

Chittaranjan National Cancer Institute

37, S P Mukherjee Road, Kolkata : 700 026

BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount - Rs.)

CAPITAL FUND & LIABILITIES	Schedule	Current Year	Previous Year
Capital Fund	1	1,01,81,95,784	94,74,21,367*
Reserve & Surplus	2	Nil	Nil
Earmarked/Endowment Funds	3	1,19,49,58,046	1,15,06,66,018
Secured Loans & Borrowings	4	Nil	Nil
Unsecured Loans & Borrowings	5	Nil	Nil
Deferred Credit Liabilities	6	Nil	Nil
Current Liabilities & Provisions	7	26,19,91,531	20,45,07,677
TOTAL		2,47,51,45,361	2,30,25,95,062
ASSETS			
Fixed Assets	8	38,35,90,012	30,60,92,084
Investments - From Earmarked/Endowment Funds	9	Nil	Nil
Investments - Others	10	Nil	Nil
Current Assets, Loans & Advances etc.	11	2,09,15,55,349	1,99,65,02,978
Miscellaneous Expenditure (to the extent not written off or adjusted)		Nil	Nil
TOTAL		2,47,51,45,361	2,30,25,95,062
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

Accounts Officer
Chittaranjan National
Cancer Institute
05/08/2020

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, 2020

(Amount - Rs.)

INCOME	Schedule	Current Year		Previous Year	
		2020	2019	2019	2018
Income form Sales/Services	12	1,26,84,122	80,03,652		
Grants/Subsidies	13	56,13,83,000	87,38,89,556		
Fees/Subscription	14	21,65,000	14,93,050		
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	2,86,97,542	1,64,73,122		
Other Income	18	5,13,37,023	50,31,781		
Increase/(decrease) in Stock of Finished Goods & Works-in-Progress	19	Nil	Nil		
TOTAL (A)		65,62,66,687	90,48,91,161		
EXPENDITURE					
Establishment Expenses	20	48,79,97,418	52,13,93,239		
Other Administrative Expenses	21	20,33,53,368	14,78,11,673		
Expenditure on Grants, Subsidies etc.	22	Nil	Nil		
Finance Charges (Bank Charges only)	23	58,562	24,265		
Depreciation (Net Total at the year-end - Corresponding to Schedule 8)	23A	5,14,72,451	5,77,97,275		
TOTAL (B)		74,28,81,799	72,70,26,452		
Balance being excess of Income over Expenditure (A-B)		(8,66,15,112)	17,78,64,709		
Transfer to Special Reserve		Nil	Nil		
Transfer to/from General Reserve		Nil	Nil		
Balance being Surplus/(Deficit)carried to Capital Fund		(8,66,15,112)	17,78,64,709		
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25				

Accounts Officer
Chittaranjan National
Cancer Institute
05/08/2020

Director
Chittaranjan National
Cancer Institute
5/8/20



SPEED POST

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/2019-20/CNCI/110

Date: 03:12:2020

A copy of the Separate Audit Report, alongwith Annexure, on the accounts of the **Chittaranjan National Cancer Institute**, for the financial year 2019-20, is forwarded to the **Director, Chittaranjan National Cancer Institute, Kolkata-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 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 Parliament.

Two copies of the printed Annual Report, for the financial year 2019-20 (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

Accounts Officer
28/1/2021

Dy. Director (Inspection)

जि. आई. प्रेस बिल्डिंग, 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 2020

We have audited the attached Balance Sheet of the Chittaranjan National Cancer Institute, Kolkata, as at 31 March 2020, 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 2023-24. 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 Chittaranjan National Cancer Institute, Kolkata, as required, insofar it appears from our examination of such books.
 - iv. We further report that:

Comments on Accounts:

1. Balance Sheet

1.1 Liabilities

1.1.1 Earmarked Fund (Schedule-3): ₹ 119.50 crore

The above head was understated by ₹13.19 crore, with corresponding understatement of 'Current Assets, Loans & Advances etc' (Schedule-11) by the same amount, as detailed below:

- a) The Institute did not recognise the interest earned on deposits made to the Hospital Services Consultancy Corporation (HSCC) for construction work, as 'income', during the financial year 2019-20. The total interest earned on this account was ₹12.17 crore.
- b) As per the separate accounts prepared for the 'New Campus', interest of ₹1.02 crore had accrued on term deposits. The Institute did not, however, recognize it as 'income' in the 'Earmarked Fund' (Schedule-3).

