



Finance and Accounts

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE

BALANCE SHEET AS AT 31ST MARCH 2014

Rs. in Lakh

CORPUS / CAPITAL FUND & LIABILITIES	SCHEDULE	2013-14	2012-13
CAPITAL FUND	1	28,964.09	17,932.29
ASSET RESERVE-PROJECTS	5	2,671.22	
PROJECTS, SEMINARS, WORKSHOPS, ETC.,	2	870.18	3,919.13
EARMARKED / ENDOWMENT FUNDS	3	29,962.61	24,699.42
CURRENT LIABILITIES AND PROVISIONS	4	3,137.45	6,086.63
TOTAL		65,605.55	52,637.47
ASSETS			
FIXED ASSETS	5	25,939.93	22,314.32
INVESTMENTS - FROM EARMARKED / ENDOWMENT FUNDS	6	15,462.73	12,151.16
INVESTMENT - OTHERS	7	5,396.24	11,331.93
CURRENT ASSETS, LOANS, ADVANCES ETC.,	8	18,806.65	6,840.06
TOTAL		65,605.55	52,637.47
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES ON ACCOUNTS	18		

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Dy. Financial Advisor &
Chief Accounts Officer

-Sd-
Registrar

-Sd-
Director

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014

		Rs. in Lakh	
Particulars	SCHEDULE	2013-14	2012-13
INCOME			
Income from Services	9	2,520.54	2,041.76
Grants / Subsidies	10	20,765.17	16,494.34
Fees / Subscriptions	11	482.68	420.75
Income from Investments (Income on Investment from Others)	12	454.72	-
Interest Earned	13	311.05	470.78
Other Income	14	930.14	876.70
TOTAL (A)		25,464.31	20,304.33
EXPENDITURE			
Establishment Expenses	15	18,315.32	14,843.98
Other Administrative Expenses etc.,	16	5,752.60	5,343.91
Depreciation	5	2,942.57	
Prior Period Depreciation	5	83.01	2,431.33
TOTAL (B)		27,093.50	22,619.22
Balance being excess of Income over Expenditure (A-B)			
Depreciation provided for Project Assets withdrawn		-	(946.05)
Transfer to Capital Account		(1,629.20)	(1,368.84)
TOTAL		25,464.31	20,304.33
SIGNIFICANT ACCOUNTING POLICIES	17
NOTES ON ACCOUNTS	18

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 1 - CORPUS / CAPITAL FUND

Particulars	2013-14	2012-13
	Rs. in Lakh	
Balance as at the beginning of the year	17,932.29	19,026.38
Add: Plan Capital Grants for 2013-14 (P.Y. 2012-13)	8,233.00	6,600.00
Add: GOK Plan Grants-Land	50.00	-
Add: GOI Plan Grants-Equipment	4,000.00	-
Add: Capital Grants De-Addiction centre	378.00	-
	30,593.29	25,626.38
Utilisation :		
(i) Transfer to Pension Fund		-
(iii) Unutilised Fund on Plan Grant for 2012-13		(4,000.00)
Deaddiction Centre Grants Receivables for 2011-12		(50.00)
Deaddiction Centre Grants Receivables for 2012-13		60.00
Less: Accumulated Project Assets		(2,335.25)
Less: Balance of net expenditure transferred from the Income and Expenditure Account	(1,629.20)	(1,368.84)
TOTAL	28,964.09	17,932.29

GRANTS FOR PROJECTS / SEMINARS / SYMPOSIUMS / WORKSHOPS / CSIR FELLOWSHIPS FOR THE YEAR 2013-14

SCHEDULE - 2

Particulars	2013-14	2012-13
	Rs. in Lakh	
1. Opening Balance		
Balance of Grants as on 1st April 2013 (P.Y. 1st April 2012)	3,919.13	1,280.59
2. Grants received during the year	1,503.67	1,452.58
3. Project Assets	(2,430.93)	2,430.93
4. Closed Projects transferred to Income (Net)	(563.66)	
Total (A)	2,428.20	5,164.10
1.Net of Advances and Liabilities (Net Debit)	144.63	
2.Expenditure during the year	1,413.39	1,244.97
Total (B)	1,558.02	1,244.97
Net Liability	870.18	3,919.13

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 3 - EARMARKED / ENDOWMENT FUNDS

Rs. in Lakh

Particulars	2013-14		2012-13	
a) Opening Balance of the Funds		24,699.42		21,524.69
b) Additions to the Funds:				
i) Donations / Grants	5,646.82		741.33	
ii) Income from Investments made on account of funds	1,435.32		-	
iii) Other additions	-	7,082.14	4,004.57	4,745.90
Total (A+B)		31,781.56		26,270.59
c) Utilisation / Expenditure towards objectives of funds				
i) Capital Expenditure	50.00			
ii) Revenue Expenditure	1,768.95	1,818.95	1,571.17	1,571.17
NET BALANCE AS AT THE YEAR END		29,962.61		24,699.42

Note: Interest income does not include interest from SB Accounts.

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 3 - EARMARKED / ENDOWMENT FUNDS

