फ़ाइल संख्या -14015/1/2020-बजट एनएमसीजी

भारत सरकार

जल शक्ति मंत्रालय

जल संसाधन, नदी विकास और गंगा संरक्षण विभाग

राष्ट्रीय स्वच्छ गंगा मिशन

प्रथम तल,
मेजर ध्यानचंद नेशनल स्टेडियम,
नई दिल्ली-110002
दिनांक:- 30 जुलाई 2024

सेवा में,

परियोजना निदेशक, राज्य स्वच्छ गंगा मिशन (एसएमसीजी) - उत्तराखंड, उत्तर प्रदेश, बिहार, झारखंड और पश्चिम बंगाल

विषय: राष्ट्रीय स्वच्छ गंगा मिशन (एनएमसीजी) की लेखापरीक्षा (ऑडिट) और बजट समीक्षा समिति (Audit and Budget Review Committee) **की 24वीं बैठक के कार्यवृत्त के संबंध में।**

राष्ट्रीय स्वच्छ गंगा मिशन (एनएमसीजी) की ऑडिट समीक्षा समिति और बजट समीक्षा समिति की 24वीं बैठक 12 जुलाई 2024 को सुबह 11:00 बजे आयोजित की गयी थी ।

2. एसएमसीजी से अनुरोध है, कि वे 9 अगस्त 2024 तक कार्यवृत्त के पैरा 31 में उल्लिखित निर्णयों पर की गई कार्रवाई (Action taken note) एनएमसीजी को प्रस्तुत करें ।

संलग्नक:- ऊपरोक्त अनुसार।

दासगुप्ता

(भास्कर दाशगुप्ता)
कार्यकारी निदेशक (वित्त)
दूरभाष. 011-23049442

प्रतिलिपि : सूचना एवं आवश्यक कार्रवाई हेतु कार्यवृत्त की प्रति सहित:-

1. उप महानिदेशक, एनएमसीजी
2. कार्यकारी निदेशक (प्रशासन), एनएमसीजी
3. कार्यकारी निदेशक (परियोजना), एनएमसीजी
4. कार्यकारी निदेशक (तकनीकी), एनएमसीजी
5. परामर्शदाता, एनएमसीजी

सूचनार्थ हेतु प्रेषित

निजी सचिव, महानिदेशक, एनएमसीजी

Minutes of the 24th Joint meeting of the Audit Review Committee (ARC) and the Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on 12th July, 2024 at NMCG office, New Delhi.

The 24th Joint meeting of the Audit Review Committee (ARC) and the Budget Review Committee (BRC) of the National Mission for Clean Ganga (NMCG) was held at 11:00 AM on 12th July 2024 in NMCG office New Delhi under the Chair of Director General, NMCG. A list of participants is at Annex I.

2. At the outset, Executive Director (Finance), NMCG welcomed DG and all the participants from NMCG and State Missions for Clean Ganga (SMCGs).

3. Thereafter, ED(F), with permission of the Chair, made a detailed presentation on Agenda items. A copy of the Presentation is attached as Annex II.

I. Issues related to the Budget Review Committee

Review of Q-1 expenditure

4. ED (F) apprised the Committee that the total budget for the current FY (2024-25) is Rs. 3500 crores, of which Rs. 154.30 crore have been reappropriated for the Flood Management and Border Areas Programme (FM&BAP). The revised budget after this adjustment is Rs. 3345.70 crore. Out of that, NMCG has so far drawn a limit of Rs. 800 crore and Rs. 319.11 crore have been allocated till the end of the first quarter.

5. ED(F) informed the Committee that a total limit of Rs. 226.47 crore has been assigned to SMCGs so far, out of which Rs. 94.74 crore have been spent by the SMCGs. He stated that Q-1 limits have been assigned to SMCGs after thorough examination of fund demand by proponent units of NMCG.

6. DG, NMCG observed that the pace of expenditure so far is extremely slow. For a more meaningful review of expenditure, information is required project-wise, both for projects under

construction and in O&M phase. ED (F) stated that while the information has not been compiled project-wise, this will be done immediately after this meeting and submitted for perusal of DG. Further, from the next meeting information will be compiled as directed by the DG. ED (F) also stated that from a perusal of MPRs, it is observed that there are a number of projects, for which no expenditure has been booked over the last few months. ED (P) informed that the physical/financial progress of projects State-wise is being monitored regularly through monthly reviews. From now on, ED(F) may also be invited to the said meetings.

7. DG asked SMCG- UP to clarify the reasons for slow expenditure progress. SMCG – UP stated that Rs. 15.16 crore have been spent on 6 projects at Jaunpur, Kasganj, Varanasi, Bareilly, Salori and Agra. On a query on non-booking of expenditure on remaining projects, it was stated that Q-1 funds were received in mid-June. Payment amounting to Rs. 25.00 crores are under process.

8. ED (F) submitted that for release of funds in the first quarter; GFR requires furnishing of provisional UCs of last year. This was received from the SMCG –UP on 14 June 2024. Besides, SMCG-UP has balance of Rs. 23.58 crore from last FY which is also required to be expended. Representative of SMCG-UP informed that the balance amount from last year has already been spent by executing agencies and SMCG-UP is in the process of collecting UCs from them.

9. DG-NMCG observed that a slightly flexible approach in release of funds during Q-1 may be advisable, particularly because under the Treasury Single Account system no unspent balance can be carried forward. Any adjustments, if required, may be made in subsequent quarters.

10. ED (F) submitted that Bihar is also a crucial State from the perspective of expenditure planning. More than Rs. 100 crore have been assigned to SMCG-Bihar. They have spent at a decent pace, utilizing Rs. 60.78 crore so far. SMCG Bihar informed that about Rs. 25.00 crore are in pipeline for payment.

