



सत्यमेव जयते

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SPEED POST/CONFIDENTIAL
OFFICE OF THE
PR. ACCOUNTANT GENERAL
(AUDIT), MEGHALAYA, SHILLONG -
793 001.

No. ES-II/4-8/2013-14/755
Dated: Shillong, the 04th October 2013

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 Regional Institute of Health and Medical Sciences (NEIGRIHMS) for the year 2012-13.

Sir,

I am to forward herewith the Separate Audit Report on the accounts of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS) for the year 2012-13 and a set of audited Annual Accounts of the NEIGRIHMS for the year 2012-13.

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/-
(A.W.K. Langstieh)
Pr. Accountant General (Audit)

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Dated:- 04.10.2013

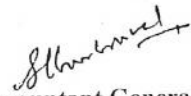
Memo No. ES-II/4-8/2013-14/756

Copy of the Separate Audit Report on the accounts of the North Eastern Hill University (NEHU) for the year 2012-13 is forwarded to

**Dr A. G. Ahangar,
Director,
North Eastern Indira Gandhi Regional Institute of Health and Medical
Sciences (NEIGRIHMS)
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 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.


Dy. Accountant General (ES-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 2013.**

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 2013, 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(Schedule-8): 20703.29 lakh

Above is overstated by ₹164.09 lakh, being the value of medical equipments (after adjustment of depreciation of ₹ 13.30 lakh) which were not commissioned during the year. This has also resulted in the understatement of Capital Works in Progress by ₹ 177.39 and overstatement of depreciation by ₹ 13.30 lakh.

2. Current Liabilities and Provisions(Schedule -7)

Other Current Liabilities

Other Administrative Expenses (Schedule-21) - AMC/CMC

This does not include ₹31.43 lakh being the liability towards comprehensive maintenance charges payable for the year 2012-13 in respect of medical equipments.

This has resulted in understatement of "Other Administrative Expenses-AMC/CMC" as well as "Other Current Liabilities" by ₹31.43 lakh. Consequently the excess of expenditure over income is also understated to that extent.

B. General

1. Significant Accounting Policies (Schedule 24)

The provision for Retirement benefits to the employees of the NEIGRIHMS has not been made as per actuarial valuation as required under Accounting Standard 15.

C. Grants - in- Aid

The opening balance of the grants as on 1st April 2012 was ₹16.51 crore and ₹139.23 crore was received during the year. There was an internal income of ₹4.03 crore. Out of which the NEIGRIHMS could utilise a sum of ₹110.96 crore during the year leaving a balance of ₹48.81 crore as on 31 March 2013.

D. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the NEIGRIHMS through a Management Letter issued separately for remedial/corrective action.


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, 2013; 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

Place: Shillong
Date: 04 October 2013


(A.W.K. Langstieh)
Principal Accountant General (Audit)

Annexure I to Separate Audit Report

1. Adequacy of Internal Audit System

The NEIGRIHMS does not have an Internal Audit Wing. No internal audit has also been conducted through any other agency.

2. Adequacy of Internal Control System

The Institute does not have any Administrative/Accounts Manuals.

3. System of Physical Verification of Fixed Assets

Physical Verification of Assets was carried out only on medical equipments during the year but the balance Fixed Assets were not reconciled with the balances in the Fixed Assets Register.

4. System of Physical Verification of Inventory

No physical verification of Inventory was done by the NEIGRIHMS during the year.

5. Regularity in payment of Statutory Dues

The NEIGRIHMS did not remit the amount of ₹1193.67 crore [₹1129.68 crore (Principal)+₹63.99 crore (Interest)] deducted as on 31 March 2013 on account of Employees' and Employers' contribution under New Pension Scheme with the National Securities Depository Limited (NSDL).

**NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH
AND MEDICAL SCIENCES, SHILLONG
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.3.2014.**

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 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 2014-2015 and the same will be reflected in the Annual Account (2014-2015)

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 30.9.2013-100%

b) Assets acquired after 30.9.2013-50%

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

AND MEDICAL SCIENCES, SHILLONG
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.3.2014.

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 Retirements 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 31.3.2014.**

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) Part of the works of Package-1 awarded to M/s ABL was voluntarily surrendered by M/s ABL and awarded to M/s L&T, as per the Bi Partite Agreement dated 31st December 2003

1.5 (11) M/s ABL has raised a claim of ` 18.92 Cr against which NEIGRIHMS has raised a counter claim of ` 18.92 Cr, plus the Postalite & Pendente and litigation expenses as per actual are to be recovered from M/s ABL

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 ` 131.34 Crore which relates to expenditure ` 01.68/- Crore relates to Prior Period Items
- ii. ` 02.08 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. Since 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. An amount of ` 17,34,723.03 and ` 11,89,992.46 has been amortized during the current financial year 2013-2014 which is the 4th year of amortization and the balance amount of ` 505960.88 and ` 347081.14 receptively will be amortized for another period of 4.5 months.

9. OTHERS

----Nil----