Rs. in Lakh

Particulars	As on 01-04-2013	Receipts		Total	Payments	Balance as on 31-03-2014
		Grants/Donations	Interest			
Dept of Psychiatry C.F(Turuvekere & Third) Research Corpus Fund A/C	-	111,894	-	111,894	-	111,894
Neuromuscular Research Fund	116,199	-	-	116,199	-	116,199
Schizophrenia and Depression Research Fund	1,008,822	-	206,196	1,215,018	-	1,215,018
Neuro Oncology Research Fund	-	953,004	-	953,004	487,036	465,968
Professor V. Sivarajan Award Fund Account	-	200,000	2,959	202,959	-	202,959
Advanced Centre in Ayurvedic Medicine	-	821,715	-	821,715	821,715	-
National Illness Assitance Fund	204,322	4,000,000	25,740	4,230,062	3,875,547	354,515
Pension & Gratuity Fund	1,839,346,342	541,779,524	88,293,276	2,469,419,142	159,508,450	2,309,910,692
Poor Fund	773,680	260,601	-	1,034,281	51,570	982,711
Bharani Jaya Vijayam Research Endowment Fund	647,595	-	40,002	687,597	-	687,597
Mrs. Rajeswari Krishnamurthy Endowment Fund	1,290,358	-	79,999	1,370,357	-	1,370,357
Govindaswamy Murthy Rao Memorial Fund	11,615	-	969	12,584	-	12,584
Corpus Fund (DP&NR)	5,245,151	-	253,558	5,498,709	-	5,498,709
Joint Conference Research Fund	1,565,913	-	108,223	1,674,136	-	1,674,136
Epilepsy Research Fund	254,003	-	-	254,003	-	254,003
Human Brain Bank for Neuro Bio Research Fund	112,672	-	-	112,672	-	112,672
Dr. R.N. Murthy Endowment Fund	331,227	-	27,246	358,473	-	358,473
Subhadra Dayananda Rao Endowment Fund	52,184	-	1,670	53,854	-	53,854
Dr.D.N. Prasad Oration Fund	144,442	-	15,829	160,271	-	160,271
National Neuroscience Information Centre Fund	86,727	-	-	86,727	-	86,727
Infosys Foundation Award for Excellence Fund	39,343	-	7,831	47,174	3,000	44,174
Mukund Memorial Award Fund	57,385	-	6,673	64,058	4,000	60,058
Wilson's Disease Corpus Fund	256,410	-	15,994	272,404	-	272,404
Peripheral Nerve Injury Management and Research Fund	139,959	30,000	-	169,959	-	169,959
Neuro Psychiatric Genetics Fund	68,000	100,000	-	168,000	73,592	94,408
TMC Research Fund	36,000	-	-	36,000	-	36,000
Parkinson's Disease and Movem't Disorders R.F	65,865	2,500,000	-	2,565,865	-	2,565,865
Brain Cancer Research Fund	791	-	-	791	-	791
Carried Forward Amount	1,852,019,580	550,756,738	89,086,165	2,491,862,483	164,824,910	2,327,037,573

Brought Forward Amount	1,852,019,580	550,756,738	89,086,165	2,491,862,483	164,824,910	2,327,037,573
Dr. Anisya Vasanth Meml. Oration Fund	141,393	-	-	141,393	-	141,393
Dr. Anisya Vasanth Memorial Award Fund	123,365	-	354	123,719	7,866	115,853
Corpus Fund for Development Works	560,678,965	-	48,004,975	608,683,940	5,000,000	603,683,940
Dr. Anisya Vasanth Memorial Fund for NMD	277,941	-	3,606	281,547	-	281,547
Neurology Neurosurgery Corpus Fund	2,528,466	-	155,010	2,683,476	14,127	2,669,349
Golden Jubilee Award Fund Neuroradiology	731,924	-	(38,553)	693,371	-	693,371
Department of Psychiatry - Corpus Fund	1,779,457	-	117,760	1,897,217	-	1,897,217
Department of MH & SP Corpus Fund	1,530,611	-	-	1,530,611	-	1,530,611
Neurology Golden Jubilee Fund	11,723,241	-	743,967	12,467,208	351,775	12,115,433
Neurosurgery Corpus Fund	659,751	-	31,920	691,671	-	691,671
Independence Day/Republic Day Celebration Fund	23,500	-	-	23,500	-	23,500
Human Brain Bank for M. Biological Research Fund	7,000	-	-	7,000	-	7,000
Orientation Programme De-Addiction	60,776	-	-	60,776	-	60,776
Dr. R.N. Moorthy Mental Health & Neuro Sciences	30,344,541	10,339	5,346,543	35,701,423	2,056,758	33,644,665
Volunteers Lecture Fund	17,000	-	-	17,000	-	17,000
Neurocon Neurosurgery Fund	-	8,740,082	29,414	8,769,496	-	8,769,496
Child Psychiatry Unit	644,590	29,000	-	673,590	9,600	663,990
C.M.'s Relief Fund	6,182,066	5,000,000	51,085	11,233,151	9,565,079	1,668,072
Student Nurses Association	-	76,000	-	76,000	37,425	38,575
KSAPS Fund (CD4/CD8)	468502	69500	-	538002	27546	510456
Total	2,469,942,669	564,681,659	143,532,246	3,178,156,574	181,895,086	2,996,261,488

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 4 - CURRENT LIABILITIES AND PROVISIONS

Rs. in Lakh

Particulars	2013-14		2012-13	
A. CURRENT LIABILITIES				
1. Acceptances	-		-	
2. Sundry Creditors:				
a) EMD, SD	926.26		692.14	
b) CMD	44.58		36.75	
c) others	289.80	1,260.65	-	728.89
3. Advances Received				
4. Statutory Liabilities				
a) Overdue	-		-	
b) Others	120.05	120.05	55.95	55.95
5. Other Current Liabilities	1,756.75	1,756.75	5,301.79	5,301.79
TOTAL (A)		3,137.45		6,086.63
B. PROVISIONS				
			-	
TOTAL (B)			-	-
TOTAL (A+B)		3,137.45		6,086.63

