



SEPARATE AUDIT REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL

OF INDIA

ON ACCOUNTS OF

RAJIV GANDHI UNIVERSITY, RONO HILLS,

DOIMUKH

ARUNACHAL PRADESH



FOR THE YEAR ENDED

31 MARCH 2024

**Separate Audit Report on Accounts of
Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh,
for the year ending 31 March 2024**

We have audited the Balance Sheet of Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, as at 31 March 2024, and the Income & Expenditure Account/Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with Section 34(1) of the Rajiv Gandhi University Act, 2006. These Financial Statements are the responsibility of the Rajiv Gandhi University Management. Our responsibility is to express an opinion on these Financial Statements, based on our Audit.

2. This Separate Audit Report contains comments of the Comptroller and Auditor General of India (C&AG) on the accounting treatment only with regard to their classification, conformity with the best Accounting Practices, Accounting Standards, disclosure norms, etc. Audit Observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity), 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 as to whether the Financial Statements are free from material mis-statements. An Audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the Financial Statements. An Audit also includes assessing the Accounting Principles used and significant estimates made by 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 and Income & Expenditure Account/Receipts & Payments Account dealt with by this Report have been drawn up in the format approved by the Ministry of Human Resource Development, Government of India dated 17 April 2015.
- iii. In our opinion, proper Books of Accounts and other relevant records have been maintained by the Rajiv Gandhi University, as required under Section 34 of the Rajiv Gandhi University Act, 2006, in so far as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet

Application of Funds

1. Fixed Assets-Tangible Assets (Schedule-4A)

i) Buildings- ₹ 308.94 lakh

The above is overstated by ₹ 2.30 crore being advance paid (12.02.2024) to the Contractor for construction of Zoology Building. Capitalisation of advances paid for construction of Zoology Building has resulted in overstatement of *Fixed Assets* by ₹ 2.30 crore with corresponding understatement of *Loans, Advances and Deposits* by the same amount.

ii) Vehicles- ₹ 131.38 lakh

The above includes ₹ 41.31 lakh being the advance payment made during the period 2023-24 against procurement of light motor vehicles (3 nos.) and the entire amount reflected under Fixed Assets-Tangible Assets. Thus, capitalization of advance payment has resulted in overstatement of *Fixed Assets* and understatement of *Loans, Advances & Deposits (Schedule 8)* by ₹ 41.31 lakh.

iii) Computer & Peripherals- ₹ 390.20 lakh

The above includes ₹ 18.08 lakh being the revenue expenses capitalized under Computer & peripherals (₹ 16.37 lakh) and Audio visual equipment (₹ 1.71 lakh) respectively. Thus, capitalization of the above revenue expenses has resulted in overstatement of *Fixed Assets* by ₹ 18.08 lakh as well as overstatement of *Depreciation* by ₹ 1.70 lakh (*Computer & peripherals ₹1.64 lakh and Audio visual equipment ₹ 0.06 lakh*) and understatement of *Administrative and General expenses* by ₹ 18.08 lakh and understatement of *Surplus* by ₹1.70 lakh.

iv) Site Development- ₹ 102.02 lakh

The above includes ₹ 40 lakh being the advance payments made during the period 2023-24 against hire charges of tools and plants towards land development and the entire amount of reflected under Fixed Assets- Tangible Assets. Thus, capitalization of advance payment has resulted in understatement of *Loans, Advances & Deposits (Schedule 8)* and overstatement of *Fixed Assets* by ₹ 40 lakh.

2. Loans, Advances and Deposits (Schedule-8) - ₹ 4095.77 lakh

- i) The above does not include advances of ₹ 36.62 lakh made towards Lab chemical of ₹13.15 lakh, Conference & Seminar of ₹ 11.22 lakh and Celebration of important Days of ₹ 12.25 lakh. All these advances were booked as expenditure under Academic Expenses during the year. This has resulted in understatement of *Loans, Advances and Deposits* by ₹ 36.62 lakh with corresponding overstatement of *Expenditure* for the year by the same amount.
- ii) During the year 2020-21, payment of ₹ 66.30 lakh was made from Revenue Account of the Institute under expenditure head Academic Expenses towards Atal Community Innovation Centre (ACIC). However, the expenditure was refunded back to Revenue Account during 2023-24. Since the expenditure was shown under Academic Expenses in 2020-21, the refund amount should have been accounted as receipt under Academic Receipts instead of adjusting it under Loans & Advances.
Thus, adjusting the expenditure under Loans & Advances has resulted in understatement of *Loans, Advances and Deposits* by ₹ 66.30 lakh with corresponding understatement of *Income* for the year by the same amount.

B. Income and Expenditure Account

Income

1. Grants/ Subsidies (Schedule- 10) - ₹ 14525.32 lakh

The Institute directed the Bank to open Letter of Credit (LC) for procurement of instruments on 18.10.2023 and the bank accordingly created Fixed Deposit account for an amount of ₹ 85.80 lakh on 04.11.2023 and this LC amount was booked under Loans & Advances as per the accounts. The Bank encashed the LC amount on 07.02.2024 an amount of ₹ 86.69 lakh including interest amount of ₹ 0.89 lakh and the Institute has wrongly accounted this receipt under Grants & Subsidies instead of adjusting it from Loans & Advances.

This has resulted in overstatement of Grants/Subsidies by ₹ 86.69 lakh, Loans & Advances by ₹ 85.80 lakh and understatement of Interest by ₹ 0.89 lakh.