11. SMCG Jharkhand and West Bengal assured that they will expend the unspent amount of Q-1 in the second quarter. On a query on the status of the Dhanbad Project, it was informed that evaluation of financial bid is at an advanced stage, and the evaluation report will be submitted to the NMCG by the next week. DG,NMCG emphasized that Dhanbad is a critical project and SMCG Jharkhand should make all efforts not only to award the project at the earliest, but also achieve significant physical and financial progress during the current year. ED(Project) assured that the project will be closely monitored.

12. DG, NMCG pointed out that it should not be difficult to monitor projects based on the number of bills received. The O&M bills are generally raised quarterly, and SMCGs have a good idea of the number of bills expected from an under construction project. Therefore, if bills are not being received as per the expected frequency, it would indicate that either the progress of work is not according to plan or the bills are not being submitted by the executing agencies in time.

Annual Expenditure Plan

13. DG, NMCG directed each SMCG to prepare an Annual Expenditure Plan for FY 2024-25, showing project-wise expected expenditure. He directed that the expenditures may be projected in three categories: (i) projects in construction phase, (ii) commissioned projects under O&M and (iii) projects under tendering. It was decided that the Annual Expenditure Plan will be submitted by each SMCG by 31 July 2024. He also directed Media & Communication, Artha Ganga, Technical, Biodiversity and Admin Units to prepare similar Annual Plans.

Quarter 2 Fund requirements

14. Going forward, ED(F) informed that the assessed fund demand for Q-2 by SMCGs is Rs. 186.35 crore. DG,NMCG expressed concern over low demand for funds by SMCGs. SMCG Uttar Pradesh stated that they have projected a requirement of Rs. 11.41 crore for DPOs salary and IEC activities. No fund demand for projects has been received from the executing agency. As soon as

demand is received, the same will be sought from the NMCG. Chief Engineer (Ganga), UP Jal Nigam stated that in Q-1 they had received Rs. 46.00 crore for STP projects of which Rs. 15.00 crore has been expended so far. The balance will be spent in Q-2.

15. DG enquired from SMCG West Bengal as to why no fund requirements have been projected for Q-2. It was informed that only 4 DBOT projects are under capex in West Bengal. Major projects (Howrah-Bally Baranagar, Maheshtala, Garden Reach) are HAM projects. Therefore, no fund is required during the second quarter.

16. ED(F) apprised the committee that the projected demand for Q-2 is Rs. 990.15 crore, including assessed requirements from the SMCGS, projects under tendering, variation proposals, HAM projects, as well as the assessed requirements for CETP, CPCB, Biodiversity, R&D, Communication and Admin activities. The variation proposals are subject to approval of the Executive Committee.

Assessed requirements for FY 2024-25

17. ED (F) stated that the expenditure projections based on MPRs suggest that Rs. 671.94 crores will be required for DBOT projects during the next 3 quarters. The Project Division has indicated a requirement of Rs. 760.18 crores for HAM projects. Total requirements for the next 3 quarters are estimated to be Rs. 2178.12 crore including afforestation projects, Artha Ganga, R&D projects etc. with Rs. 320.00 crore disbursed during the Q-1, total expenditure projection for FY 2024-25 is about Rs. 2500 crore. The Committee was also informed that as per the inputs from the Procurement Wing, 16 projects are expected to be awarded during next 3-4 months. ED(P) stated that Rs. 200.00 crore may be required for projects related to Maha Khumbh at Prayagraj in the current FY, and this amount may also be factored into the assessed requirements.

18. DG, NMCG directed ED(P) and ED(F) to jointly review expenditure progress project-wise. ED(P) stated that he has started a monthly review of projects with each SMCG; to which ED(F) will

also be invited. DG also directed ED(F) to review the 16 under tendering projects expected to awarded shortly.

Utilization Certificates and unspent balance

19. ED (F) informed the Committee that Utilization Certificates (UC) for Q-4 have been received from all SMCGs. UCs have been received from CPCBs too, but they require reconciliation. NMCG and CPCB Finance teams will sit together right after this meeting.

20. Elaborating the significant reduction in the pending UCs, ED (F) stated that pending UCs for Rs. 2800 crore reported by C&AG in October 2022 have been liquidated except for Rs. 133.24 crore, of which UCs for Rs. 131.00 crore are pending from the DoDWS. Old UCs pending from agencies other than DoDWS is merely Rs. 2.24 crore. This includes Rs. 1.00 crore rolling advance given to DAVP {now Bureau of Outreach & Communication, (BOC)} long back. ED (F) requested DDG,NMCG to pursue this matter with the BOC.

<u>II. Issues Related to Audit Review Committee</u>

Annual Accounts of NMCG

21. ED(F) informed the Committee that NMCG has been adhering to all timelines for the past two years. The Annual Accounts for FY 2022-23 were laid in the Parliament on 18/19 Dec 2023. Annual Accounts for FY 2023-24 were submitted to the C&AG on 24th June 2024, i.e., within the deadline of 30 June. Audit by C&AG commenced on 01 July 2024. Once the draft report is received, Audit observations, along with NMCG's comments, will be submitted.

Reconciliation of Accounts

22. ED (F) informed that reconciliation with SMCGs has been concluded, with closing balance in the books of the SMCGs (as on 31.03.2024) matching with NMCG's books; although few minor accounting issues still require resolution. Thereafter, reconciliation has been completed with CPCB (up to FY 2022-23), as well as with State Forest Departments (SFDs) of Ganga main stem States, except

Bihar. Total UCs pending with SFDs of Uttarakhand, Uttar Pradesh, Jharkhand & West Bengal are Rs. 5.40 crore as on 31.03.2024, much lower than Rs. 20.69 crore as on 31.03.2023. UCs pending from SFD-Bihar is Rs. 11.61 crore as per NMCG's books, which needs reconciliation. Reconciliation will now be taken up with 5 CPSUs (WAPCOS, EIL, NBCC, NPCC, EPIL).