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE 5 : FIXED ASSETS

Rs. in Lakh

	Gross Block as at 1.4.2013	Additions during the year	Deductions during the year	Total Assets at 31.03.2014	Rate of depreciation (%)	Accumulated Depreciation Upto 31.03.2013	Depreciation for the year 2013-14	Total Depreciation Upto 31.03.2014	Net Block as at 31.03.2014	Net Block as at 31.03.2013
Land	63.71	-		63.71			-	-	63.71	63.71
Leasehold Land	50.00	250.00		300.00			-	-	300.00	50.00
Buildings	19,374.69	1,884.99		21,259.68	5.00	7,024.10	1,015.82	8,039.92	13,219.76	12,350.59
Equipment	16,611.76	2,809.72		19,421.48	10.00	11,577.90	1,470.03	13,047.93	6,373.55	5,033.86
Computers	407.15	338.12		745.27	25.00	353.74	124.20	477.94	267.33	53.41
Furniture	1,517.86	327.93		1,845.79	10.00	647.49	154.09	801.58	1,044.21	870.37
Office Equipment	88.08	7.47		95.55	10.00	19.93	9.55	29.48	66.07	68.15
Electrical Insatallations	387.77	647.65		1,035.42	10.00	60.59	103.54	164.13	871.29	327.18
Vehicles	121.38	-		121.38	10.00	69.92	7.72	77.64	43.74	51.46
Books	272.40	2.43		274.83	50.00	243.77	29.89	273.65	1.17	28.63
E Journals (Perpetual License)	219.83	27.52		247.35	50.00	136.54	97.05	233.59	13.76	83.29
Software	85.71	1.20		86.91	25.00	55.13	13.69	68.82	18.09	30.58
Sub-total (A)	39,200.34	6,297.03		45,497.37		20,189.12	3,025.58	23,214.70	22,282.67	19,011.22
Capital Work-in-progress	Opening Balance	Additions	Transferred						As on 31.03.2014	As on 31.03.2013
	872.17	2,211.39	2,097.52						986.04	872.17
									23,268.71	19,883.39
Assets - Projects	-									-
Equipment	2,270.48	216.87		2,487.35	-			-	2,487.35	2,270.48
Computers	132.73	15.81		148.54	-			-	148.54	132.73
Furniture & fixtures	27.72	4.27		31.99	-			-	31.99	27.72
Software	-	2.71		2.71					2.71	-
Library Books	-	0.63		0.63					0.63	-
Sub-total	2,430.93	240.29	-	2,671.22	-	-	-	-	2,671.22	2,430.93
Grand Total	41,631.27	6,537.32		48,168.59		20,189.12	3,025.58	23,214.70	25,939.93	22,314.32

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 6 - INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS

Particulars	Rs. in Lakh	
	2013-14	2012-13
1. In Government Securities	5,373.67	5,373.67
2. In Public Sector Banks	10,089.06	6,777.49
TOTAL	15,462.73	12,151.16

SCHEDULE - 7 - INVESTMENT - OTHERS

Particulars	Rs. in Lakh	
	2013-14	2012-13
1. Short term investments in Public Sector Banks	5,396.24	11,331.93
TOTAL	5,396.24	11,331.93

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2014

SCHEDULE - 8 - CURRENT ASSETS, LOANS, ADVANCES, ETC.,

Rs. in Lakh

Particulars	2013-14		2012-13	
1. Inventories				
a) Stores and Spares	-		-	
b) Loose Tools	-		-	
c) Stock of Consumables (Hospital & Others)	242.76		208.82	
d) Stationery on hand	16.82	259.58	-	208.82
2. Sundry Debtors		59.20		
3. Cash Balances in hand (Including cheques / drafts and imprest)	14.07		9.32	9.32
4. Bank Balances				
a) With Scheduled Banks	2,807.95	2,822.02	27.22	27.22
TOTAL (A)		3,140.80		245.36
<u>B. LOANS, ADVANCES AND OTHER ASSETS</u>				
1. Loans				
a) Staff	16.53		17.62	
b) Other (Specify)	-		14.31	
c) Advance Receivables	200.67			
d) Medical Advances	-		0.88	
e) Prepaid Expenses	196.30		129.60	
f) HTC/LTC Advance	-		0.76	
g) Tax Deducted at Source (recoverable)	58.71		38.40	
h) Margin Money Deposits (LC)	8,252.63			
i) Advances to Supplies (AC Plan)	5,909.73	14,634.58	5,735.81	5,937.38
2. Advances & Other amounts recoverable in cash or in kind or for value to be received				
a) Contingencies and Purchases (AC Non-Plan)	14.85		10.55	
b) Due from Govt. of India - De-addiction	-		60.00	
c) Deposits	101.11		85.13	
3. Claims Receivable	915.31	1,031.27	501.64	657.32
TOTAL (B)		15,665.84		6,594.70
TOTAL (A+B)		18,806.65		6,840.06

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2014

SCHEDULE - 9 - INCOME FROM SALES / SERVICES

Rs. in Lakh

Particulars	2013-14		2012-13	
1. Income from Sales - DP & NR	26.76		27.01	
2. Income from Services				
a) Hospital Services	2,493.79		2,014.75	
TOTAL		2,520.54		2,041.76

SCHEDULE - 10 - GRANTS / SUBSIDIES (Irrevocable Grants & Subsidies Received)

Rs. in Lakh

Particulars	2013-14		2012-13	
1. Central Government				
i) Plan	5,047.00		4,300.00	
ii) Non-Plan	10,498.00		8,641.00	
iii) De-Addiction	550.00	16,095.00	205.00	13,146.00
2. State Government				
i) Plan	400.00		200.00	
ii) Non-Plan	4,100.00		3,000.00	
iii) Capacity Building	10.00	4,510.00	10.00	3,210.00
3. Government Agencies - KSAPS - Blood Bank				
i) BCSF	1.40		-	
ii) KSAPS - 1607	-		0.84	
KSAPS - 1608	-		1.28	
KSAPS - 1611	0.26		0.26	
KSAPS - 1612	4.89		5.68	
iii) NSS Programme	-		-	
iv) Nursing College	-		-	
4. Advanced Centre in Ayurveda	-		0.28	
5. Deaddictions Balance Grants PY	-		130.00	
6. ICMR Grants	153.62	160.17	-	138.34
TOTAL		20,765.17		16,494.34

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SCHEDULES FORMING PART OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31ST MARCH 2014

SCHEDULE - 11 - FEES / SUBSCRIPTIONS

Rs. in Lakh

Particulars	2013-14		2012-13	
	1. Fees (Academic Section)	482.21		
2. Annual Fees / Subscriptions				
3. Seminar / Program Fees			420.75	
4. Consultancy Fees				
5. Others (Specify)	0.47			
TOTAL		482.68		420.75

