

Chittaranjan National Cancer Institute

37, S P Mukherjee Road, Kolkata : 700 026

BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount - Rs.)

	Schedule	Current Year	Previous Year
<u>CAPITAL FUND & LIABILITIES</u>			
Capital Fund	1	1,14,69,99,847	1,01,81,95,784
Reserve & Surplus	2	Nil	Nil
Earmarked/Endowment Funds	3	43,22,14,776	1,19,49,58,046
Secured Loans & Borrowings	4	Nil	Nil
Unsecured Loans & Borrowings	5	Nil	Nil
Deferred Credit Liabilities	6	Nil	Nil
Current Liabilities & Provisions	7	32,68,76,202	26,19,91,531
TOTAL		1,90,60,90,825	2,47,51,45,361
<u>ASSETS</u>			
Fixed Assets	8	54,73,34,002	38,35,90,012
Investments - From Earmarked/Endowment Funds	9	Nil	Nil
Investments - Others	10	Nil	Nil
Current Assets, Loans & Advances etc.	11	1,35,87,56,823	2,09,15,55,349
Miscellaneous Expenditure (to the extent not written off or adjusted)		Nil	Nil
TOTAL		1,90,60,90,825	2,47,51,45,361
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

Sanjiv
Accounts Officer
Chittaranjan National
Cancer Institute

Sanjiv
Director
Chittaranjan National
Cancer Institute

Chittaranjan National Cancer Institute

37, S P Mukherjee Road, Kolkata : 700 026

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount - Rs.)

INCOME	Schedule	Current Year	Previous Year
Income form Sales/Services	12	80,09,048	1,26,84,122
Grants/Subsidies	13	65,89,51,000	56,13,83,000
Fees/Subscription	14	15,64,968	21,65,000
Income from Investments (Income on Investment from earmarked/endowment Funds transferred to Funds)	15	Nil	Nil
Income from Royalty, Publication etc.	16	Nil	Nil
Interest Earned	17	2,02,33,188	2,86,97,542
Other Income	18	4,75,11,092	5,13,37,023
Increase/(decrease) in Stock of Finished Goods & Works-in-Progress	19	Nil	Nil
TOTAL (A)		73,62,69,296	65,62,66,687
EXPENDITURE			
Establishment Expenses	20	48,64,60,816	48,79,97,418
Other Administrative Expenses	21	20,93,77,163	20,33,53,368
Expenditure on Grants, Subsidies etc.	22	Nil	Nil
Finance Charges (Bank Charges only)	23	74,445	58,562
Depreciation (Net Total at the year-end - Corresponding to Schedule 8)	23A	8,47,38,171	5,14,72,451
TOTAL (B)		78,06,50,595	74,28,81,799
Balance being excess of Income over Expenditure (A-B)		(4,43,81,299)	(8,66,15,112)
Transfer to Special Reserve		Nil	Nil
Transfer to/from General Reserve		Nil	Nil
Balance being Surplus/(Deficit) carried to Capital Fund		(4,43,81,299)	(8,66,15,112)
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

18/05/21
Accounts Officer
Chittaranjan National
Cancer Institute

18/05/2021
Director
Chittaranjan National
Cancer Institute



Accounts office for NA
19/12/2021

भारतीय लेखा तथा लेखा-परीक्षा विभाग
महा निदेशक, लेखा-परीक्षा का कार्यालय,
केन्द्रीय, कोलकाता

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF AUDIT,
CENTRAL, KOLKATA.**

CONFIDENTIAL

No: OA II (AB)/AR/2020-21/CNCI/419

Date: 14.12.2021

A copy of the Separate Audit Report, alongwith Annexure, on the accounts of the Chittaranjan National Cancer Institute, Kolkata, for the financial year 2020-21, is forwarded to **the Director Chittaranjan National Cancer Institute, Kolkata, 37, S.P. Mukherjee Road 700026,** for information and necessary action.

Arrangement may please be made for preparation of Hindi Version of the Separate Audit Report, with Annexure, at your end, and for sending the same directly to the Ministry.

It may please be ensured that the Audited Accounts and the Separate Audit Report, along with Annexure, are placed before the apex body, for consideration and adoption, before the same are sent to the Government for being placed in the Parliament.

A copy of the printed Annual Report, for the financial year 2020-21 (both English and Hindi Version), containing the Audited Accounts and the Separate Audit Report, along with Annexure, as laid before the Parliament, may please be forwarded to this office, for necessary action at this end.

