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:- 28 मई 2024

सेवा में,

परियोजना निदेशक, 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 23वीं बैठक के कार्यवृत्त के संबंध में।

राष्ट्रीय स्वच्छ गंगा मिशन (एनएमसीजी) की ऑडिट समीक्षा समिति और बजट समीक्षा समिति की 23वीं बैठक 24 अप्रैल 2024 को सुबह 11:00 बजे आयोजित की गयी थी। बैठक का कार्यवृत्त जानकारी और आवश्यक कार्रवाई के लिए संलग्न किया गया है ।

संलग्नक:- ऊपरोक्त अनुसार।

भा॰दासगुप्ता

(भास्कर दासगुप्ता)
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
6. वरिष्ठ सलाहकार, एनएमसीजी

सूचनार्थ हेतु प्रेषित

निजी सचिव, महानिदेशक, एनएमसीजी

Minutes of the 23rd Joint meeting of the Audit Review Committee (ARC) and the Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on 24th April, 2024 at NMCG office, New Delhi.

The 23rd 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 24th April 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. Since this is the first meeting of the ARC/BRC of the incumbent DG, a brief background of the two committees was provided. ED (F) informed that these two committees are mandated under the NGRBA framework at both NMCG and SMCG levels. For NMCG, these two committees were constituted on 26th July, 2017. Both committees are Chaired by DG and comprises DDG and EDs as Members. ED (F) is the Member Secretary. The meetings are mandated quarterly. For the last two years, the committees are meeting every quarter. While earlier these meetings were combined with the meetings of the Executive Committee, now ARC/BRC meetings are held separately to ensure focused discussions on budget and financial issues.

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

I. Issues related to the Budget Review Committee

5. ED (F) apprised the Committee that NMCG has fully disbursed the revised budgetary provision of Rs. 2400 crore in FY 2023-24. During the year, a total of Rs. 80.14 crore was refunded by various agencies, which was also successfully reassigned. If the allocation of refunded amount is taken into consideration, NMCG's total disbursement is higher at Rs.2480.14 crore.

However, in spite of our best efforts, Rs.3.88 crore lapsed with implementing agencies as per PFMS-MIS. Thus the net disbursement during the year is Rs. 2396.12 crore.

6. ED (F) stated that inadequate understanding of TSA by the executive agencies and their reluctance to refund surplus amount in time were major challenges. Most of the refund was received during last week the financial year. SMCG, UP refunded Rs. 9.42 crore on 31st March, 2024. However, the Finance Wing was able to successfully reassign the refunded amount through advance planning and identification of projects which can absorb funds at the last moment. Even the lapsed amount could have been reassigned if the executive agencies had refunded them. Nonetheless only Rs.3.88 crore has lapsed in FY 2023-24, as against Rs. 36 crore during the year before.

7. ED(F) stated that a key learning from the last year is that executive agencies had requested and drawn funds for activities which were not yet approved or awarded. A major part of the refund is funds drawn for such activities. ED(F) advised the proponent units to recommend release of funds for activities/interventions that have all approvals in place. For interventions under consideration, Finance will endeavor to release necessary funds as soon as all approvals are in place. He also emphasized that all provisions of TSA, including a strict prohibition on transfer of assignment limit to commercial bank accounts, must be adhered to by the executing agencies. Further release by SMCGs to the EAs should be based on bills submitted by contractors. SMCG should also ensure that no funds are parked with EAs.

8. Providing a snapshot of the financial progress during 3 years of Namami Gange-II, ED(F) informed that Rs. 6800 crore has been provided in the budgets (RE) for FY 2021-22 to FY 2023-24, of which Rs. 6506 crore has been disbursed by the NMCG. Of the Rs.11275 crore earmarked for new projects under NGM-II, projects worth Rs.9419 crore have been sanctioned so far. The expenditure on NGM-I projects (carried forward liabilities) is estimated to be Rs. 6015 crore as against total outlay of Rs. 11,225 crore. Thus out

of total outlay of Rs.22500 crore (Rs.11225 + Rs.11225), Rs.15,434 crore (Rs.9419 + Rs.6015) has been utilized and a total fiscal space of about Rs.7000 crore is available for the next two years (for NGM –I projects and new interventions together).

9. For the current financial year, the total budgetary provision for Namami Gange is Rs. 3500 crore of which Rs.1000 crore is for National Ganga Plan (EAP Head) and Rs. 2500 crore for National Ganga Plan (Non-EAP). This being a year of General Election, a Vote on Account has been passed authorizing expenditure up to 40% of budgetary provisions during first five months. The amount authorized under Vote on Accounts is Rs. 1438.34 crore of which Rs.416.67 crore is for EAP Head and Rs.1041,67 crore is for NGP non-EAP head. The budgetary provisions are nearly 50 percent higher than last year's RE. Full utilization will be an uphill task requiring concerted efforts by the SMCGs, executing agencies and Proponent Units.

10. ED(F) informed the Committee that the NGRBA framework requires SMCGs to finalize an Annual Action Plan well before the commencement of the relevant FY. However, this is not being done. He advised SMCGs to prepare an Annual Plan for FY 2024-25, along with quarterly expenditure plans. ED(F) requested DDG and ED (P) to monitor the timely preparation of Annual Plans by the SMCGs. A circular has been issued by the Finance Wing on 10.04.2024 regarding preparation of annual and quarterly plans for the current year, which is available on NMCG's website, as well as on the intra portal.

Remarks by DG on BRC issues

11. DG, NMCG directed that there should not be any delay in tendering of projects due to Model Code of Conduct (MCC) issued by the ECI. The basic work for bid preparation evaluation etc., should be completed in accordance with the MCC guidelines so that the tendering can be completed immediately after the MCC casing to be applicable.

12. DG, NMCG also directed the PUs to consolidate details of stuck projects, along with the reasons therefor. The financial analysis of spending should also be done diligently as there is adequate financial space available in the current financial year. While we should strive for full utilization of the BE, a target of at least Rs. 3000 crore must be achieved in FY 2024-25.

Utilization Certificates and unspent balance

13. The Committee was informed that Q-4 UCs are due from all SMCGs. SMCG-UP has not furnished UCs after first quarter FY 2023-34. UCs for Q-2 onwards are awaited from Forest Department of West Bengal and Delhi Jal Board and for Q-3 and Q-4, from the CPCB. ED(F) pointed out that that General Financial Rules (Rule 238(ii)) requires submission of UCs for previous year before release of grant in a particular year. Therefore, all implementing/ executing agencies are required to furnish updated UCs up to Q-4. However, UC for Q-4 can be provisional at this stage and revised later after finalization of Annual Accounts, if required.

14. It was, however, noted that there has been a huge reduction in pending UCs due to reconciliation of Accounts and refund of unspent balance. UCs pending against grants released upto 31 March 2022 has come down to Rs. 170.36 crore from Rs. 2800 crore reported by C&AG in October 2022. For grants released upto 31 March 2023, UCs amounting to Rs. 263.92 crore (including the aforementioned Rs. 170.36 crore) are pending from various agencies including Rs. 130.90 crore from DoDWS. ED (F) stated that following the direction of Hon'ble Minister of Jal Shakti during the ETF meeting held on 22nd April, 2023 to liquidate pending UCs within two months, outstanding UCs has come down to Rs.130.90 crore from Rs. 270.15 crore reported to the ETF. Among other agencies, SMCG-UP has UCs outstanding for Rs.48.74 crore and Uttarakhand for Rs. 46.15 crore.