SCHEDULE - 12 - INCOME FROM INVESTMENTS (Others)

Rs. in Lakh

Particulars	2013-14		2012-13	
	1. Interest			
a) On Govt. Securities		-		-
b) Other Bonds / Debentures - FDR with Banks		454.72		-
TOTAL		454.72		-

SCHEDULE - 13 - INTEREST EARNED

Rs. in Lakh

Particulars	2013-14		2012-13	
	1. On Savings Bank account:			
a) With Scheduled Banks	139.83		469.16	469.16
b) Accrued Interest (SB & FD)	166.72			
c) Prior period Income		306.55		-
2. On Loans:				
a) Employees / Staff - MCA	0.86		0.56	
b) Others - HBA	3.64	4.51	1.06	1.62
TOTAL		311.05		470.78

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31ST MARCH 2014

SCHEDULE - 14 - OTHER INCOME

Rs. in Lakh

Particulars	2013-14		2012-13	
1. Profit on Sale / disposal of Assets:				
a) Owned Assets	-		-	
b) Assets acquired out of grants, or received free of cost	-		-	
2. Export Incentives realised				
3. Fees for Miscellaneous Services				
a) Water & Electricity Charges	31.11		27.26	
b) NHS	60.91	92.02	58.45	85.71
4. Miscellaneous Income				
a) Miscellaneous Receipts	432.93		412.72	
b) Convention Centre	196.25		240.37	
c) De-addiction	-		13.22	
d) Donation	16.05		1.10	
e) License Fee and Rent	88.52		81.95	
f) Hostel Rent	83.85		40.02	
g) Tender Fee	6.97			
h) Bank Credits and Reversals	5.18			
i) Faculty Honorarium	1.41			
j) Sales-Miscellaneous	6.52			
k) Workshop Receipts	0.45			
h) Indian Agency Commission PY	-	838.12	1.61	790.99
TOTAL		930.14		876.70

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SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED
31ST MARCH 2014

SCHEDULE - 15 - ESTABLISHMENT EXPENSES

Rs. in Lakh

Particulars	2013-14		2012-13	
1. Salaries & Wages				
(a) Non-Plan	6,741.46		6,611.65	
(b) Plan	3,438.33		2,948.45	
(c) Wages	356.37	10,536.16	267.07	9,827.17
2. Stipend and Residential benefits	1,880.97			1,468.48
3. (a) Contribution to Other Fund (LS & PC)	5.34			6.38
4. Staff Welfare Expenses - Interest on GPF				5.83
5. Contribution to Pension Fund	5,392.08			3,214.87
6. Medical Treatment	484.25			305.04
7. Brain Bank	16.52	7,779.16		16.21
TOTAL		18,315.32		14,843.98

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NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2014

SCHEDULE - 16 - OTHER ADMINISTRATIVE EXPENSES, ETC.,

Rs. in Lakh		
Particulars	2013-14	2012-13
1. Drugs	756.10	475.38
2. Diet Expenses	108.59	93.06
3. HNS	180.22	389.09
4. Linen	47.88	34.96
5. Gas & Oxygen	36.45	38.08
6. X-Ray	-	0.29
7. Chemicals	35.01	11.20
8. Animal House	8.08	6.43
9. Liveries	6.81	8.53
10. Lab Equipments & Apparatus	3.73	0.03
11. Electricity Charges	550.90	445.74
12. Water Charges	369.65	328.52
13. Repairs & Maintenance (Buildings, Garden & BME)	340.68	212.23
14. Rent, Rates and Taxes	7.74	6.14
15. Vehicles Running and Maintenance	25.02	13.52
16. Postage, Telephone and Communication Charges	33.27	22.46
17. Printing and Stationary	49.65	30.36
18. Travelling and Conveyance Expenses	92.89	70.90
19. Expenses on Seminars / Workshops	-	3.90
20. Auditors Remuneration	5.85	6.81
21. Hospital Contingencies	0.73	0.74
22. Security and Cleaning	909.66	549.89
23. Miscellaneous Expenses	43.78	65.69
24. Office Contingencies	42.44	12.91
25. DP & NR	18.30	18.46
26. Equipment Contingencies	1,100.38	1,564.24
27. Drug De-Addiction Centre	520.93	356.45
28. BCSF-KSAPS A/c - 1608		2.34
29. KSAPS		0.49
30. Convention Centre	42.93	66.92

Cont...

31. Books & Periodicals	3.05	0.16
32. Fuel to Generator	44.64	16.62
34. E-Journals and Database	200.80	63.54
36. Information Technology	128.01	28.33
37. Furniture & Fixture - Maintenance	1.99	1.50
38. Research and Development	17.99	11.08
39. KSAPS A/c-1611	0.10	0.08
40. KSAPS A/c-1612	4.15	5.19
41. NSS Programme	0.00	0.00
42. College of Nursing	0.00	91.42
43. Corpus Fund for Developmental Works	0.00	289.80
44. Special Furniture Bills Payable	0.00	0.07
44. UTI Charges	0.00	0.08
45. Advanced Centre in Ayurveda	0.00	0.28
46. Professional Charges & Consultancy	13.54	
47. Centre for Public health	0.68	
TOTAL	5,752.60	5,343.91

-Sd-
Dy. Financial Advisor & Chief Accounts Officer

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2014

SCHEDULE-17 –SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM AND METHOD OF ACCOUNTING:

The accounts have been prepared under the Historical cost convention with Accrual system of accounting.

2. The Provident Fund established for the benefits of the employees of NIMHANS, Bangalore has been recognized under Sub-Section (2) of Sec. 8 of the Provident Funds Act, 1925 (19 of 1925) by the Govt. of India, Ministry of Finance vide Notification No. 4 (1)-E.V. 192 (I), dated 24th December 1992.

3. FIXED ASSETS:

Fixed assets are accounted at Historical cost of acquisition including inward freight, duties & taxes and incidental and direct expenses related to acquisition, installation and commissioning.

