehicle before its use by the Pradhikaran. Needful may be done now and compliance shown at the next audit.

- b) The following items were purchased from various suppliers situated at Chandigarh during the period from 24.3.95 to 27.3.95. The sanction of the competent authority was not obtained. The bills of the supplier were passed for payments on hand receipts and adjusted against imprest of the Assistant Engineer which was also irregular. The ex-post facto approval may now be obtained and shown at the next audit. The stock entries may also be got verified at the next audit.



- 65 -

| No. &<br>of<br>item. | Name of item  | Amount (Rs.)   | Name of Supplier                              |
|----------------------|---|----------------|---|
| dt.24.3.95           | Sire with H.L.switch                                  | 772.00         | M/S. Hind Motors Chandigarh.                  |
| dt.27.3.95           | New pressure horn<br>with fittings side<br>indicators | 55.00<br>90.00 | M/S. Auto seat covers,<br>Chandigarh.<br>-do- |
| dt.25.3.95           | Flag Rod  | 175.00         | M/S. Hind Motors Chandigarh                   |
|                      | Reverse light   | 135.00         | -do-  |
|                      | Bulb Helogen  | 280.00         | -do-  |
|                      | H. light relay  | 155.00         | -do-  |
|                      | Mud Flap  | 80.00          | -do-  |
| dt.25.3.95           | Sun shade   | 420.00         | -do-  |
|                      | Rubber matting  | 390.00         | -do-  |
| dt.29.3.95           | seat cushion  | 150.00         | M/S. Shri Auto seat<br>covers.                |
| 2057dt.27.3.95       | Pressure horn<br>with accessories                     | 990.00         | -do-  |
| 1348dt.27.3.95       | Luggage carrier                                       | 450.00         | M/S. Seiko Auto Industries.                   |
|                      | Side indicators                                       | 150.00         | -do-  |
|                      | Flag Rod  | 50.00          | -do-  |

Contd.....

- 66 -

The above purchases seems to be not genuine to the extent that the H.L. switch have been shown purchased twice i.e. vide bill No. 6140 dt. 24.3.95 for Rs. 750/- (Rs. 680+taxes) payment made vide Vr.No. 32 of 3/95 whereas the same item was also shown purchased vide bill No. 6141 dated 24.3.95. for Rs. 772/- The side indicators were purchased vide bill No. 234 dated 27.3.95 for Rs. 90/- and the same item was also shown purchased vide bill No. 001348 dated 27.3.95 for Rs. 150/-. The flag rod was purchased vide bill No. 6142 dated 25.3.95 for Rs. 195/- (Rs. 175 +taxes) and the same item was also shown again purchased vide bill No. 001348 dated 27.3.95 for Rs. 55/- (Rs. 50+taxes ) The luggage carrier was purchased vide bill No. 6140 dated 24.3.95 for Rs. 413/- (Rs. 375+taxes ) annexed with Vr.No. 32 of 3/95 whereas the same item was also shown purchased vide bill No. 001348 dated 27.3.95 for Rs. 495/- (Rs. 450 +taxes) . The footmat was purchased vide bill No. 6139 dated 24.3.95 for Rs. 331/- (Rs. 300+taxes ) annexed with Vr.No. 32 of 3/95) whereas the same item was also shown purchased vide bill No. 6143 dated 26.3.95 for Rs. 430/- (Rs. 390 +taxes) The pressure horn was purchased vide bill No. 234 dated 27.3.95 for Rs. 55/- and the same item was also shown purchased vide bill No. 002057 dated 27.3.95 for Rs. 990/- The purchase of seat cushion may be justified while Dunlop seat covers were already purchased extra .

The matter is brought to the notice of higher authorities. to enquire into the matter and to take suitable action against the officers/officials besides effecting the recoveries on account of double purchases made.

Contd.....



Irregular and illegitimate expenditure (Design Division)  
.....

The expenditure incurred therefore, needs to be justified failing which the same may be made good :-

| No. & date      | Bill No. & date of supplier. | Name of article.            | Amount Rs. | Name of J.E.          |
|-----------------|------------------------------|-----------------------------|------------|-----------------------|
| dt. 31.3.95     | 1111 dt. 21.3.95             | G.I. Union & Full way valve | 192.24     | Sh. B.C. Rangra, J.E. |
| for Rs. 64985/- | M/S. Amin Chand Kishan Dass. |                             |            |                       |
| -do-            | Sh. Pawan Kumar              | 30 cft. sand                | 240.00     | -do-                  |
| -do-            | 0746 dt. Nil                 | 2 Nos. Brush                | 180.00     | -do-                  |
| -do-            | -do-                         | 15 kg. Lime                 | 60.00      | -do-                  |
| -do-            | 788 dt. 7.3.95               | 36 cft. Glass pans          | 540.00     | Sh. Anand Kapoor J.E. |
|                 | M/s. Nitin Enterprises       |                             |            |                       |

|                        |   |                          |        |                           |
|------------------------|---|--------------------------|--------|---------------------------|
| 31.3.95<br>Rs. 64985/- | 736dt.7.3.95                            | 1No. wash basin          | 350.00 | Sh. Anand Kapoor<br>J.E.  |
|                        | M/S. New Shimla<br>Hardware             | 1Ltr. paint              | 105.00 | -do-                      |
|                        | -do-                                    | 4Ltrs. Black paint       | 410.00 | -do-                      |
|                        |   | 2 Nos. Brush             | 27.00  | -do-                      |
|                        |   | Stencils                 | 60.00  | -do-                      |
| 31.5.94                | M/S. Shiwani Hard<br>ware 959 dt.5.4.94 | 2Nos. Full way<br>valve  | 340.00 | Sh. B.C. Rangra<br>J.E.   |
|                        | -do-955dt.4.4.94                        | Water supply<br>material | 296.00 | -do-                      |
|                        | -do- 903dt.16.3.94                      | -do-                     | 229.00 | -do-                      |
|                        | M/S. New Shimla Hard<br>ware            | 48kg. lime               | 192.00 | Sh. D.K. Aggarwal<br>J.E. |
|                        |   | 1kg. Rope                | 34.00  | -do-                      |

13 ) Ad.Vr. No. 8 of 13.11.94 for Rs. 34,66,511/- (Design Div.)  
.....

As per ledger page 131 for the year, 1994-95 (1.4.94 to 13.11.94) expenditure of Rs. 7344/- has been debited under the head "Laying of under ground cables to new telephone Exchange Kasumpti" for which agency charges @ ~~25%~~ 25% amounting to Rs. 1836/- were to be charged. The needful may be done now and compliance shown at the next audit.



- (14) Ad. Voucher No. 60 of 3/95 for Rs. 64,985/- (Design Div.)  
.....

The payment of Rs. 25/- on account of identity card and Rs. 60/- on account of photograph was made to Sh. Anand Kapoor, J.E. which did not constitute a valid expenditure from Pradhikaran fund. As such recovery of Rs. 85/- may therefore, be made from Sh. Kapoor, J.E. and compliance shown at the next audit.

- (15) Late deposit of income tax (Design Div.)  
.....

A sum of Rs. 809 was paid to the income tax office vide voucher No. 47 dated 29.3.95 on account of late deposit of income tax recovered from Sh. Balwinder Gupta, Contractor. The amount of penalty was placed in the sundry debtor whereas it was required to be recovered from the official at fault for late deposit. The responsibility may be fixed now and recovery be made accordingly.

It was also noticed in audit that the amounts recovered from the contractors were not being deposited in state Bank of India in accordance with instructions issued from Income tax Office from time to time. For example, the amount recovered from 9.12.94 to 31.1.95 was deposited on 4.2.95 whereas it was to be deposited within a fortnight of its receipt. These instructions may be observed strictly in future.

Contd.....

