



राजीव गाँधी राष्ट्रीय विमानन विश्वविद्यालय
RAJIV GANDHI NATIONAL AVIATION UNIVERSITY

नागर विमानन मंत्रालय, भारत सरकार के तहत केंद्रीय विश्वविद्यालय
(A Central University under Ministry of Civil Aviation, Govt. of India)

2013 में संसद के अधिनियम द्वारा स्थापित

Established by an Act of Parliament in 2013

वार्षिक लेखा

2017-18

ANNUAL ACCOUNTS

2017-18

Rajiv Gandhi National Aviation University

BALANCE SHEET AS AT 31st-MARCH-2018

(Amount in Rupees)

CORPUS /CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
CORPUS /CAPITAL FUND			
GRANT-IN-AID(CAPITAL & GENERAL)	1	716,018,869	383,000,000
RESERVES AND SURPLUS (CAPITAL RESERVES)	2	149,211	4,813,198
SECURED LOANS AND BORROWINGS		-	-
UNSECURED LOANS AND BORROWINGS		-	-
DEFERRED CREDIT LIABILITIES		-	-
CURRENT LIABILITIES AND PROVISIONS	3	35,285,943	165,120
TOTAL		751,454,023	387,978,318
ASSETS			
FIXED ASSETS		-	-
INVESTMENTS- FROM EARMARKED/ENDOWMENT FUNDS		-	-
OFFICE & OTHER EQUIPMENTS	4	18,869	-
INVESTMENTS- OTHERS		-	-
CURRENT ASSETS, LOANS, ADVANCES ETC.	5	26,035,154	4,978,318
WROK IN PROGRESS	6	725,400,000	383,000,000
TOTAL		751,454,023	387,978,318
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	11		

As per our Report of even date
for Lunawat & Co. Chartered Accountants

FRN 000629N

PLACE: NEW DELHI
DATED: 18.09.2018

Rajeev
(Rajeev Talwar)
Finance Officer

Nalin Kumar Tandon
(AVM Nalin Kumar Tandon(Retd.)
Vice Chancellor



Ramesh K Bhatia
(CA. Ramesh K Bhatia)
(partner)
M. No. 080160

Rajiv Gandhi National Aviation University

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH-2018

(Amount in Rupees)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 2017-18	Schedule	Current Year	Previous Year
INCOME FROM SALES/SERVICES		-	-
GRANTS/SUBSIDIES	7	32,685,051	26,874,109
FEES/SUBSCRIPTIONS	8	1,358,000	810,000
INCOME FROM INVESTMENTS(EARMARKED/ENDOWMENT)		-	-
INTEREST EARNED		-	-
TOTAL (A)		34,043,051	27,684,109
EXPENDITURE			
ESTABLISHMENT EXPENSES	9	3,855,183	1,448,200
OTHER ADMINISTRATIVE EXPENSES	10	34,851,855	21,422,711
TOTAL (B)		38,707,038	22,870,911
BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE(A-B)		(46,63,987)	4,813,198
BALANCE BEING SURPLUS(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND		(46,63,987)	4,813,198