Tax Audit

23. ED (F) stated that NMCG is registered under Section 12 A of the Income Tax Act, 1961; which requires NMCG's Accounts to be Audited by a CA firm for the limited purpose of filing Return of Income (RoI). The selection of a Tax Auditor for FY 2023-24 is at an advanced stage and a new Auditor will be on-board by end July. The audit will take 2 weeks (10 working days). The Return filing deadline is 30 September, which will be complied by the NMCG.

NMCG's Registration under Section 10 (46) of IT Act

24. During the last meeting of the ARC, it was reported that on 26 March 2024 the IT Department has notified the NMCG under Section 10(46) of the IT Act; but the notification is deemed to be applicable to FY 2020-21, 2021-22 & 2022-23; years for which NMCG has already filed 'Return of Income'. Therefore, it was decided in the last ARC meeting that the NMCG would request for an extension of applicability of the notification. ED(F) apprised the Committee that NMCG has submitted the said application to the Income Tax Department on 31 May 2024. If extended, the requirement of an Audit by a CA firm for the limited purpose of filing the RoI may be dispensed with.

Internal Audit

25. Explaining the importance of internal audit, ED (F) stated that the Internal Audit informs the management about the adequacy of internal controls and suggests measures to improve them. NGRBA framework mandates quarterly internal audits of both NMCG and SMCGs. The C&AG and the PAC had highlighted irregular schedules and backlog in internal audits. From FY 2023-24, internal audit is done by an agency centrally engaged by the NMCG, thereby

ensuring a coordinated schedule for NMCG and all SMCGs. ED(F) informed that internal audits of NMCG, and SMCGs of Jharkhand, Bihar & West Bengal for all quarters of last FY have been completed. Q-4 audit of SMCGs of Uttarakhand and Uttar Pradesh are underway and expected to be completed by 20 July. Recommendations in Audit Reports for Q-3 & Q-4, along with action taken thereon will be presented in the next ARC.

ARC/BRC Meetings by SMCGs

26. ED(F) stated that the SMCGs are still not conducting their ARC/BRC meetings regularly. SMCGs of Bihar and Jharkhand have not conducted any meeting in last two years. In Uttar Pradesh no meeting has been held during last one and half years. Uttarakhand & West Bengal are conducting meetings intermittently. West Bengal has scheduled an ARC meeting on 15 July. Uttarakhand is also planning a meeting shortly. DG expressed concerns about non holding of ARC/BRC meetings by SMCGs of Bihar and Jharkhand. All SMCGs were requested to convene ARC/BRC meetings regularly and to review recommendations in Internal Audit Reports and remedial actions

Audit of World Bank Funded Projects for FY 2023-24

27. The Committee was informed that the Audit Reports for expenditures incurred under World Bank-assisted projects during a financial year become due by the 31 December of the following year. A 4-month grace period is allowed, but if the Reports are not submitted even within the grace period, disbursement to the agency may be suspended. Audit Report from Bihar was slightly delayed last year and submitted on 2 May 2024, 2 days beyond grace period. ED (F) further stated that to streamline the process, a detailed advisory has been issued by NMCG on 11 June, 2024. SMCGs have been advised to share Statement of Expenditure (SoE) with respective State AG by 30 June.

28. Providing an update on the current status, ED(F) informed the Committee that the NMCG has submitted its Statement of Expenditure (SoE) to C&AG on 11 July 2024. The Audit of SMCG Uttarakhand has been completed, and certificate issued by State AG

on 25 June 2024. SMCG Uttar Pradesh has also shared their SoE with State AG and Audit Team will be deputed shortly. SMCGs of Bihar and Jharkhand will submit SoE to their respective State AG shortly.

29. SMCG West Bengal flagged a query received from the State AG: the loan agreement for SNGRBP mandates audit of "State Mission for Clean Ganga"; but the NGRBA Framework, as well as the loan agreement for NGRBP use the term "State Programme Management Group". State AG has sought clarifications in this regard. Comments/ inputs of World Bank have been requested. DDG advised that SPMG Uttarakhand has recently changed their name from "SPMG- Uttarakhand" to "SMCG-Uttarakhand". SPMG – West Bengal can also explore similar option.

30. Finally, ED(F) also summarized action taken on the decisions taken in the last (23rd meeting) of the ARC. It was noted that most action points were already covered during the course of the presentation. ED(F) also advised SMCGs and all concerned to initiate necessary actions on the decisions taken in the present ARC/ BRC meeting without waiting for circulation of minutes.

31. Following are the key decisions taken in the meeting:

(i) SMCGs and proponent units in NMCG to prepare and submit Annual Expenditure Plan by end of July 2024. The Annual Plan will indicate sanctioned & awarded capex and O&M costs, expenditure incurred so far, current status of physical and financial progress as well as physical and financial target for the current year.

[Action: All SMCGs/ EDs]

(ii) SMCGs to monitor number and frequency of bills received from executing agencies project-wise, both for under construction and projects on O&M. Such monitoring should be an integral part of the review of progress of projects.

[Action: All SMCGs]

(iii) SMCG Jharkhand to expedite the evaluation of financial bids for Jharkhand Project, and subsequent financial closure.

[**Action: SMCG Jharkhand**]

(iv) ED(P) and ED(F) to jointly undertake monthly review of physical and financial progress of projects State-wise.

[**Action: ED(P) and ED(F)**]

(v) ED(F) to regularly review under tendering projects expected to be awarded in the next 3 months.

[**Action: ED(F) and Procurement Team**]

(vi) Old pending UC against rolling advance to the Bureau of Outreach & Communication (formerly DAVP) to be pursued.

[**Action: DDG**]

(vii) Reconciliation of Accounts to be taken up with SFD-Bihar and 5 CPSUs.

[**Action: ED(F)**]

(viii) SPMG-West Bengal to take action to change their name to SMCG – West Bengal.

[**Action: SMCG-WB**]

The meeting concluded with a vote of thanks to all participants.