8. Excess payment of pay and allowances .  
 -----

1) Deputation allowance was being paid to Shri P.K.Sharma, S.E. w.e.f. 20.9.91 to 3.11.94. Besides Sh. P.K. Sharma was also being paid special pay @ Rs. 400/- p.m. during the above period. As per instructions of the H.P. Govt. issued in this behalf an employee can draw either special pay or Deputation allowance and not the both at a time. Therefore, the deputation allowance to the aforesaid officer has been paid irregularly as worked out below. Further, in case of local deputation the deputation allowance was to be paid @ 5% of Basic pay subject to maximum of Rs,250/- p.m. where as in the instant case he had also been paid deputation allowance in excess of Rs. 250/- p.m. during 1.11.91 to 3.11.94. The excess payment as worked out below may be recovered or make good immediately :-

| No.   | Period              | Rate & month                                      | Rs.     |
|-------|---------------------|---|---------|
| ----- | -----               | -----   | -----   |
| a)    | 20.9.91 to 31.10.91 | @Rs. 250/-p.m. x 11 <sup>11</sup> / <sub>30</sub> | 341.67  |
| b)    | 1.11.91 to 31.10.92 | @Rs.258/-p.m. x 12                                | 3096.00 |
| c)    | 1.11.92 to 31.10.93 | @Rs.265/-p.m. x 12                                | 3180.00 |
| d)    | 1.11.93 to 31.10.94 | @Rs.272/-p.m x12                                  | 3276.00 |
| e)    | 1.11.94 to 3.11.94  | @Rs.280/- p.m. x 3 <sup>12</sup> / <sub>30</sub>  | 28.00   |
|       |                     |   | -----   |
|       |                     | Tot l Amount:                                     | 9921.67 |
|       |                     |   | -----   |



- 11) Similarly deputation pay and special pay both were being paid to the following officers/officials of the Pradhikaran. The excess irregular payments made to them on this account be worked out and be recovered or made good immediately :-

Sr.No.      Name of the Officer/Officials  
 ....

1.    Sh. Jai Ram Singh Verma, Sr. Scale, Stenographer.
2.    Sh. Piar Singh Chauhan,      -do-
3.    Sh. Chander Singh Bracta,    Sr. Assistant.
4.    Sh. Gulaba Ram, Sr. Clerk.
5.    Sh. Tara Chand, Patwari.
6.    Sh. M.A. Malhotra, Town Planner.
7.    Sh. D.N. Gupta, HDM
8.    Sh. Saroj Singh, Steno-typist.
9.    Sh. V.K. Khurana, E.E.
10.   Sh. Om Barkash Chauhan, Sr. Assistant.
11.   Sh. Rakesh Kumar, A.E.
12.   Sh. Khem Chand Thakur, Sr. Assistant.
13.   Sh. Kanshi Ram Verma      -do-
14.   Sh. Devi Chand Sharma      -do-
15.   Sh. T.S. Bato ,    D/Man.
16.   Sh. F.D. Nanda, D/Man.
17.   Sh. Davinder Singh Soharu, J.E.
18.   Sh. Tek Chand, Gupta, J.E.
19.   Sh. Padam Dev, Sr. Assistant.

- 11i)    It was observed during the course of audit that the office-cum-residence allowance as well House Rent

Allowance was being paid to the following employees of the Revenue Department who were posted on deputation with the Pradhikaran. Since all these officials were posted at the Head quarter office of HPNVP at Shimla, no office cum-residence allowance was admissible to them in addition to payment of House rent allowance. Therefore, the excess payment made on account of office cum-residence allowance as per details given below may be recovered or made good immediately :-

| Sl. No.        | Name of the Employee       | Rate of office-cum-residence allowance | Period in which paid                    | Amount paid(Rs.) |
|----------------|----------------------------|--|---|------------------|
| -              | .....                      | .....                                  | .....                                   | .....            |
| 1              | Sh. Sanjeev Kumar, Kanungo | Rs.50/-p.m.wef.                        | 1.6.90 to 5.7.94<br>=49 5/31 months     | 2458/-           |
| 2              | Sh. Tara Chand, Patwari    | Rs.35/-p.m.wef.                        | 2.11.91 to 31.3.95<br>=40 29/30 months  | 1434/-           |
| 3              | Sh. Hari Dutt, Patwari     | Rs.35/-p.m.wef.                        | 18.11.91 to 31.3.95<br>=40 13/30 months | 2465/-           |
| 4              | Sh. Vidya Singh, Kanungo   | Rs.50/-p.m.wef.                        | 4.8.94 to 31.3.95<br>=7 28/31 months    | 395/-            |
| Total Amount : |                            |  |   | 6752/-           |

iv) Sh. Major Singh, A.E. was transferred from Salooni (Chamba) and posted on deputation in Shimla Development Authority (now HPNVP) at Shimla. He was relieved from his previous



place of posting on 12.8.94(AN) and joined his duty in SDA on 16.8.94(FN) after availing 3 days joining time. Further, he was paid pay & allowance for the joining time of 3 days availed by him by the HPNVP at the rates applicable at Shimla instead of Chamba. Thus the excess payment made as worked out below may be recovered or made good immediately :-

| S.No. | Particulars                                      | Amount paid<br>Rs. | Amount Due<br>Rs.                   | Excess payment<br>Rs. |
|-------|--|--------------------|-------------------------------------|-----------------------|
| ..... | .....  | .....              | .....                               | .....                 |
| 1.    | Capital allowance<br>@Rs.100/-p.m.               | 61.00              | 52.00                               | 9.00                  |
| 2.    | House rent allowance<br>@ Rs. 500/-p.m.          | 306.00             | 258.00                              | 48.00                 |
|       |  |                    | (He was not being<br>HRA at Chamba) |                       |
| 3.    | Deputation allowance<br>@Rs.370/-pm.(10%ofB.Pay) | 227.00             | 191.00                              | 36.00                 |
|       |  |                    | .....                               |                       |
|       | Total Amt.                                       |                    |                                     | 93.00                 |
|       |  |                    |                                     | .....                 |

v) Shri C.R. Tanwar, A.E. was posted at Head-quarter office of Shimla Development Authority on deputation from the office of PWD at Shimla. He was being paid deputation allowance @10% of basic pay instead of 5% of basic pay or Rs. 250/-pm. whichever is less wef. 2.8.94 till date. Thus the excess payment made, as worked out below may be recovered or made good immediately :

-74-

| No.            | Period            | Month | Basic pay | Amt. paid | Amount due            | Excess payment |
|----------------|-------------------|-------|-----------|-----------|-----------------------|----------------|
| 1.             | 2.8.94 to 31.8.94 | 1     | 2439      | 244.00    | <del>122.122.00</del> | 122x1=422.00   |
| 2.             | 1.9.95 to 31.8.95 | 12    | 2590      | 259.00    | 130.00                | 129.12=1548.00 |
| 3.             | 1.9.95 to 29.3.96 | 7     | 2665      | 267       | 133.00                | 133x6 =798.00  |
|                |                   |       |           |           |                       | -----          |
| Total Amount : |                   |       |           |           |                       | 2468/-         |
|                |                   |       |           |           |                       | -----          |

9. Excess payment of Medical Reimbursement Claims amounting to Rs. 5319.99  
 -----

It was noticed during the course of audit that no proper check was being applied while passing for payment the medical reimbursement claims of various officers/officials and in most of the cases, the bills were passed for payment in the same form in which these were received. This serious irregularity is brought to the notice of the higher authorities for taking necessary action as may be deemed fit besides effecting the recoveries of the cost of inadmissible medicines which was irregularly reimbursed to the concerned officers/officials as per details annexed with this audit report vide Annexure 'C'.

10. Excess payment of T.A. Claims amounting to Rs. 212.00  
 -----

While checking the T.A. claims of the following officials



the following amounts were paid in excess than actually admissible to them. These amounts may be recovered or made good ~~immediately~~ now :-

| No. | Name of the Officials      | Voucher No. & date | Amount paid        | Amt. actually due  | Excess paid          |
|-----|----------------------------|--------------------|--------------------|--------------------|----------------------|
|     | .....                      | .....              | .....              | .....              | .....                |
|     | Sh. N.K.Gandotra, J.E.     | 63dt.7.4.94        | 458                | 446                | 12.00                |
|     | Sh. C.R. Runta, Patwari    | 81dt.7.7.94        | 1098               | 1045               | 45.00                |
|     | Sh. P.R. Gupta, A.C. (F&A) | 44dt.5.9.94        | <del>1197</del> 77 | <del>1169</del> 60 | <del>128</del> 17.00 |
|     | Sh. Tilak Raj, A.E. (D)    | 115dt.19.9.94      | 1978               | 1869               | 109.00               |
|     | Sh. Vinod Kapoor, J.E.     | 38dt.4.2.95        | 690                | 676                | 14.00                |
|     | Sh. R.A. Chaudhary, S.E.   | 148dt.23.2.95      | 300                | 285                | 15.00                |
|     |                            |                    |                    |                    | .....                |
|     |                            | Total Amt.:        |                    |                    | 212.00               |
|     |                            |                    |                    |                    | .....                |