As per our Report of even date
for Lunawat & Co. Chartered Accountants

FRN 000629N



(CA, Ramesh K Bhatia)
(partner)
M. No. 080160

PLACE: NEW DELHI
DATED: 18.09.2018

(Rajeev Tahar)
Finance Officer

(AVM Nalin Kumar Tandon(Retd.)
Vice Chancellor

Rajiv Gandhi National Aviation University

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH-2018

		(Amount in Rupees)		(Amount in Rupees)			
SL. NO.	RECEIPTS	Current Year	Previous Year	SL. NO.	PAYMENTS	Current Year	Previous Year
I	Opening Balance a) Cash/Imprest b) Bank Balances In Current Accounts	4,874,231.00	-	I	Expenses a) Establishment Expenses b) Administrative Expenses	3,859,567.00 24,753,376.00	1,448,200.00 21,259,678.00
II	Grant Received a) From Government of India i) GIA for Capital Expenditure ii) GIA for General Expenditure iii) GIA for Establishment Expenses b) From State Government	333,000,000.00 27,900,000.00 4,800,000.00	383,000,000.00 24,374,109.00 2,500,000.00	II	Expenditure on Fixed Assets (Capital & Work in Progress) a) Purchase of Equipment b) Expenditure on Capital Work-in-progress	22,199.00 321,536,000.00	- 383,000,000.00
III	Income on Investments a) Earmarked/Endowment Funds b) Own funds c) From Short Term Deposit	-	-	III	Closing Balances a) Cash/ Imprest b) Bank Balances In Current Accounts	- 23,008,740.00	- 4,874,231.00
IV	Interest received a) On Bank deposit(Term Deposit) b) On Savings Bank A/c c) Loans and Advances etc.	-	-				
V	Other Income a) Fees/ Subscription b) Income from Services c) Income from project d) Imprest refund e) Refund of Salary f) Miscellaneous receipts	1,166,263.00 3,227.00 1,325,362.00 110,799.00	708,000.00				
	TOTAL	373,179,882.00	410,582,109.00		TOTAL	373,179,882.00	410,582,109.00

[Signature]

(AVM Nalin Kumar Tandon(Retd.)
Vice Chancellor

[Signature]
(Rajesh Kumar)
Finance Officer

PLACE: NEW DELHI
DATED: 18.09.2018



M. No. 080150

Rajiv Gandhi National Aviation University

SHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH-2018

(Amount in Rupees)


Schedule-1		Current Year	Previous Year
CORPUS /CAPITAL FUND			
A Grants-in-Aid for Creation of Capital Assets			
Opening Balance	38,30,00,000		
Add:- Grant-In-Aid Received during the year	<u>33,30,00,000</u>	71,60,00,000	38,30,00,000
B (Grant-In-Aid General Capitalised for purchase of Equipment)	22,199		
Less :- depreciation	<u>3,330</u>	18,869	
Total		71,60,18,869	38,30,00,000


(Amount in Rupees)

Schedule-2		Current Year	Previous Year
<u>RESERVES AND SURPLUS</u>			
Opening Balance	48,13,198		
Surplus/(Deficit) brought forward from Income & Expenditure Account during the year	<u>(46,63,987)</u>	1,49,211	48,13,198
Total		1,49,211	48,13,198

PLACE: NEW DELHI

DATED: 18.09.2018


 (Rajeev Talwar)
 Finance Officer


 (AVM Nalin Kumar Tandon(Retd.))
 Vice Chancellor



Rajiv Gandhi National Aviation University

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH-2018

(Amount in Rupees)

Schedule-3	Current Year	Previous Year
CURRENT LIABILITIES AND PROVISIONS		
<u>Duties & Taxes Payable</u>		
Income Tax U/s 194-C	3,528,822	1,880
Income Tax U/s 194-I	11,550	13,750
Income Tax U/s 194-J	1,671,509	-
Income Tax U/s 92-B	61,764	-
Intt. on delayed TDS deduction	7,092,880	-
<u>Provisions</u>		
Provision for Gratuity	21,038	
Provision for leave encashment	259,302	
Provision for Audit Fee	30,000	30,000
<u>Provision for Expenses</u>		
Telephone Exps.	11,028	1,608
Printing & Stationery Exps.	-	13,539
Provision for consultancy fee	3,266,000	
Seminar Exps.	-	5,580
<u>Sundry Creditors</u>		
Airport Authority of India	17,346,000	-
M/s Madhyanchal Vidyut Vitran Nigam Limited)	570,322	-
M/s Neha Rent A Car	81,577	46,607
M/s Orrionstars	120,287	52,156
<u>Other Liabilities</u>		
LIC/ Group Insurance	5,600	-
Reimbursement to employees	33,540	-
Santosh Sharma Newspaper supplier	667	-
Salary payable	349,912	-
Leave Salary and Pension Contribution	213,024	-
Other statutory deductions of employees	12,259	-
<u>Contribution to Fund</u>		
Employee's Contribution in NPS	299,431	-
Employer Contribution in NPS	299,431	-
Total	35,285,943	165,120

