FN-14015/1/2020-BUDGET NMCG (Comp. No: 264233)
Govt. of India
Ministry of Jal Shakti
Department of Water Resources, River Development & Ganga Rejuvenation
National Mission for Clean Ganga

1st Floor,
Major Dhyan Chand National Stadium,
New Delhi-110002
Dated: - 10 July 2025

To

The Project Directors, State Missions for Clean Ganga (SMCG) - Uttarakhand, Uttar Pradesh, Bihar, Jharkhand & West Bengal

Subject: Minutes of the 27th Joint Meeting of Audit Review Committee and Budget Review Committee of National Mission for Clean Ganga (NMCG)-reg.

Minutes of the 27th joint meeting of the Audit and Budget Review Committees of the NMCG held on 20th June, 2025 are attached herewith.

2. SMCGs are requested to submit an action taken report to the NMCG by 30th July 2025.

3. This issues with the approval of Competent Authority.

Encl. as above.

(Subrata K. Basu)
Senior Consultant (Finance)
Tel. 011-23049475

Copy along with a copy of the Minutes, with a request to furnish an Action Taken Report to the Finance Wing of the NMCG by 30th July 2025.

1. Deputy Director General, NMCG
2. Executive Director (Administration), NMCG
3. Executive Director (Project), NMCG
4. Executive Director (Technical), NMCG
5. Joint Secretary & MD, Swachh Bharat Mission, (SBM), Department of Drinking Water & Sanitation, Ministry of Jal Shakti, 4th Floor, Pandit Deendayal Antyodaya Bhawan, CGO Complex, Lodhi Road, New Delhi-110003
6. Dr. Sandeep Behera, Consultant (Biodiversity), NMCG

Copy for information

1. PS to Director General, NMCG
2. PS to Executive Director (Finance), NMCG

Minutes of the 27th Joint meeting of the Audit Review Committee (ARC) and the Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on 20 June, 2025 at NMCG office, New Delhi.

The 27th Joint meeting of the Audit Review Committee (ARC) and the Budget Review Committee (BRC) of the National Mission for Clean Ganga (NMCG) was chaired by the Director General, NMCG at 02:00 PM on 20 June 2025 in NMCG office New Delhi. A list of participants is at **Annex I**.

2. At the outset, Executive Director (Finance), NMCG welcomed Director General, Deputy Director General, Executive Directors of the NMCG, and participants from the D/o Drinking Water & Sanitation (DoDWS) and State Missions for Clean Ganga (SMCGs). Thereafter, the Committee was apprised about the Agenda items:

3. Budget Review Committee

3.1. Utilization of Budgetary Provisions FY 2024-25

(i) The Committee was informed that out of the budgetary provision ₹3,000 crores {Revised Estimates (RE)}, the NMCG disbursed a total of ₹2744.35 crore. NMCG's utilization of budget provisions was ₹2589.12 crore, which was 86.30 per cent of the RE. NMCG sustained the increasing trend of disbursement during NGM-II with utilization in FY 2024-25 being 8 per cent higher than that of last year. The Nirmal Ganga vertical of the Namami Gange Programme accounted for more than 90% of the fund disbursed.

(ii) ₹130.39 crore (84 per cent) were lapsed or refunded by 3 agencies (CPCB & SMCG-Uttar Pradesh and SMCG-Bihar). The reasons for lapse of fund as conveyed by CPCB and SMCG-UP was apprised to the Committee. The CPCB has intimated that the lapse of fund was primarily because of non-commencement of 8th round of annual inspection and delay in manpower recruitment. SMCG – Uttar Pradesh informed that a few Bills related to Kumbh Mela Projects could not be uploaded by the close of the financial year. The TSA on-boarding of the UPJN-Urban, a new executing agency, was also delayed. Both agencies informed that suitable remedial measures have been put in place to prevent recurrence of such lapse in FY 2025-26. SMCG-Bihar assured that the reasons for the lapse will shortly be conveyed to the NMCG.

3.2. Budget and Utilization of FY 2025-26

(i) The total budgetary provision for FY 2025-26 is ₹3400 crore (National Ganga Plan EAP: ₹500 crore and National Ganga Plan Non-EAP: ₹2900 crore). The NMCG has drawn a limit of ₹750 crore in Q-1. The Committee was informed that by the end of first quarter, the NMCG expects to disburse ₹550 crore.

(ii) The Committee was apprised that all SMCGs other than Bihar have drawn funds as per their Q-1 projection. Release of fund to SMCG-Bihar has been delayed due to expenditure reconciliation. All SMCGs were advised to update their expenditure plan based on variation proposals submitted to the NMCG, recent approvals accorded by NMCG's Executive Committee, progress in tendering, expenditure progress etc.

(iii) The Committee directed that Q-2 fund demands by SMCGs and other agencies are to be submitted by 15 July 2025. SMCGs were also advised to submit fund demand with all relevant details, for which a format has been circulated by the NMCG to help reduce processing/approval time. While as per the current assessment, the expected requirement of fund for FY 2025-26 is about ₹3000 crore, higher utilization is possible with concerted efforts.