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Annex I

List of Participants present in the 24th Joint meeting of the Audit Review Committee (ARC) and Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on Friday, 12 July 2024 at NMCG, New Delhi.

List of Participants

1. Shri Rajeev Mital, Director General, NMCG----- In Chair
2. Shri Nalin Kumar Srivastava, Deputy Director General
3. Shri S.P. Vashisth, Executive Director (Administration), NMCG
4. Shri Brijendra Swaroop, Executive Director (Project), NMCG
5. Shri Bhaskar Dasgupta, Executive Director (Finance), NMCG
6. Shri Dheeraj Joshi, Deputy Secretary, NMCG
7. Shri Subrata K. Basu, Senior Consultant (Finance), NMCG
8. Shri Rajendra Bharti, Consultant (Finance), NMCG
9. Shri Harish Shishodia, Consultant (Finance), NMCG
10. Mr. Achyut Pathak, Project Assistant, Clean Ganga Fund
11. Ms. Neema Joshi, Institutional Associate, NMCG
12. Ms. Jigyasa Sharma, CA (Consultant)
13. Ms. Hema Patel, Project Officer (Technical), NMCG
14. Ms. Anu Chetal, Scientist - B, NMCG
15. Shri Shivpratap Raghuvanshi, Scientist- D, NMCG
16. Shri Utpal Kapoor, Financial Management Specialist, CPCB
17. Shri Shasikant Mishra, Accounts Assistant, CPCB

Through video conferencing:

18. Shri Ratnesh Kumar Singh, Director Finance, SMCG Uttar Pradesh
19. Shri Sandeep Kumar, Chief Engineer (Ganga), UP Jal Nigam
20. Shri Ranjan Kumar Jana, Director (Finance), SMCG West Bengal
21. Shri Pradeep Bhatt, Sr. Financial Management Specialist, SMCG Uttarakhand

22. Ms. Priya Agarwal, Sr. Financial Management Specialist, SMCG Uttar Pradesh

23. Shri Jai Prakash Agarwal, Sr. Financial Management Specialist, SMCG Bihar

24. Shri Bibhuti Kumar, MIS/ GIS Specialist, SMCG Jharkhand

25. Shri Sharvan Prasad Gupta, Accountant, SMCG Jharkhand

National Mission for Clean Ganga

24th Joint Meeting
Budget and Audit Review Committees

Friday, July 12, 2024
Time: 11:00 AM

- **Budget Review Committee**
- **Audit Review Committee**
- **Action taken on the decisions taken in the 23rd Meeting**

<u>24^{th} Meeting of the Budget Review Committee</u>

Agenda

- Expenditure Review for Q-1 of FY 2024-25.
- Expenditure Plan for Q-2 of FY 2024-25.
- Annual Plan for FY 2024-25.
- Status of pending Utilization Certificates.

Budget & Utilization - FY 2024-25

Rs. in Crore

	EAP	Non-EAP	Total
Budget Provision	1000.00	2500.00	3500.00
Re-Appropriation to FM&BAP	0.00	154.30	154.30
Revised Budget Provision	**1000.00**	**2345.70**	**3345.70**
Allocated Vote on Account Limit 2024-25 5/12 of BE	416.67	1041.67	1458.34
Assignment Limit drawn by NMCG	250.00	550.00	800.00
Assignment Limit allocated in Q-1	45.30	273.81	319.11
Drawn limit yet not utilized	204.7	276.19	480.89
Undrawn limit from BE	750	1795.7	2545.7
Limit to be utilized Q-2 to Q-4	**954.7**	**2071.89**	**3026.59**

Q-1 Expenditure by SMCGs

Rs. in crore

SMCG	Limit assigned by NMCG			Expenditure		
	EAP	Non-EAP	Total	EAP	Non-EAP	Total
Uttarakhand	0.99	1.84	2.83	0.44	0.09	0.53
Uttar Pradesh	0.61	60.5	61.11	0.28	14.88	15.16
Bihar	41.85	59.79	101.64	41.06	19.72	60.78
Jharkhand	0.25	27.03	27.28	0.04	0.07	0.11
West Bengal	1.60	32.01	33.61	0.23	17.93	18.16
Total	**45.30**	**181.17**	**226.47**	**42.01**	**52.69**	**94.74**

Expected Fund Demand for Q-2 from SMCGs

Rs. in crore

SMCG	Fund Requirement		
	EAP	Non-EAP	Total
Uttarakhand	0.10	4.90	5.00
Uttar Pradesh	10.21	1.20	11.41
Bihar	77.83	90.58	168.41
Jharkhand	0.00	1.53	1.53
West Bengal	0.00	0.00	0.00
Total	**88.14**	**98.21**	**186.35**

Assessed requirement for Q-2

Rs. in crore

	EAP	Non-EAP	Total
SMCGs	88.14	98.21	186.35
MP-UDD		20.00	20.00
Projects under tendering		60.00	60.00
Variation proposals		240,00	240.00
HAM Projects	191.24	144.56	335.80
Jajmau		80.00	80.00
GTF		9.00	9.00
Administration		9.00	9.00
R&D/Biodiversity/CPCB		50.00	50.00
Total	**279.38**	**710.77**	**990.15**

Expenditure Progress : Comparison with last year

(Rs. in crore)

	2023-24		2024-25	
	Amount drawn	**Amount disbursed**	**Amount drawn**	**Amount disbursed**
Q-1	1,180.00	605.71	800.00	319.62
Q-2	501.93	503.99	500.00*	990.15*
Q-3	450.00	820.87		
Q-4	268.07	469.43		
Total	**2400.00**	**2400.00**	**1300.00**	**1309.77**

* Based on expenditure projections for Q-2

Annual Expenditure Plans FY- 2024-25 (1/3)