PLACE: NEW DELHI

DATED: 18.09.2018

(Rajeev Tahirwar)
Finance Officer

(AVM Nalin Kumar Tandon(Retd.))
Vice Chancellor



Rajiv Gandhi National Aviation University

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH-2018

Schedule-4

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost at Beginning of the year As on 01-04-2017	Additions During the Year	Deductions during the year	Cost/Valuation at the year-end	As at the Beginning of the year	Additions during the year	Adjustment/deduction during the year	Total Upto the Year - end	Current Year
FIXED ASSETS									
Land And Buildings	-	-	-	-	-	-	-	-	-
Office and Other Equipments(Camera)	22,199.00	-	-	22,199.00	-	3,330.00	-	3,330.00	18,869.00
								Total	18,869.00

(Amount in Rupees)



PLACE: NEW DELHI
DATED: 18.09.2018

Rajeev
(Rajeev Talwar)
Finance Officer

Nalin

(AVM Nalin Kumar Tandon(Retd.))
Vice Chancellor

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH-2018

Schedule-5		(Amount in Rupees)	
		Current Year	Previous Year
CURRENT ASSETS, LOANS, ADVANCES ETC.			
Syndicate Bank, Current Account No. 91101010000348		2,30,08,740	48,74,231
Amount recoverable from employees		2,10,765	2,087
Sundry Debtors		1,96,384	54,000
TDS			
2016-17	48,000	-	48,000
2017-18	99,912	1,47,912	
INPUT CREDIT ON GST			
Input Credit on - CGST	26,915		-
Input Credit on - SGST	26,915		-
Input Credit on - IGST	24,17,523	24,71,353	-
Total		2,60,35,154	49,78,318

Schedule-6		(Amount in Rupees)	
		Current Year	Previous Year
Work-In-Progress (Pending Capitalization)			
Opening Balance	38,30,00,000		-
Add:- Work-In-Progress during the year	34,24,00,000	72,54,00,000	38,30,00,000
Total		72,54,00,000	38,30,00,000



PLACE: NEW DELHI
DATED: 18.09.2018

Rajeev Talwar
(Rajeev Talwar)
Finance Officer

Nalin Kumar Tandon
(AVM Nalin Kumar Tandon(Retd.))
Vice Chancellor

Rajiv Gandhi National Aviation University

SCHEDULE FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH-2018

(Amount in Rupees)		
Schedule-7	Current Year	Previous Year
GRANTS/SUBSIDIES		
Grants Received from Ministry of Civil Aviation	-	-
<u>Grants-in-Aid for General</u>		
Received during the year	27,900,000	-
Less:- Grant Capitalised	22,199	-
Add:- Depreciation written back	3,330	24,374,109
	27,881,131	
<u>Grants-in-Aid for Salaries</u>	4,800,000	2,500,000
<u>Other Income</u>		
Recovery on Car charges for personal use	3,920	-
Total	32,685,051	26,874,109

(Amount in Rupees)		
Schedule-8	Current Year	Previous Year
FEES/SUBSCRIPTIONS		
Fee For Conducting of MDP	1,358,000	810,000
Total	1,358,000	810,000

PLACE: NEW DELHI

DATED: 18.09.2018

(Rajeev Talwar)

Finance Officer

(AVM Nalin Kumar Tandon(Retd.))