11. During the course of audit it was noticed that while making the refund of amounts deposited by the allottees with the Pradhikaran, 20% / 50% amount of earnest money was being forfeited but its adjustment was not effected in the books of accounts which has resulted decrease in income and surplus as was shown in the Income & expenditure account and Balance Sheet of the Pradhikaran during the financial year 1994-95

This the income and expenditure account and balance sheet of the Pradhikaran do not depict the true and fair picture with reference to these transactions which may be corrected by recasting these accounting statements. Some of such instances of earnest money forfeited are detailed below :-

| Voucher No.&date<br>..... | Name of Allottee<br>.....    | Amounts<br>refunded<br>..... | Earnest money<br>forfeited (Rate)<br>..... |
|---------------------------|------------------------------|------------------------------|--|
| 37 of 3.8.94              | Sh. Ramesh Bhatia            | 26175.00                     | 2375.00(50%)                               |
| 39 of 3.8.94              | Sh. Dalip Miglani            | 95565.00                     | 18975.00(50%)                              |
| 106 of 17.2.95            | Sh. Mathu Ram                | 145440/-                     | 5760.00(20%)                               |
| 123 of 19.12.94           | Sh. Sanjeev Bhardwaj         | 88,320/-                     | 7680.00(20%)                               |
| 177 of 29.9.94            | Sh. Prem Bass Sharma         | 53437/-                      | 2813.00(50%)                               |
| 167 of 23.6.94            | Sh. S.P. Oberoi              | 341770/-                     | 8212.50(50%)                               |
| 95 of 17.11.94            | Sh. G.D. Verma               | 51964.00                     | 3300.00(50%)                               |
| 102 of 13.7.94            | Sh. Hans Raj                 | 19840.00                     | 1125.00(50%)                               |
| 144 of 22.8.94            | Sh. Jatinder Kumar<br>Sharma | 49095.00                     | 4465.00(50%)                               |
| 145 of 22.8.94            | Sh. Jawahar Lal Chauhan      | 48555.00                     | 6935.00(50%)                               |
| 96 of 8.7.94              | Sh. Sachu Sridhar            | 101280.00                    | 6935.00(50%)                               |
| 175 of 29.9.94            | Sh. S.C. Poswal              | 49095.00                     | 4465.00(50%)                               |
| 148 of 22.8.94            | Sh. Anil Kumar Miglani       | 25950.00                     | 4250.00(50%)                               |
| Total Amt.:               |                              |                              | 77,290.50                                  |



12. Voucher No. 154 dated 23.3.95 for Rs. 1592/-  
 .....  
 Shri Lalit a daily waged employee was paid Rs. 1592/-  
 as per his hand receipt vide following details :-

|       |  |               |        |
|-------|--|---------------|--------|
| 1.(1) | Purchase of library books against bill         |               |        |
|       | <del>Rs. 660/xxx</del>                         | Rs. 660       |        |
| (11)  | -do- without bill/Vr. Rs. 700                  |               | 1360/- |
| 2.    | Bus fare to & fro chandigarh                   | <del>90</del> | 90     |
| 3.    | Lunch/Dinner charges                           |               | 62     |
| 4.    | Taxi charges from shimla bus stand to kasumpti |               | 50     |
| 5.    | Local fare at Chandigarh                       |               | 30     |
|       |  | .....         |        |
|       | Total :  |               | 1592/- |
|       |  | .....         |        |

Out of above total expenditure, on account of Rs. 142/-  
 as detailed above at Sr. No. 3 to 5, being inadmissible was  
 however, got refunded vide HPNVP receipt No. 69808 dated  
 11.3.96 at the instance of audit

Further no bill/v ucher on account of purchase of  
 books i.e. 1.5 :875-1987(Part I &II) named Indian Standards  
 code of Practice for Design loads(otherthan earthquake) for  
 building and structures (Second Revision) (4 copies) amounting

to Rs. 700/- were put up in audit. The same may be put up at the time of next audit failing which the amount drawn and paid be refunded or made good immediately .

13. Voucher No. 103 dated 13.3.95 for Rs. 23607/-  
 -----

- 1) Govt. of H.P. vide letter No. Udog -11-(chh)6-8/85-11 dated 18.3.94 has issued specific instructions to all Boards/Corporations etc that all electronics goods be purchased through the H.P. Electronics Development Corporation. Inspite of the clearcut instructions/orders of Govt. Intercom system including allied accessories were purchased by the HPNVP from the open market i.e. from M/S. Kwatras, Shop No. 58 1st Floor, The Mall Shimla-1 vide Invoice No. 01248/P/95-96 dated 30.1.95 by defying the Govt. Instructions/orders and that too without obtaining NOC which may be got condoned by obtaining the sanction of the Govt. of H.P. or the responsibility for this irregular purchase may be fixed and amount paid in excess be made good immediately.

11) Voucher No. 150 dated 23.3.95 for Rs. 550/-  
 -----

Similarly a sum of Rs. 550/- was paid to M/S. New Vision services against their Bill No. 359 dated 30.1.95 on account of cost of 10 Nos. Refills/pan cakes for network 1000 series Electronics typewriter cassettes.

In this behalf, the following observations made may be attended to :-



- a) No financial sanction was obtained and even codal formalities were not observed before making the purchase.
- b) Moreover, the same material was procured from M/S. Kwatras, The Mall, Shimla @ 10/- per cassettes vide. invoice No. 01485/P/95-96 dated 16.12.94 at much higher rates. The reasons for making the purchase at higher rates be stated and justified failing which excess payment made be recovered.
- c) The reasons for not effecting the purchase from H.P. Electronics Development Corporation may be explained.

111) Voucher No. 151 dated 23.3.95  
.....

Again two calculators @ 850/- each and a brief case for Rs. 1525/- were purchased from M/S. G.D. Khanna & Sons, The Mall, Shimla vide Bill No. 15446 dated 22.2.95 . Similarly one calculator was purchased from M/S. Honey Video and Audio House vide cash memo No. Nil dated 12.1.95 for Rs. 350/-

Since, these items were required to be purchased from approved source i.e. from a firm approved on rate contract, therefore, the purchase from open market without obtaining codal formalities be justified or the responsibility may be fixed for make the irregular purchases.

1v) Voucher No. 159 dated 24.3.95 for Rs. 8600/-  
.....

Imprest amounting to Rs. 8600 was issued to Shri B.R.Tanwar

— 56 —

for the purchase of Soleneium Drum for Rs. 6600 and developer for Rs. 1200/- + taxes from M/S. Deepak Sales Chandigarh. These items were required to be purchased through H.P. Electronics Development Corporation as per orders/instructions issued in this behalf by the Government. Thus above purchase made from the open market in violation of the Govt. orders may be justified or the amount paid in excess be recovered from the official at fault.

14. Excess debit to establishment expenses account amounting to Rs. 2295/-
- .....

An amount of Rs. 2795/- was refunded to Manager Finance HJPC Ltd., Uttam Bhawan, Shimla-4 on account of excess payment of Demutation allowance made by them~~ix~~ to Sh.

Tara Chand Patwari and recovered by HPNVP from the salary of the said official. Out of the total amount so refunded an amount of Rs. 2295/- was debited twice to establishment expenses account i.e. firstly vide Journal Voucher No. 2 of 9495 (upto 13.11.94) and secondly vide cash voucher Nos. 112 of 18.5.94, <sup>55 of 6-6-94, 52 of 4-7-94, 117 of 17-8-95 and 91 of 16-9-96</sup> whereas a sum of Rs. 500/- was debited to pay advance by lending Deptt. account instead of ADA/Deputation allowance by lending department vide cash voucher No. 43 of 4.4.94. This wrong classification and posting of expenditure/payment has unnecessarily increased the establishment expenditure and consequently reduced the surplus. Thus the income and expenditure account and balance sheet of the Pradhikaran is not showing true and fair picture which may be recast after rectifying the error of principles.



15. Voucher No. 99 dated 16.5.94 for Rs. 500/-  
 .....-.....

It was noticed during the course of the audit that imprest paid to the despatcher for the purchase of postage stamps was being charged direct to the office contingency instead of charging to the imprest account of the official concerned. This irregular practice may be stopped forthwith and the above expenditure be charged to the office contingency only after the concerned official submits the imprest adjustment account.

Further in order to avoid the suspected misuse of postage stamps, the use of service stamps instead of postage stamps as per Govt. instructions be ensured in future and compliance be shown at the time of next audit.