15. DG, NMCG enquired from SMCG, UP as to why no UC has been submitted after Q-1 of FY 2023-24. In its submission, SMCG Uttar Pradesh assured that all pending UCs would be submitted within 15 days. SMCG Uttar Pradesh further submitted that there is some reconciliation still required as to the exact amount of pending

UC as against the earlier agreed figure of Rs. 48.79 crore mentioned in the presentation. Representatives of remaining SMCGs also assured that Q-4 UCs will be furnished shortly.

16. DG, NMCG also enquired as to why SMCG- Uttarakhand is having UCs pending against grants released upto 31.03.2023, when they have already furnished UCs for the first three quarters of FY 2023-24. ED (Finance) clarified that this is because of the manner the utilization has been reported. Utilization reported in UCs furnished in FY 2023-24 is entirely against the grants released in the same year, whereas the pending amount of previous year should have been knocked off first. ED(F) also informed that in order to streamline the system of reporting of utilization, and booking of expenditure, he has scheduled a meeting with SMCGs' Finance teams immediately after the ARC/BRC meeting.

17. DG, NMCG directed that Delhi Jal Board, State Forest Department and CPCB may be asked to furnish pending UCs at the earliest. So far as the pending UCs from DoDWS, he directed that DO reminders may be sent to Secretary, DoDWS at regular interval.

II. Issues Related to Audit Review Committee

Annual Accounts of NMCG

18. ED(F) informed the Committee that NMCG has been adhering to all timelines concerning the preparation, audit and approval of Annual Accounts during last two years. The transition to the TSA, switch-over to new Budget Heads and reconciliation related adjustments have posed additional challenges in the preparation of Annual Accounts. In order to adhere to the GFR prescribed timelines, all units concerned were requested to take appropriate action, in particular to process pending liabilities of 2023-24 so that appropriate provisioning can be made in the Accounts. He also requested Admn. Unit to update Fixed Asset, Stock, Library and Accession Registers. ED(F) informed the Committee that the Finance Unit plans to submit Annual Accounts to the C&AG at least two weeks before the deadline of 30th June so that subsequent activities, i.e., submission of final report by

C&AG and laying of audited account in the Parliament are also completed as per prescribed timelines, i.e., by 31st October & 31st December respectively.

Audit of World Bank assisted Projects

19. The Committee was informed that as per the loan terms of the Second National Ganga River Basin Project (SNGRBP), the C&AG is required to issue Audit Report for NMCG, and State Accountant Generals for concerned State Missions for Clean Ganga (SMCG). The Audit Reports for 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 is suspended. The grace period in respect of FY 2022-23 is ending on 30 April, 2024.

20. ED(F) clarified that FY 2022-23 was the first year of loan disbursement under the SNGRBP. The C&AG guidelines require entrustment of sole Audit jurisdiction of all Auditee entities to the C&AG before Audits are undertaken. This process has taken some time, delaying Audit of SMCGs. Audit of Uttarakhand, Uttar Pradesh and Jharkhand has now been completed and reports submitted to the World Bank. SMCG West Bengal has informed that they have not incurred any expenditure under the SNGRBP. So far as SMCG Bihar is concerned, the audit has been completed but report is awaited. We are now very close to the expiry of the grace period, and there is a real possibility of loan disbursement getting suspended unless the report is furnished in next few days.

21. The representative of SMCG Bihar informed that the State AG has requested for some clarifications, which are being obtained from BUIDCO. Thereafter, the matter will be pursued with the o/o State AG, and every effort will be made to furnish the Audit report within the grace period.

22. ED(F) further informed the Committee that the C&AG in the past had issued NMCG's Audit Certificate only after receiving reports from all SMCGs. This year too, NMCG's report is held up because of the delay of Audit report from Bihar. However, since

the loan documents do not require issue of a consolidated certificate, C&AG has been requested to issue NMCG's certificate without linking it to the Audit certificate of Bihar. Finance Wing is in constant touch with the office of DG-Audit, and NMCG's certificate is expected in a couple of days.

Revision of NMCG's PAN number

23. During the last meeting of the ARC, a decision was taken to amend NMCG's PAN so as to reflect its status as Government Authority. NMCG's existing PAN is in the capacity of "Association of Person". NMCG is being picked up regularly by the scrutiny assessment software of Income Tax Department and notices are being received almost every year. However, when enquiries were made with the IT Deptt, it was informed that NMCG would have to surrender the existing PAN in order to get an amended PAN. However, surrendering PAN would entail several regulatory implications including getting a new GSTIN. In view of these complications it was proposed not to pursue the matter further. The Committee approved this proposal.

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

24. ED (F) informed the Committee that currently the NMCG is registered as a 'Trust' under Section 12 AA of the Income Tax Act, 1961 and therefore is required to file a 'Return of Income' (RoI) along with a certificate from a Chartered Accountant. However, C&AG has objected to such dual audit. In order to dispense with the CA audit, NMCG had applied under section 10 (46) of IT Act. After persistent follow-up, the IT deptt. has notified registration of NMCG under section 10 (46) of IT Act on 26 March 2024. It is stated that "*This notification shall be deemed to have been applied for assessment years 2021-2022, 2022-2023 and 2023-2024 relevant for financial years 2020-2021, 2021-2022 and 2022-2023 respectively*." Therefore, the NMCG may have to seek extension in the applicability of the notification. But once the extension is approved, it would also address the PAN related issues as this registration is generally given to Government entities only. DG advised that it may be checked whether the notification has been given retrospective effect or it is applicable only to the years mentioned.

Departmental Internal Audit

25. The Committee was informed that an Internal Audit of NMCG by the Internal Audit Wing of the Department for the period April 2017 to March 2024 is scheduled on 6-10 May 2024. Department Internal Audit of NMCG had been held twice in the past for the periods 2010-13 & 2013-17. All divisions in NMCG were advised to designate a nodal officer for addressing Audit queries. Administration division was also requested to keep comments on outstanding paras ready.

Internal Audit

26. ED (F) informed the Committee that following the engagement of a common Auditor for NMCG and 5 SMCGs, internal audits are now being conducted in a harmonized manner. The Reports for internal audit of NMCG and all SMCGs for the first two quarters of FY 2023-24 have been received and examined in the NMCG. The Terms of Reference (ToR) were decided in consultation with the SMCGs and same areas were covered for all SMCGs. The Audit for first two quarters broadly covered accounting practices; ledger balances/advances; compliance with statutory provisions under GST and IT & administrative issues.

27. Summary of recommendations in the NMCG's Audit reports, along with action taken/ comments were reported to the ARC. The recommendations and the action taken are at slides 20-30 of the PPT attached as Annex II.

28. The major comments of the Internal Auditor in the Audit Reports of the SMCGs were also presented to the Committee. ED(F) informed that he has communicated the audit observations to all PDs on 21 March 2024 with a request to apprise the action taken to the SMCG's Audit Review Committee.

ARC/BRC Meetings by SMCGs

29. ED(F) stated that the SMCGs are still not conducting their ARC/BRC meetings regularly. SMCG Bihar and Jharkhand have

not conducted any meeting in two years. In Uttar Pradesh no meeting has been held during last one and half years. Uttarakhand & West Bengal are conducting the meetings intermittently. He urged all SMCGs to accord due importance to the mechanism of ARC/BRC, which is an important instrument of internal control.