Vice Chancellor



Rajiv Gandhi National Aviation University

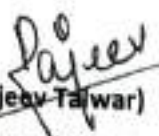
SHEDULE FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH-2018

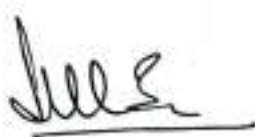
(Amount in Rupees)

Schedule-9	Current Year	Previous Year
<u>ESTABLISHMENT EXPENSES</u>		
Employees Remuneration		
Salary to Employees	2,990,495	1,448,200
Leave Salary and Pension Contribution for Deputationist	213,024	-
Bonus/Exgratia, Honorarium and other	-	-
Other Benefits to Employees	-	-
Reimbursement of Medical Expenses	5,054	-
Leave Travel Concession	-	-
Reimbursement of Children Education Allowance	57,000	-
Reimbursement of News Paper Expenses	9,839	-
Contribution to NPS	299,431	-
Provision for Gratuity	21,038	-
Provision for leave encashment	259,302	-
Total	3,855,183	1,448,200

PLACE: NEW DELHI

DATED: 18.09.2018


 (Rajeev Talwar)
 Finance Officer


 (AVM Nalin Kumar Tandon(Retd.))
 Vice Chancellor



Rajiv Gandhi National Aviation University

SCHEDULE FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH-2018

(Amount in Rupees)

Schedule-10	Current Year	Previous Year
OTHER ADMINISTRATIVE EXPENSES		
Printing & Stationery	162,798.00	129,277.00
Rent (House rent for VC)	668,250.00	137,500.00
Salary-Contractual Staff	1,100,356.00	301,631.00
EDP/ MDP Expenses	1,205,955.00	584,812.00
Travelling Expenses Inland	336,741.00	167,538.00
Bank Charges	8,620.00	1,435.00
Books and Periodicals	4,380.00	-
Computer Consumable	1,210.00	-
Conveyance	7,874.00	57,606.00
Difference in foreign currency exchange	1,901.00	-
Hiring Charges of Vehicle	803,885.00	344,958.00
Office Maintenance Expenses	42,380.00	49,463.00
Electricity & Water Charges University Campus	1,319,574.00	-
Postage Expenses	4,822.00	4,160.00
Professional & Consultancy Fees	31,358.00	4,176.00
Professional Fee paid to KPMG	14,088,085.00	19,596,000.00
Provision for Consultancy fee	3,266,000.00	-
Provision for Audit fee for FY 2017-18	30,000	-
Excess provision written back	<u>1,500</u>	30,000.00
Meeting Expenses	90,564.00	-
Inauguration Expenses	86,110.00	-
Electricity & Water charges (VC Accommodation)	78,397.00	-
Stamp Duty	240.00	-
Travelling Expenses Foreign tour	871,398.00	-
News Paper & Magazine	2,548.00	-
Telephone Expenses	64,861.00	14,155.00
AMC of Tally ERP-9 (software)	8,100.00	-
Depreciation on equipment	3,330.00	-
Intt. on delayed TDS deduction	7,092,880.00	-
Prior Period Expenses	3,470,738.00	-
Total	34,851,855.00	21,422,711.00

PLACE: NEW DELHI
DATED: 18.09.2018

(Rajeev Talwar)
Finance Officer

(AVM Nalin Kumar Tandon (Retd.))
Vice Chancellor



Significant Accounting Policies and Notes to Accounts

Rajiv Gandhi National Aviation University (RGNAU) has been set up by an act of Parliament (RGNAU Act 2013) vide the Gazette notification dated 19.09.2013. The objective of setting up of this University is to facilitate and promote aviation studies and research to achieve excellence in areas of aviation management, policy, science and technology and other related fields to produce quality human resources to cater to the needs of the aviation sector.