Encl.: As stated


Dy. Director (Inspection)

जि. आई. प्रेस विल्डिंग, 8 किरण शंकर राय रोड (1म मंजिल), कोलकाता-700001
Govt. of India Press Building. 8, Kiran Sankar Roy Road, Kolkata - 700001
Phone : 2254-0221, (Gram: ACCOUNTCENT) POST BOX : 2699, Fax No.: 033 22135377

SPEED POST



सत्यमेव जयते

भारतीय लेखा तथा लेखा-परीक्षा विभाग
महा निदेशक, लेखा-परीक्षा का कार्यालय,
केन्द्रीय, कोलकाता

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF AUDIT,
CENTRAL, KOLKATA.**

CONFIDENTIAL

No: OA II (AB)/AR/2020-21/CNCI/ 418

Date: 14.12.2021

To
The Secretary,
Ministry of Health and Family Welfare,
Nirman Bhawan
New Delhi - 110001

Subject: Separate Audit Report on the accounts of the **Chittaranjan National Cancer Institute, Kolkata**, for the financial year 2020-21

Sir,

I am to forward herewith the Separate Audit Report, in the prescribed format, on the accounts of the **Chittaranjan National Cancer Institute, Kolkata**, for the financial year 2020-21. A copy of the annual accounts of the organisation, for the financial year 2020-21, is also enclosed.

2. A copy of the Separate Audit Report (both English and Hindi Version), as presented before the Parliament, may please be forwarded to this office, for necessary action at this end.
3. The dates of laying of the audited accounts and the Separate Audit Report, for the financial year 2020-21, on the Tables of both the Houses of Parliament, may also please be communicated to this office.

Yours faithfully,

Deepak Narain

(Deepak Narain)
Director General of Audit
Central: Kolkata

Encl.: As stated

जि. आई. प्रेस विल्डिंग, 8 किरण शंकर राय रोड (1म मंजिल), कोलकाता-700001
Govt. of India Press Building. 8, Kiran Sankar Roy Road, Kolkata - 700001
Phone : 2254-0221, (Gram: ACCOUNTCENT) POST BOX : 2699, Fax No.: 033 22135377

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the Chittaranjan National Cancer Institute, Kolkata, for the financial year ended 31 March 2021

We have audited the attached Balance Sheet of the Chittaranjan National Cancer Institute, Kolkata, as at 31 March 2021, the Income and Expenditure Account and Receipts and Payments 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 upto 2022-23. 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.

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 material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 Receipts and Payments Account, dealt with by this report, have been drawn up in the format prescribed by the Ministry of Finance, Government of India.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Chittanranjan National Cancer Institute, Kolkata, as required, insofar it appears from our examination of such books.
 - iv. We further report that:

Comments on Accounts:

A Balance Sheet

1.1 Liabilities

1.1.1 Capital Fund (Schedule-1): ₹114.70 crore

a) The above head was overstated by ₹28.60 lakh, with corresponding understatement of the 'Earmarked Fund' (Schedule-3) by the same amount, due to transfer of advances, from the 'Earmarked Fund', to the 'Capital Fund'.

b) The above head was further overstated by an amount of ₹44.13 lakh, due to addition of the entire amount of capital grant (₹1.5 crore), received during the financial year 2020-21, instead of adding only ₹1.06 crore (the amount actually utilized during the year), in terms of the format prescribed under the Uniform Format of Accounts. This further resulted in understatement of the 'Current Liabilities and Provisions' (Schedule-7), by the same amount.

1.1.2 Earmarked Fund (Schedule-3): ₹ 43.22 crore

Despite mention in the previous year's Audit Report, the Institute did not recognise the

interest earned on deposits made to the Hospital Services Consultancy Corporation (HSCC), for construction work, as 'Income', against the said work, under the 'Earmarked/Endowment Funds' (Schedule-3). Even after refunding an amount of ₹10.87 crore, to the Ministry, during the financial year 2020-21, out of the interest of ₹12.17 crore, earned during the financial year 2019-20, the Institute had a balance of ₹1.30 crore, which neither been refunded to the Ministry, nor been booked as 'Income', against the said work, under the 'Earmarked/ Endowment Funds' (Schedule-3).