16. Library Register :  
 .....-.....

The library register was not being maintained properly which may be maintained now properly each book wise and periodical physical verification may be done at the end of each year and compliance shown at the time of next audit.

17. Journal voucher No. 4/94-95 dated 13.7.95 and Journal voucher No.8 of 94-95 for Rs. 43485 and Rs. 87254 respectively.  
 .....-.....

a) In the Pradhikaran, the electric goods such as lamps,

tubes, chokes(copper) starters etc. were being purchased frequently from the open market and that too without completing codal formalities. These goods were required to be purchased through firm approved on rate contract by the controller of stores, H.P. vide their letter No. 4-IND/SP-3(E-10)42/93(86) dated 9.9.93. Had these goods been purchased from the firm on rate contract an approximate amount of Rs. 600/- could have been saved as per instances given below.

Responsibility for the loss may be fixed and amount made good. All codal formalities may be adhered to strictly in future while making purchases : -

| Sl. No. | Particulars from whom purchased                                       | Item           | Qty. | Rate Rs. | Rate Contract Rate(ISI) |                | Diff. Amt.(Rs.) |
|---------|---|----------------|------|----------|-------------------------|----------------|-----------------|
|         |   |                |      |          |                         |                |                 |
| 1.      | M/S. C.M. Electricals & Handlooms Shimla-1 vide CM No.4284 dt. 1.9.94 | Choke 40 Watt. | 1    | 80       | 68                      | 12x1 = 12.00   |                 |
|         |   | Tube 40watt.   | 1    | 44       | 30                      | 14x1 = 14.00   |                 |
| 2.      | M/S. Atul Electricals, Chotta Shimla vide CM No. 3663dt. 8.10.94      | Tube 40 watt.  | 2    | 42.50    | 30                      | 12.50x2= 25.00 |                 |
| 3.      | -do- CM No.3646dt.31.10.94  | -do-           | 5    | 44       | 30                      | 14x5 = 70.00   |                 |
|         |   | Choke(Copper)  | 2    | 140      | 83                      | 57x2 =114.00   |                 |
| 4.      | -do- CM.No.3649dt. 3.11.94  | -do-           | 1    | 143      | 83                      | 60x1 = 60.00   |                 |
|         |   | Tube 40 watt.  | 1    | 44 x     | 30                      | 14x1 = 14.00   |                 |
| 5.      | M/S. City Hardwares & Electricals vide CM No. 27 dated 15.12.94       | -do-           | 3    | 44       | 30                      | 14x3 = 42.00   |                 |
|         |   | Starter        | 1    | 6.50     | 4                       | 2.50x1 = 2.50  |                 |



...83.....

|   |                              |           |         |                             |
|---|------------------------------|-----------|---------|-----------------------------|
| M/S. Atul Electricals<br>Chotta Shimla-2 vide<br>CM No. 3661 dt. 29.12.94 | Choke(copper) 1<br>Starter 3 | 144<br>11 | 83<br>4 | 61x1 = 61.00<br>7x3 = 21.00 |
| -do-CM. No. Nil dt. 8.3.95  | Tube 40 watt. 1              | 144       | 30      | 14x1 = 14.00                |
| -do- CM. No. 3668 dt. 10.9.94   | Bulb 100 watt. 7             | 10.10     | 7       | 3.10x7 = 21.70              |
| -do-CM. No. 3611 dt. 23.8.94  | -do- 3                       | 11        | 7       | 4x3 = 12.00                 |
| M/S. Anisha Vidyut<br>Bhanoor, Sanjauli<br>vide CM No. 6473 dt. 24.3.95   | Tube 40 watt. 1              | 144       | 30      | 14x1 = 14.00                |
| 11. M/S. Raju Electronics,<br>Kasumpti, vide CM. No.<br>Nil dated 9.9.94  | Bulb 100 watt. 10            | 10.10     | 7       | 3.10x10 = 31.00             |
| 12. M/S. Ashok Electronics<br>Kasumpti, vide CM. No.<br>29 dt. 6.2.95     | Bulb 60 watt. 3              | 9.60      | 7       | 2.60x3 = 7.80               |
| 13. -do- CM. No. 37 dt. 23.1.95   | Bulb 100 watt. 2             | 10.10     | 7       | 3.10x2 = 6.20               |
| 14. -do- CM. No. 12 dt. 12.11.94  | -do- 1                       | 10        | 7       | 3x1 = 3.00                  |
| 15. M/S. Braham Dass Raj<br>Kumar, Kasumpti, CM No.<br>Nil dt. 9.12.94    | Bulb 40 watt. 12             | 9.60      | 7       | 2.60x12 = 31.20             |
| 16. M/S. Niten Enterprises,<br>Kasumpti, CM. No. 669<br>dt. 10.12.94      | Bulb 60 watt. 6              | 9.50      | 7       | 2.50x6 = 15.00              |
| 17. -do- CM No. 614<br>dt. 20.10.94                                       | Bulb 100 watt. 2             | 10        | 7       | 3x2 = 6.00                  |
| Total Amt.  |                              |           |         | 597.40                      |

- b) Moreover, in the Pradhikaran, there is a separate Electrical Sub-Division which is created exclusively to take care of A/R and M/O electrical installations etc. but surprisingly electrical goods were also being purchased by the office care taker from the open market (see instances cited in sub para (a) above and as such parallel stocks of electrical goods were being maintained without showing proper disposal of such stock due to which it become very difficult to check the justification of such purchases being made at different levels besides its proper adjustment/disposal thereof. The practice of making purchases of electrical goods at different levels be stopped forthwith and proper stock registers of these goods be maintained showing therein the receipt, issue and balances of each item separately.
- c) While scrutinising the adjustment vouchers of imprest taken by the office caretaker during the period under Audit, it was observed that petty purchases of consumables/permanent articles were being made out of imprest but no proper stock account of such articles was kept due to which their receipt, issue and balance account alongwith justification of purchases of such articles could not be verified in audit. Further, certain items such as crockery, cutlery, furnishing material etc had become unserviceable but such items were not got written off. Moreover no physical check was being exercised by the competent authority. Therefore, the possibility of misuse/misappropriation of these articles could not be ruled out. The above observation may be adhered to strictly in future.



18. Photostat machine suspected misuse of tonners  
 .....-.....

During the test check of photostat machine register, it was noticed that in the year 1993-94 seven bottles of tonners were issued and 52208 Nos. photocopies were got photostat i.e. @ 7457 copies per bottle of tonner. But it was further noticed that during the year 1994-95 this average drastically slide down to 2315 copies per bottle of tonner as by issuing 32 bottles of tonners only 74080 copies were got photostat. As per norm 4000 to 6000 photocopies should have been got photostat per bottle of tonner. The afore, the reasons for excessive decline in average may be ascertained and earnest steps should be taken to increase the average immediately.

19. a) During the course of audit. it was observed that the preference money received from the allottees against the allotment of particular house/flat has been credited to personal account of concerned allottees and was being shown as liability in the balance sheet even after making specific allotment under preferential category whereas being income it should have been credited to income and expenditure account . Some instances of collection of preference money to be accounted for as income are given in Annexure 'D' to this audit report. Therefore, the income and expenditure account and balance sheet of HPNVP for the year 1994-95 was not showing true and fair picture of state of affairs of the Pradhikaran which may be corrected by recasting the accounting statements and updating the list given in

Annexure 'D' so that fictitious liability shown in the balance sheet under Head preferential allotment money may be decreased.

- b) As per personal ledger for the financial year 94-95, An amount of Rs. 2195/- was lying in credit of Shri T.C.Sharma an allottee of F(a) under 3rd PSFS having Regd. No. 4510 on account of preference money received from him vide cash voucher No. 72 dated 17.10.94. The preference money so received was adjusted against the deposit of amount to be paid before possession by him as he was allotted flat No.92 type(a) in Block 5 under general category instead of preferential category but no such adjustment was made in the books of accounts. Thus the figure shown under the head preferential allotment account and deposit of Instalment in the liability side of Balance Sheet was not correct. Possibility of similar other cases can also not be ruled out which may be investigated in details and the balance sheet be corrected.- accordingly by showing the compliance at the time of next audit.

20. Drawing, survey and equipment amounting to Rs. 4388/- and taxes were written off vide HPNVP office order No. HPNVP AB-Misc. Store/91-III-1201-02 dated 28.2.95 but its adjustment entry was not made in books of accounts. Therefore, Depreciation on drawing, survey and equipments were charged even on items which were not in existence on 31.3.95. Due to this error, the Balances shown under head fixed Assets account, Depreciation account and surplus account were not correct. Thus the Income and expenditure account and the



Balance sheet was not showing true and fair picture of the HPNVP which may now be corrected by rectifying the error of omission.