2. The University campus is coming up on 26.35 acres of land at Fursatganj, Amethi, Uttar Pradesh. Airport Authority of India (AAI) has been assigned the task for setting up the University Infrastructure at Fursatganj. Presently the University is functioning from Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi.

i. Accounting Conventions:

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

- a. Grant in aid received for recurring and non recurring expenses (other than for fixed assets) is treated as income as and when received. Grant in aid for expenditure on Fixed Assets is transferred to capital fund.
- b. Income from other activities has been accounted for on accrual basis.

ii. Fixed Assets:

Fixed Assets shall be stated at cost of acquisition (inclusive of inward freight, duties, taxes and incidental direct expenses related to the acquisition) less accumulated depreciation. In respect of project involving construction, related pre operational expenses, form part of the value of assets capitalized. Since the construction is going on, the expenditure incurred on construction is booked as Work in Progress in the books of accounts. Office equipment purchased from Grant in aid (General) are capitalized.

iii. Govt. Grants:

Govt. Grants are accounted on realization basis.

iv. Stock of Books, stationary etc.:

Stocks of Books, stationary etc. are valued at cost on first come first out basis.

v. Investments:

Fund of the University, as per the Act, shall be utilized for such purpose of the University and in such manner as may be prescribed by statute and ordinances. The statute of RGNAU provides Executive Council the power to manage and regulate the investments of the University.

Notes to Accounts

RGNAU has been established by an act of Parliament vide Gazette notification dated 19.09.2013. To quantify the financial activities/transactions undertaken by Ministry of Civil Aviation (MoCA) on behalf of RGNAU before 05.08.2016 (the date of opening of bank account of RGNAU), information has been sought. A letter is again issued to MoCA for providing the information about the transactions made on behalf of the University.

2. During the current financial year, RGNAU has received the following Grant in aid from Ministry of Civil Aviation (MoCA):

Grant in aid Capital	:	Rs 33,30,00,000
Grant in aid General	:	Rs 2,79,00,000
Grant in aid Salary	:	Rs 48,00,000

Capital commitment

3. A Memorandum of Understanding between AAI and RGNAU has been entered for construction of National Aviation University at IGRUA, Fursatganj on 16.09.2015. In the said MoU, AAI has agreed to undertake the work of construction on a turnkey basis as per plan and estimates approved by MoCA. The EFC in this regard was approved for Rs 145 crore for total capital expenditure. Revised EFC at a cost of Rs 225.03 crore is also approved during the current financial year.

4. AAI has submitted the Utilisation Certificates for an amount of Rs 34,24,00,000 on account of expenditure incurred on account of construction activities, however, an amount of Rs 32,47,00,000 has been released during the current financial year.

5. The amount released to AAI on account of construction project is booked as Work in Progress in the books of account. The capitalization of Fixed Asset shall be done at the time of completion of the project and at the total cost, taking into cognizance of the expenditure incurred by MoCA, under this project.

6. MoCA/RGNAU while releasing the advance and recoupment to AAI did not deduct TDS from the payment released during the period 2013-2017. The total such payment released by MoCA and RGNAU is Rs. 77.74 crore and Rs. 38.30 crore respectively. Subsequently, the University deposited an amount of Rs 2,32,08,000 on 28th February, 2018 as TDS, after making necessary deductions from the subsequent invoice of AAI.

7. Further to this an amount of Rs 70,92,880 is required to be paid to Income Tax Authorities as penal interest on account of late deduction of TDS on the amount released to AAI during the period 2013-2017. In line with the direction of MoCA, the penal interest got deposited on 24th April, 2018 from the amount available with the University under the Grant in Aid.

8. Though the Grant in aid is being received by the University in a single account however, the accounting is done separately for GIA (Capital), GIA (General) and GIA (Salary). It is appropriate to book the amount paid as penal interest under the head GIA (General) instead of GIA (Capital). Since the amount available under GIA (General) was not sufficient to pay the penal interest, the amount was released from the amount available under GIA (Capital) in order to avoid any further non compliance. Hence, GIA (Capital) shall be recouped by an equivalent amount from the Grant received under GIA (General) during the financial year 2018-19.

9. The amount of penal interest has been provided in the books of accounts as on the date of balance sheet and has been paid before the date of signing of Balance Sheet.