1.2 Assets

1.2.1 Fixed Assets (Schedule-8): ₹38.36 crore

The above head was understated by ₹280.89 crore, with corresponding understatement of the 'Capital Fund' (Schedule-1). Further, the 'Current Assets, Loans and Advances' (Schedule-11) were also understated by ₹76.82 crore, with corresponding understatement of the 'Earmarked Fund', under the head 'Fund for New Campus', as detailed below:

a) The Institute booked ₹282.07 crore, paid to HSCC, under 'Current Assets, Loans and Advances' (Schedule-11), in a separate account, instead of showing the utilised amount of ₹280.89 crore under 'Capital Work in Progress' and the remaining ₹1.18 crore under 'Current Assets, Loans and Advances' (Schedule-11), in the main 'Balance Sheet'.

b) Similarly, it booked ₹75.64 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 showing the amount of ₹75.64 crore under "Current Assets, Loans and Advances" in the main 'Balance Sheet'.

1.2.2 Current Assets, Loans, Advances etc. (Schedule-11): ₹209.16 crore

The above head was overstated by ₹6.43 crore, with corresponding understatement of the head 'Fixed Assets' (Schedule-8), as detailed below:

a) The Institute booked ₹4.01 crore, utilized by NPCC, for the 'Restoration Work of RNMCRRC, Chandannagar', under "Current Assets, Loans and Advances", instead of showing it under the head 'Capital Work in Progress'.

b) Similarly, it booked ₹2.42 crore, paid for 'Urgent repair of CNCI Staff Quarters', which was completed and handed over to the Institute by M/s. NPCC in September 2019, under 'Current Assets, Loans and Advances', instead of showing it under 'Fixed Assets'(Schedule-8).

B. Income and Expenditure Account

2.1 Expenditure

2.1.1 Other Administrative Expenses (Schedule-21): ₹ 20.34 crore

Revenue expenditure of ₹78.88 lakh, pertaining to the 'Earmarked Fund', 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 credited to 'Capital Fund'. This resulted in overstatement of 'Excess of Expenditure over Income' by ₹78.88 lakh.

C. General

3.1 Outstanding advances of ₹15.62 lakh were pending with the NPCC for more than five years. The institute needs to take necessary steps for proper adjustment of those advances.

3.2 The Institute had not made any provisions for 'Liabilities for Retirement benefits' (Pension, Gratuity, Leave Encashment etc.), as mandated under the 'Common Format of Accounts', under Schedule-7.

D. Grants-in-Aid

The Institute is financed by grants from the Government of India (GOI) and the Government of West Bengal (GoWB). During the financial year 2019-20, it had received Non- Plan grants of ₹56.14 crore (GOI: ₹35.80 crore, GoWB: ₹20.34 crore) and Plan

grants of ₹1.81 crore (GoI: Nil, GoW: ₹1.81 crore). It had utilized ₹66.03 crore as Non-Plan grant and ₹2.24 crore as plan grants. The excess expenditure incurred under both the Non-Plan grants and Plan grants was met from the internal receipts of the Institute.

Further, out of specific purpose fund of ₹118.52 crore, the Institute spent ₹115.25 crore, leaving an unspent balance of ₹3.27 crore.

E. Net Effect

The net effect of the comments given in the preceding paragraphs is that both the Assets and Liabilities were understated by ₹370.90 crore, as at 31st March 2020, while the excess of Expenditure over Income was overstated by ₹78.88 lakh, for the year ended 31st March 2020.

F. Management letter

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

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 2020, 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: 03.12.2020

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. There is no separate Internal Audit wing. The work of the Internal Audit is, however, being looked after by retired Govt. officials, appointed by the Institute, as Consultants, on contractual basis. No Internal Audit Report was prepared.
2. There is no Internal Audit Manual, and the Internal Auditor is not independent of the Accounting System.

B. Adequacy of the Internal Control System

The following facts indicate inadequacies in the Internal Control System:

- i. There is no Central Receiving department/section in the Institute. All major material is supplied directly to the concerned department. This has resulted in lack of complete monitoring of the purchase and receiving of assets and inventories.
- ii. No Accounting Manual is in use.
- iii. Heads of Accounts are not coded.
- iv. The Organization does not have a clear definition and allocation of the duties and responsibilities of its officials and employees.
- v. There is no system of rotation of the duties of employees dealing with cash, stocks and other valuables.

C. System of Physical verification of Assets:

The Physical Verification Report 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.

