

FN-G-35/2/2021-O/o PA(M-CGF)/NMCG

Govt. of India

Ministry of Jal Shakti

Department of Water Resources, River Development & Ganga Rejuvenation
National Mission for Clean Ganga

Dated: 21.08.2023

To

1. Head of organisations/Project In-Charge (EIL, WAPCOS, NBCC, NPCC, EPIL)
2. Project Directors of SMCG of Uttarakhand, Uttar Pradesh, Bihar, Jharkhand and West Bengal.

Subject: Advisory on the Financial aspects of RFD and Ghat Projects implemented under Namami Gange Mission including Clean Ganga Fund (CGF).

River Front Development (RFD) and Ghat projects under the Namami Gange Programme are being funded both from Clean Ganga Fund (CGF) and National Ganga Plan (NGP). The flow of fund is different for two funding modes, leading to certain confusions at the level of Implementing/ Executing Agencies. A meeting was taken by the undersigned with SMCGs/ CPSUs on 11th July 2023 to deliberate on the finance related issues of RFD/ Ghat projects. Minutes of the meeting, along with Reporting Formats are available on the website of the NMCG (<https://nmcg.nic.in> → Clean Ganga Fund → Minutes of Review Meeting).

2. Further, in pursuance of discussions in the said meeting, an advisory for improving understanding of financial issues is attached herewith.

3. Following annexes referred to in the Advisory are also attached:

- | | | |
|---|-----------|--|
| 1 | Annex 1 | Form 12 A of GFR 2017 for submission of UCs |
| 2 | Annex 2 | Statement of outcomes achieved (to be attached with UCs) |
| 3 | Annex 3 | Format for Financial Closure Report and list of completed projects |
| 4 | Annex 4-A | Format for reporting quarterly progress (to be used by CPSUs) |
| 5 | Annex 4-B | Format for reporting quarterly progress (to be used by SMCGs) |

Yours faithfully,



(Bhaskar Dasgupta)

Executive Director (Finance)

Copy for information to

1. Executive Director (Projects), NMCG
2. Executive Director (Technical), NMCG
3. Director (SMD), NMCG
4. DS (DJ), NMCG
5. RFD Specialist, NMCG
6. PS to DG, NMCG

Advisory on the Financial aspects of RFD and Ghat Projects implemented under Namami Gange Mission including Clean Ganga Fund (CGF)

River Front Development (RFD) and Ghat projects under the Namami Gange Mission are being funded both from Clean Ganga Fund (CGF) and National Ganga Plan (NGP). The flow of fund is different for two funding modes. In case of projects funded from CGF, the “Mother-Child fund flow” is adopted, under which drawing powers are allocated to Executing Agencies (CPSUs). Drawing Powers are issued with a validity period, and do not necessarily lapse at the end of financial year. However, in case of projects funded under NGP, fund flow is through allocation of Assignment Limit under Treasury Single Account (TSA) system, where unutilized Assigned Limit lapses at the end of the financial year.

Projects funded under National Ganga Plan

2. Since any unutilized limit would lapse at the end of financial year, all Executing Agencies (EAs)/ CPSUs must ensure due diligence while seeking Assignment Limit from NMCG. It would be advisable to seek assignment limit on quarterly basis. If limits lapse due to non-utilization, it would impact utilization not only of the EAs, but also of the NMCG. Further, no transfer of Assignment Limit to the commercial bank account is permitted. Funds are to be drawn as and when bills are raised by the contractors/ vendors. For projects funded through the Treasury Single Account (TSA) system, all relevant instructions of D/o Expenditure and NMCG, including a Guidance Note, are available on the website of NMCG (<https://nmcg.nic.in> → Division → Finance → TSA).

Projects funded under CGF

3. NMCG allocates project-specific drawing powers to CPSUs directly or through State Mission for Clean Ganga (SMCGs) under the Clean Ganga Fund (CGF). All EAs/ CPSUs are required to strictly adhere to the project-wise allocation of drawing powers. If additional funds are required for a particular project, new demand may be raised; rather than diverting funds from another project.