Rs. in crore

1.	Estimated expenditure DBOT Projects	671.94
1.1	Estimated O&M expenses for completed DBOT projects (106)	162.12
1.2	Estimated expenditure Ongoing DBOT (33)	509.82
2	HAM Projects Requirements (Q-2 -Q-4)	760.18
2.1	Projected O&M period expenses (O&M + capex annuity + interests)	286.60
2.2	Projected Capex	473.58

Annual & Expenditure Plans FY- 2024-25 (2/3)

Rs. in crore

3	Jajmau CETP	80.00
4	Variation proposals (Muger: 115, Karmalichak: 100 subject to EC approval) (Rs. 25 crore approved in 55th EC)	240.00
5	Projects under Tendering	60.00
6	Admin expenses	55.00
7	Media & Communication	15.00
8	CPCB	45.00
9	State Forest Departments	35.00
10	Bioremediation (CIFRI + WII + others)	33.00

Annual & Expenditure Plans FY- 2024-25 (3/3)

Rs. in crore

11	NIUA	2.00
12	Project Engineer Fees	15.00
13	Artha Ganga	7.00
14	Madhya Pradesh UDD	20.00
15	GTF	36.00
16	IT/ Fixed Assets	3.00
17	R&D Projects	100.00
Total Projected requirements		**2178.12**

Status of Utilization Certificates

Agency	Last UC received
Uttarakhand	Q-4 (EAP & Non EAP)
Uttar Pradesh	Q-4 (EAP & Non EAP)
Bihar	Q-4 (EAP & Non EAP)
Jharkhand	Q-4 (EAP & Non EAP)
West Bengal	Q-4 (EAP & Non EAP)

Agency	Last UC received
CPCB	Q-4 (EAP & Non EAP)
Delhi Jal Board	Q-1 (EAP) (last FY)
Forest Deptt. Jharkhand	Q-3 (Non-EAP)
Forest Deptt. Uttarakhand	Q-4 (Non-EAP)
Forest Department, Bihar	Q-3 (Non-EAP)
Forest Deptt West Bengal	Q-1 (Non-EAP) (last FY)

- UC for 4th quarter (last FY) received from all SMCGs & Forest Deptt. Uttarakhand.
- Forest Department of West Bengal and Delhi Jal Board yet to submit UC beyond Q-1 of last FY.
- UC for Q-1 (current FY) received from CPCB not in order.
- GFRs (Rule 238-2) require submission of UCs for previous year before release of grants in a particular year.
- PUs are requested to pursue submission of UCs with Agencies yet to furnish Q-4 UC.

Reduction in pending Utilization Certificates (UCs)

- Against grants-in-aid released up to 31.03.2022, outstanding UCs have been brought down to Rs. 133.24 crore (as on 30.06.2024), from Rs. 2800 crore reported by C&AG in October 2022.
- Outstanding UCs up to 31.03.2022 almost entirely comprises Rs. 131.00 crore pending from DoDWS for grants released to State Sanitation Missions.
- UCs pending from DoDWS have been reduced to Rs. 131 crore from Rs. 270 crore reported to ETF on 22.04.2023.
- Against grants released during FY 2022-23, UCs amounting to Rs. 13.22 crore are pending, of which Rs. 10.95 crore are from CPCB.
- For grants released during FY 2023-24, outstanding UCs are Rs. 222.05 crore.

SMCG – Uttarakhand: Rs. 87.97 crore
SMCG – UP: Rs. 23.58 crore
SMCG- Bihar: Rs. 26.65 crore

CPCB: Rs. 32.78 crore
SFD - Bihar : Rs. 11.61 crore
Banthar CETP: Rs. 15 Crore

- Total UCs amounting to Rs. 368.51 crore are pending (as on 30.06.2024) against cumulative grants-in-aid of more than Rs. 17,000 crore released by the NMCG since FY 2011-12.

List of Pending UCs (as on 30.06.2024)

Rs. in Crore

Name of Agency	UCs Pending upto 31.03.2022	UCs Pending for Grants Released in FY 2022-23	UCs Pending for Grants Released in FY 2023-24	Total
UP State Waste & Sanitation Mission	60.4	-	-	60.4
West Bengal State Rural Development Agency	40.17	-	-	40.17
Bihar Rural Livelihoods Promotion Society	21.7	-	-	21.7
Uttarakhand Swachh Bharat Mission	6.41	-	-	6.41
Jharkhand Swachh Bharat Mission	2.32	-	-	2.32
Haryana Public Health Deptt.	1.13	-	-	1.13
D.A.V.P	1.00	-	-	1.00
Forest Department (Jharkhand)	-	0.91	1.33	2.24
Forest Department (Uttarakhand)	-	0.07	-	0.07
Hariyali Mission (Bihar)	-	-	11.61	11.61
Forest Deptt (West Bengal)			0.79	0.79
Forest Department (Uttar Pradesh)	-	-	7.99	7.99

Name of Agency	UCs Pending upto 31.03.2022	UCs Pending for Grants Released in FY 2022-23	UCs Pending for Grants Released in FY 2023-24	Total
SPMG Uttarakhand	-	-	87.97	87.97
SPMG Bihar	-	-	26.65	26.65
SPMG Uttar Pradesh	-	-	23.58	23.58
SPMG West Bengal	-	-	0.01	0.01
SPMG Jharkhand	-	-	0.46	0.46
Central Pollution Control Board	-	10.95	32.78	43.73
Banthar Industrial Pollution Control Company	-	-	15.00	15.00
Delhi Jal Board	-	-	2.90	2.90
NBCC	-	-	2.38	2.38
Ayodhya Development Authority	-	-	1.45	1.45
Wapcos Limited	-	-	1.12	1.12
Other Agencies	0.11	1.29	6.03	7.43
Total	**133.24**	**13.22**	**222.05**	**368.51**