There may be such cases in respect of other fixed assets but the same could not be verified due to non supply of information as were asked for vide audit requisition No. 217 dated 1.2.96

In view of above, it is pointed out that the physical verification certificate, as issued by the DDO and attached with the Balance sheet, seems to have been issued without actually making the physical verification of fixed assets. The omission may be accounted for.

21. Suspected Misappropriation of Rs. 4884/-

-----

Shri Surinder Dutt, A.E. Electrical Sub-Division was issued following amounts as imprest :-

|                |          |
|----------------|----------|
| 1. on 28.6.94  | 1000     |
| 2. on 2.8.94   | 1000     |
| 3. On 3.9.94   | 1000     |
| 4. On 17.10.94 | 1000     |
| 5. On 7.11.94  | 1000 and |
| 6. on 24.3.95  | 1000     |

He had submitted the imprest account of first five imprest for adjustment whereas the imprest issued vide sixth advance was still pending for adjustment. While scrutinising the imprest adjustments vouchers, it was observed that purchases of electrical goods were made every now and then from the

open market though these items were required to be purchases from approved sources i.e. from firm on rate contract. No-  
codal formalities were completed before making these purchases from the open market and even every purchase was splitted up in order to avoid the necessity of calling quotations and observing other codal formalities. Further from the perusal of the sub vouchers, it was revealed that on most of the vouchers the payees name and date was not mentioned, in some cases dates were either erosen or altered and in some other cases, cash memos were not got issued on proper form but on plain paper. Even unspecified items were purchased from the open market and the lowest market price certificate was not recorded on the cash memos. Further, neither the stock entries nor the disposal of these articles purchased were shown to audit. Besides any reference of M.B. or stock register was also not given on the sub vouchers. Thus, the articles purchased remained unaccounted for and therefore, seem to have been misappropriated. The matter may be looked into by the higher authorities and besides taking suitable action against the official at fault. The amounts shown as irregularly spent may be recovered or made good unless otherwise justified.

22. a) Less Provision for interest receivable during the period w.e.f. 1.4.94 to 13.11.94 amounting to Rs. 2,11,097/-  
.....

During the period 1.4.94 to 13.11.94 provision for interest accrued but not received on BDRs amountin to Rs. 3,0540000/- were made @ 8% pa. i.e. Rs. 8,55,035/- only instead @ 10% pa. i.e. Rs. 10,66,132/- Thus the interest income was less



....89....

accounted for by Rs. 2,11,097/- during the said period which has decreased the surplus of the Pradhikaran as shown in the Income & Expenditure account and Balance sheet. Therefore, these two accounting statements were not showing true and fair picture of the state of affairs of the Pradhikaran, which may now be recast by rectifying the above error of commission.

- b) FDR's having face value amounting to Rs. 2,48,11,329/- were encashed as Rs. 3,64,19,013 on 4.7.94 and hence interest amounting to Rs. 1,16,07,684 was earned and received by the SDA Out of the total amount of interest in question, an amount of Rs. 23,04,291 already stands accounted for as interest income during the financial year 1991-92 whereas Rs.24,81,133/- each were accounting for as Income during the financial year 1992-93 and 1993-94 vide journal voucher No. 31 of 92-93 and 13 of 93-94 .Balance amount of interest amounting to Rs. 43,41,127 was required to be accounted for as income during the current financial year 1994-95 which has wrongly been accounted for as Rs. 52,23,959/-. Thus Rs. 8,82,832/- were accounted for excess as income vide cash voucher No. 141 dated 13.7.94. This irregularity has unnecessarily inflated the interest income and surplus during the financial year 1994-95 Therefore, the income & expenditure account and balance sheet 'is not depicting the true and fair picture of the state of affairs of the Pradhikaran which may be corrected by rectifying the above error of commission.

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...90.....

- c) The following total amounts of Rs. 63480/- were wrongly posted to the credit of interest received on FDR's account instead of interest receivable on FDR's account :-

| Sr.No.  | Vr. No. and date     | Amount               |
|---------|----------------------|----------------------|
| -.-     | .-.-.-.-.-.-.-.-.-.- | .-.-.-.-.-.-.-.-.-.- |
| 1)      | 194 dt. 30.6.94      | 17,550 (93-94)       |
| 2)      | 76 dt. 10.8.94       | 14,200 (91-92)       |
|         |                      | 15,865 (92-93)       |
|         |                      | 15,865 (93-94)       |
|         |                      | .-.-.-.-.-.-.-.-.-.- |
| Total : |                      | 63,480               |
|         |                      | .-.-.-.-.-.-.-.-.-.- |

Thus, the interest income and surplus for the financial year 1994-95 were wrongly shown in excess by above mentioned amount of Rs. 63480/- Therefore, the income and expenditure account and balance sheet is not showing true and fair picture of the state of affairs of the Pradhikaran which may be corrected now by rectifying the above error of principles.

23. SDA vide office order No.SDA-Admn(b)2nd-SFS/P(A)-4130, 5052-54 dated 23.4.94 had allowed interest amounting to Rs. 25,536/- to Smt. Dahlia Bhan D/o Shri D.N. Bhan, an allottee on the deposits of instalments made by her. Out of total amount of interest allowed in question, an amount of Rs. 2347/- was already allowed vide office Order No. SDA-Admn-(b)-2ndSFS/1( )-4130,8857-59 dated 9-10-90, therefore only the balance amount of interest amounting to Rs. 23189/- was adjusted against the deposit of future instalments (enhanced compensation) of the



said allottee vide above referred office order dated 23.4.94 but infact while making adjustment in the books of accounts Rs. 25536/- were adjusted instead of Rs. 23189 vide journal voucher No. 10/94-95 dated 15.7.95 This error has resulted into excess credit of Rs. 2347/- to the allottee concerned and excess debit to interest paid to allottee account thereby decreasing surplus of the financial year 1994-95. Therefore, the income and expenditure account and balance sheet is not depicting the true and fair picture of the Pradhikaran which may be corrected now by rectifying the above error.

24. Misappropriation of Imprest amounting to Rs. 4125/-  
-----

Shri N.K.Gandotra, J.P. was issued imprest amounting to Rs.5000/- on dated 24.2.95 for the purchase of tonners from M/S. Deepak sales sector 17, Chandigarh. While making adjustment of imprest account vide journal voucher No.4/94-95 dated 13.7.95 it was revealed that 5 No. bottles of tonner were shown to have been purchased from M/S. Deepak Sales Chandigarh vide cash memo No. 006814 dated 25.2.94 for Rs. 4125/- and the balance amount of Rs. 875/- was refunded/deposited back vide SDA receipt No. 51426 dated 9.5.95. But these tonners were not taken into stock and thus remained unaccounted for. Moreover, the supply order No. SDA/Admn/a/stationary/94 885-87 dated 5.2.94 vide which this purchase shown to have been made and sanction shown to have been accorded seems to be fictitious as no such sanction seems to have been issued as per records put up to audit. Thus, the purchase of tonners seems to be fictitious one. Therefore, the matter is brought to the notice of the higher authorities for proper investigations and taking suitable action against the concerned official at fault in order to stop such irregular practices in future besides recovering the amount of Rs. 4125/- immediately.