Fixed assets have been valued at cost less accumulated depreciation. Depreciation on Fixed assets is provided on Straight Line Method at the following Rates.

Particulars	Percentage of Depreciation
Land	0%
Buildings	5%
Equipment, Office Equipment, Electrical Installations and Vehicles	10%
Computers, Peripherals and Software	25%
Library Books, E-Journals and Database with Perpetual License	50%

Depreciation is provided at full rate on additions to assets during the year. Assets created out of the Earmarked

Funds, where the ownership of such assets vests with the Institute were shown as Fixed Assets of the Institute.

Fixed Assets which were acquired prior to the Cut-Off-Date, which varies with the depreciation rates of the current period, were treated as fully depreciated and carries a notional value of Re.1/- for each number of assets and will not be further depreciated. The Cut-Off-Dates for each class of assets is as follows:

Particulars	Cut-Off-Date
Buildings	31/03/1993
Equipment & Tools, Furniture and Vehicles	31/03/2003
Computers, Accessories and Software	31/03/2009
Library Books, Journals & Database with Perpetual License	31/03/2011

4. INVENTORY:

Stock of Drugs, Chemicals, Linen, Stationery and other Stores were taken at cost as per the Physical verification and Certificates issued by Departmental Heads as on 31/03/2014.

5. INVESTMENTS:

All Investments are valued at cost.

6. GOVERNMENT GRANTS:

Grants received from Government of India and Government of Karnataka under Plan (General) and Non-Plan are treated as Revenue unless they are Capital Grants. Plan Grants (Capital) are utilized in acquiring Fixed Assets and are directly accounted under Capital Fund Account-Schedule 1.

7. INVESTMENT OF EARMARKED/ENDOWMENT FUNDS AND INTEREST ACCRUED ON SUCH INVESTMENTS :

Incomes earned on various Investments including Earmarked Investments have been recognized on accrual basis subject to materiality conditions. Interest received on maturity are credited to the concerned fund account, interest accrued on Earmarked/Endowment Fund are disclosed under 'Claims Receivables'.

8. RETIREMENT BENEFITS:

The Actuarial Valuation was carried out by LIC of India as at 31/03/2012, which indicated a value of Rs. 159.60 Crores as on 31/03/2012. Presently the Pension & Gratuity Fund is showing a Fund balance of Rs. 230.81 Crores. The actual balance available is Rs. 151.44 crores out of which Fund Deposits stands at Rs. 91.62 crores and remaining amount is available under Savings and Short Term Deposits.

Opening Balance	104.56 crores
Interest, Contribution	46.88 crores
Closing Balance	151.44 crores

9. TAXATION:

The Institute is not liable towards payment of Income Tax as it is exempt under Sec. 10(23)(c) of the Income Tax Act, 1961, hence no provision has been made for taxation.

10. Govt. of India, Ministry of Home Affairs have accorded permissions to the Institute to accept Foreign contributions vide their letter No. 11/2012/69(120)/1998-FCRA-III, dated 1st October 2003 and Registered under Section 6(1)(a) of the Act with Registration Number: 094420795

Name: Educational Social.

-Sd-

Dy. Financial Advisor &
Chief Accounts Officer

-Sd-

Director

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE

SCHEDULES FORMING PART OF THE ACCOUNTS
FOR THE PERIOD ENDED 31ST MARCH 2014SCHEDULE-18 – NOTES ON ACCOUNTS FORMING PART OF INCOME AND
EXPENDITURE ACCOUNT AND BALANCE SHEET

1. The Annual Accounts for the year 2013-14 is prepared on Accrual basis. Rs.159.60 Crores. With accumulated interest on Investments, Fund shows an Opening Balance of Rs. 183.93 Crores in Schedule-3.
2. Liabilities are booked and recognized on receipt of bills and materials / equipment both in respect of Current and Other Liabilities.
3. In respect of NIMHANS HEALTH SCHEME for Ex-employees of the Institute, the liability towards health care facility to be provided cannot be quantified and same is not material.
4. Subscription to E-Journals and Database, the benefit of which is derived during the year of spending has been treated as Revenue Expenditure and unexpired portion of subscription is treated as prepaid expenses.
5. Current assets, Loans and Advances have a value on realization in the ordinary course of business, equal to the aggregate amount shown in the Balance Sheet.
6. Schedules 1 to 18 are annexed to and form an integral part of the Balance sheet as at 31st March 2014 and the Income and Expenditure Account for the Year ended that date.
7. Receipts and Payments Account for the year 2013-14 is prepared on cash basis.
8. The Actuarial valuation in respect of Pension & Gratuity Liabilities of employees has been calculated by LIC of India as on 31/03/2012 amounting to
9.
 - (i) The entire Land (145 acres and 4480Sq.ft.) belonging to the Institute were acquired free of cost. The value shown under 'Fixed Assets-Schedule 5' is the incidental expenditure incurred in connection with acquisition.
 - (ii) During the year 2012-13 NIMHANS has been allocated a Land to the extent of 39 Acres and 38 Guntas at Kyalasanahalli, Bangalore by Government of Karnataka on lease basis. Two installments of the lease amount of Rs. 3crore (Fixed) for 30 years, payable @ Rs.50.00 lakh per year at 6 yearly installments, has been paid so far. The Lease Hold Right over the Land has been fully recognized during the year and corresponding liability has been created for Rs. 200.00 lakhs (Balance Installments payable in the next four years). During the year the amount of Rs. 50.00 lakhs has been paid from Corpus Fund for Development Works.
10. An amount of Rs.197.70 Lakhs has been paid out of Institute Internal resources towards National Mental Health Program (Projects) during the year in anticipation of reimbursement of the said amount from the Government of India. The actual expenditure incurred during the year 2013-14, Rs.2.97 lakhs also has been shown as receivable.

11. An Amount of Rs.111.24 Lakhs has been received during the year 2013-14 as Foreign contributions and accounted under FF A/c No.:54004656310 during the year 2013-14.