3.3. Utilization Certificates

(i) The Committee was informed that outstanding UCs amounting to ₹300 crore were liquidated during FY 2024-25. For grants released up to 31 March, 2024, UCs pending have been reduced to ₹73.28 crore, of which ₹59.32 crore were pending from DoDWS for rural sanitation projects. Excluding UCs pending from DoDWS, total UCs pending for grants released up to 31 March, 2024 is less than ₹15 crore. Even the UCs pending from DOWS have since come down to ₹32.12 crore.

(ii) For grants released during last financial year (for which UCs are not yet due), significant UCs are pending from SMCG-Bihar, JTETA, Banther CETP, C-Ganga and Delhi Jal Board. These are being followed up.

(iii) SMCGs were also requested to summit Audited UCs for FY 2024-25 as per Finance Advisory dated 20 May 2025.

4. Audit Review Committee

4.1. Certification Audit of World Bank assisted projects

(i) The Committee was informed that Certification Audit by the C&AG for expenditure incurred under the World Bank assisted projects were completed in time for the NMCG and all SMCGs except West Bengal. For SMCG-West Bengal, Audit was delayed because the State Accountant General desired that the name of West Bengal SMCG be changed to align it with the loan agreement. Although the name change resolution was approved by the State Ganga Council on 6 November, 2024, some technicalities delayed formal notification by the Registrar of Society. The Audit report was finally issued on 13th May, 2025. However, since the World Bank was kept informed about the developments, there was no mention of any default by executing agencies in the Bank report.

(ii) In the audit of expenditure for 2023-24, there has been some disallowance of expenditure by the C&AG. The disallowance in Uttar Pradesh was mainly due to a procedural ground; non-maintenance of supporting documents for centage as per NMCG guidelines. The committee was informed that SMCG-UP has since submitted that it is difficult for the executing agency, the Uttar Pradesjh Jal Nigam (UPJN) to separate out manpower and other expenses for Namami Gange Projects in accordance with NMCG guidelines as there is no dedicated manpower for NMCG

Projects. The Committee directed that the extant guidelines will be reviewed keeping in view the submission of SMCG-UP.

(iii) For SMCG-Bihar, the Committee was apprised that the audit disallowances were discussed in a meeting held on 7th May, 2025. SMCG-Bihar has been asked to provide a detailed report on reasons for the disallowance. The Committee directed that the Finance Unit of SMCG-Bihar may be strengthened immediately by engaging a full time Finance Professional and a senior Government officer to be designated as Director (Finance) in the SMCG. In the interest of the financial management of the SMCG-Bihar and the Namami Gange Programme as a whole, the Finance Wing of the NMCG may initiate immediate action in this regard.

(iv) For SMCG of West Bengal and Uttarakhand, there have been minor disallowances. After necessary actions as per Audit observations, the disallowed expenses will be resubmitted to the C&AG for recertification.

(v) Notwithstanding the outcome of the above efforts, NMCG has deducted (or will deduct) the disallowed amount from subsequent claims to the World Bank.

4.2. Audit Readiness

(i) The Audit of NMCG's Annual Accounts is expected to commence in the 1st week of July, 2025. Proponent Units concerned were advised to update relevant Registers, including fixed asset register, Register for stock/ consumable and accession registers for audit scrutiny, as per Finance Advisory dated 20 May, 2025.

(ii) It was also informed that the C&AG has recently prescribed a risk assessment framework for central autonomous bodies under which a few additional registers such as records of contract through GeM portal, objection book, records of negative media report etc. are required to be maintained. The framework also prescribes maintenance of records related to obsolete/ expired e-waste and non-repairable assets for disposal. Relevant Units were requested to take appropriate action in this regard.

(iii) ED (F) informed the Committee that C&AG has started stakeholder consultation from the current year, under which discussions were held with the NMCG on 9 June, 2025. During the meeting, DG-Audit (Agriculture, Food and Water Resources) emphasized the need for maintenance of a comprehensive data-base of assets created out of grants release by the NMCG. ED (F) informed that an advisory has been issued in this regard by the Finance Unit on 12 January, 2025. DG, NMCG observed that while records of assets created out of NMCG's grants should be maintained, the detailing of records to be maintained needs further deliberations.

4.3. Income Tax Matters

(i) The Committee was apprised of the significant progress made in collaboration with the Income Tax Department in resolution of NMCG's income tax related issues. The Central Board of Direct Taxes (CBDT) has notified NMCG as an "Authority" under clause (b) of sub-section (46A) of section 10 of the Income Tax Act, 1961 by a gazette notification dated 22 April 2025. This notification is effective from the assessment year 2024-25 and will remain in force so long as NMCG continues to be an “Authority” under the Environment (Protection) Act, 1986. Further, this notification does not stipulate any specific type of income for exemption, thereby making all incomes of NMCG unconditionally exempt.

(ii). Earlier, the CBDT had notified the NMCG under section 10(46) of the Income Tax Act through a notification dated 26 March, 2024. However, the said notification was limited only to assessment years 2021-22, 2022-23 and 2023-24; and for those years NMCG had already filed 'return of income' as a “Trust” under sections 11 and 12 of the Income Tax Act. The CBDT has since permitted the NMCG to file revised returns for the said years by an order dated 9 April, 2025. The revised returns for these years have since been filed on 15 May 2025 under Section 10(46) of the Income Tax Act, 1961.