Expenditure

2. Depreciation (Schedule-4A) - ₹ 94.03lakh

The above includes ₹ 0.39 lakh (₹ 1.16 lakh - ₹ 0.77 lakh) being the excess depreciation charged on Fixed Assets (Tangible Assets) for the period 2023-24. The University had wrongly classified the fixed asset (*High Mast Tower*) as Furniture, fixture and fittings

instead of electrical installations & equipment and thereby had charged excess depreciation for the period 2023-24 which has resulted in overstatement of Depreciation by ₹ 0.39 lakh and understatement of Surplus as well as Fixed Assets by ₹ 0.39 lakh.

3. Academic Expenses (Schedule-16) - ₹ 1447.33 lakh

The above expenditure includes ₹65.81 lakh being 90 percent of advances paid (*on presentation of complete and clear shipping document*) to the firm (Rigaku Corporation) for procurement of X-Ray Diffractometer (XRD) for project under Chemistry Department. The advance payment made for equipment is of capital nature which should be capitalized once the equipment is installed and put to use. Thus, advance payment should have been booked under Loans & Advances to Supplier.

Wrong booking of advances paid as expenditure has resulted in overstatement of Expenditure for the year by ₹ 65.81 lakh with corresponding understatement of Loans & Advances during the year by the same amount.

C. Accounting Policies

1. As per Schedule 23.3 of the 'Significant Accounting Policies', depreciation is being calculated on Straight Line Method (SLM) and depreciation is provided for half year on addition during the year. The University is following SLM of depreciation from the current year (2023-24). The depreciation as per MHRD format however is to be provided for the whole year on additions during the year. Hence, the University is required to follow MHRD format, recalculate depreciation for the previous years and make appropriate entries in the books of accounts. Similar comment was issued in previous years also, however, no corrective action has been taken in this regard.

D. General

1. The University had not accounted ₹ 455.50 lakh under Current Assets (Schedule- 7) being the balance amount of 3 nos. bank accounts (*Punjab & Sind Bank A/c No. 2410 - ₹ 23.11 lakh; Bank of Maharashtra A/c No. 0676 - ₹ 224.69 lakh (₹ 228.91 lakh - ₹ 4.22 lakh) and A/c No. 1296 - ₹ 207.70 lakh*) as on 31 March 2024. The University is required to book these amounts under appropriate heads in the accounts.
2. The University had not disclosed 3 nos. bank accounts (*Current Accounts with Canara Bank*) in the Annual Accounts for the period 2023-24. The University is required to book these amounts under appropriate heads in the accounts.

3. The provision for liability towards retirement benefits was not provided on actuarial basis as per Accounting Standard-15. Similar comment was issued in previous years also, however, no corrective action has been taken in this regard.
4. It was observed that many sub schedules were not as per the approved format eg. sponsored projects, assets, grants, employees terminal and retirement benefits, etc. in the books of accounts. The balances of the sub-schedules should be depicted in main Schedules. Further, as per the MHRD format, the grant figures shown in Schedule 10, Schedule 3 and Schedule 3(c) should reconcile. However, it was observed that unutilized grant figures under Schedule-3, 3(c) and Schedule -10, did not tally with each other. This needs reconciliation by the University. The University is required to correct the above in the books of accounts. Similar comment was issued in previous years also, however, no corrective action has been taken in this regard.
5. The University was given HEFA loan amounting to ₹ 66.59 crore for infrastructure development. However, the same was not reflected under current liabilities and the University is required to do the necessary entries pertaining to HEFA loan in the books of accounts.

E. Grants-in-Aid

Out of the total available funds of ₹ 189.37 crore, which included opening balance of ₹41.62 crore, Grants-in-aid of ₹ 145.25 crore received during the year and interest earned/misc receipts of ₹ 2.49 crore, the University had spent ₹152.32 crore on revenue/ capital expenditure and ₹ 9.81 crore were pulled back/transferred, leaving a balance of ₹ 27.24 crore as on 31st March 2024.

- v. Subject to our Observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account/Receipts& 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 explanations given to us, the said Financial Statements, subject to the significant matters stated above and other matters mentioned in the Annexure to this Audit Report, give a true and fair view in conformity with Accounting Principles generally accepted in India.

a. In so far as it relates to the Balance Sheet, of the state of affairs of the Rajiv Gandhi University as at 31st March 2024; and

- b. *In so far as it relates to Income and Expenditure Account of the surplus for the year ended on that date.*

for and on behalf of the C&AG of India



**Pr. Accountant General
Arunachal Pradesh**

Place: **Itanagar**

Dated: **19th May 2025**

Annexure

1. Internal Audit

The University has an internal audit wing attached with the Finance branch and all the expenditure proposals from various department/sections are examined/scrutinized before it is being approved by the competent authority. However, no internal audit was conducted during the financial year 2023-24.

2. Internal Control Mechanism

The Internal control system of the University is found to be inadequate due to the following reasons:

- i) The University did not have any Internal Audit Manual and no internal audit has been conducted.
- ii) The University has a sanctioned post for Internal Audit Officer, however, no one has been appointed.

3. Physical verification of Fixed Assets and Inventory

The University had not conducted physical verification of fixed assets, inventories/stores for the period 2023-24. As such, the status of the fixed assets as on 31st March 2024 could not be ascertained in audit.

4. Payment of Statutory Dues

The University was regular in payment of Statutory Dues.

for and on behalf of the C&AG of India



**Pr. Accountant General
Arunachal Pradesh**

Place: **Itanagar**

Dated: **19th May 2025**