Status of UCs pending from DoDWS

- Discussed in the ETF meeting held on 20.04.2023. Hon'ble Minister directed to liquidate UCs within 2 months.
- DG, NMCG wrote to Secretary, DoDWS on 24.04.2023. Secretary, DoDWS wrote to the Chief Secretaries of 5 states on 10.08.2023.
- Updated UCs since received from all States except Bihar.
- Total UCs pending from the 5 States have come down by Rs. 139.17 crore
- **Two DO reminders sent to Secretary (DoDWS) from DG since last ARC/BRC meeting, but no change in position.**

	Status reported in the last ETF meeting held on 22.04.2023				Status as on 30.06.2024				
State	Grants Released	Int. etc.	Latest UC Received	Balance UCs	Latest UC Received	Utilization Reported (A)	Int. Earned (B)	Net Reduction(A-B)	Balance UCs
Uttar Pradesh	408.35	54.78	2021-22	114.46	2022-23	56.91	2.85	54.06	60.40
Uttarakhand	23.76	2.38	2017-18	8.70	2022-23	3.19	0.9	2.29	6.41
West Bengal	236.3	18.5	2020-21	117.50	2023-24	98.32	20.98	77.34	40.16
Jharkhand	27.8	0.25	2018-19	7.79	2023-24	6.13	0.65	5.48	2.31
Bihar	256.7	27.9	2021-22	21.70	2021-22	-	-	-	21.70
Total				**270.15**		**164.55**	**25.38**	**139.17**	**130.98**

24th Meeting of the Audit Review Committee

- Update on Annual Accounts of NMCG for FY 2023-24.
- Tax Audit of NMCG for FY 2023-24.
- Status of Internal Audit of NMCG and SMCGs.
- Status of Certification Audit of World Bank assisted projects.
- Reconciliation of accounts of State Forest Departments of 5 Ganga basin states.
- Audit of SMCGs by State Accountant Generals.
- Application of extension of notification u/s 10(46) of IT Act, 1961.

Annual Accounts : FY 2023-24

- All GFR mandated timelines for C&AG Audit adhered to during last 2 years.
- Annual Accounts for FY 2022-23 laid in Parliament on 18/19 Dec 2023.
- Annual Accounts for FY 2023-24 submitted to C&AG on 24^{th} June 2024 (within the deadline of 30 June).
- Audit by C&AG commenced on 01 July 2024; currently ongoing.

Next Steps:

- Draft Audit Report from C&AG.
- Comments by NMCG on draft report.
- Final Audit Report from C&AG.
- Action Taken Note on Audit Observations.
- Submission of Annual Accounts & Audit Report to the ETF.
- Laying of Audited Accounts in the Parliament (by 31^{st} December).

Reconciliation Exercise

- Reconciliation with SMCGs has been concluded, with closing balance in the books of the SMCGs (as on 31.03.2024) matching NMCG's books. Few minor accounting issues require resolution.
- Thereafter, reconciliation has been completed with CPCB.
- Reconciliation also completed with State Forest Departments (SFDs) of Ganga main stem States, except Bihar.
- Total UCs pending with SFDs of Uttarakhand, Uttar Pradesh, Jharkhand & West Bengal are Rs. 5.40 crore as on 31.03.2024 (much lower than Rs. 20.69 crore as on 31.03.2023).
- UCs pending from SFD-Bihar is Rs. 11.61 crore as per NMCG's books, which needs reconciliation.
- Reconciliation will now be taken up with 5 CPSUs (WAPCOS, EIL, NBCC, NPCC, EPIL).

Tax Audit of NMCG

- NMCG is registered under Section 12 A of IT Act, which requires NMCG's Accounts also to be Audited by a CA firm for the limited purpose of filing RoI.
- Selection of a Tax Auditor for FY 2023-24 at an advanced stage – new Auditor will be on-board by end July.
- Audit Takes 2 weeks (10 working days).
- Return filing deadline: 30 September, which will be complied.

Registration under Section 10 (46) of IT Act

- C&AG, NMCG's statutory Auditor, had objected to dual Audit (i.e. Audit of NMCG's Accounts by a CA Firm in addition to C&AG Audit).
- NMCG had applied for registration under Section 10(46) of IT Act, which is available only to Govt. Agencies.
- It would also dispense with the requirement of CA Audit.
- Finally on 26.03.2024, IT Department notified NMCG under Section 10(46) of the IT Act.
- But the notification is deemed to be applicable to FY 2020-21, 2021-22 & 2022-23; years for which NMCG has already filed RoI with CA certificates.
- NMCG has submitted application to Income Tax Department on 31 May 2024 to extend applicability of 10(46) Notification.

Status of Internal - Audit FY 2023-24

- Internal Audit informs the Management about the adequacy of internal controls and suggests measures to improve them.
- NGRBA framework mandates quarterly internal audits of both NMCG and SMCGs.
- C&AG and PAC had highlighted irregular schedules and backlog in internal audits.
- From FY 2023-24, internal audit is done by an agency centrally engaged by the NMCG.
- Has ensured a coordinated schedule for NMCG and all SMCGs.
- Recommendations in Audit Reports for Q-3 & Q-4 & Action taken thereon to be presented in next ARC.

NMCG	Audit Completed for all Quarters
Uttarakhand	Audit upto Q-3 completed Q-4 Audit underway. To be completed by 20 July.
Uttar Pradesh	
Bihar	Audit Completed for all Quarters
Jharkhand	
West Bengal	

ARC & BRC Meetings by SMCGs

SMCG	ARC	Last meeting	BRC	Last meeting
Uttarakhand	10	25.11.23	10	25.11.23
Uttar Pradesh	4	16.10.23	5	16.10.23
Bihar	5	31.05.22	5	31.05.22
Jharkhand	7	15.07.22	7	15.07.22
West Bengal	10	22.04.24	16	22.04.24

- SMCGs do not appear serious about ARC/ BRC meetings.
- No meeting by Bihar and Jharkhand in two years; Uttar Pradesh in one and half years.
- Only Uttarakhand and West Bengal convene meetings intermittently. West Bengal has scheduled an ARC meeting on 15 July. Uttarakhand is also planning a meeting shortly.
- All SMCGs requested to convene ARC/BRC meetings regularly.
- Internal Audit Reports and action required may be reviewed by the ARC regularly.