.....92

As per instructions of the HPNVP an allottee is liable to pay instalment of cost of flats/houses by 9th of each month in which it falls due. If any instalment remains unpaid by the above stipulated date, an allottee is liable to pay an interest @ 18% p.a. But in case of default for more than six consecutive months in r/o deposit of any instalment, the tenancy of such defaulter allottee was liable to be terminated and allottee shall also be liable to be evicted from the flat. During the test check of records, it was revealed that the following allottees were not depositing their instalments for the period ranging for months together but no action was taken by the Authorities against such defaulter Allottees as required under the rules. This irregularity has resulted into pitation of huge amount for collection + interest due thereon which inturup is badly affecting the financial position of the Pradhikaran continuously. Reasons for not taking the action against the defaulters so far may be stated. Suitable action be taken now against the defaulters and similar cases under the various other schemes may also be reviewed and compliance be shown at the time of next audit :-

## (a) 2nd SIV

## S.No. Particulars of Allottees

Date of instalment  
No. of instalment  
Total amount due  
Total amount  
arrears upto  
2/96  
Before  
possession

| Name                     | Regd.No. | Date of instalment | No. of instalment | Total amount due | Total amount arrears upto 2/96 | Before possession |
|--------------------------|----------|--------------------|-------------------|------------------|--------------------------------|-------------------|
| 1. Sh. Vijay Kumar Joshi | 4213     | 1720               | wef 9.5.94 =23    | 39,560/-         |                                |                   |
| 2. Sh. S.C. Boudgill     | 4219     | 1720               | wef 9.10.93=23    | 48,160/-         |                                |                   |
| 3. Sh. Anand Parkash     | 4223     | 1720               | wef 9.1.94 =25    | 43,000/-         |                                |                   |
| 4. Sh. Navinder Kumar    | 4251     | 1248               | wef 9.6.93 =32    | 39,920/-         |                                |                   |
| 5. Mrs Indu Verma        | 4283     | 4667               | wef 9/92 =41      | 1,21,547/-       |                                |                   |
|                          |          |                    |                   | 5,62,000/-       |                                |                   |

## (b) 4th SIV

|                           |      |      |                |            |  |  |
|---------------------------|------|------|----------------|------------|--|--|
| 6. Sh. Sushendra Bhardwaj | 4712 | 2295 | wef 9.6.94 =21 | 43,195/-   |  |  |
| 7. Sh. Anshu Beni         | 4719 | 2295 | wef 9.6.94 =21 | 43,195/-   |  |  |
| 8. Sh. B.R. Verma         | 4790 | 2206 | wef 9.4.92 =46 | 1,01,475/- |  |  |
| 9. Sh. Vainchali Thakur   | 4794 | 961  | wef 1/94 =25   | 24,956/-   |  |  |
| 10. Sh. Binash Malhotra   | 4800 | 2006 | wef 4/93 =34   | 68,272/-   |  |  |



|     |                                 |      |      |                 |     |                          |
|-----|---------------------------------|------|------|-----------------|-----|--------------------------|
| 11. | Sh. Harish Malhotra             | 4802 | 1364 | wef 3/94        | =24 | 33,216/-                 |
| 12. | Sh. Mohi Ram Shandil            | 4825 | 1364 | wef 1/95        | =14 | 19,096/-                 |
| 13. | Sh. Manohar Sood                | 4829 | 1364 | wef 10/93       | =23 | 30,192/-                 |
| 14. | Sh. L.C. Kapoor                 | 4831 | 1364 | wef 7/93        | =31 | 42,384/-                 |
| 15. | Sh. Hitender Sharma             | 4833 | 1397 | wef 5/93        | =35 | 46,101                   |
| 16. | Sh. Balbir Singh Chauhan        | 4840 | 2747 | wef 7/92        | =43 | 1,18,121/-               |
| 17. | Ms. Rama Gupta                  | 4756 | 3194 | wef 8/94        | =18 | 57,492/-                 |
| 18. | Sh. Rishbhusan Chaudhary        | 4763 | 1400 | wef 1/95        | =14 | 19,600/-                 |
| 19. | Sh. Ashok Ramjan Basu           | 4765 | 3194 | wef 6/94        | =21 | 67,074/-                 |
| 20. | Sh. C.M. Grover                 | 4775 | 3194 | wef 6/94        | =21 | 67,074/-                 |
| 21. | Sh. J.K. Puri                   | 4731 | 2000 | wef 1/95        | =14 | 28,000/-                 |
| 22. | Sh. Chander Gopal Singh Chauhan | 4782 | 1623 | wef 8/94        | =18 | 29,304/-                 |
| 23. | Smt. Nirmal Mahajan             | 4851 | 4525 | wef 10/93       | =23 | 1,26,700/-<br>1,63,992/- |
| 24. | Smt. Uma Kanwar                 | 4852 | 4789 | wef 10/93       | =23 | 1,34,092/-<br>1,71,072/- |
| 25. | Sh. S.D. Bhandari               | 4854 | 4529 | wef 10/93       | =23 | 1,26,812/-<br>1,63,992/- |
| 26. | Sh. Rajinder Paul<br>Bhardwaj   | 4856 | 4525 | wef 10/93       | =23 | 1,26,700/-<br>1,64,074/- |
| 27. | Ms. Veena Beni Parmar           | 4857 | 4525 | wef 10/93       | =23 | 1,26,700/-<br>1,63,992/- |
| 28. | Sh. Manjeet Singh               | 4830 | 1500 | wef 10 to 12/87 | =3  | 4,500/-<br>41,040/-      |

## (c) 5th 2073

|     |                         |      |      |           |     |          |
|-----|-------------------------|------|------|-----------|-----|----------|
| 29. | Sh. S.K. Datta          | 6457 | 1070 | wef 4/94  | =23 | 24,610/- |
| 30. | Sh. Rajesh Kumar Bansal | 6130 | 635  | wef 9/92  | =12 | 7,620/-  |
| 31. | Sh. Manoj Kumar Sehgal  | 6181 | 1190 | wef 4/92  | =23 | 14,605/- |
| 32. | Sh. Rakesh Sharma       | 6155 | 1190 | wef 4/94  | =23 | 27,370/- |
| 33. | Sh. Raj Verma           | 6269 | 2775 | wef 3/91  | =30 | 83,250/- |
| 34. | Sh. K.Z. Bhatnagar      | 6270 | 2775 | wef 4/94  | =23 | 63,825/- |
| 35. | Sh. Poonam Sood         | 6499 | 1070 | wef 4/94  | =23 | 24,610/- |
| 36. | Dr. (Mrs) Gita Singha   | 6323 | 3944 | wef 5/94  | =22 | 86,768/- |
| 37. | Sh. Lakshman Thakur     | 6296 | 2785 | wef 10/94 | =17 | 47,345/- |
| 38. | Sh. Madan Lal           | 6109 | 635  | wef 2/95  | =13 | 8,255/-  |
| 39. | Sh. Manohar Lal         | 6119 | 635  | wef 5/93  | =4  | 2,540/-  |
| 40. | Sh. Virlok Chand        | 6111 | 635  | wef 4/94  | =23 | 14,605/- |
| 41. | Sh. Shiv Kumar Sharma   | 6122 | 635  | wef 2/95  | =13 | 8,255/-  |

contd...p...

|     |                 |      |     |           |     |             |
|-----|-----------------|------|-----|-----------|-----|-------------|
| 77. | Sh. Rugar Singh | 1501 | 387 | wef 10/94 | =17 | 6,579/-     |
|     |                 |      |     |           |     | 22,22,211/- |

|                            |      |      |          |     |            |
|----------------------------|------|------|----------|-----|------------|
| 42. Smt. Savitri Bhardwaj  | 6191 | 635  | wof 4/94 | =23 | 14,605/-   |
| 43. Sh. M.S. Padda.        | 6221 | 1190 | wof 8/94 | =19 | 22,610/-   |
| 44. Sh. Devi Singh Negi    | 6257 | 2775 | wof 2/95 | =13 | 36,075/-   |
| 45. Sh. R.K. Sharma        | 6265 | 2775 | wof 4/94 | =23 | 63,825/-   |
| 46. Sh. B.S. Randhawa      | 6271 | 2775 | wof 8/95 | =12 | 33,300/-   |
| 47. Sh. Raj Verma          | 6284 | 3535 | wof 3/91 | =30 | 1,06,050/- |
|                            |      |      | wof 4/94 | =23 | 31,305/-   |
| 48. Sh. Arun Kumar Kataria | 6301 | 8705 | wof 4/94 | =23 | 64,055/-   |
| 49. Sh. Paramjit Singh     | 6113 | 800  | wof 4/93 | =23 | 18,400/-   |