Concluding remarks on ARC issues by DG

30. DG, NMCG stated that in Audit matters, it is of paramount importance to adhere to all prescribed timelines. Further, while accounting issues can be addressed, there should not be any slippage in the matters of statutory compliance. He pointed out the issues related to expiry of Registration Certificates of 2 SMCGs under the Societies Acts, and few instances of non-compliance in the GST and Income Tax matters, as highlighted in the letter of ED(F). DG directed that the process of renewal of registration should be completed as early as possible. All issues pertaining to Goods and Services Tax and Income Tax should be resolved in a time bound manner. The Statutory Audit of SMCGs by State AGs should be followed up vigorously.

Action Points

(i) Stuck Projects to be identified and pursued. Analysis of delays to be done. [**Action: ED(P)**]

(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.

[**Action: Procurement Unit/ ED(P)**]

(iii) Regular periodic DO reminder to be sent to Secretary DoDWS regarding old outstanding UCs.

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

(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.

[Action: ED(P)/ ED(F)]

(v) Finance Unit to circulate agency-wise list of pending UCs to enable the PU to pursue with respective agencies.

[Action : ED(F)/ all PUs]

(vi) In particular, the PUs concerned to vigorously pursue submission of pending UCs with DJB, CPCB and State Forest Departments.

[Action : ED(T)/ED(P)/ ED(A)]

(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.

[Action: ED(F)]

(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 approvals are in place.

[Action : All PUs]

(ix) SMCGs to prepare Annual Plan for financial year 2024-25 and quarterly expenditure plans for FY 2024-25 keeping in view the enhanced budget provision.

[Action : ED(P)]

(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.

[Action : ED(F)]

(xi) All SMCGs to convene ARC/BRC meeting regularly, report findings of Internal Audit along with Action Taken.

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

(xii) All Divisions to appoint a Nodal Officer for the Internal Audit by the Internal Audit Wing of the Department

[**Action : All Divisions**]

(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.

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

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

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Annex I

List of Participants present in the 23rd Joint meeting of the Audit Review Committee (ARC) and Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on Wednesday, 24 April 2024 at NMCG, New Delhi.

List of Participants

1. Shri Rajeev Mital, Director General, NMCG----- In Chair
2. Shri Brijendra Swaroop, Executive Director (Project), NMCG
3. Shri Anup Kumar Srivastava, Executive Director (Technical), NMCG
4. Shri Bhaskar Dasgupta, Executive Director (Finance), NMCG
5. Shri Brijesh Sikka, Senior Consultant (River Conservation & Regulation), NMCG
6. Smt. Kanchan Bala Hamza, Deputy Secretary (Administration), NMCG
7. Sh. Manpreet Marwaha, Section Officer, (Administration), NMCG
8. Shri Subrata K. Basu, Senior Consultant (Finance), NMCG
9. Shri Rajendra Bharti, Consultant (Finance), NMCG
10. Shri Manan Mudgal, Financial Management Specialist, NMCG
11. Shri Harish Shishodia, Consultant (Finance), NMCG
12. Mr. Achyut Pathak, Project Assistant, Clean Ganga Fund
13. Ms. Neema Joshi, Institutional Associate, NMCG
14. Ms. Jigyasa Sharma, CA (Consultant)
15. Ms. Priyanka Jha, Environment Specialist, NMCG
16. Ms. Divya Joshi, Consultant (Community Participation), NMCG
17. Shri Ranjan Kumar Jana, Director (Finance), SMCG West Bengal
18. Shri Pradeep Bhatt, Sr. Financial Management Specialist, SMCG Uttarakhand
19. Shri Avinash Sarkar, Financial Management Specialist, SMCG West Bengal

20. Shri Pinaki Haldar, Upper Division Assistant, SMCG West Bengal

Through video conferencing:

21. Shri Jagmohan Gupta, Advisor, NMCG
22. Shri Ratnesh Kumar Singh, Director Finance, SMCG Uttar Pradesh
23. Ms. Priya Agarwal, Sr. Financial Management Specialist, SMCG Uttar Pradesh
24. Shri Jai Prakash Agarwal, Sr. Financial Management Specialist, SMCG Bihar
25. Shri Bibhuti Kumar, MIS/ GIS Specialist, SMCG Jharkhand
26. Shri Sharvan Prasad Gupta, Accountant, SMCG Jharkhand

National Mission for Clean Ganga

23rd Joint Meeting
Budget and Audit Review Committees

Wednesday, April 24, 2024
Time: 11:00 AM

Budget & Audit Review Committees

- NGRBA framework mandates Audit Review Committee (ARC) & Budget Review Committee (BRC) at the level of both NMCG & SMCGs.
- Both Committees for NMCG constituted on 26.07.2017.
- Headed by DG. DDG & all EDs are members. ED(Finance) is Member Secretary.
- Mandate of BRC
  - To review of all aspects of Budget.
  - To preparation of a Quarterly observance Report.
  - To review Annual Action Plans including achievement of physical & financial targets
- Mandate of ARC
  - Review the status of Internal, external & statutory audits.
  - Address Audit observations.

23rd Meeting of the Budget Review Committee

Agenda

- Review of fund utilization in FY 2023-24
- Budget provisions for FY 2024-25
- Expenditure Plan Q-1 FY 2024-25
- Annual Plan of SMCGs FY 2024-25

Budget & Utilization - FY 2023-24

Rs. in Crore

	EAP	Non-EAP	Total
Budget Estimates	1000	3000	4000
Revised Estimates	900	1500	2400
Limits drawn	900	1500	2400
Limits Assigned ***(incl. reassigned refunded limit)***	903.23	1576.90	2480.14
Limits Refunded	3.23	76.91	80.14
Lapse	0.15	3.73	3.88
Net Limit Assigned	899.85	1496.26	2396.11

Agency-wise Limits Refunded & Lapsed

Limit Refunded (Rs. in cr.)	
Agency	**Amount**
SMCG-Uttarakhand	0.54
SMCG-Uttar Pradesh	24.48
SMCG- Bihar	41.00
SMCG-West Bengal	0.36
State Forest Department - Bihar	0.83
Centre for Policy Research	1.05
Survey of India	7.47
National Institute of Urban Affairs	0.70
Water Resources Department – Madhya Pradesh	3.00
Jamia Millia Islamia	0.56
Central Pollution Control Board	0.15
Total	**80.14**

Limit Lapsed (Rs. in cr.)	
Agency	**Amount**
SMCG-Uttar Pradesh	1.62
SMCG- Bihar	0.49
NBCC	0.15
IIRS (D/o Space)	1.61
WALAMTARI	0.01
Total	**3.88**

The Amount lapsed in FY 2023-24 was much lower than the year before, in which Rs. 36 crore had lapsed.

- **Two fold challenges: Getting the unspent balance refunded & reassignment of refunded limits.**
- **Refund was ensured through pro-active follow-up by Finance.**
- **Advance planning enabled Finance to reassign the entire refund, including last minute refund by SMCG-UP.**
- **The lapsed funds could have been utilized too if the Agencies had refunded the same.**

Learnings from 2 years of TSA

- Understanding of TSA still inadequate among executing agencies.
- Inflated initial demand - even for activities not approved or tendered.
- Reluctance to refund unutilized funds.
- Last minute refund by agencies.
- Inadequate internal controls.