4. Agency charges cannot be deducted from Drawing Power. This needs to be claimed separately by the Executing Agencies along with invoice. Further, NMCG has also a statutory responsibility to deduct applicable TDS on Agency charge. Such deductions are not possible if agency charges are deducted from drawing powers.

Relevant for both NGP and CGF projects

5. Agency charges are applicable on pre-GST capex, on which applicable GST may be added. If the agency charge is calculated on expenditure inclusive of GST, and GST is applied again on agency charge, it amounts to double payment of GST¹. Release of Agency charges will be as per relevant

¹ The following illustration would clarify: if expenditure on a project so far is Rs. 100 (excluding GST), and agency charge is 4 percent, Rs. 4 is the admissible agency charge, on which applicable GST will also be paid. If the applicable GST rate on consultancy is 18 per cent, total admissible agency charge (inclusive of GST) is Rs. 4.72. The Agency charge should NOT be applied on project cost/ expenditure incurred inclusive of GST (Rs. 118 in this case); as the applicable agency charge in that case becomes Rs. 4.72; and total agency charge (inclusive of GST) becomes Rs. 5.57, which would result in significant over charging of Agency charges.

AA&ES/ MoU. All supporting documents in respect of Agency Charges may also be retained by the Executing Agency.

6. Utilization Certificates are required to be submitted quarterly in prescribed format (Form 12A of GFR, 2017), which need to be signed by the Chief Finance Officer and Head of the Organization. A copy of Form 12 A of GFR 2017 is attached as Annex 1. Utilization of funds must be reported project-wise. Further, a statement on outcomes achieved needs to be attached with the UCs, for which a format for has already been circulated (Attached as Annex 2 for ready reference).

7. Whenever a project is completed, a financial closure report needs to be submitted within a quarter of project completion/ commissioning. All CPCUs and SMCGs are required to immediately submit financial closure reports in respect of all competed project. An indicative format for preparation of financial closure report, as also a list of CGF funded completed projects is attached (Annex 3).

8. Financial Progress Reports are required to be submitted quarterly. Reporting formats may differ slightly depending on fund flow. Two reporting formats are accordingly attached (Annex 4-A and 4-B).

9. If the AA&ES validity of a project has expired, extension of project implementation period may be obtained before further release of funds are requested.



GFR 12 - A

[(See Rule 238 (1))]

FORM OF UTILIZATION CERTIFICATE FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANIZATION

UTILIZATION CERTIFICATE FOR THE YEAR.....in respect
of recurring/non-recurring
GRANTS-IN-AID/SALARIES/CREATION OF CAPITAL ASSETS

1. Name of the Scheme.....
2. Whether recurring or non-recurring grants.....
3. Grants position at the beginning of the Financial year
 - (i) Cash in Hand/Bank
 - (ii) Unadjusted advances
 - (iii) Total
4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances of Grants received years [figure as at Sl. No. 3 (iii)]	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year			Total Available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)
			Sanction No. (i)	Date (ii)	Amount (iii)			
1	2	3	4			5	6	7

Component wise utilization of grants:

Grant-in-aid- General	Grant-in-aid- Salary	Grant-in-aid-creation of capital assets	Total

Details of grants position at the end of the year

- (i) Cash in Hand/Bank
- (ii) Unadjusted Advances
- (iii) Total



Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned:

- (i) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements/accounts.
- (ii) There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. & the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (iii) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- (iv) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (v) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (vi) The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (vii) It has been ensured that the physical and financial performance under..... (name of the scheme) has been according to the requirements, as prescribed in the guidelines issued by Govt. of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure – I duly enclosed.
- (viii) The utilization of the fund resulted in outcomes given at Annexure – II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries is enclosed at Annexure –II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Date:

Place:

Signature

Name.....