10. MoCA appointed KPMG as the Project Management Agency for establishment of Rajiv Gandhi National Aviation University (RGNAU) to assist in various activities. While releasing the payment to KPMG, certain deficiencies on the part of KPMG were noted and the same were reported to MoCA. In this regard, MoCA constituted a Contract Monitoring Committee (CMC) so as to look into the matter and submit its recommendations to MoCA. The issues of absenteeism and delay in delivery of services are being deliberated in the meetings of CMC.

11. The Vice Chancellor of the University is entitled for a furnished accommodation without any charge falling on him. Since the University does not have its own accommodation available, therefore, an unfurnished accommodation has been hired for him. In the absence of License fee rules, no license fee is being recovered from the salary of Vice chancellor. The draft rules in this regard have already been submitted to MoCA.

12. A team from the office of Comptroller and Auditor General of India got the annual accounts for the financial year 2016-17 audited during 16.07.2018 to 20.07.2018. The Separate Audit Report (SAR) on the accounts for the financial year 2016-17 of the University is under process. Also, the team conducted the transaction audit for the financial year 2016-17 & 2017-18 during the period 23.07.2018 to 27.07.2018. The reply to the observations of the audit has been prepared has been submitted to the office of C&AG of India along with the request for dropping the paras.

13. As per 26AS of the University, an amount of Rs 8696 has been provided by Air India towards TDS deducted on the amount payable to the University. The said amount has been deducted from the amount receivable from Air India and has been included in the TDS account.

Contingent Liability

14.(a) The amount that has been released by MoCA on behalf of University before 05.08.2016 shall be accounted in the books of accounts as soon as made available by MoCA. Besides the valuation of Land mentioned in the Lease Deed as Re1 each for three pieces of land to be entered in the books of account, MoCA has paid an amount of Rs 60,660 as registration fees on account of registration of Lease Deed for transfer of Land

from IGRUA to MoCA on behalf of RGNAU. All such expenditures shall be entered in the books of account while capitalizing the fixed asset at the time of completion of the Project.

(b) Salary and arrears of salary on account of implementation of 7th CPC (RP) rules can be released to the employees of the University only after the approval of Competent Authority.

Foreign exchange transactions

15. A net amount of GBP 2765 has been taken from Syndicate Bank (Banker of the University). The Expenditure has been incurred by the officers of the University so as to take care of boarding and lodging on their official tour to UK during 12-17, November, 2017.


Employee's benefits


16. Provision for Gratuity and leave encashment is accounted for on actuarial valuation as per AS-15.

17. The figures have been rounded off to the nearest Rupee.

18. Debtors and Creditors are stated in the books of accounts at the value which is recoverable/payable.

PLACE: NEW DELHI
DATE: 18.09.2018


(Rajeev Talwar)
Finance Officer


(AVM Nalin Kumar Tandon (Retd.))
Vice Chancellor


(CA, Ramesh K. Bhatia)
(partner)
M. No. 080160



C. Nedunchezian
Principal Director

प्रधान निदेशक लेखा परीक्षा,
आर्थिक एवं सेवा मंत्रालय,
ए.जी.सी.आर. भवन, इन्द्रप्रस्थ ऐस्टेट,
नई दिल्ली-110 002

PRINCIPAL DIRECTOR OF AUDIT
ECONOMIC AND SERVICE MINISTRIES
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI-110 002

D.O. No. AMG-VI/2(1)/SAR/M/o Civil Aviation/RGNAU/2019-20/75-7

Dated : 06.08.2019

Dear Shri. Tandon,

I enclose herewith a copy of the Separate Audit Report (SAR) on the accounts of Rajiv Gandhi National Aviation University (RGNAU) for the year 2017-18 to be laid before the Parliament after getting them adopted by the University. For the purpose of presenting the SAR before the Parliament, RGNAU is entrusted with the responsibility of translating the SAR into Hindi. The Hindi version issued by the RGNAU should include the following :

"The present report is the Hindi translation of the SAR issued in English. In case of any discrepancy between the two, the English version shall be treated as final".