Going Forward

- SMCGs/ EAs to raise demands only for activities approved & awarded.
- PUs advised to recommend release for approved activities only.
- Regular review of unspent balance by PUs.
- SMCGS/ EAs not to transfer any limit to Bank Accounts.
- Release by SMCGs must be based on Bills submitted by the Contractors.
- No parking with EAs to be ensured by the SMCGs.
- TSA resources on NMCG website may be referred to for guidance.

Where we stand after 3 Years

Rs. in Crore

NGM II period	FY 2021-22 to FY 2025-26		
	Allocation	Utilization	Balance Fiscal Space
Total Outlay	**22500**	**15434**	**7066**
On-Going Activities (NGM I Projects)	**11225**	**6015**	**5210**
New Activities (Sanctioned value of NGM II Projects)	**11275**	**9419**	**1856**

Financial Year	Budgetary Allocation	Net Release by NMCG
FY 2021-22 (RE)	1900	1881.76
FY 2022-23 (RE)	2500	2228.86
FY 2023-24 (RE)	2400	2396.11
Total (FY 2021-22 to FY 2024-25)	**6800**	**6506.73**

Budget for FY 2024-25

Rs. In Crore

National Ganga Plan-EAP		
Budget Head	Total	Vote on Account (April- August) (40% of BE)
Grants-in-aid General	10.00	4.17
Grants for Creation of Capital Assets	990.00	412.50
National Ganga Plan-EAP - Total	1,000.00	416.67
National Ganga Plan- Non EAP		
Grants-in-aid General	100.00	41.67
Grants for Creation of Capital Assets	2,400.00	1,000.00
National Ganga Plan- Non EAP – Total	2,500.00	1,041.67
National Ganga Plan (EAP + Non-EAP)	3,500.00	1,458.34

Annual & Quarterly Plans

- Almost 50% increase in BE 2024-25 (Rs. 3500 Crore) against RE 2023-24 (Rs. 2400 crore) – a huge challenge.
- Rs. 900 crore quarterly spending to be planned.
- Requires thorough planning by the SMCGs and executing agencies.
- PUs advised to obtain Annual & Quarterly Plans for SMCGs/ EAs.
- Finance Circular dated 10.04.2024 may be referred to.
- Award of Projects under tendering needs to be expedited (immediately after lifting of MCC).

23rd Meeting of the Audit Review Committee

Agenda

- **Utilization Certificates**
- **Preparation of Annual Accounts for FY 2023-24**
- **Status of Certification Audit**
- **ATR on Internal Audit of NMCG**
- **Internal Audit of SMCGs**
- **Issues related to change of NMCG's PAN**
- **Registration of NMCG under Section 10(46) of IT Act, 1961**

Status of Utilization Certificates

Agency	Last UC received
Uttarakhand	Q-3 (EAP & Non EAP)
Uttar Pradesh	Q-1 (EAP & Non EAP)
Bihar	Q-3 (EAP & Non EAP)
Jharkhand	Q-3 (EAP & Non EAP)
West Bengal	Q-3 (EAP & Non EAP)

Agency	Last UC received
CPCB	Q-2 (EAP & Non EAP)
Delhi Jal Board	Q-1 (EAP)
Forest Deptt. Jharkhand	Q-3 (Non-EAP)
Forest Deptt. Uttarakhand	Q-3 (Non-EAP)
Forest Department, Bihar	Q-3 (Non-EAP)
Forest Deptt West Bengal	Q-1 (Non-EAP)

- UC for 4th quarter awaited from all SMCGs. UP has not furnished UC beyond Q-1.
- UCs beyond Q-1 awaited from Forest Department of West Bengal and Delhi Jal Board.
- UCs for Q-3 & Q- Q-4 awaited from CPCB.
- 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 respective Agencies.
- At least provisional UCs up to Q-4 must be obtained before release of grant in the current year.

Utilization of grants released in FY 2023-24

- UCs for Rs. 648.71 Crore against Rs. 1315.25 Crore grants disbursed awaited.
- However, since NMCG is on TSA, and SMCGs disbursed funds to EAs based on Bills submitted (i.e , reimbursed), the amount released by SMCGs is largely utilized.
- Rs. 984.89 crore was transferred to Escrow Accounts. Rs. 794.89 Crore have been paid to the concessionaires (utilized).
- About Rs. 70 crore released to vendors by the NMCG directly.
- As of now, Rs. 1557.4 crore seems to have been utilized out of Rs. 2396.11 crore disbursed.
- A clearer picture will emerge in next couple of weeks after receipt of pending UCs for Q-4.

Reduction in Advances (Utilization Certificates)

- Huge reduction in pending UCs due to reconciliation and refund of unspent balance.
- UCs pending against grants released up to 31.03.2023 is Rs. 263. 92 Crore.
  - DoDWS : Rs. 130.90 crore
  - SMCG-UP: Rs. 48.79 crore
  - SMCG-Uttarakhand Rs. 46.15 crore
  - CGanga Rs. 14.28 crore
  - CPCB: Rs. 10.95 crore
- UCs pending against grants up to 31.03.2022 is Rs. 170.36 crore, down from Rs. 2800 crore reported by C&AG during the inspection Audit held in October 2022.

Pending UCs - a few issues

- After reconciliation exercise, SMCG – UP still has UCs pending for Rs. 48.79 crore for grants released up to 31.03.2023 (EAP: Rs. 8.69 crore, Non-EAP: Rs. 18.87 crore & NGP : Rs. 21.23 crore). **These UCs pertain to FY 2021-22 & 2022-23**.
- SMCG- Uttarakhand has UCs pending for Rs. 46.15 crore, **mainly for FY 2022-23**.
- Jharkhand too has UCs pending for Rs. 2.27 Crore **for grants released in FY 2020-21** (under EAP Head).
- **SMCGs of UP, Uttarakhand & Jharkhand should submit the said long- due UCs.**
- Further, the expenditure reported by SMCG-UP also includes expenditure incurred by UP Jal Nigam against grants received directly from the MoEF&CC. But details of funds received have not been provided.
- CPCB also needs to furnish UCs amounting to Rs. 10.95 crore pending against grants released **in FY 2022-23**.

Status of UCs pending from DoDWS

- Long pending UCs against grants released through DoDWS to 5 State Rural Sanitation Missions.
- 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
- **PU requested to follow-up with DoDWS and all State Missions, in particular with Bihar**.

Rs. in Crore

	Status reported in the last ETF meeting held on 22.04.2023				Status as on 31.03.2024				
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**

Annual Accounts : Timelines & Steps

Timelines:

- Approved & authenticated Accounts to be submitted to the C&AG by 30th June.
- C&AG to submit Final Audit Report by 31st October.
- Audited Accounts to be laid on the Table of Parliament by 31st December.

Actions requested

- PUs requested to process/ share unpaid liabilities FY 2023-24 to enable FU to make appropriate provisioning.
- Finance has issued several Circulars, last of which is dated 09.04.2024.
- Admn. Wing advised to update Fixed Asset, Stock, Library and Accession Registers.
- Pending UCs to be pursued and obtained from Executing Agencies.

Status of Certification Audit of FY 202-23

SMCG	Status
Uttarakhand, Uttar Pradesh & Jharkhand	Audit completed & Report submitted to the World Bank.
Bihar	Audit completed. However, report awaited.
West Bengal	No Certification Audit required as no expenditure was incurred under World Bank Loan.