Chief Finance Officer
 (Head of the Finance)

Signature

Name.....

Head of the Organisation

(Strike out inapplicable terms)

Statement of outcome achieved

- Project-wise expenditure and physical progress to be attached by SMCG/Executing Agency(s) with Utilization Certificate in the following format.

1. Projects under Construction

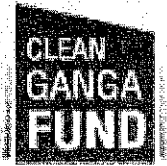
Sl. No.	Project	Expenditure incurred (Rs. in crore)	Outcome/Physical & Financial Progress
(1)			(i) Physical progress (in percentage) (ii) Financial progress (in percentage) (iii) Total expenditure for the project till date (iv) Expected date of project commissioning/completion
(2)			
(n)
Total Expenses			

2. Projects under O&M (to be reported project-wise)

Sl. No.	Project	Expenditure incurred (Rs. in crore)	Details
(1)			(i) O&M start date (ii) O&M close date (iii) Break-up of O&M cost
(2)			
(n)
Total Expenses			

Note: -

- Utilization Certificate to be submitted in Form 12 A of GFR-2017 (attached).
- Utilization Certificate to be signed by the Chief Finance Officer (Head of the Finance) and Head of the Organisation, as specified on Form GFR 12-A.



Annex 3

Financial Closure Report		
Sl. No.	Details to be provided	
1	Name of the Project:	
2	Implementing Agency:	
3	Executing Agency:	
4	AA&ES Date (Rs. in cr.):	
5	Sanctioned Cost (Rs. in cr.):	
6	Awarded Cost (Rs. in cr.):	
7	Escalation, if any along with details of approval:	
8	Project Completion Cost: (Rs. in cr.)	i. Capex:
		ii. O&M:
		Total:

9	i. Project Completion Date:/...../.....			
	ii. Date of Commissioning:/...../.....			
	iii. O&M end Date:/...../.....			
10	Amount received from NMCG & Utilization by EA:			
	Release		Utilization	
	Date of Sanction Order/Letter	Amount Released (Rs. in cr.)	Date of Utilization Certificate	Amount (Utilization Reported) (Rs. in cr.)
/...../...../...../.....
11	Unutilized fund, if any:			
12	Interest accrued, if any and their date of refund:			
13	Project summary (to be attached):			
14	Agency to which asset is transferred:			
15	Date of handing over the Asset to the Agency:			

Note: - Financial closure report to be submitted within three months of project completion/commissioning.

Completed Projects for which Financial Closure Reports are due
(As per NMCG records)

Sl. No.	Name of the Project	Sanction Date	Completion cost (in Rs. crores)
1.	Afforestation project in Uttarakhand	06.06.2018	65.08
2.	Afforestation project in Uttar Pradesh		
3.	Afforestation project in Bihar		
4.	Afforestation project in Jharkhand		
5.	Afforestation project in West Bengal		
6.	In-situ Bioremediation project in the state of Uttar Pradesh- Nehru Drain	24.07.2018	1.96
7.	In-situ Bioremediation project in the state of Bihar- Danapur Drain		
8.	In-situ Bioremediation project in the state of Bihar- Rajpura Drain		
9.	Development of Har Ki Pauri complex in Hardwar, Uttarakhand	27.02.2020	33.98
10.	Restoration/ conservation works of Kunds of Varanasi, Uttar Pradesh	12.02.2019	18.92
11.	Upgradation and renovation of Kankhal and Kharkari Ghats in Uttarakhand	21.08.2018	1.47
12.	Development works at Mirzapur Ghat, Uttar Pradesh (Old Project)	24.09.2018	9.12
13.	Rehabilitation and development of Ghats at Chhapra and Sultanganj, Bihar	21.08.2018	27.04
14.	Upgradation/Renovation of Ghats & Crematoria at Katwa, Kalna Agradwip and Dainhat West Bengal	29.04.2021	3.30
15.	Development of Karnwas Bangar Ghat, Bulandshahar, Uttar Pradesh	07.06.2022	2.38
16.	Rejuvenation of Talab in Alamnagar, Hapur	03.03.2021	0.82

Annex 4-A

Format reporting quarterly progress of projects for which funds are released to CPSUs

Report for Quarter of FY.....