It is requested that five (05) copies of the documents as laid before the Parliament may please be forwarded to this office as well as to the office of the Comptroller and Auditor General of India. The date(s) on which these are laid in the Parliament may also be intimated to this office.

Encl : as above

Best Regards

Yours sincerely,

C. Nedunchezian
(C. Nedunchezian)

Shri Nalin Kumar Tandon
Vice Chancellor,
Rajiv Gandhi National Aviation University
Rajiv Gandhi Bhawan
New Delhi.

Registrar

13/08

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Rajiv Gandhi National Aviation University (RGNAU) for the year ended 31 March 2018

I. Introduction

We have audited the attached Balance sheet of Rajiv Gandhi National Aviation University (RGNAU University) as at 31 March 2018 and Income and Expenditure Account Receipt and Payments Accounts for the year ended on that date under Section 19 (2) of the Comptroller and Auditor General (Duties, Powers and Conditions of Services) Act 1971 read with provisions of Section 31 (1) of the Rajiv Gandhi National Aviation University Act, 2013. These financial statements are the responsibility of the University's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. The University has been established by virtue of an act of Parliament notified on 19.09.2013. However, the operations of the University started during 2016-17 when the first employee of the University joined and the bank account got opened for making financial transactions. Therefore, for all practical purposes including preparation of annual accounts, the financial year 2016-17 has been treated as first financial year.

3. 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, disclosure norms etc. Audit observations on financial transaction with regard to compliance with the Law, Rules and Regulation (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit reports, separately.

4. We have conducted our audit in accordance with applicable rules and the 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. Our audit includes examination, on a test basis, evidence supporting the amounts and disclosure in the financial statement. Our audit also include assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.

5. 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 University has prepared Receipt and Payment Account, Income and Expenditure Account and Balance Sheet under Common Format of Accounts prescribed by the Government of India, Ministry of Finance; and
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by RGNAU as required under Section 31 (1) of the Rajiv Gandhi National Aviation University Act, 2013 in so far as it appears from our examination of such books.

(iv) We further report that:

II. Comments on the Accounts

A. Balance Sheet

A.1 Corpus/ Capital Fund and Liabilities: ₹75,14,54,023/-

The Ministry of Civil Aviation (Ministry) released ₹35.34 crore during 2013-14 and ₹42.40 crore during 2015-16 to Airport Authority of India for setting up of the RGNAU's infrastructure at Fursatganj, Amethi, Uttar Pradesh which was incurred but the same was not depicted in the first Balance Sheet of RGNAU. This has resulted in understatement of Balance Sheet (Corpus/Capital and Fund Work in Progress) of the RGNAU to the extent of ₹77.74 crore.

Comment on this was raised in SAR 2016-17, no corrective action has been taken by the RGNAU.

A.2 Current Liabilities and Provisions (Schedule 3) ₹3,52,85,943/-

RGNAU took up the matter with the Ministry in September 2017 for implementation of 7th CPC for its permanent employees and Ministry approved the same in June 2018. Accordingly, an Office Order for revision of pay under 7th CPC was passed by RGNAU in June 2018 itself and the arrear was released in August 2018. Though, liability towards pay arrear and corresponding employers' contributions was well known to RGNAU before the date of signing (on 18.09.2018) of Balance Sheet. But the required corresponding provisions of ₹10,47,627/- (₹9,67,249/- on account of pay arrear and ₹80,378/- towards employers' contributions in NPS) as on 31 March 2018 were not booked by RGNAU.

This has resulted in understatement of Establishment Expenses (Schedule 9) and deficit of RGNAU for the year ended 31 March 2018 by ₹10,47,627/- each. Also, this has resulted in understatement of Current Liabilities and Provisions (Schedule 3) by ₹10,47,627/- and overstatement of Reserves and Surplus (Capital Reserves- Schedule 2) by the same amount.