Audit of expenditure under WB Funded Projects FY 2023-24

- **Audit Reports are due to the World Bank within 9 months of the following year (December) .**
- **A 4-month Grace period is permitted, after which loan disbursement may be suspended.**
- **Audit Report from Bihar was slightly delayed last year (submitted on 2 May 2024, 2 days beyond grace period).**
- **To streamline the process, a detailed advisory issued by NMCG on 11 June, 2024.**
- **SMCGs were required to share Statement of Expenditure (SoE) with respective State AG by 30 June.**

NMCG	SoE submitted to the C&AG on 11 July 2024.
Uttarakhand	Audit complete, and certificate issued on 25 June 2024.
Uttar Pradesh	SoE shared with State AG. Audit Team yet to be deputed.
Bihar	SoE to be submitted next week.
Jharkhand	SoE under submission for approval.
West Bengal	The loan agreement for SNGRBP mandates audit of "State Mission for Clean Ganga"; but the NGRBA Framework, as well as the loan agreement for NGRBP use the term "State Projgramme Management Group". State AG has sought clarifications in this regard. Comments/ inputs of World Bank have been requested.

Action Taken Report on the decisions taken in the 23rd meeting of the ARC/BRC

ATR on decisions taken in 23rd ARC & BRC (1/3)

S. No.	Action Point	Action Taken
i	Stuck Projects to be identified and pursued. Analysis of delays to be done	DG has taken a review of stuck projects on 8 July.
ii	Evaluation of the tenders already issued should be completed so that the award of work can be done immediately after the MCC ceases to be in operation.	Projects under tendering were reviewed by DG on 18 June. 4 LoA issued in last 3 months, and another 16 are expected to be issued in next 3 months.
iii	Regular periodic DO reminder to be sent to Secretary DoDWS regarding old outstanding UCs.	Two DO letters dated 2 May and 21 June issued from DG-NMCG to Secretary (DoDWS).
iv	SMCGs and other implementing/ executing agencies to submit pending UCs in respect of FY 2023-24, without which release of fresh grants in the current FY may not be possible.	SMCGs and most executing agencies have submitted UCs.
v	Finance Unit to circulate agency-wise list of pending UCs to enable the PU to pursue with respective agencies.	The list was circulated on 26 April. An updated list will be circulated after the current meeting.

ATR on decisions taken in 23rd ARC & BRC (2/3)

S. No.	Action Points	Action Taken
vi	In particular, the PUs concerned to vigorously pursue submission of pending UCs with DJB, CPCB and State Forest Departments.	Reconciliation has been completed with CPCB and all SFDs except Bihar. There is now agreement on the amount of outstanding UCs till 31.03.2023. However, the UC recently received from the CPCB for FY 2023-24 is not consistent with grants released by the NMCG during the year.
Vii	SMCG Uttar Pradesh to complete the reconciliation process, if any, and furnish the UCs against the agreed figure within 15 days as assured during the meeting.	UCs were received on 14 June 2024.
viii	The proponent units while recommending the cases for release of funds, should also review the overall financial utilization by the agencies concerned. Funds should be recommended only for activities for which all approval are in place.	This is being ensured now.
ix	SMCGs to prepare Annual Plan for next financial year (FY 2024-25) and quarterly expenditure plans for FY 2024-25 keeping in view the enhanced budget provision.	Projected expenditure both for Q-2 and the remainder of the FY placed before the Committee.

ATR on decisions taken in 23rd ARC & BRC (3/3)

S. No.	Action Points	Action Taken
x	SMCG Bihar to obtain and furnish the Certification Audit Report of World Bank-aided projects from O/o State Accountant General by 30 April 2024.	Certification Audit Report was received from SMCG-Bihar and shared with the World Bank on 2 May 2024.
xi	All SMCGs to convene ARC/BRC meeting regularly, report findings of Internal Audit along with Action Taken.	This is not being done.
xii	All Divisions to appoint a Nodal Officer for the Internal Audit by the Internal Audit Wing of the Department	Internal Audit by the Internal Audit Wing of the DoWR,RD&GR conducted on 6-10 May 2024. Draft report awaited.
xiii	In view of regulatory implications involved, and also keeping in view NMCG's registration under Section 10(46) of the IT Act, amendment of NMCG's PAN not to be pursued further. However, extension of registration under Section 10(46) to be initiated, if required.	Application for extension of notification of NMCG under Section 10(46) of IT Act submitted on 31 May 2024.

Thank You

फ़ाइल संख्या /G-252020/5/2020-एनएमसीजी (सी आफ स.263455)
भारत सरकार
जल शक्ति मंत्रालय
जल संसाधन, नदी विकास और गंगा संरक्षण विभाग
राष्ट्रीय स्वच्छ गंगा मिशन (एनएमसीजी)

प्रथम तल,
मेजर ध्यानचंद नेशनल स्टेडियम,
नई दिल्ली-110002
दिनांक:- 11जून 2024

सेवा में,

परियोजना निदेशक, राज्य स्वच्छ गंगा मिशन (एसएमसीजी) - उत्तराखंड, उत्तर प्रदेश, बिहार, झारखंड और पश्चिम बंगाल

विषय: विश्व बैंक सहायता प्राप्त द्वितीय राष्ट्रीय गंगा नदी बेसिन कार्यक्रम (एसएनजीआरबीपी) के तहत लेखापरीक्षा के लिए व्यय विवरण (एसओई) समय पर प्रस्तुत करने हेतु।

Subject: Timely submission of Statement of Expenditure (SoE) for audit of under World Bank Assisted Second National Ganga River Basin Programme (SNGRBP).