On-going Projects:

1.	Name of the project	
2.	Executing Agency	
3.	Date of AA&ES	
4.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
5.	Date of award of work	
6.	Total awarded cost (Capex) (Rs. in cr.)	
7.	Total drawing power allocated by NMCG (Rs. in cr.)	
8.	Drawing power utilized (Rs. in cr.)	
9.	Validity of Drawing Power	
10.	Expenditure incurred in the quarter under report (Rs. in cr.)	
11.	Physical progress	
i.	% of work done in the quarter under report	
ii.	% of work completed	
iii.	Scheduled completion date	
iv.	Expected completion date	

v.	Whether any time overrun is expected, along with reasons	
12.	Status of Utilization Certificate (UC)	
i.	Last UC submitted (Date & Amount)	
ii.	Total expenditure reported through UCs (Rs. in cr.)	

Projects under O&M:

1.	Name of the project	
2.	Executing Agency	
3.	Date of AA&ES	
4.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
5.	Date of award of work	
6.	Total awarded cost (Capex) (Rs. in cr.)	
7.	Date of completion/ commissioning	
8.	Completion cost (Capex) (Rs. in cr.)	
9.	O&M start date	
10.	O&M close date	
11.	O&M expenditure (as on date of reporting)	

Projects under Tendering:

1.	Name of the project	
2.	Executing Agency	
3.	Date of AA&ES	
4.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
5.	Status of tendering	
i.	Whether floated	
ii.	If yes, date of issue	
iii.	If not, expected date of Notice Inviting Tender (NIT)	
iv.	Expected date of Award of Work	

Annex 4-B

Format for reporting quarterly progress of projects for which funds are released through SMCGs

Report for Quarter of FY.....

On-going Projects:

1.	Name of the project	
2.	Implementing Agency	
3.	Executing Agency	
4.	Date of AA&ES	
5.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
6.	Date of award of work	
7.	Total awarded cost (Capex) (Rs. in cr.)	
8.	Grants in Aid / Assignment Limit received from NMCG (Rs. in cr.)	
	Grants in Aid / Assignment Limit released by SMCG(s) to EA (Rs. in cr.)	
9.	Expenditure incurred in the quarter under report	
10.	Physical progress	
i.	% of work done in the quarter under report	
ii.	% of work completed	
iii.	Scheduled completion date	
iv.	Expected completion date	

v.	Whether any time overrun is expected, along with reasons	
11.	Status of Utilization Certificate (UC)	
i.	Last UC submitted (Date & Amount)	
ii.	Total expenditure reported through UCs (Rs. in cr.)	

Projects under O&M:

1.	Name of the project	
2.	Implementing Agency	
3.	Executing Agency	
4.	Date of AA&ES	
5.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
6.	Date of award of work	
7.	Total awarded cost (Capex) (Rs. in cr.)	
8.	Date of completion/ commissioning	
9.	Completion cost (Capex) (Rs. in cr.)	
10.	O&M start date	
11.	O&M close date	
12.	O&M expenditure (as on date of reporting)	

Projects under Tendering:

1.	Name of the project	
2.	Implementing Agency	
3.	Executing Agency	
4.	Date of AA&ES	
5.	AA&ES Cost (Rs. in cr.)	
i.	Capex (Rs. in cr.)	
ii.	O&M (Rs. in cr.)	
6.	Status of tendering	
i.	Whether floated	
ii.	If yes, date of issue	
iii.	If not, expected date of Notice Inviting Tender (NIT)	
iv.	Expected date of Award of Work	