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कार्यालय, महालेखाकार (लेखा परीक्षा)
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OFFICE OF THE
ACCOUNTANT GENERAL (AUDIT)
MEGHALAYA, SHILLONG - 793 001

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संख्या.

No. ES-II/4-4/NEIGRIHMS ACCS /2014-15/367

दिनांक

Date 05.11.2015.....

To,

The Secretary to the Government of India,
Ministry of Health and Family Welfare,
Room No-128, C Wing,
Shastri Bhavan, New Delhi - 110001.

Sub: Separate Audit Report on the accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences, Shillong for the year ended 31 March 2015.

Sir,

I am to forward the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2014-15 and a set of audited Annual Accounts of the NEIGRIHMS for the year 2014-15.

2. The Hindi version of the Separate Audit Report will be prepared by the NEIGRIHMS.
3. The Separate Audit Report and the Annual Accounts sent may please be placed before both Houses of Parliament as soon as possible. The date(s) of placing of the Report and Accounts may please be intimated and ten copies of the Report, placed before Parliament, may please be sent to this office for record.
4. The Separate Audit report may please be treated as Confidential till it is placed before the Parliament.

Kindly acknowledge receipt.

Yours faithfully,

Encl: As stated above

Sd-
(Rajesh Singh)
Accountant General (Audit), Meghalaya

AAO(A)
R.S.
6/11

Speed Post/Confidential

Ltr.No. ES-II/4-4/NEIGRIHMS ACCS /2014-15/368

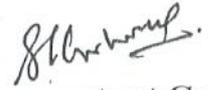
Date: 05 November 2015

Copy of the Separate Audit Report on the accounts of the **North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS), Shillong** for the year 2014-15 is forwarded for information and necessary action to:

**Director,
North Eastern Indira Gandhi Institute of Health & Medical Sciences,
Mawdiangdiang,
Shillong – 793018.**

2. Necessary arrangement may please be made for preparation of Hindi version of the Separate Audit Report and issue of the same to the Government of India, Ministry of Health and Family Welfare, with copy to this office.
3. The date(s) of placing the Separate Audit Report and Annual Accounts before both Houses of Parliament may please be intimated.
4. The Separate Audit Report sent herewith may please be treated as **confidential** till it is placed before both Houses of Parliament.

Kindly acknowledge receipt.


**Dy. Accountant General
Economic Sector-II**

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong for the year ended 31 March 2015.

We have audited the attached Balance Sheet of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong as at 31 March 2015, the Income and Expenditure Account and Receipt and Payment Account for the year ended on that date under section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971 read with Rule 31 (2) of the Memorandum of Association of the Institute. The audit has been entrusted to us for the period up to 2014-15. These financial statements are the responsibility of the NEIGRIHMS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the proposed comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/ CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials mis-statements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. The Balance Sheet, Income and Expenditure Account and the Receipt & Payment Account dealt with by this report have been drawn up in the format approved by Ministry of Finance, Govt. of India;
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the NEIGRIHMS, Shillong, as required under Rule 31(1) of the Memorandum of Association of the NEIGRIHMS, in so far as it appears from our examination of such books.

iv. We further report that:

A. On the basis of Preliminary Observations made by Audit, the annual accounts of the Institute for the year ended 31 March 2015 were revised. As a result of the revision carried out, the Income of the Institute for the year ending 31st March 2015 increased by ₹ 29.95 crore and material disclosure relating to non reconciliation of accounts balances of a Consultant was made by the Institute. Further, Income & Expenses as well as Assets amounting to ₹ 246.27 crore were re-classified under appropriate heads of account.

B Grants - in- Aid

Out of the grants of ₹ 168.07 crore received during the year & unutilised grant of ₹ 28.68 crore from previous year, the Institute had utilised a sum of ₹ 158.42 crore during the year leaving a balance of ₹ **38.33** crore as unutilised grant as on 31 March 2015.

v. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipt and Payment Account dealt with by this report are in agreement with the Books of Accounts.

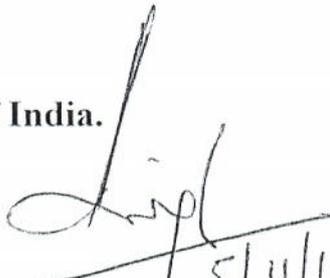
vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure I to the Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) In so far as it relates to the Balance Sheet, of the state of affairs of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences as at 31 March, 2015; and
- (b) In so far as it related to the Income and Expenditure Account of the surplus for the year ended on that date.

For and on behalf of the Comptroller and Auditor General of India.

Place: Shillong

Date: 05.11.2015


(Rajesh Singh) 5/11/15
Accountant General (Audit), Meghalaya

Accountant General (Audit), Meghalaya

Annexure I to Separate Audit Report

1. Adequacy of Internal Audit System

The NEIGRIHMS neither has an Internal Audit Wing nor conducted internal audit through external agency during the year.