1.2 Assets

1.2.1 Fixed Assets (Schedule-8): ₹54.73 crore

Despite mention in the previous year's Audit Report, the above head was understated by ₹300.15 crore, with corresponding understatement of the 'Capital Fund' (Schedule-1). Further, the 'Current Assets, Loans and Advances' (Schedule-11) were also understated by ₹121.96 crore, with corresponding understatement of the 'Earmarked/ Endowment Funds', under the head 'Fund for New Campus', as detailed below:

- a) The Institute booked the entire amount of ₹302.47 crore, paid to HSCC, under 'Current Assets, Loans and Advances' (Schedule-11), in a separate account, instead of showing the utilised amount of ₹300.15 crore, under 'Capital Work in Progress', and exhibited the remaining amount of ₹2.32 crore, under 'Current Assets, Loans and Advances' (Schedule-11), in the main Balance Sheet.
- b) Similarly, it booked ₹119.64 crore, paid to HSCC, towards procurement of medical equipment for the Second Campus at Rajarhat, in a separate account, prepared for the 'New Campus', under 'Current Assets, Loans and Advances', instead of exhibiting the said amount under 'Current Assets, Loans and Advances' (Schedule-11), in the main Balance Sheet.

B Income and Expenditure Account

2.1 Expenditure

2.1.1 Other Administrative Expenses (Schedule-21): ₹ 20.94 crore

Despite mention in the previous year's Audit Report, revenue expenditure of ₹70.59 lakh, pertaining to the Earmarked Funds, under the 'Swachhta Action Plan' (SAP), was booked under 'Other Administrative Expenses' (Schedule-21), under various sub-heads in the 'Income and Expenditure Accounts', and was further credited to the 'Capital Fund'. This resulted in overstatement of the Excess of Expenditure over Income, by ₹70.59 lakh.

C General

3.1 As per the separate accounts, prepared for the 'New Campus' and the 'Patient Welfare Fund', interest of ₹9.47 lakh and ₹13.79 lakh, respectively, had accrued on the corresponding term deposits. The Institute, however, did not recognize the same as 'Income', under the 'Earmarked/ Endowment Funds' (Schedule-3).

3.2 Outstanding advances of ₹22.89 lakh have been pending with the NPCC for more than five years. Despite similar mention in the previous year's Audit Report, the institute did not take necessary steps for proper adjustment of these advances.

3.3 Despite mention in the previous year's Audit Report, the Institute did not make any provisions for 'Liabilities for Retirement benefits' (Pension, Gratuity, Leave Encashment etc.), under Schedule-7, as mandated under the 'Common Format of Accounts'.

3.4 Although the Institute has nine cases pending before the Honourable High Court and the Central Administrative Tribunal, it did not book any contingent liabilities, towards these pending court cases, in its Annual Accounts.

D Grants-in-Aid

The Institute is mainly financed by grants from the Government of India (GOI) and the Government of West Bengal (GoWB). During the financial year 2020-21, it received 'Non-Plan' grants of ₹65.90 crore (GOI: ₹35.67 crore, GoWB: ₹30.23 crore) and 'Plan' grants of ₹2.46 crore (GoI: ₹1.5 crore, GoWB: ₹0.96 crore). It utilized ₹62.56 crore as 'Non-Plan' grants and ₹1.62 crore as 'Plan' grants, leaving unspent balances of ₹3.34 crore and ₹0.84 crore, under the 'Non-Plan' grants and 'Plan' grants, respectively.

Further, during the financial year 2020-21, the Institute received ₹5.74 crore, under Earmarked/ Endowment Funds, against which it spent ₹11.79 crore. The excess expenditure was met out from the previous year's unspent balances.

E Net Effect

The net effect of the comments given in the preceding paragraphs is that both the Assets and the Liabilities were understated by ₹423.41 crore each, as at 31 March 2021, while the excess of Expenditure over Income was overstated by ₹0.71 crore, for the year ended 31 March 2021.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipts and Payments 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 the Annexure to this Separate Audit Report, give a true and fair view, in conformity with accounting principles generally accepted in India.

- i. insofar as it relates to the Balance Sheet, of the state of affairs of the Chittaranjan National Cancer Institute, Kolkata, as at 31 March 2021, and
- ii. insofar as it relates to the Income and Expenditure Account of the Deficit, for the year ended on that date.

For and on behalf of the C&AG of India

Place: Kolkata
Date: 14.12.2021

Deepak Narain
(Deepak Narain)
Director General of Audit
Central::Kolkata

Annexure

A. Adequacy of the Internal Audit System

The Internal Auditing System is inadequate, on account of the following:

1. The Institute does not have any Internal Audit Wing. However, retired Govt. officials are engaged on contractual basis to conduct the Internal Audit of the Institute. While no Internal Audit Report is prepared, the observations highlighted during the Internal Audit, are brought to the notice of the Institute.
2. The Institute does not have any Internal Audit Manual and the system of appointment of retired Govt. officials, on contractual basis, to conduct the Internal Audit of the Institute, is not in conformity with the principle of Internal Audit being conducted in a manner independent of the Accounting System.