SMS SMS

|                               |      |     |           |     |                    |
|-------------------------------|------|-----|-----------|-----|--------------------|
| 50. Smt. Indira Salunki       | 1011 | 223 | wof 1/95  | =14 | 3,192/-            |
| 51. Sh. Jitender Kumar        | 1012 | 223 | wof 6/93  | =33 | 7,524/-            |
| 52. Smt. Manju Arora          | 1017 | 223 | wof 6/94  | =21 | 4,708/-            |
| 53. Smt. Nani Devi            | 1024 | 223 | wof 8/89  | =79 | 18,612/-           |
| 54. Smt. Savitri Devi         | 1025 | 223 | wof 2/94  | =24 | 5,472/-            |
| 55. Mr. Asok Kumar            | 1033 | 223 | wof 3/94  | =19 | 4,332/-            |
| 56. Sh. Santosh Kumar         | 1043 | 223 | wof 9/92  | =44 | 10,032/-           |
| 57. Smt. Raj Nani             | 1050 | 223 | wof 4/94  | =22 | 5,016/-            |
| 58. Smt. Saroj Bala           | 1054 | 223 | wof 3/94  | =23 | 5,244/-            |
| 59. Smt. Geeta Arora          | 1057 | 223 | wof 5/94  | =21 | 4,708/-            |
| 60. Sh. Jeet Ram              | 1065 | 223 | wof 6/93  | =33 | 7,524/-            |
| 61. Sh. Bipan Kumar           | 1077 | 223 | wof 8/94  | =19 | 4,332/-            |
| 62. Sh. Vijay Kumar           | 1078 | 223 | wof 12/92 | =27 | 6156/-             |
| 63. Sh. Shiv Nath             | 1084 | 223 | wof 9/90  | =66 | 15,048/-           |
| 64. Smt. Sheetal Malik        | 1087 | 223 | wof 5/94  | =21 | 4,708/-            |
| 65. Smt. Kaushalya Kapoor     | 1099 | 223 | wof 8/92  | =45 | 10,260/-           |
| 66. Sh. Roop Singh Negi       | 1103 | 227 | wof 1/95  | =14 | 3,178/-            |
| 67. Sh. Akhil Kumar Mohandara | 1105 | 223 | wof 9/94  | =18 | 4,104/-            |
| 68. Sh. Mangat-Ram Bhardwaj   | 1110 | 223 | wof 1/94  | =26 | 5,920/-            |
| 69. Sh. Prem Lal Sharma       | 1142 | 223 | wof 3/92  | =30 | 11,400/-           |
| 70. Sh. Naregh Kumar          | 1144 | 223 | wof 6/94  | =20 | 4,560/-            |
| 71. Sh. Rajeov Gupta          | 1146 | 223 | wof 5/91  | =30 | 13,224/-           |
| 72. Sh. Rushal Chand Gohra    | 1147 | 223 | wof 1/94  | =26 | 5,920/-            |
| 73. Sh. Rameshwar Dass        | 1471 | 303 | wof 10/93 | =29 | 11,252/-           |
| 74. Sh. Sudhakar Parmad       | 1478 | 303 | wof 9/92  | =42 | 16,296/-           |
| 75. Sh. Anuj Mangal           | 1489 | 303 | wof 10/94 | =17 | 6,376/-            |
| 76. Sh. Jiya Lal              | 1499 | 303 | wof 1/95  | =14 | 5,432/-            |
| 77. Sh. Nagar Singh           | 1501 | 307 | wof 10/94 | =17 | 6,275/-            |
|                               |      |     |           |     | <u>22,22,211/-</u> |



2nd SPS/P(a)

| Sl. No. | Particulars<br>Name and Regd. No. | Rate of instalment | instalment in arrears   | Total amount due/amount due before possession. |
|---------|-----------------------------------|--------------------|-------------------------|--|
| 78.     | P. Majumdar                       | 4005               | 705 10 waf 5/95 to 2/96 | 7050   |
| 79.     | Maj C.K. Copra                    | 4007               | 705 6 waf 9/95 to 2/95  | 4230   |
| 80.     | Stevenjoni                        | 4009               | 705 7 waf 8/95 to 2/96  | 210354935                                      |
| 81.     | B.D. Mehta                        | 4016               | 705 10 waf 5/95 to 2/96 | 21058  |
| 82.     | V.P. Gupta                        | 4017               | 705 7 waf 8/95 to 2/96  | 4935   |
| 83.     | R.N. YADU                         | 4024               | 705 8 waf 7/85 to 2/96  | 5640   |
| 84.     | G.G. Vishwanathan                 | 4035               | 705 9 waf 6/95 to 2/96  | 6345   |

85. P.

|     |                  |      |                              |       |
|-----|------------------|------|------------------------------|-------|
| 85. | A.K. Arya        | 4050 | 1326 10 waf 5/95 to 2/96     | 13260 |
| 86. | Saroj Malik      | 4053 | 1326 10 waf 5/95 to 2/96     | 13260 |
| 87. | Kaulesh Sharma   | 4057 | 1326 10 waf 5/95 to 2/96     | 13260 |
| 88. | Alek Bhotar      | 4061 | 1326 10 waf 5/95 to 2/96     | 13260 |
|     |                  |      | Amount due before possession | 26392 |
| 89. | P.P. Mehra       | 4068 | 1326 10 waf 5/85 to 2/96     | 13260 |
|     |                  |      | Amount due before possession | 26392 |
| 90. | Sudesh Bagga     | 4070 | 1326 10 waf 5/85 to 2/96     | 13260 |
| 91. | K.K. Sabarwal    | 4071 | 1326 10 waf 5/95 to 2/96     | 13260 |
| 92. | Sandeep Sabarwal | 4072 | 1326 10 waf 5/95 to 2/96     | 13260 |
| 93. | Tara Kapoor      | 4073 | 1326 8 waf 7/95 to 2/96      | 10608 |

P(c)

|     |                 |      |                              |       |
|-----|-----------------|------|------------------------------|-------|
| 94. | Sudershan Kumar | 4088 | 2050 11 waf 4/95 to 2/96     | 22550 |
|     |                 |      | Amount due before possession | 42102 |

P(a)

|     |              |      |                          |       |
|-----|--------------|------|--------------------------|-------|
| 95. | K.L. Chawala | 4107 | 2632 11 waf 4/95 to 2/96 | 28952 |
| 96. | Sneh Prabha  | 4109 | 2632 11 waf 4/95 to 2/96 | 28952 |

97. Di (A)

|      |                   |      |                              |        |
|------|-------------------|------|------------------------------|--------|
| 97.  | Shyam Sunder      | 4218 | 1720 33 waf 6/95 to 2/96     | 56760  |
| 98.  | P.K. Ahluwalia    | 4230 | 1118 15 waf 12/94 to 2/96    | 16770  |
| 99.  | Mohinder Malhotra | 4234 | Amount due before possession | 145699 |
| 100. | K.K. Sharma       | 4235 | 1720 8 waf 7/95 to 2/96      | 13760  |

2nd SPS Di (A)

|      |               |      |                                 |        |
|------|---------------|------|---------------------------------|--------|
| 101. | Pooja Kapoor  | 4237 | Amount of due before possession | 145432 |
| 102. | Uma Soni      | 4238 | Amount due before possession    | 110264 |
| 103. | C.D. Jainath  | 4240 | Amount due before possession    | 113455 |
| 104. | S.S. Nogi     | 4241 | -10-                            | 63640  |
| 105. | P.K. Nagpal   | 4243 | 1720 37 waf 9.2.93 to 2/96      | 18744  |
| 106. | I.S. Kang     | 4246 | 234 8 waf 7/95 to 2/96          | 195040 |
| 107. | Nareesh Kumar | 4250 | Amount due before possession    | 65604  |
| 108. | V.K. Bagra    | 4256 | 2343 29 waf 11/93 to 2/96       |        |

III (C)

|                       |      |                                      |                     |
|-----------------------|------|--------------------------------------|---------------------|
| 109. Sanjeev          | 4270 | Balance amount due before possession |                     |
| 110. Gurbachan Kaur   | 4271 | 3668                                 | 19 waf 8/94 to 2/96 |
| 111. Capt. N.P. Singh | 4273 | 3668                                 | 33 waf 1/93 to 2/96 |
| 112. Mrs. Iro Rana    | 4277 | 3668                                 | 36 waf 1/93 to 2/96 |
|                       |      | Amount due before possession         | 111562              |
|                       |      | Total :-                             | Rs. 60,12,114.      |

26. Smt. Uma Kanwar w/o Late Lt. Col., R.S. Kanwar, H.P. Secretariate Library, Shimla-2 was allotted Independent House No. 36 Type 'C' under Regd. No. 4852 of 4th PS PS vide SDA letter No. SDA-Adm(b) 4th PS/II(C) -4852,8608-10 dated 3.9.93 and was asked to deposit sum of Rs. 1,73,887/- within 45 days from the date of issue of Allotment letter (03-09-93) failing which the Allotment shall be liable to be cancelled. Further, she was required to deposit balance cost of House i.e. Rs. 3,42,173/- in 180 monthly instalments starting w.e.f. 9.10.93 failing which she shall be liable to pay penal interest @ 18% p.a. for the period of delay and in case the default continues for more than 4 consecutive months, the tenancy shall be liable to be terminated. But till date (2/96) She has neither deposited the amount due before taking over possession i.e. 1,73,887/- nor she has deposited any instalment due w.e.f. 9.10.93 despite the fact the prescribed time limit has since been elapsed a long back. Again, from the perusal of records it was revealed that she had even not taken possession of the house due to the fact that the said house was not complete in all respects.