2. Adequacy of Internal Control System

The Internal Control Systems are inadequate as the Institute has not yet developed any Internal Control Manual relating to Accounts, Procurement, Administration, Personnel Etc. for effective Internal Control Systems.

3. System of Physical Verification of Fixed Assets

Physical Verification was done only in respect of medical equipments which were added during the year. In respect of remaining assets including library books (Books & Journals), physical verification had not been carried out during the year.

4. System of Physical Verification of Inventory

The physical verification of Inventory was done by the NEIGRIHMS during the year.

5. Regularity in payment of Statutory Dues

The NEIGRIHMS was regular in payment of its statutory dues.


Audit Officer
Economic Sector-II



OFFICE OF THE
ACCOUNTANT GENERAL (A)
MEGHALAYA, SHILLONG.

EPABX- 0364-2228861/62/63; FA

Email: agauMeghalaya.gov.in.

Ltr.No. ES-II/4-13/NEIGH/2014-15/474

Date: 20 October 2014

To,

The Secretary to the Government of India,
Ministry of Health and Family Welfare,
Room No-128, C Wing,
Shastri Bhavan,
New Delhi - 110001.

Sub: Separate Audit Report on the accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences, Shillong for the year ended 31 March 2014.

Sir,

I am to forward herewith the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2013-14 and a set of audited Annual Accounts of the NEIGRIHMS for the year 2013-14.

2. The Hindi version of the Separate Audit Report will be prepared by the NEIGRIHMS.
3. The Separate Audit Report and the Annual Accounts sent herewith may please be placed before both Houses of Parliament as soon as possible. The date(s) of placing of the Report and Accounts may please be intimated and ten copies of the Report, placed before Parliament, may please be sent to this office for record.
4. The Separate Audit report may please be treated as Confidential till it is placed before the Parliament.

Kindly acknowledge receipt.

Yours faithfully,

Encl: As stated above

Sd/-
(Rajesh Singh)
Accountant General (Audit), Meghalaya

Ltr.No. ES-II/4-13/NEIGH/2014-15/475

Date: 20 October 2014

Copy of the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS), Shillong for the year 2013-14 is forwarded to:

Dr A. G. Ahangar
Director
North Eastern Indira Gandhi Institute of Health & Medical Sciences,
Mawdiangdiang,
Shillong – 793018.

for information and necessary action.

2. Necessary arrangement may please be made for preparation of Hindi version of the Separate Audit Report and issue of the same to the Government of India, Ministry of Human Resource Development with copy to this office.
3. The date(s) of the placing of the Separate Audit Report and Annual Accounts before both Houses of Parliament may please be intimated early.
4. The Separate Audit Report sent herewith may please be treated as **confidential** till it is placed before both Houses of Parliament.

Kindly acknowledge receipt.

R. Sankar.
Dy. Accountant General
Economic Sector-II

**Separate Audit Report of the Comptroller and Auditor General of India on
the Accounts of the North Eastern Indira Gandhi Regional Institute of
Health and Medical Sciences, Shillong for the year ended 31 March 2014.**

We have audited the attached Balance Sheet of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong as at 31 March 2014, the Income and Expenditure Account and Receipt and Payment Account for the year ended on that date under section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971. The audit has been entrusted for the period up to 2014-15. These financial statements are the responsibility of the NEIGRIHMS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/ CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials mis-statements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. The Balance Sheet, Income, and Expenditure Account and the Receipt & Payment Account dealt with by this report have been drawn up in the format approved by Ministry of Finance;
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the NEIGRIHMS, Shillong, as required under Rule 31(1) of the Memorandum of Association of the NEIGRIHMS, in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet:

1. Fixed Assets (Gross) – (Schedule-8): ₹ 43903.68 lakh.

This does not include ₹ 57.45 lakh being the value of laboratory equipment installed and commissioned during the year for implementation of the project “Creation of Biotechnology R&D infrastructure facility of labs at North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS), Shillong”. This has resulted in understatement of Fixed Assets - Other Fixed Assets (Project) by ₹ 57.45 lakh as well as depreciation by ₹ 8.62 lakh (@ 15 % of ₹ 57.45lakh) and consequent understatement of deficit for the year by ₹ 8.62 lakh.

2. Current Liabilities & Provisions (Schedule-7): ₹ 1,557.02 lakh

(i) This does not include ₹ 16.59 lakh being the value of cheques issued prior to December 2013 but were not presented for payment up to March 2014 as the validity of cheques had already expired as on 31.03.2014. Non-accountal of the same has resulted in Understatement of Current Liabilities – Other Current Liabilities as well as Current Assets, Loans and Advances by ₹ 16.59 lakh.