A.3 Assets ₹ 75,14,54,023/-

The RGNAU campus is being constructed on 26.35 acres of land but the value of the same has not been depicted in the financial statements under fixed assets resulting in its understatement by the cost/fair market value of land under fixed assets. Also, an amount of ₹0.61 lakh was incurred on payment of stamp duty and all other expenses relating to registration of lease documents, which should have been depicted under fixed assets. This has also resulted in understatement of land/fixed assets by ₹0.61 lakh.

The above issues were raised in SAR 2016-17, no corrective action has been taken by the RGNAU.

B. Income and Expenditure Account

Other Administrative Expenses (Schedule 10)	₹ 3,48,51,855/-
Interest on delayed TDS deduction	₹ 70,92,880/-

The above represents the provision for penal interest as on 31.03.2018 on account of late deduction of TDS on amount released to AAI during the period 2013-2017. RGNAU deposited the said penal interest on 24.04.2018 from the amount available for Grant in Aid. Out of total provision of ₹70,92,880/-, ₹25,52,880/- pertained to the financial year 2017-18 while the remaining ₹45,40,000/- pertained to the period before 2017-18. i.e. for the prior period. Hence, the amount of ₹45,40,000/- was required to be booked under 'Prior Period Expenses' instead of booking the total provision under current year.

This has resulted in overstatement of 'Interest on delayed TDS deduction' by ₹45,40,000/- and understatement of 'Prior Period Expenses' by the same amount.

C. Significant Accounting Policies

As per Accounting Standard -6, the depreciation method used for depreciation for assets should be disclosed in the financial statements alongwith the disclosure of other accounting policies. During, Audit it was noticed that depreciation on Office Equipment amounting to ₹3330/- has been provided by RGNAU during the year 2017-18 but the depreciation method/ rate adopted was not disclosed in Significant Accounting Policies of the RGNAU. Hence, the significant accounting policy of the RGNAU is deficient to this extent.

D. Notes to Accounts

The Notes to Accounts are deficient to the extent that it does not include the fact that as on 31.03.2018, employer contribution (RGNAU contribution) and employees' contribution towards New Pension Scheme (NPS) amounting to ₹2.99 lakh each was pending to be deposited since July 2016. The fact should have been disclosed in the notes to accounts of financial statements of RGNAU.

E. Grants in aid

RGNAU received grant-in-aid of ₹36.57 crore during 2017-18 from the Ministry of Civil Aviation. Out of total grants of ₹36.97 crore (opening balance of ₹0.40 crore plus ₹36.57 crore received during the year), ₹36.34 crore were utilised leaving a balance of ₹0.63 crore.

- (v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Account/ Receipt and Payment Account dealt with by this report are in agreement with the books of account.
- (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, subject to significant matters stated above and other matters mentioned in

Annexure to this Separate 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 Rajiv Gandhi National Aviation University as at 31 March 2018; and
- b) In so far as it relates Income & Expenditure Account of the deficit for the year ended on that date.

Dated : 06.08.2019

Place : New Delhi



(C. Nedunchezian)
Principal Director of Audit
Economic & Service Ministries

1. Adequacy of Internal Audit

The Internal Audit of RGNAU has been conducted for the year 2017-2018 by independent auditor.

2. System of physical verification of fixed assets

Physical verification has been conducted regularly as per GFR provisions and no discrepancies came to notice during audit.

3. Adequacy of Internal Control system

The University has got its internal audit completed through a CA firm appointed through C&AG. Further no such weakness of internal control came to notice during the audit of the University.

4. Regularity in payment of statutory dues

The University was regularly depositing all the statutory dues applicable to the University except the outstanding amount of employees' and employer's contribution to the NPS (from July 2016) which was deposited in the year 2018-19.

Dated : 06.08.2019

Place : New Delhi



(C. Nedunchezian)
Principal Director of Audit
Economic & Service Ministries