In this connection, it was also revealed during the test Audit of Allotment Section that there were many other cases of similar nature where possession of houses was denied due to certain defects.

Generally Houses are allotted for taking over possession only on receipt of completion report from the concerned Executive Engineer but it was noticed during the course of Audit that houses/sales were being offered for possession to various allottees and



97

the possession of the same was being denied by them or the grounds that the houses offered were still not complete in all respects for taking over the possession.

Due to above controversy, the possession of the houses were delayed and consequently, the Pradhikaran has not only to sustain the loss worth thousands of Rupees on a/c of non realisation of cost of flats in time but also has to spent excessive amounts just to remove those defects in construction of flats in time but also has to spent excessive amounts just to remove those defects in construction of Houses, as pointed out by the allottees concerned, for which the contractor had already been paid by the Pradhikaran.

The matter in respect of above case as well as similar other cases needs detailed investigations by the higher authorities. Further the amounts spent on removal of defects as pointed out by the allottees were either be recovered from the concerned contractor responsible for defective construction or from the concerned officer who had issued false completion reports of such Houses/flats besides the recovery of loss. Sustained by the Pradhikaran on this a/c from the official at fault under intimation to Audit.

27.

During the course of Audit, it was revealed that the Pradhikaran owned an office Building to house its Headquarters office two construction divisions, Design Division and Electrical Sub division and a Guest House but from the perusal of fixed Assets shown in the Balance Sheet for the year 1994-95 neither the above said office building and Guest House were shown as fixed Assets nor the depreciation @ 10% and 5% respectively was charged on these Assets. Therefore, the Income and Expenditure A/c and Balance sheet was not showing true and fair picture of the state of affairs of the Pradhikaran which may now be corrected by recasting the above said both the accounting statements under intimation to Audit.

28.

The H.P. Govt. vide their Notification No. PWS(3) 15-14/83 dated 14.11.94, has merged with the Shimla Development Authority, special Area of Development Authority for Kullu Valley special Area, the Town and Country planning area viz Hamirpur, Mandi, Parwanoo and Barotiwala and an Authority known as "Himachal Pradesh Nagar Vikas Pradhikaran" was created. Accordingly the Assets and liabilities as on 13.11.94 were simultaneously transferred to HPNVP.

But from the perusal of books of A/c of HPNVP for the financial year 1994-95, it was revealed that none other than Shimla Development's Authorities Assets and liabilities were transferred and taken into Book of Accounts of HPNVP. Thus, the Balance Sheet was not showing the true and fair picture of the State of affairs of the Himachal Pradesh Nagar Vikas Pradhikaran which may now be corrected by recasting the Balance sheet for the year 1994-95

29.

Non deduction of Tax while making payment of Interest to the Alettees.

According to sec. 194 A of the Income Tax Act 1961, Any person (including an individual or a Hindu Undivided family), who is responsible for paying any interest to a resident assessee, is required to deduct income tax at source at the time of crediting it to the a/c of the payee, or at the time of the payment whichever is earlier if the aggregate interest paid or credited by the person concerned to, or in a/c of the payee during the financial year does not exceed Rs.2,500/-. Further sec.201 of the Act lays down that for failure on the part of any person to deduct tax at source, he will be treated as an assessee in default in r/o the amount of tax not deducted by him.

During the course of test Audit it was noticed that in the following cases, the DDO failed to comply with the above said mandatory provisions of the Income Tax Act 1961 which has resulted into huge loss to the Govt. Therefore, reasons be stated for not complying with the provisions of the said Act by intimating the matter to the Income tax authorities.

Contd...P.79/-



so that action could now be initiated against the concerned allottees. Further loss of revenue on this A/C be made good immediately besides ensuring the compliance of above said provisions for future.

| Sr.No. | Name of the Allottee         | Scheme & Regd.No.      | Vr.No. & Date    | Amount paid as Interest |
|--------|------------------------------|------------------------|------------------|-------------------------|
| 1.     | Smt. Talat Parveen           | 2nd SFS/4022           | 46 of 5.9.94     | 24,609.00               |
| 2.     | Smt. Suraksha Gupta          | 5th PSFS<br>II(B) 6255 | 48 of 5.9.94     | 39,222.00               |
| 3.     | Sh. Kashmir Singh            | 6th PSFS<br>II/7021    | 176 of 29.9.94   | 5,850.00                |
| 4.     | Smt. Ramesh Rana             | 2nd SFS<br>F(a)/4033   | 65 of 7.4.94     | 22,143.00               |
| 5.     | Sh. Sane J. Bhattacharya     | 3rd PSFS/<br>F(b)/4590 | 105 of 12.4.94   | 13,606.00               |
| 6.     | Smt. Savitri Sharma          | 5th PSFS/<br>F(a)/6103 | 138 of 21.4.94   | 4,851.00                |
| 7.     | Sh. Rajinder Singh Kalai     | -do-6151               | 139 of 21.4.94   | 9,056.00                |
| 8.     | Dr. Rama Kant Mahajan        | -do- 6281              | 140 of 21.4.94   | 23,910.00               |
| 9.     | Sh. T.S. Negi                | 2nd SFS<br>F(b)        | 458 26 of 2.5.94 | 46,266.00               |
| 10.    | Sh. Krishan Kumar Mehta      | -do- A(c)4101          | 27/2.5.94        | 14,186.00               |
| 11.    | Smt. Nirmal Viradi           | -do- 4067              | 28/12.5.94       | 71,859.00               |
| 12.    | Sh. Premat Kumar Raj         | 2nd SFS/F(b)4046       | 187/31.5.94      | 46,266.00               |
| 13.    | Smt. Chander Kanta           | 5th (II(B)6328         | 28/2.5.94        | 35,317.00               |
| 14.    | Dr. Anjali Soni              | 5th/F(b) 6156          | 89/12.5.94       | 10,211.00               |
| 15.    | Sh. Surinder Dutt Bhardwaj   | 5th/F(c)6268           | 90/12.5.94       | 20,115.00               |
| 16.    | Sh. Hari Kishan Chauhan      | 5th(Fb)6177            | 188/31.5.94      | 10,210.00               |
| 17.    | Sh. Rajinder Pal Singh Sidhu | -do-6204               | 189 -do-         | 10,092.00               |
| 18.    | Sh. Shakti Kumar Negi        | 5th(II(A) 6292         | 190 -do-         | 27,530.00               |
| 19.    | Smt. Kavya Sood              | 5th F(c) 6255          | 192 -do-         | 9,333.00                |
| 20.    | Smt. Sita Devi               | 6th F(b) 7138          | 53/5.5.94        | 28,115.00               |
| 21.    | Smt. Alike Katyai            | -do- 7139              | 54 -do-          | 28,169.00               |
| 22.    | Smt. Maya Devi               | 6th (F(a) 7055         | 191/31.5.94      | 15,155.00               |
| 23.    | Smt. Chitra Anand            | 2nd SFS F(b) -         | 115/10.6.94      | 24,609.00               |
| 24.    | Sh. Jaswant Singh            | 5th(b)F 6132           | 109 -do-         | 4,698.00                |
| 25.    | Sh. Mandeep Raj Sharma       | -do- 6194              | 110 -do-         | 8,420.00                |
| 26.    | Sh. Baldev Chand             | -do- 6195              | 111 -do-         | 8,906.00                |
| 27.    | Sh. Raghbir Singh            | 5th II(A) 6299         | 112 -do-         | 28,431.00               |
| 28.    | Sh. M.L. Sharma              | 5th II(B) 6336         | 113 -do-         | 36,848.00               |
| 29.    | Sh. Bir Chand                | 5th F(B) 6156          | 114 of 10.6.94   | 10,832.00               |
| 30.    | Sh. Jai Kumar Anand          | 6th F(a) 7053/         | 104 -do-         | 16,651.00               |
| 31.    | Dr. Rana Behl                | 6th F(b) 7129          | 105 -do-         | 26,276.00               |

contd. p. 100/-

(4) 100/101