(ii) This does not include ₹ 14.83 lakh being the salary payable to the staff for the period from May 2013 to December 2013 (Childhood Obesity Project -ICMR). This has, therefore, resulted in understatement of Expenses on Projects under Other Administrative Expenses (Schedule 21) as well as “Current Liabilities and Provisions” to the extent of ₹ 14.83 lakh. Consequently, the Excess of expenditure over income is also understated to that extent.

B. General

1. During the year the North Eastern Indira Gandhi Institute of Health & Medical Sciences (NEIGRIHMS) received grant amounting to ₹ 234.52 lakh from the Ministry of Science & Technology, Government of India for implementation of the project titled “Creation of Biotechnology R&D infrastructure facility”. As per the Utilisation Certificate (UC) submitted by the Institute an amount of ₹ 233.32 lakh was utilised during the year. However, as per the Institute records the unutilized funds balance was ₹ 83.58 lakh as on 31 March 2014. This needs to be reconciled.

C. Grants - in- Aid

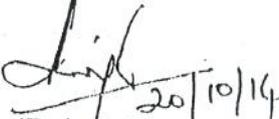
Out of the grants of ₹ 107.48 crore received during the year & unutilised grant of ₹ 48.81 crore from 2012-13, the Institute had utilised a sum of ₹ 127.61 crore during the year leaving a balance of ₹ 28.68 crore as unutilised grant as on 31 March 2014.

v. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account and Receipt and Payment Account dealt with by this report are in agreement with the Books of Accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure I to the Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) In so far as it relates to the Balance Sheet, of the state of affairs of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences as at 31 March, 2014; and
- (b) In so far as it related to the Income and Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the Comptroller
and Auditor General of India.


20/10/14
(Rajesh Singh)

Accountant General (Audit), Meghalaya

Place: Shillong

Date: 20 October 2014

**NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH
AND MEDICAL SCIENCES, SHILLONG
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.3.2015.**

SCHEDULE 24-SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared on the basis of historical cost convention, unless otherwise stated and on the accrual method of accounting

2. INVENTORY VALUATION

1 Consumables and medicines etc are valued at cost by using FIFO method.

3. INVESTMENTS

1 Investments, which consist of only Fixed Deposits out of Grant in Aid, Hospital Charges & Pharmacy along with interest accrued to be accrued are reflected in the Balance Sheet except for the amount invested on account of General Provident Fund (GPF) and New Pension Scheme are not reflected in the Balance Sheet for want of reconciliation. Reconciliation on these two head will be carried out in the next financial year 2015-2016 and the same will be reflected in the Annual Account (2015-2016)

4. EXCISE DUTY

Not applicable.

5. FIXED ASSETS

5.1 In respect of projects involving construction, related pre-operational expenses, form part of the value of the assets capitalized.

6. DEPRECIATION

6.1 Depreciation is provided on written down value method as per rates specified in the Income-tax Act, 1961.

6.2 In respect of additions to fixed assets during the year, depreciation is provided for as under.

a) Assets acquired upto 30.9.2014-100%

b) Assets acquired after 30.9.2014-50%

6.3 Assets costing ` 5,000 or less each are fully provided.

The following are the rate of Depreciation of various Assets which are as follows

Building @ 10%, Electrical Installation @ 10%, Office Equipments, Medical Equipments & Sports Equipment @ 15%, Vehicle @ 15%,
Computer/Peripherals 60% & Books & Journal @ 60% & Solar Plant @ 80%

7. MISCELANEOUS EXPENDITURE: Nil

**NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH
AND MEDICAL SCIENCES, SHILLONG
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.3.2015.**

SCHEDULE 24-SIGNIFICANT ACCOUNTING POLICIES

8. ACCOUNTING FOR SALES: Nil

9. GOVERNMENT GRANT/SUBSIDIES

Government Grants are accounted for on realization basis.

10. LEASE: Nil

11. RETIREMENT BENEFITS

Payments of Retirement benefits like gratuity, leave encashment, pension etc., given to the employees have been accounted for on cash basis.

12. PREVIOUS YEAR FIGURES

12.1 Figures for the previous year have been regrouped/arranged wherever necessary to conform to figures of the current year.

**NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH
AND MEDICAL SCIENCES, SHILLONG
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.3.2015.**

SCHEDULE 25- CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

1.1 In respect of

- Bank guarantees given by/on behalf of the Entity – ` Nil (Previous year ` Nil)
- Bills discounted with banks ` Nil (Previous year ` Nil)

1.2 Disputed demands in respect of:

- Income-tax ` Nil (Previous year ` Nil)
- Sales-tax ` Nil (Previous year ` Nil)
- Municipal Taxes Nil (Previous year ` Nil)

1.3 In respect of claims of contracts from parties for non-execution of orders, but contested by the Entity-` Nil.

1.4 (i) Money Suit for realisation of outstanding rent:

The outstanding amount for recovery of rent and electricity charges on demise of (L) B. C. Japang is Rs. 9,95,235/- (Nine lakhs ninety five thousand two hundred thirty five) only and payment of interest during the pendency of the suit at the rate of 18% per annum compounded quarterly from the date of filing of the suit till the repayment of the entire outstanding amount.