3. B. Adequacy of the Internal Control System

The Internal Control System is inadequate in the following areas:

1. There is no Central, Receiving Department/Section in the Institute. All major material is supplied directly to the concerned Departments. This has resulted in lack of complete monitoring of the purchase and receipt of assets and inventories.
2. No Accounting Manual is in use.
3. Heads of Accounts are not coded.
4. There is no organizational chart, showing a clear definition and allocation of duties and responsibilities of different officials working in the Institute.
5. There is no system of rotational duties of the employees dealing with cash, stocks and other valuables.

C. System of Physical verification of Assets:

The 'Fixed Assets Register' of the Institute was not prepared in conformity with GFR provisions. Accordingly, the actual position of Fixed Assets and Inventories of the Institute

could not be verified in audit. Further, the Institute did not conduct physical verification of its Fixed Assets and Inventories, during the financial year 2020-21.

D Statutory Liabilities

The Institute was regular in payment of statutory dues.

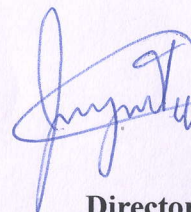
CHITTARANJAN NATIONAL CANCER INSTITUTE
PARAWISE REPLY TO THE SEPERATE AUDIT REPORT
ON THE ACCOUNTS OF CNCI FOR THE YEAR 2020-21.

PARAGRAPHS IN THE SEPARATE AUDIT REPORT	REPLY
1. Balance Sheet	
1.1 Liabilities	
1.1.1 Capital Fund (Schedule-1) Rs.114.70 crore	
a)	The portion of Capital Fund amounting to Rs.28.60 Lakhs as referred in the report consists of Rs. 6.70 Lakh on account of advance for procurement of Books & Journals, Rs.14.50 lakh and 7.40 lakhs for renovation of RNMCRS and Salt-lake Staff Quarter respectively by M/s NPCC which are clarified below:
i)Books and Journal	The normal Accounting Practice consistently followed in the Institute are as follows: Rs.250 lakh earmarked fund received from Govt. is debited to Earmarked Account and corresponding amount is credited to Capital Account. When Institute received Grant for Books and Journal in the financial year 2018-19 amounting to Rs250, it was credited in Earmarked Fund Account. Out of said Grant of Rs 250 lakh, total Rs 156.63 lakh had been adjusted within 2019-20 leaving a balance of Rs.93.37 lakh to be adjusted in 2020-21. In the financial year 2020-21 , Institute received books and journal amounting to Rs 86.67 Lakh leaving a balance of Rs 6.70 as advance to supplier.Value of books and journal to the tune of Rs 6.70 Lakh will be received and adjusted in the year 2021-22 and will be debited in Assets Account accordingly . This is normal accounting treatment of the Institute.
ii)Balance advance of Rs.14.50 lakh for RNMCRS	Noted. Institute has received final utilization certificate in the year 2020-21. NPCC has been requested to refund the unutilized amount, which will be transmitted to Ministry together with utilization certificate like earlier.
iii) Balance advance of Rs.7.40 lakh for Staff Quarters	Noted. Institute has received final utilization certificate in the year 2020-21. NPCC is being asked to refund back the unutilized amount which will be transmitted to Ministry together with utilization certificate like earlier.
b)Capital Grant Rs.1.5 crore	Noted for further action.