Sir/Madam

The World Bank is assisting the Namami Gange Programme under the Second National Ganga River Basin Project (SNGRBP), for which a loan agreement (IBRD 9136-IN) was signed on 7 July, 2020. The loan was declared effective from 21.07.2020. However, disbursement under this loan commenced from FY 2022-23 after closure of the first IBRD loan (IBRD 8065 IN) under the National Ganga River Basin Project (NGRBP).

2. As per the Disbursement and Financial Information Letter (DFIL) dated 7.7.2020 in respect of the said loan, annual audit of the Financial Statements needs to commence with the fiscal year in which the first withdrawal was made. Accordingly, the Audit of expenditure under SNGRBP had commenced from FY 2022-23. As required under extant guidelines, the sole Audit jurisdiction of 4 SMCGs (except Jharkhand, which is part of State Urban Development Department) has also been entrusted to the C&AG.

3. As per the relevant loan documents, the C&AG is required to issue Audit Report (Audited Project Financial Statements) for expenditures incurred by the NMCG under the SNGRBP, and State Accountant Generals for expenditures incurred by the SMCG concerned. As per the loan terms the SNGRBP, the Audit Reports for a financial year are due by the 31st December of the following year.

4. The following expenditures are eligible for reimbursement from the World Bank under the on-going SNGRBP (Loan No. IBRD 9136-IN):

I. Operational expenses of State Missions for Clean Ganga (SMCGs) of Uttarakhand, Uttar Pradesh, Bihar, Jharkhand & West Bengal to the extent of the Government of India's share (i.e. 70 percent).
II. Expenses incurred under the projects carried-forward from the NGRBP (Loan No. IBRD 8065-IN) **(list at Annex I)**. There are ten such projects in Bihar and two in West Bengal.
III. Expenses incurred under three new Sewage Treatment Projects at Agra, Meerut and Saharanpur under the Hybrid Annuity Model (HAM).

5. In order to enable the mandated Audit, SMCGs are required to submit a 'Statement of Expenditure (SoE)' to the office of State Accountant General concerned. While preparing the SoE, the SMCGs are advised to adhere to the following guidelines:

I. The SoE is essentially an aggregation of the expenditures reported in the various Interim Unaudited Financial Reports (IUFRs) submitted to the CAAA during the financial year concerned. These IUFRs are prepared by the NMCG after consolidation of expenditures reported by the SMCGs and after obtaining no objection from the World Bank. NMCG will share the IURFs submitted to the CAAA with SMCGs so that each SMCG is aware of the final expenditure claimed from the CAAA. **SMCGs should ensure that there is no difference between the total expenditure reported through IUFRs in respect of their organization and the SoE of the relevant financial year.**

II. The World Bank assisted projects are of two types: conventional DBOT Projects and Projects implemented on Hybrid Annuity Model (HAM). For the HAM Projects, payments are made to the concessionaires from the Escrow Account concerned based on the achievement of milestones. Since payments to the concessionaires are not routed through the SMCGs, they may not have requisite details of expenditures incurred under HAM Projects. **Therefore, it has been decided that expenditures incurred on 6 HAM Projects (including 3 new investments) shall be reported by the NMCG in its SoE.** NMCG will share the details of expenditure incurred in a quarter with relevant SMCGs for verification by the Executing Agency concerned. **During the Audit of expenditure reported by NMCG, executing agency concerned will depute its officers with all original vouchers/ bills/ payment certificates etc.**

III. Centage related payments made by SMCGs to the executing agencies in respect of HAM Projects shall, however, be included in the SoE of the SMCG concerned and will be audited by the respective State Accountant General.

IV. Expenditures incurred under DBOT projects will continue to be reported by the SMCGs in their IUFRs and SoE for audit by respective State Accountant General.

6. To sum up, SMCGs in their respective IUFRs/ SoE will include the following expense:

(i) **SMCGs of Uttarakhand and Jharkhand:** Only operational expenses as there is no carried-forward or new project in the said States under the SNGRBP (Loan No. IBRD 9136 - IN).
(ii) **SMCG- Uttar Pradesh:** In addition to operational expenses, centage paid to executing agency in respect of 3 new HAM investments(including DPR preparation fees).

(iii) **SMCG- Bihar:** In addition to operational expenses, expenditures incurred on carried-forward DBOT projects and centage paid to executing agency in respect of on-going carried forward HAM Projects (if any).
(iv) **SMCG West Bengal:** In addition to operational expenses, centage paid to executing agency in respect of on-going carried forward HAM Projects (if any), and expenses incurred on the Project "Pollution abatement of Tolly Nala"(after commencement of project works).

7. SMCGs are advised to submit quarterly IUFR to NMCG in the prescribed format **(Annex II)** within two weeks of the relevant quarter ending. The NMCG will consolidate the IUFRs received from the SMCGs along with its own and submit a quarterly consolidated IUFR to the World Bank within 45 days of the end of each quarter. After no objection/ comments of the World Bank, the final IUFRs are submitted to the CAAA, a copy of which will also be shared with the SMCGs to enable them prepare the SoEs in consonance with IUFRs.

8. SMCGs are also advised to share draft SoE with the NMCG before submission to the State Accountant General in order to reduce the risk of any discrepancy between SoE and total expenditure reported under IUFRs submitted to the CAAA.

9. As per the loan agreement, NMCG and each SMCG are required to submit audit report of expenditures incurred under the Bank assisted projects to the World Bank within 9 months from the end of the concerned financial year (i.e by 31 December). **Delay in submission of Audit Reports may attract suspension of loan disbursement.**

10. **SMCGs are advised to submit SoEs for FY 2023-24 to the respective State Accountant General by 30 June 2024 so that prescribed time limit for submission of Audit Report to the World Bank is adhered to.**

Yours faithfully

(भास्कर दाशगुप्ता)
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