- With regard to the latest position of the case, an application was received from Shri P. Suting, son of (L) B. C. Japang with regard to the Money Suit No. 154 (T) 2012, filed in the court of Assistant to Deputy Commissioner, Shillong against NEIGRIHMS with a prayer to discharge him from the liability of his late father B. C. Japang. The written Objection/Affidavit regarding the same has been prepared and filed on 14-4-2015.

(ii) Arbitration Case

1.5 The Arbitration No. 1 regarding claims of Liquidated Damages amounting to ` 3 crore, claims filed by M/S ABL amounting to ` 18.92 crore and Counter Claims filed by NEIGRIHMS/Respondent for an amount of ` 18.74 crore was concluded on 1st April, 2014. However, the Learned Sole Arbitrator has made an observation that the final order regarding the said claims shall be passed on the conclusion of the hearing of Arbitration No.2 relating to Bank Guarantee/Territorial Jurisdiction.

1.5 The Arbitration No. 2 relating to Performance Guarantee amounting to ` 1.50 crore, Retention Money Bank Guarantee amounting to ` 0.29 crore and Mobilisation Advance Bank Guarantee amounting to ` 2.58 crore is in the final stage and the next date of hearing for further arguments on the question of territorial jurisdiction is fixed on 13th to 15th July, 2015 at New Delhi.

1.6 GOVERNMENT GRANT:

In accordance with Accounting Standards (AS) 12 issued by The Institute of Chartered Accountant of India, Government Grant related to revenue has been accounted as income in the Income and Expenditure Account. Grant related to depreciable fixed assets are treated as deferred income which is recognized in the Income and Expenditure Statement on a systematic and rational basis over the useful life of the asset i.e such grant should be allocated to income over the period and in the proportion in which depreciation on those assets is charged. Accordingly deferred income concept has been adopted in the treatment of fixed asset acquired out of Govt. grants, where depreciation charged on assets is written back in Income and Expenditure Account and Capital Assets Fund under Govt. grant has been reduced to that extent.

1.7 The amount of ` 6.74 Crore raised by M/s HSCC (I) Ltd as additional claim additional claimed by the Consultant M/s HSCC (I) Ltd towards escalation cost, extra work etc is yet to be settled. The Institute has appointed a Chartered Accounts to undertake the task to verify the correctness of the preliminary reconciliation of the advances placed to M/s HSCC (I) Ltd. The reconciliation of the accounts of the NEIGRIHMS with that of M/s HSCC (I) Ltd is still under process. On completion of the assigned task the Institute will then reflect the exact amount in the current financial year 2015-2016 Annual Account.

The amount of ` 1.79 Crore is receivable from the Consultant (M/s HSCC (I) Ltd) towards encashment of Bank Guarantees is under legal dispute. On disposal of the legal cases on 15th & 16th October 2015 its results thereafter the Institute will take a call on its accounting treatment

2. CAPITAL COMMITMENTS

1.5 Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)
` _____ (Previous year ` _____) (Could not ascertain the amount at this stage).

3. LEASE OBLIGATIONS

Future obligations for rentals under finance lease arrangements for plant and machinery amount to ` . Nil
(Previous year ` . Nil)

4. CURRENT ASSETS, LOANS AND ADVANCES

In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal to least to the aggregate amount shown in the Balance Sheet.

5. TAXATION

In view of there being no taxable income under Income-tax Act 1961, no provision for Income tax has been considered necessary.

6. Notes on Accounts

- i. Out of ` 151.47 Crore which relates to expenditure ` 02.44/- Crore relates to Prior Period Items
- ii. ` 03.50 Crore is the amount involved for Foreign Exchange (Letter of Credit)

7. Leasehold Land:

- i. ` 74,44,853 (Net): Leasehold Land
- ii. ` 51,07,050.62 (Net): Super structure on land not belonging to the entity

The facilities created for interim hospital on lease hold land given by the Government of Meghalaya is reflected in the Balance Sheet as Leasehold Land and Super structure on land not belonging to the entity. The lease has been extended for another period of 3 years vide Government of Meghalaya letter No Health 226/2007/236 dated 19th April 2011. The 4th year of amortization of which the balance amount of ` 505960.88 and ` 347081.14 receptively have been amortized during the year for a balance period.

9. OTHERS

----Nil----