- First year of Audit of SNGRBP.
- C&AG directed entrustment of SMCG's sole Audit to State AGs before Audit of World Bank assisted Projects.
- Entrustment was done after persistent follow-up by NMCG.
- Deadline for submission of Audit Report was 31 December. 4-month grace period ending on 30 April, after which loan disbursement may be suspended.
- SMCG Bihar needs to submit their report immediately.
- NMCG's own Report is also held up as C&AG is insisting reports from all SMCGs before issuing certificate to NMCG.

Amending PAN of NMCG

- ARC in its last meeting approved that NMCG would get its PAN amended to reflect its "Authority" status (current PAN is in the capacity of AoP).
- This would have helped NMCG to avoid repeated Notices from Income Tax Department.
- Subsequent enquiries with IT Dept. reveal, NMCG would have to surrender existing PAN to get an amended one (a new PAN in effect).
- A new PAN also means a new GSTIN.
- Surrendering existing PAN to take a new one would have regulatory implications.
- Therefore, it is proposed not to pursue the decision to amend NMCG's PAN (which would effectively mean taking a new one).

Registration under Section 10 (46) of IT Act

- NMCG is currently registered under Section 12 AA of IT Act.
- It requires NMCG to file RoI with a certificate from the CA.
- C&AG, NMCG's statutory Auditor, has objected to dual 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 has notified NMCG under Section 10(46) of the IT Act.
- Unfortunately, the notification applies to FY 2020-21, 2021-22 & 2022-23; years for which NMCG has already filed RoI with CA certificates.
- However, NMCG can apply for extension of notification's applicability.
- This may also help NMCG in avoiding system generated repeated notices from the IT Department.

Internal Audit Report on Accounts of National Mission for Clean Ganga (NMCG), New Delhi for Quarter 1 &2 of Financial Year 2023-24

An Overview of Internal Audit

- First Internal Audit under the new stream-lined system.
- Wider mandate to the Internal Auditor.
- ToR for Q-1 and Q-2 decided in consultation with SMCGs.
- Same areas covered for all SMCGs.
- The Internal Audit Report broadly covers
  - Accounting Practices
  - Ledgers balances/ Advances/
  - Compliance with statutory provisions (TDS under GST & Income Tax Acts)
  - Admin Issues

Accounting Entries/ Policies

Audit Observations	Action Taken/ Comments
Non adherence to real time accounting practice.	• Real time accounting requires immediate booking of liability on receipt of bills; and thus a centralized system of receiving bills. • However, in NMCG bills are received and processed by divisions concerned. • Only the final liability is entered in the books. At times, there are significant differences between bill amounts and amounts approved for payment. • In general, the Govt. system is not suitable for real time accounting. • Auditors have since clarified that the objective of their suggestion was ensuring suitable provisioning at the time payments are approved. • **It is now ensured that the books are updated on daily basis, with provisioning at the time of approval of the Bills.**

Accounting Entries/ Policies 2/3

Audit Observations	Action Taken/ Comments
Booking Project expenses based on reconciliation entries instead of Utilization Certificates.	• Booking of expenses was based on Project-wise expenditure statements furnished by the SMCGS during reconciliation exercise, which were supported by Utilization Certificates/Bank statements / RA Bills/ Invoices furnished by the EAs. • Based on the furnished documents, adjustment / rectification entries were passed during FY 2022-23 & current FY in the books of NMCG and SMCGs. • **All reconciliation entries are thus backed by UCs or other supporting documents of SMCGs/ Executing Agencies.**
Rs. 92,15,52,683 adjustment entries passed in the ledger of DoDWS as reconciliation entries .	NMCG had released grants to the Rural Sanitation Missions of 5 Ganga Basin States till 2018-19. Initially the grants were released to the DoDWS, & later to the State Missions on the recommendations of DoDWS. During scrutiny of pending UCs last year, it was noted that ledgers of DoDWS & State Missions require inter-se adjustments. The balance referred to by the Audit was amounts transferred to ledgers of 5 states for reconciling accounts with DoDWS. The total balance of pending UCs from DoDWS in the books remained unchanged, only the

Accounting Entries/ Policies

Audit Observations	Action Taken / Comments
Opening Balance of Rs. 30,89,22,999 remaining payable to CFI.	The observation of Audit was because of delay in making accounting entries. Now all entries are updated daily and entries of all refunds have since been made in the books.
Delayed reconciliation of bank accounts.	As stated above, entries in the books of accounts are now being updated on daily basis. Also reconciliation of day end books balance with bank balance is ensured.
Recording Prior Period Expenses as expense of current financial year.	The instances pointed out by the Auditor have been corrected in the books.
No depreciation charged on the assets upto September 30, 2023.	Depreciation entries will be passed at the time of closure of books of accounts. **Also depreciation policy needs to be revised in the current financial year as per the advice of the C&AG.**

Ledger Balance/ UCs / Advances

Audit Observations	Action Taken / Comments
Audit has flagged several ledger balances :	
❖ Unadjusted Ledger Balances (5 ledgers)	3 out of 5 ledgers have been adjusted. Unadjusted balances against KPMG and Mahindra Consulting relate to professional fees, requiring reconciliation with the agencies. These will be adjusted if required after reconciliation/discussions.
❖ Unadjusted Mobilization Advance (3 Ledgers)	2 out of 3 accounts have been adjusted. In the other case (Mahindra Consulting Engineers), additional inputs sought from the division concerned.
❖ Negative Balances (6 Ledgers)	5 out of 6 ledgers have been / will be adjusted at the time of account closure. The remaining case requires confirmation from the Agency.

Ledger Balance/ UCs / Advances

Delay in submission of **Utilization Certificates** by the following agencies:

Agency	Amount	Action/Taken Comments
DAVP	1,00,00,000	This relates to rolling advance given to DAVP in FY 2018-19. Pending in spite of regular follow-up.
N.E.E.R.I., Nagpur	1,45,14,109	Exercise of balance confirmation is under progress
Jajmau Tannery Effluent Treatment Association	88,91,44,699	Balance of Jajmau has been reduced to Rs. 27,36,98,610 as on date. The UC pending is against the grants given in last FY (2023-24).
Bihar Rural Livelihoods Promotion Society (BRLPS)	21,70,00,000	These are part of the long-pending UCs from the DoDWS. Except for Bihar we have since received updated UCs.
UP State Waste & Sanitation Mission	1,14,46,00,000	
Uttarakhand Swachh Bharat Mission	8,70,00,000	

Statutory Compliance

Audit Observations	Action Taken / Comments
Short deduction of TDS under the GST and IT Acts: 1. KPMG Advisory Services Private Limited 2. ITDC Limited 3. Centre for Science and Environment 4. Indira Gandhi National Centre of Arts 5. Bureau of Outreach & Communication 6. Senior Postmaster Sarojini Nagar 7. Atech Computers	• Agencies at S No. 3 & 4 received grants-in-aid which do not require TDS (TDS is applicable only on contractual payments). • Agencies at S No. 2, 5 and 6 are Government Department/ entity, which are also exempt from TDS. • For KPMG and Atech Computers, the shortfall along with interest has been deposited.

Admin Issues

Audit Observations	Action Taken / Comments
Non booking of Salary & EPF after May 2023	In May 2023, a decision was taken to treat the contractual staff as “Consultants”. Accordingly, the contractual staff are being paid fees under the head “Professional fee” since May 2023, instead of “salary”.
Non-booking of Consultancy Fees, Electricity & Water Charges since May 2023.	Electricity & Water Charges have since been paid upto Feb 2024. For the remaining months of the FY, provisioning will be done in the Annual Accounts.
No Fixed Assets Register (FAR) maintained as per NGBRA guidelines	FAR is being maintained by Administration Wing as per GFR 22 “Register of Fixed Assets”. Periodic reconciliation is also being done between Finance and Admin Wing data. The data is matched and updated upto February 2024.