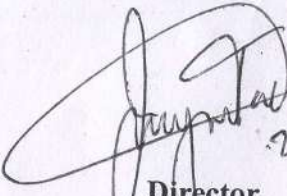
D. Statutory Liabilities:-

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 2019-20.

PARAGRAPHS IN THE SEPARATE AUDIT REPORT	REPLY
1. Balance Sheet	
1.1 Liabilities	
1.1.1 Earmarked Fund (Schedule-3) Rs119.50 Cr.	
a) Interest amount of Rs.12.17 crore received from HSCC	Institute have not received any amount of Interest from M/s HSCC India Ltd. during the FY 2019-20. In fact , Institute has not receive any interest from Ms/ HSCC India Ltd. till 15.10.2020. Institute have no knowledge of interest earned by HSCC to the tune of Rs.12.17 crore. Interest received amounting to Rs.10,87,01,131/- on 21.10.2020. Institute refunded that interest of Rs.10,87,01,131/- to the Ministry on 27.10.2020.
b) Accrued Interest Rs.1.01 crore	Institute has shown the Accrued Interest amounting Rs. 1.01 crore in Income & Expenditure Account for the FY 2019-20. However the Accrued Interest will be shown simultaneously in Earmarked account as suggested by Audit in the Accounts of FY 2020-21.
1.2.1 Fixed Assets (Schedule-8) Rs.38.36 cr.	
a) Capital Work in Progress -2 nd Campus	The Institute has prepared a separate set of Income & Expenditure Account, Receipt and Payment Account and Balance Sheet of 2 nd Campus. Any advance to M/s HSCC(India) Ltd. for construction of Building is shown in the Asset side of Rajarhat Balance Sheet. Entire Rajarhat Fund is also shown under Earmarked head in main account. Any utilization received from M/s HSCC(India) Ltd. shown under Pre-Operative Expenses in the Asset Side of the Balance Sheet. However, as per advice of Audit, the Institute will show the relevant amount in the Asset Schedule of the Main Account as Capital Wok-in-Progress in the FY 2020-21.
b) Medical Equipment -2 nd Campus	Any advance for procurement of Equipment given to M/s HSCC(India) Ltd. is shown under advance to HSCC Ltd. in the Balance Sheet. Those Equipment are not yet installed and commissioned. Most of the Equipment are yet to arrive at Rajarhat unit. Therefore question of showing those advance as Fixed Assets does not arise.
1.2.2 Current Assets, Loans, Advances etc(Schedule-11) Rs.209.16 Cr.	
a) NPCC utilization for RNMCRC – Capital Work in Progress	Noted for further examination followed by necessary action.
b) NPCC utilization for Staff Quarters- Fixed Assets.	Noted for further examination followed by necessary action.

PARAGRAPHS IN THE SEPARATE AUDIT REPORT	REPLY
B. Income and Expenditure Account	
2.1 Expenditure	
2.1.1. Other Administrative Expenses(Schedule-21)Rs.20.34 Cr.	Fund of Swachhta Action Plan (SAP) is received from Government of India. When various expenditure were incurred in different head, related particular expenditure heads are debited in order to depict and identify the various head of expenditure as well as the nature of expenditure. If those entries were not passed, it could be difficult to identify in which different heads the expenditure were made. In order to do this, the capital account is credited.
C. General	
3.1 Outstanding advances of Rs.15.62 lakh for NPCC more than 5 years.	Noted for further action.
3.2 Retirement benefits	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.
D. Grants-in-Aid	Figures in respect of Grants (Non-Plan, Plan & Specific purpose fund) are confirmed.


 22/12/24
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>A.1. Noted</p> <p>A.2. Noted</p> <p>B.i. Materials supplied to the Institute are received mostly through Stores Dept. However in some cases materials are also directly received by concerned Department of the Institute who in turn maintains Stock Register at their end.</p> <p>B.ii Noted for future compliance.</p> <p>B.iii Noted for future compliance.</p> <p>B.iv Noted for future compliance.</p> <p>B.v Noted for future compliance.</p>
<p>C. System of Physical verification of Assets</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. as per the prescribed format of Common Format of Accounts recommended by the Govt. of India. Thereafter the Asset Registers of the subsequent years upto 2019-20 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 as on 31.03.2020. Audit may verify the software driven Asset Register.</p>
<p>E. Statutory Liabilities:-</p>	<p>NIL</p>


 Director
 CNCI, Kolkata

22/12/20