12. FIXED ASSETS:

Institute is in the process of verifying Fixed Assets physically and efforts are being made to determine the

year-wise break-up of Equipment, Furniture, Buildings, Journal and Library Books. Investments have been made to acquire software to update the records and to ensure a proper upkeep and maintenance of such Assets. A core team has been constituted to ensure completion of this task by end of the Financial Year 2014-15. The outcome of these efforts will be disclosed in the Financial Statements of next year.

-Sd-

Dy. Financial Advisor &
Chief Accounts Officer

-Sd-

Director

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE

RECEIPTS AND PAYMENTS FOR THE YEAR 2013-14

		Rs. in Lakh				
	RECEIPTS	2013-14	2012-13	PAYMENTS	2013-14	2012-13
I.	Opening Balances			Expenses		
	a) Cash in hand	9.32	2.78	a) Establishment Expenses	14,553.11	15,136.12
	b) Bank Balances			b) Administrative Expenses	5,563.85	6,604.25
	i) Savings accounts	27.22	4,675.72			
II.	Grants Received			Payments made against funds for various projects		
	a) From Govt. of India			Aided Projects - Grants for Projects / Seminars / Workshops etc.,	1,349.56	1,244.97
	i) Plan	13,280.00	10,900.00			
	ii) Non-Plan	10,498.00	8,641.00			
	iii) De-Addiction Centre	928.00	205.00			
	b) From State Govt.			Investments and Deposits made		
	i) Plan	400.00	200.00	a) Out of earmarked / endowment funds	32,392.19	24,154.69
	ii) Non-Plan	4,100.00	3,000.00	b) Out of own funds - Short term investment in Banks	10,797.40	11,331.93
	iii) Capacity Building	10.00	10.00			
	c) From Other Sources			Expenditure on Fixed Assets & Capital Work-in-Progress		
	i) Aided Projects - Grants for Projects seminars / symposium / workshops, etc	1,503.67	1,452.57	a) Purchase of Fixed Assets	3,236.73	1009.3
	ii) Karnataka State Aids Prevention Society	-	0.84	b) Expenditure on Capital Work-in-Progress	69.75	893.66
	iii) KSAPS - 1611	0.26	0.26			
	iv) De-addiction - others	-	13.22	c) Expenditure on Equipments in Progress	1,542.56	2,766.42
	v) BCSF Blood Bank - 1608	2.24	1.28	d) Plan Equipment Contingencies	1,042.52	1,566.87
	vi) KSAPS - NACO Contingency EID -1612	4.89	5.68	e) Expenditure on Information Technology	147.70	28.33
	vii) NSS Programme	-	-	f) Research & Development	16.63	11.08
	viii) Scheme B Programme	-	-	g) Soft ware	1.20	19.36
	Income on Investments			h) Advance to Suppliers		129.60
	[Earmarked / Endowment Funds including other investments]	1,075.99	318.82	i) Electrical Installation	647.65	200.7
				j) E-Journals Data Base Access	70.05	43.20
				k) Project Assets	240.29	95.68
				l) AC Plan	6,475.05	0
III.				Other Payments		
				a) De-addiction Centre	407.44	555.20
				b) DP & NR	18.30	18.46
				c) KSAPS (BCSF) (1608)	0.84	2.34
				d) KSAPS (1611)	-	0.08

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
PROVIDENT FUND ACCOUNT

BALANCE SHEET AS AT 31ST MARCH 2014

Rs. in Lakh

CORPUS / CAPITAL FUND & LIABILITIES	2013-14		2012-13	
CAPITAL FUND				
Opening Balance	4,020.42		3,675.91	
Add: Receipts during the year	1,471.45		1,425.92	
	5,491.87		5,101.83	
Less: Payments during the year	1,168.45	4,323.42	1,170.74	3,931.09
Excess of Income over Expenditure	170.83	170.83	89.33	89.33
Add: Interest Accrued (PY)				
TOTAL		4,494.25		4,020.42
ASSETS				
INVESTMENTS - FROM EARMARKED / ENDOWMENT FUNDS				
(a) In Government Securities	1,685.00		1,685.00	
(b) In Public Sector Banks	1,648.98		1,537.94	
(C) In RBI Special Deposits	414.09	3,748.07	414.09	3,637.03
CURRENT ASSETS				
Cash at Canara Bank	317.46		264.44	
Receivable From Institute (P.Y. SBM)	257.89		29.62	
Interest on Investments Receivables	170.83	746.18	89.33	383.39
TOTAL		4,494.25		4,020.42

-Sd-
Dy. Financial Advisor &
Chief Accounts Officer

-Sd-
Registrar

-Sd-
Director

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
PROVIDENT FUND ACCOUNT

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014

Rs. in Lakh

<u>INCOME</u>	2013-14	2012-13
Interest Earned on Investments	226.11	281.04
Accrued Interest Earned on Investments	170.83	89.33
TOTAL (A)	396.94	370.37
<u>EXPENDITURE</u>		
Amount Credited to Employee's Provident Fund Account	226.11	281.04
TOTAL (B)	226.11	281.04
Balance being excess of Income over Expenditure (A-B) Transfer to Capital Account	170.83	89.33
TOTAL	396.95	370.37

-Sd-
Dy. Financial Advisor &
Chief Accounts Officer

-Sd-
Registrar

-Sd-
Director

NATIONAL INSTITUTE OF MENTAL HEALTH & NEURO SCIENCES, BANGALORE
PROVIDENT FUND ACCOUNT

RECEIPTS AND PAYMENTS FOR THE YEAR 2013-14

Rs. in Lakh

RECEIPTS	2013-14	2012-13	PAYMENTS	2013-14	2012-13
Opening Balances					
Bank Balance			GPF Payments (Payments of Advances, Withdrawals and Final Settlement)	1,160.45	1,170.71
i) 3803 - Canara Bank	264.44	277.18			
ii) State Bank of Mysore	29.62	161.71			
GPF Receipts (less receivables from Institute) (Subscription and Interest)	1,293.92	1,406.88	CPF Payment	8.00	0.03
CPF Receipts (Subscription, Contribution & Interest)	8.97	19.03	Investments	111.04	630.00
Investments	-	230.00	Cash Balance		
			i) 3803 - Canara Bank	317.46	264.44
			ii) State Bank of Mysore	-	29.62
TOTAL	1596.95	2,094.80	TOTAL	1,596.95	2,094.80