Suggestions

Suggestions	Action Taken / Comments
Quarterly Physical verification of the Assets/ Inventory	Observation is shared with Admin division for appropriate action.
Four eye check is required to strengthen the Internal control There should be segregation of duties;	Double check is maintained for entries made in accounts and for preparation of financial statements. a. Initially Entries in books are made by –Accounts Assistant b. Entries are checked by CA Consultant c. Final check of accounting entries is done by FMS We are in discussions with Tally software feature for adding a feature on “Authentication”.
There must be a SOP in respect of Finance & Accounts;	Finance is following well defined process. However, as suggested by the Audit, this is also being documented in the form of an SoP. To be completed by end June.

Suggestions 2/2

Suggestions	Action Taken / Comments
SOPs/ Manual for administrative and travelling expenses.	Observation is shared with concerned division.
Reconciliation of accounts should be done periodically.	Audit suggestion is noted. Will be incorporated as part of the SoP for Finance.
Proper policy for requisition and purchase of fixed assets shall be made.	Observation is shared with Admin division.
Balance confirmation is required from implementing/ executing agencies	Exercise of year end balance confirmation is underway.

Internal Audit of SMCGs

- Reports examined in NMCG.
- Major observations include:
  - Accounts are not being done as per the prescribed format of Controller General of Accounts
  - No provisioning being done.
  - No verification of physical assets.
  - No reconciliation of bank accounts with SMCGs' books of accounts.
  - TDS liabilities outstanding both for GST and Income Tax.
  - Society Registration certificate has expired for 2 SMCGs (Bihar & West Bengal).
  - SMCGs of West Bengal and UP have outstanding demand from Income Tax Authorities.
  - No agreement for vehicle services provided by SMCGs of Uttarakhand & Jharkhand.
- ED(F) has written to all PDs on 21 March 2024 advising to place the Audit Observations and action taken thereon.

ARC & BRC Meetings by SMCGs

SMCG	ARC	Last meeting	BRC	Last meeting
Uttarakhand	10	25.11.23	10	25.11.23
Uttar Pradesh	4	16.10.2023	5	16.10.2023
Bihar	5	31.05.22	5	31.05.22
Jharkhand	7	15.07.22	7	15.07.22
West Bengal	10	22.04.24 (scheduled)	16	22.04.24 (scheduled)

- None of the SMCGs appears serious about ARC/ BRC meeting.
- Bihar and Jharkhand have not conducted any meeting in two years; Uttar Pradesh in one and half years.
- Only Uttarakhand and West Bengal have been conducting meetings intermittently.
- All SMCGs requested to convene ARC/BRC meetings regularly.
- Internal Audit Reports and action required may be reviewed by the ARC immediately.

Departmental Internal Audit

- Undertaken twice in the past: (i) for 2010-13 and (ii) for 2013-17.
- Another Internal Audit to be undertaken during 6 -10 May 2024.
- Period to be covered: April 2017 to March 2024.
- All Divisions requested to designate a nodal officer.
- Comments on old outstanding Paras requested.
- Admin requested to keep comments ready.
- Other issues mentioned: Pay fixation cases of employees to retire in next 4 years (do not appear relevant for NMCG).

Thank You

Hyperlinked Slides

Name of SPMG/EA	UCs Pending upto 31.03.2023	UCs Pending for Grants Released in FY 2023-24	Total
SPMG Uttar Pradesh	48.79	174.04	222.83
SPMG Bihar	-	136.83	136.83
SPMG Uttarakhand	46.15	18.91	65.07
SPMG West Bengal	-	33.32	33.32
SPMG Jharkhand	2.27	22.30	24.57
Uttar Pradesh Forest Department	-	19.02	19.02
Hariyali Mission, Bihar	-	11.61	11.61
Forest Department (Jharkhand)	0.91	1.34	2.25
Forest Department (Uttarakhand)	1.67	-	1.67
DoDWS	130.99	-	130.99
Delhi Jal Board	-	123.04	123.04
Central Pollution Control Board	10.95	32.78	43.74
Jajmau Tannery Effluent Treatment Association	2.37	25	27.37
Banthar Industrial Pollution Control Company	-	19.87	19.87
IIT Kanpur (C-ganga)	14.28	0.51	14.79
Water resources dept Madhya Pradesh	-	9.00	9.00
ICAR-CIFRI	-	3.43	3.43
Wild Life Institute of India	-	4.84	4.84
NEERI Nagpur	1.45	1.00	2.45
NBCC	-	2.38	2.38
Solidaribad Regional Expertise Center (SREC)	-	2.27	2.27
Ayodhya Development Authority	-	1.45	1.45

List Continues..

Name of SPMG/EA	UCs Pending upto 31.03.2023	UCs Pending for Grants Released in FY 2023-24	Total
Haryana Public Health Deptt	1.13	-	1.13
WAPCOS imited	-	1.12	1.12
D.A.V.P	1.00	-	1.00
Patanjali Research Institute	-	0.98	0.98
IIT Kanpur	0.83	-	0.83
Project Director- SPMU-FIG West Bengal (DFO)	-	0.79	0.79
Centre for Policy Research	-	0.74	0.74
Jamia Millia Islamia	-	0.65	0.65
Mathura Audhyogik Chhetra and Pradushan Nibvaran Co.	0.44	0.19	0.63
National Institute of Urabn Affairs	-	0.58	0.58
NGRI Hyderabad	0.53	0.01	0.55
Urban Administration & Development, Madhya Pradesh	-	0.5	0.50
IIPA	-	0.35	0.35
IIT Delhi	0.06	-	0.06
Mandaliye Khel Vikas Evam Prosahan Samiti	0.05	0	0.05
Nehru Yuva Kendra	-	0.05	0.05
HESCO	-	0.03	0.03
Ganga Task Force	0.02	-	0.02
IIT-Roorkee	-	0.02	0.02
Total	**263.92**	**648.96**	**912.88**

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फ़ाइल संख्या :- G-20017/1/2022-BUDGET NMCG (Part-2)

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:- 10 अप्रैल 2024

सेवा में,

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

विषय: Annual and Quarterly Expenditure Plans for Financial Year 2024-25 -reg.

Sir/ Madam,

The Budget Division of the Department of Water Resources, RD & GR has forwarded the Vote on Account for the first five months of the Current FY (i.e. April to August, 2024) in respect of Namami Gange Mission-II. The overall allocation for the current financial year is Rs. 3,500 crores. The budget head-wise allocation is as under:

Budget Head		Budget Estimates 2024-25 (Rs. in cr.)	Allocated Vote on account 2024-25 (April to August) (5/12 of BE) (Rs. in cr.)
A. NGP-EAP	Grants-in-aid General	10.00	4.1667
	Grants for Creation of Capital Assets	990.00	412.50
	Total (A)	**1,000.00**	**416.6667**
B. NGP Non-EAP	Grants-in-aid General	100.00	41.6667
	Grants for Creation of Capital Assets	2,400.00	1,000.00
	Total (B)	**2,500.00**	**1,041.6667**
	G. Total	**3,500.00**	**1,458.33**

2. Compared to the Revised Estimates for FY 2023-24, budget provisions for FY 2024-25 is nearly 50 percent higher. Full utilization of the enhanced provisions will require careful planning and sustained efforts. SMCGs are, therefore, requested to prepare the Annual Action Plans and Quarterly Expenditure Plans (QEPs) for full utilization of budget allocation during FY 2024-25 and submit them to Finance Division NMCG at the earliest. A copy of QEPs may also be endorsed to the concerned subject matter Divisions in the NMCG. Executing Agencies may submit their QEPs/ Fund Demands to the Divisions concerned in the NMCG.