Cont.page-2

<p>1.1.2 Earmarked Fund (Schedule-3) 43.22 crore Interest amount of Rs.12.17 crore received from HSCC</p>	<p>Institute Received interest from HSCC(India) Ltd amounting to Rs 10.87 Crore on account of Funds place with them. The same amount of interest of Rs 10.87 Crore has been transmitted on line to Ministry through Bharatkosh Portal. Whatever accrued interest shown in the books of accounts of HSCC(A separate entity) ,Institute didn't recognize that portion following the doctrine of conservatism ,the principal of which says "Book every loss/unforeseen loss but do not recognize any gain unless it is realized or reasonably certain that it the amount/value will be realised ".The Concept of revenue recognition also supports that doctrine. The said interest was accrued in the year 2020-21 but till date, Institute have not received that interest and that is the reason , Institute didn't recognize the accrued Interest in its books of accounts. Institute will refund the interest to the Ministry once it is received from HSCC. Therefore, recognizing the accrued interest of Rs.1.30 crore in the books of account of CNCI does not arise as it is accrued in the books of an entity other than CNCI.</p>
<p>1.2.-Assets 1.2.1 Fixed Assets (Schedule-8) Rs.54.73 Crore a)Capital Work in Progress -2nd Campus b) Medical Equipment -2nd Campus</p>	<p>In the year 2021-22, as suggested by the audit, the amount will be shown in Main Balance Sheet and will be under the head Work in Progress or any other appropriate head.</p> <p>In the year 2021-22, as suggested by the audit, the amount will be shown in Main Balance Sheet and will be under the head Work in Progress or any other appropriate head.</p>
<p>B. Income and Expenditure Account 2.1 Expenditure 2.1.1 Other Administrative Expenses (Schedule-21) Rs.20.94 Cr. Revenue Expenditure of Rs.70.59 lakh pertaining to earmarked fund under Swachhata Action Plan.</p>	<p>Following Journal entries are made in the Books of Accounts in respect of expenditure from Swachhata Action Plan for sake of proper reflection of expenses abiding basic principles of Accounting.</p> <p>1.Bank A/C Dr Swachhata Action Plan(Earmarked Fund) A/C Cr. (When Grant is received)</p> <p>2.Swachhata Action Plan(Earmarked Fund) a/c Dr Bank A/c Cr (When expenditure is made)</p> <p>3.Expenditure A/c Dr Swachhata Action Plan(Earmarked Fund) A/C Cr. (Particular Account Head is debited)</p> <p>4.Swachhata Action Plan(Earmarked Fund) a/c Dr. Capital Fund a/c Cr. (Capitalisation of Grant/Expenditure) However Audit may suggest alternative accounting entries for better presentation if it so deem fit.</p>

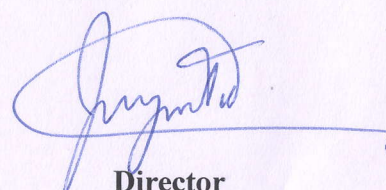
C.General	
3.1 Accrued Interest	Institute has shown separately the Accrued Interest amounting Rs. 9.47 lakh and Rs.13.79 lakh for New Campus and Patient Welfare Fund respectively in Earmarked fund as well as Income & Expenditure Account for the FY 2020-21 of the respective fund.
3.2. Outstanding advances of Rs.22.89 lakh for NPCC more than 5 years.	Noted. Necessary action will be taken in the year 2021-22
3.3 Retirement benefit	It has been mentioned in the significant accounting policies (Sch.24 Sl.No.8.1) that provision of liabilities on Retirement benefits on actuarial basis is not feasible in the Institute considering non availability of corresponding sufficient allocation of fund. Actuarial Provision of Liability requires creation of Fund and investing the same fund to meet the liability which the Institute does not consider it necessary.
3.4 Pending Court Case	Separate sheet attached.
D. Grant-in-Aid	Figures in respect of Grants are confirmed
E. Net Effect	Noted



**Director
CNCI, Kolkata**

Annexure

Audit Comments under	Replies to comments
<p>A. Adequacy of Internal Audit System.</p> <p>B. Adequacy of Internal Control System.</p> <p>C. System of Physical verification of Assets</p>	<p>A.1. Noted A.2. Noted</p> <p>B.1. Materials supplied to the Institute are received mostly through Stores Dept. However in some cases materials are also received directly by concerned Department of the Institute who in turn maintains Stock Register with relevant accession records at their end.</p> <p>B.2 Noted for future compliance.</p> <p>B.3 Noted for future compliance.</p> <p>B.4 Noted for future compliance.</p> <p>B.5 Noted for future compliance.</p> <p>C. Physical verification of Assets of the Institute is being carried on by engaging external expert as per consistent practice followed in the Institute and same has been completed upto 2011-12. In commensurate with the prescribed format of Common Format of Accounts recommended by the Govt. of India. Thereafter the Asset Registers of the Institute for subsequent years upto 2020-21 are available in electronic format in the computer which are duly reconciled with General Ledger of Book of Accounts of the Institute. Therefore total balance as per Asset Register is tallied with Fixed Assets Schedule -8 of Annual Accounts as on 31.03.2021.Audit may verify the software driven Asset Register if so deem fit.</p>
E. Statutory Liabilities:-	NIL


Director
CNCI, Kolkata