-Sd-
Dy. Financial Advisor &
Chief Accounts Officer

-Sd-
Registrar

-Sd-
Director

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO SCIENCES (NIMHANS), BANGALORE FOR THE YEAR ENDED 31 MARCH 2014 and REPLY OF NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO SCIENCES (NIMHANS), BANGALORE

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO SCIENCES (NIMHANS), BANGALORE FOR THE YEAR ENDED 31 MARCH 2014

REPLY OF NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO SCIENCES (NIMHANS), BANGALORE

- | | |
|---|-----------------|
| <p>1. We have audited the attached Balance Sheet of the NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO SCIENCES (NIMHANS), BANGALORE as at 31 March 2014, the Income and Expenditure Account and receipts & Payment Account for the year ended on that date under Section 201(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Audit of the Institute has been entrusted upto 2014-15. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> | <p>Factual.</p> |
| <p>2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observation 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 / Comptroller & Auditors General's Audit Reports separately.</p> | <p>Factual.</p> |
| <p>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 material mis-statements. An audit includes examining on a test basis, evidences supporting the amounts and disclosure 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.</p> | <p>Factual.</p> |

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. | Factual. |
| ii | The Balance Sheet, Income & Expenditure Account and Receipt & Payment Account dealt with by this report have been drawn up in the format approved by the Institute's Board of Management and Finance Committee. | Factual. |
| iii | In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required in so far as it appears from our examination of such books. | Factual. |
| iv | We further report that: | |

A. BALANCE SHEET – ASSETS

Work-in-progress: Schedule – 5 Fixed Assets

Work in Progress includes Rs. 156.30 lakh being the value of De-addiction centre building which was completed during the year 2002-03 and 2005-06. This has resulted in understatement of Fixed Assets and overstatement of Work in Progress. It has further resulted into understatement of depreciation and Expenditure over Income by 87.06 lakh.

The actual work in-progress of De-Addiction Centre was **Rs. 6,42,94,864.00** which includes the following break-up.

Particulars	Amount (Rs.)
De-addiction Centre Building	1,41,65,683.00
De-Addiction Centre Women's Building	5,01,29,181.00
Total	6,42,94,864.00
De-addiction Centre Building (wrongly classified as Revenue expenditure) <i>necessary Journal Entry already proposed</i> for 2014-15 to rectify.	9,53,039.50

The De-addiction Centre Building for Rs.1,51,18,722.50 (Rs. 1,41,65,683.00 + 9,53,039.50) pertains to Ground and First floor that should have been capitalized in 2002-03 and 2005-06 respectively. Hence, this will be capitalized in the financial year 2014-15 and appropriate depreciation will be provided.

B. GRANTS-IN-AID

The Institute receives Grants from both State and Central Governments. Out of Grants of Rs. 332.26 crore (including Rs. 40.10 crore unutilized grants of previous year) received during the year, the Institute could utilise the entire grants of Rs. 332.26 crores leaving a Nil balance as unutilised grants as on 31 March 2014.

Partially factual. The amount of Rs. 40.10 Crore was used for **establishing LC's for effecting import of equipment's during the year 2012-13 and therefore, it is actually utilised** for that year.

C. GENERAL**REVISION OF ACCOUNTS**

The accounts have been revised at the instance of audit. The Revised Accounts have been submitted on 19.08.2014. The effect of revision was that Assets & Liabilities decreased by Rs. 9.14 lakh, excess of Expenditure over Income increased by Rs. 244.42 lakh.

Factual.

The Net effect on accounts due to the preceding paragraph is that the Fixed Assets have been understated with corresponding understatement of expenditure by Rs. 87.06 lakh.

D. MANAGEMENT LETTER

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Director, NIMHANS, Bangalore through a management letter issued separately for remedial/corrective action.

Replied in response to Management letter, separately.

v Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipt & 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 with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit report, give a true and fair view in conformity with accounting principles generally accepted in India:

In so far as it relates to the Balance Sheet, of the state of affairs of the NIMHANS, Bangalore as at 31 March 2014; and

In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the
C & AG of India

Sd/-

**DIRECTOR GENERAL OF
AUDIT (CENTRAL) BANGALORE**

Place: Bangalore
Date: 17/10/2014

Sd/-

DIRECTOR, NIMHANS

Place: Bangalore
Date: 17/10/2014

ANNEXURE

1) Adequacy of Internal Control System

The Institute had inadequate Internal Control due to the following reasons:

The institute parks its funds in the bank as 100 per cent margin money for LC open for procurement of fixed assets (both inland and foreign). The banker many times debit the payment to the SB account held by the Institute and due to non co-ordination between purchase department and finance department there is no proper reconciliation of the same and also Institute lacks control in accounting its interest during the financial year ending

The Institute had not obtained any security deposits/fidelity guarantees in respect of employees handling valuables such as Cash and Stock.

It was a fact that the Institute has requested the bankers to open separate account to handle LC Payments. Now, all the LC payments, parking account and regular accounts are fully reconciled (September 2014) and will assure that there will not be any problem with regards to accounting LC payments, parking account or interest during the accounts of 2014-15. Parking account is closed now by the bankers to avoid complications.

Institute wish to inform that as per the order vide OM dated 19.06.2006, a sum of Rs. 100/- has been deducted from the Cashier who handles cash, towards security deposit and it has been invested in the post office regularly. Further, the entire amount is pledged in the name of Director, NIMHANS, and it will be in the custody of the NIMHANS until the present incumbent vacates the position. With regard to Stores, there was no store keeper and therefore, no Security Deposit collected.