3. It may also be pointed out that the authorized expenditure as per the "Vote on Account" for the first five months of the current FY is Rs. 1,458.33 crores. It has been informed by the D/o WR, RD & GR that no expenditure on any 'New Service' is permitted till the full Demands for Grants are voted by the Parliament. The SMCGs/Executing Agencies are required to prepare the Quarterly Expenditure Plans accordingly.

4. SMCGs/Executing Agencies are also requested to submit the provisional Utilization Certificate (UC) of expenses incurred in previous FY. In this regard they may kindly refer to the Advisory regarding submission of Utilization Certificate (UC) issued on 24 August 2023 *(available at NMCG website, link: https://nmcg.nic.in/CommunicationSMCG.aspx).* UCs have to be sent in the format as specified in the GFR- 2017, (12 'A' for the Autonomous Bodies and 12 'C' for the State Government Department).

5. SMCGs/Executing Agencies are further requested to assess requirements for EAP and Non-EAP Heads carefully. Only the new investments specifically financed under Second National Ganga River Basin Project (SNGRBP; Loan No: IBRD- 9136-IN) and the NGRBP projects carried forward to SNGRBP should be included under the EAP head. **NGRBP projects not carried forward to SNGRBP need to be booked under the Non-EAP head. It is also emphasized that no inter-se re-appropriation between EAP and Non-EAP heads is possible without the approval of the Parliament.**

6. SMCGs/Executing Agencies are advised that while finalizing the Annual Action & Quarterly Plans, funds should be requested only in respect of projects and activities having all approvals in place. No fund should be requested for projects/ activities on which approval of NMCG is awaited or fund-utilization is subject to award of contract. A fresh request may be submitted only when all approvals have been accorded and the SMCGs/Executing Agencies are in a position to utilize the additional funds. It may also be noted that the grants under any project will be released only on utilization of 90 percent of the previous releases.

7. It is also reiterated that under the Treasury Single Account (TSA) system of fund flow, any limits not utilized lapses at the end of the financial year. During the recently

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closed financial year (FY 2023-24), several implementing/executing agencies were unable to utilize their assigned limits, and a significant amount was refunded during last few days. It was an uphill task for NMCG to reassign the refunded limits to another agency/payment at the very end of the FY and also ensure their utilization. Such eventual liabilities must be avoided in the current FY.

8. So far, as the TSA is concerned, following points are also reiterated:

(i) Implementing/Direct Executing Agencies are prohibited to transfer assigned limits to their commercial bank accounts, as this is akin to acting as one's own vendor.

(ii) Payments by SMCGs to the executing agencies should be on the basis of bills raised by the contractors i.e., on reimbursement basis. Further it may be ensured by the SMCGs that no funds are parked with their executing agencies.

9. Resources/Instructions/Guidelines on TSA are available on NMCG's website (https://www.nmcg.nic.in → Finance → Division → TSA).

10. It is requested that Annual Action & Quarterly Expenditure Plans may be formulated accordingly.

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

प्रतिलिपि : सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित ।

(i) वित्त निदेशक/ वित्त इकाई/ वरिष्ठ वित्त प्रबंधन विशेषज्ञ, राज्य स्वच्छ गंगा मिशन (उत्तराखंड, उत्तर प्रदेश, बिहार, झारखंड, पश्चिम बंगाल)

प्रतिलिपि : सूचनार्थ एवं अपने सम्बंधित प्रभाग के अंतर्गत कार्यान्वयन एजेंसियों को उचित सलाह देने और एसएमसीजी के साथ अनुवर्ती कार्रवाई करने के अनुरोध हेतु प्रेषित :

(ii) उपमहानिदेशक, एनएमसीजी
(iii) कार्यकारी निदेशक, एनएमसीजी (प्रशासन/परियोजना/तकनीकी)
(iv) परामर्शदाता/वरिष्ठ सलाहकार, एनएमसीजी

प्रतिलिपि : सूचनार्थ हेतु प्रेषित - निजी सचिव, महानिदेशक, एनएमसीजी

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 26th March, 2024

S.O. 1545(E).—In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'National Mission for Clean Ganga', New Delhi (PAN AABAN3769K), an Authority constituted under the River Ganga (Rejuvenation, Protection and Management) Authority Order, 2016, in respect of the following specified income arising to that Authority, namely:

(a) Grants-in-Aid received from Government of India; and

(b) Interest earned on bank deposits.

2. This notification shall be effective subject to the conditions that National Mission for Clean Ganga, New Delhi –

(a) shall not engage in any commercial activity;

(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

3. This notification shall be deemed to have been applied for assessment years 2021-2022, 2022-2023 and 2023-2024 relevant for the financial years 2020-2021, 2021-2022 and 2022-2023 respectively.

[Notification No. 36/2024 F. No. 300196/21/2017-ITA-I]

VIKAS SINGH, Director (ITA-I)

Explanatory Memorandum

It is certified that no person is being adversely affected by giving retrospective effect to this notification.

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राष्ट्रीय स्वच्छ गंगा मिशन
जल शक्ति मंत्रालय
जल संसाधन, नदी विकास एवं गंगा संरक्षण विभाग
भारत सरकार

प्रथम तल,मेजर ध्यानचंद, राष्ट्रीय स्टेडियम,
इंडिया गेट, नई दिल्ली - 110002
दिनांक: 09, अप्रैल 2024

विषय: **Settlement of pending Bills/ Invoices, and provisions for Annual closing of Accounts for FY 2023-24 of National Mission for Clean Ganga**

Reference is invited to Finance Wing circular dated 5th February 2024 and 13th March 2024 on the subject cited above **(attached)**.

2. As has been stated in the circular dated 05.02.2024, NMCG is following the accrual based accounting system, which requires all expenses / incomes to be reported in the books of accounts in the financial year in which they occur, even though they may be settled in subsequent years. Therefore, it is necessary to account for all expenditures incurred by NMCG up to 31.03.2024 in its books of account for FY 2023-24. Any unsettled expenditure not provisioned would tantamount to prior period expenses, which in the past had invited several adverse Audit observations.

3. While several bills/invoices pertaining to expenses incurred in FY 2023-24 were received in last couple of weeks, there may still be some unprocessed bills/invoices against liabilities arising in last financial year. Even if the processing of Provisional Bills / Proforma Invoices on file requires more time, advance sharing of such bills/invoices with Finance Wing before closure of Books of Accounts will enable us to make appropriate provisioning, and thus significantly reduce "Prior Period Expenses", and possibility of adverse observations by the Audit.

4. All Divisions, are, therefore again advised to pro-actively collect all Bills/ invoices pertaining to expenses incurred in FY 2023-24 and **submit them to the Finance Wing by 26th April 2024** for provisioning in Books of Accounts for FY 2023-24, closure of which will be done in the month of May 2024.

(भास्कर दासगुप्ता)
कार्यकारी निदेशक(वित्त)

संलग्न: उपरोक्तानुसार

DDG/ED(Tech)/ ED(Projects)/ ED(Admn)/ Adviser/ Sr. Consultant (BS)/ Director (SMD)/ DS (Admin.) / DS(IC)/ Section Officer (Admin.)/ Director (Technical) / SWMS (Rajat Gupta)/ RTIS (Peeyush Gupta)/ SCM (Mohd. Najeeb Ahsan) / PO (Tech) (Hema Patel) / Scientist – B(CPCB) (Anu Chetal) /Environmental Eng.(WWM) (Sunil kumar)

प्रतिलिपि: PS to DG, NMCG

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डा0 भास्कर दाशगुप्ता
कार्यकारी निदेशक (वित्त)
राष्ट्रीय स्वच्छ गंगा मिशन
Dr. Bhaskar Dasgupta
EXECUTIVE DIRECTOR (FINANCE)
NATIONAL MISSION FOR CLEAN GANGA

सत्यमेव जयते

भारत सरकार
जल शक्ति मंत्रालय
जल संसाधन,
नदी विकास और गंगा संरक्षण विभाग
GOVERNMENT OF INDIA
MINISTRY OF JAL SHAKTI
DEPARTMENT OF WATER RESOURCES,
RIVER DEVELOPMENT & GANGA REJUVENATION

DO. No. 18011/1/2002-O/o ED (Finance)

March 21, 2024

Dear Sir,

The Internal Audit of NMCG and 5 SMCGs for the first two quarters of FY 2023-24 was conducted by the Auditor M/s Sahni and Bansal during November & December, 2023. The scope of the said Audit was decided in consultation with the SMCGs. The final reports have since been received and shared with respective SMCGs.

2. A few major observations have been identified by the NMCG :

(i) The Society Registration certificate has expired for 2 SMCGs (Bihar & West Bengal).

(ii) None of the SMCGs are maintaining accounts as per the prescribed format of Controller General of Accounts (no provisioning is being done).

(iii) No verification of physical assets is being undertaken by the SMCGs.

(iv) No reconciliation of bank accounts with SMCGs' books of accounts.

(v) TDS liabilities are outstanding both for GST and Income Tax.

(vi) SMCGs of West Bengal and UP have outstanding demand from Income Tax Authorities.

(vii) No agreement for vehicle services was provided by the SMCGs of Uttarakhand and Jharkhand.

3. A matrix capturing the major deficiencies pointed out in the Internal Audit Reports is attached (Annexure I), along with major State specific observations (Annexure II)

4. I urge you to kindly take suitable actions on the recommendations/observations in the Internal Audit report. The said recommendations and action taken thereon may also be placed before the Audit Review Committee of the SMCGs.

With regards

Yours sincerely,

(Bhaskar Dasgupta)

Encl: As above

The Project Directors
(State Mission for Clean Ganga : Uttarakhand, Uttar Pradesh, Bihar, Jharkhand & West Bengal)

नमामि गंगे

राष्ट्रीय स्वच्छ गंगा मिशन
प्रथम तल, मेजर ध्यान चंद नेशनल स्टेडियम, इन्डिया गेट, नई दिल्ली—110002
NATIONAL MISSION FOR CLEAN GANGA
1st Floor, Major Dhyan Chand National Stadium, India Gate, New Delhi - 110002
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Common discrepancies observed by internal Auditor for 2 quarters of (F.Y 2023-24) w.r.t 5 SMCGs (Annexure-I)

Name of SMCG	Non maintaining of accounts on accrual / Real time basis	Non verification of Physical Assets/ Inventory on quarterly basis.	Non Renewal of SPMG society certificate	Ref Page No from Audit I/A Report	Non reconciliation of bank statement with book of accounts
1	**2**	**3**	**4**		**5**
Uttarakhand	√	√	×		√
Uttar Pradesh	√	√	×		√
Bihar	√	√	√	20	√
Jharkhand	√	√	×		√
West Bengal	√	√	√	71	√

State specific issues observed by internal Auditor for 2 quarters of (F.Y 2023-24) w.r.t 5 SMCGs

Name of SMCG	TDS Liabilities (in Lakhs) for Income Tax	Ref Page no of I/A Report	Demand from Income Tax Rs (in Lakhs)	Ref Page no of I/A Report	GST & TDS return	Posts lying vacant	Mismatch between closing & opening balance	Ref Page no of I/A Report	Non maintaining of Vehicle agreement / Log book	Not maintaining Project running file
1	2		3		4	5	6		7	8
Uttarakhand	6.34	15.00	×		√	×	×		√ (agreement)	√
Uttar Pradesh	×		2810.18 Lakhs (Rs 2810.17 Lakh for A.Y 2015 & Rs 1000 for A.Y 2018	Page No 26	×	√	214.76 Crore in F.Y 2022-23	18	×	×
Bihar	5.68	16.00	×		×	√	√		×	×
Jharkhand	6.33	15.00	×		×	√	×		√ (agreement)	√
West Bengal	1.18	55	Rs 16705 lakh (Rs 12,244 lakh during year 2019 & Rs 4461 Lakh during year 2021)	Page No 53	×	×	×		√ (log book)	×

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Key Audit Observations and Action Taken

Ledgers with Significant **unadjusted Mobilization Advances :**

Agency	Amount	Action/Taken Comments
Mobilization Advance Mahindra Consulting for Digha & Kankarbagh	12,17,645	Adjustment entry has been passed.
Mobilization advance – WAPCOS Ltd	14,53,000	Adjustment entry has been passed.
Mobilization advance- Mahindra Consulting Engineers.	25,87,500	Necessary adjustment will be done while closure of books of accounts after discussion with the division concerned.

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Key Audit Observations and Action Taken

Ledgers with Significant **unadjusted balances :**

Agency	Amount	Action/Taken Comments
Next Gen Enterprises	1,75,494	Balance has since been adjusted.
KPMG Advisory Services Pvt Ltd.	13,05,073	KPMG and Mahindra Consulting Balance is relating to professional fees which needs to be reconciled with the agency. **These balances will be adjusted if required after discussion with division concerned.**
Mahindra Consulting Engineers Limited	3,78,287	
NIUA	16,68,673	The advance given to NIUA has increased to Rs. 1.28Crore. Out of the total advance, agency has confirmed to refund Rs. 70 lacs. Further, against the balance amount the UC will be recovered from the agency.
Bureau of Outreach & Communication	70,414	Balance has since been adjusted.

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Key Audit Observations and Action Taken

Audit Observations		Action Taken
Ledgers with significant **adverse balance** are:		
Agency	**Amount**	**Action/Taken Comments**
Engineering Projects (India) Limited	1,14,22,218	It appears entry was wrongly passed twice. Corrections will be made after confirmation from the Agency.
Forest Department (West Bengal)	25,40,400	Adverse balance has been adjusted.
Indian Institute of Forest Management	5,23,341	Adverse balance has been adjusted.
Project Expense- Kanpur STP	47,33,00,000	Secured Advance given to the Executing Agency refunded through UPJN.
Stockholm International Water Institute	3,12,543	Adverse balance has been adjusted. Amount has been paid to the agency and the balance amount Rs. 5,306.63 is forex gain booked as indirect income.
Delhi Jal Board	38,32,457	Expenses were incurred by Delhi Jal Board (DJB) over and above total the grants released. The accounts stand reconciled with DJB. It will be issued while closure of Books of Accounts.

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