2) Adequacy of Internal Audit System:

Internal Audit was being conducted by the Ministry of Health and family welfare, Government of India, New Delhi till December 2012. However, after that date, no audit has been conducted by them.

The Institute has no Internal Audit Department, except one Internal Audit Officer appointed on contract basis who conducts the audit and submits the report to the Director. The Institute has more than 30 Departments/ Sections and each quarter only one department is being covered by Internal Audit and each department remains Unaudited for many years. The areas covered in the quarterly audit are also insufficient. The coverage is highly inadequate and the Internal Audit needs strengthening. Proper follow up actions was not being taken on the Internal Audit Reports. The Institute has not prepared the Internal Audit Manual, despite assurance to audit for the Past several years.

The Internal Audit Department is strengthened by adding one more official to expand the coverage of Audit wherever required. Out of the 30 Departments mentioned by Audit 22 are teaching and clinical Departments who do not deal with financial transactions. The coverage of these departments is proposed to be biennial or triennial depending upon the financial risk they are exposed to. Also it is mentioned that the system of quarterly audit on the basis of the volume of transactions handled by each department is introduced from January 2014 and Inspection Reports issued. Follow up action is done through remainders and it is proposed to discuss the long pending issues in the monthly Budget meeting which is presided by the Director.

The Draft Internal Audit Manual has been prepared and will be referred to the Financial consultants (Chartered Accountants) for the opinion on the coverage and periodicity of Audit. Further, it is proposed to place the Internal Audit Manual in the meetings of the Finance Committee and the Board of Management for their approval.

3) System of Physical Verification of Fixed assets:

The fixed Assets have been verified by the management.

Factual.

4) **System of Physical Verification of Inventory:**

The physical Verification of Inventory has been carried out by the management. Factual.

5) **Regularity in payment of statutory dues:**

The Institute is regular in making all the statutory dues. Factual.

For and on behalf of the
C & AG of India

Sd/-

Place: Bangalore
Date: 17/10/2014

**DIRECTOR GENERAL OF
AUDIT (CENTRAL) BANGALORE**

Place: Bangalore
Date: 17/10/2014

Sd/-

DIRECTOR, NIMHANS

“Audited Financial Statements and Audit Report approved by the Finance Committee and Board of Management of NIMHANS on 3rd November 2014”

MANAGEMENT LETTER

1. Earmarked/Endowment funds – Sch 3

As per AS 15, Retirement benefits, the Leave Salary payable as on 31.03.2014 is based on the actuarial valuation and suitable provision should be made for the same in the books of Accounts. The actuarial valuation has not been carried out. Thus the actual liability could not be ascertained. The Institute has not carried out any actuarial valuation during 2012-13 and 2013-14, thus the sufficiency/excess of provision could not be ascertained.

2. Internal Control

The Institute had inadequate Internal Control due to the following reasons:

The institute parks its funds in the bank as 100 per cent margin money for LC open for procurement of fixed assets (both inland and foreign). The banker many times debit the payment to the SB account held by the Institute and due to non co-ordination between purchase department and finance department there is no proper reconciliation of the same and also Institute lacks control in accounting its interest during the financial year ending.

The Institute had not obtained any security deposits/fidelity guarantees in respect of employees handling valuables such as Cash and Stock

3. Internal audit

Internal Audit was being conducted by the Ministry of Health and family welfare, Government of India, New Delhi till December 2012. However, after that date, no audit has been conducted by them.

The Institute has no Internal Audit Department, except one Internal Audit Officer appointed on contract basis who conducts the audit and submits the report to the Director. The Institute has more than 30 Departments/ Sections and each quarter only one department is being covered by Internal Audit and each department remains Unaudited for many years. The areas covered in the quarterly audit are also insufficient. The coverage is highly inadequate and the Internal Audit needs strengthening. Proper follow up actions was not being taken on the Internal Audit Reports. The Institute has not prepared the Internal Audit Manual, despite assurance to audit for the Past several years.

As per the Actuarial Valuation carried out as on 31.03.2012, the liability on Pension and Gratuity Fund was Rs. 159.60 Crore. Subsequent additions to the fund to the extent of Rs.24.35 crore during 2012-13 and Rs.47.06 crore for the year 2013-14 was carried out Thus, the total fund balance shown in the accounts was Rs.230.99 crore. However, the actuarial valuation will be carried in the year 2014-15 and the correct position will be shown in the Annual Accounts.

It was a fact that the Institute has requested the bankers to open separate account to handle LC Payments. Now, all the LC payments, parking account and regular accounts are fully reconciled (September 2014) and will assure that there will not be any problem with regards to accounting LC payments, parking account or interest during the accounts of 2014-15. Parking account is closed now by the bankers to avoid complications.

Institute wish to inform that as per the order vide OM dated 19.06.2006, a sum of Rs. 100/- has been deducted from the Cashier who handles cash, towards security deposit and it has been invested in the post office regularly. Further, the entire amount is pledged in the name of Director, NIMHANS, and it will be in the custody of the NIMHANS until the present incumbent vacates the position. With regard to Stores, there was no store keeper and therefore, no Security Deposit collected.

The Internal Audit Department is strengthened by adding one more official to expand the coverage of Audit wherever required. Out of the 30 Departments mentioned by Audit 22 are teaching and clinical Departments who do not deal with financial transactions. The coverage of these departments is proposed to be biennial or triennial depending upon the financial risk they are exposed to. Also it is mentioned that the system of quarterly audit on the basis of the volume of transactions handled by each department is introduced from January 2014 and Inspection Reports issued. Follow up action is done through remainders and it is proposed to discuss the long pending issues in the monthly Budget meeting which is presided by the Director.

The Draft Internal Audit Manual has been prepared and will be referred to the Financial consultants (Chartered Accountants) for the opinion on the coverage and periodicity of Audit. Further it is proposed to place the Internal Audit Manual in the meetings of the Finance Committee and the Board of Management for their approval.