(iii). With NMCG’s Notification under Section 10(46)/ 10(46A), the requirement to get NMCG’s accounts audited by a tax auditor has also been dispensed with.

(iv) Thus, proactive administrative coordination between the NMCG and the Income Tax Department leading to the Notification of the NMCG as an “Authority” under Section 10 (46A) of the Income Tax Act effective AY 2024-25, coupled with the permission granted to file revised returns under Section 10(46) of the Act for preceding three years have paved ways for resolution of taxation issues of the NMCG.

4.4. Internal Audit Framework

(i) Internal Audit up to Q-3 of FY 2024-25 has been completed for all SMCGs. The Q-4 Audit is underway. For NMCG, while Audit has been completed up to Q-4, report is awaited.

(ii) A separate Audit Wing for the NMCG was earlier suggested by the C&AG. This was discussed in the last ARC meeting and it was felt that since the NMCG is already being audited by the Internal Audit Wing of the DoWR,RD&GR, a separate audit wing for the NMCG is not warranted. This was communicated to the Audit during the recent stakeholders’ consultation. The Audit accepted NMCG’s submission.

(iii) The Committee also felt that since NMCG is primarily a funding agency, quarterly internal audit in addition to Departmental Internal Audit imposes disproportionate compliance burden. It was decided to review the requirement of quarterly internal audits by a CA Firm.

4.5. ARC/BRC meetings by SMCGs

The Committee was informed that since the last ARC/BRC meeting of the NMCG, SMCGs of Uttar Pradesh, Uttarakhand and West Bengal have convened meetings of their respective ARC/BRC. However, SMCG - Bihar convened its last ARC/BRC meeting almost a year back, and SMCG -Jharkhand has not convened a meeting in nearly three years. The Committee advised SMCGs of Bihar and Jharkhand. to convene meetings of their respective ARC/BRC immediately.

5. Actionable Points

The major actionable points are summed up below:

(i) SMCG- Bihar to clarify reasons for lapse of budget in FY 2024-25 and remedial actions taken.

(ii) Q-1 Fund to SMCG-Bihar to be released at the earliest.

(iii) Demand for possible variations to be included in projected expenditure for FY 2025-26.

(iv) Q -2 demand to be submitted by 15 July 2025 by SMCGs and other agencies.

(v) SMCG-Bihar, JTETA, cGanga, DJB etc. to submit pending UCs at the earliest.

(vi) All SMCGs to submit Audited UCs for FY 2024-25 as per NMCG advisory dated 20 May 2025.

(vii) The extant guidelines for claiming DPR preparation and project supervision charges to be reviewed in view of the submissions made by the SMCG- UP.

(viii) Finance unit of SMCG-Bihar to be strengthening by recruiting a full time Finance Professional. The Finance Wing of the NMCG may immediately initiate in this regard.

(ix) Quarterly Internal Audit of the NMCG by a CA Firm to be reviewed.

(x) Modalities to record assets created from NMCG's grants-in-aid to be finalized.

(xi) SMCGs of Bihar & Jharkhand to convene meeting of their respective ARC/BRC.

(xii) All Proponent Units to finalize their respective quarterly expenditure plans and submit to Finance Wing by 30 July 2025.

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Annex I

List of Participants present in the 27th Joint meeting of the Audit Review Committee (ARC) and Budget Review Committee (BRC) of National Mission for Clean Ganga (NMCG) held on Friday, on 20 June, 2025 at NMCG office, New Delhi.

List of Participants

NMCG

1. Shri Rajeev Kumar Mital, Director General, NMCG ----- In Chair
2. Shri Nalin Kumar Srivastava, Deputy Director General, NMCG
3. Shri S. P. Vashisth, Executive Director (Administration), NMCG
4. Shri Anup Kumar Srivastava, Executive Director (Technical), NMCG
5. Dr. Bhaskar Dasgupta, Executive Director (Finance), NMCG
6. Shri Awinash Chandra, Deputy Secretary, (Administration), NMCG
7. Shri Varun Parkash, Section Officer, NMCG
8. Shri Ankur Chauhan, Assistant Section Officer, NMCG
9. Dr. Sandeep Behera, Consultant (Biodiversity), NMCG
10. Shri Rajat Kumar Gupta, Senior Solid Waste Management Specialist, NMCG
11. Shri Sunil Kumar, Environmental Engineer, NMCG
12. Shri Subrata K. Basu, Senior Consultant (Finance), NMCG
13. Shri Manan Mudgal, Financial Management Specialist, NMCG
14. Shri Harish Kumar Shishodia, Consultant (Finance), NMCG
15. Shri Achyut Pathak, Project Assistant, Clean Ganga Fund, NMCG
16. Ms. Neema Joshi, Institutional Associate, NMCG
17. Shri. Abhishek Sharma, Data Analyst, NMCG
18. Ms. Sabreen, CA Assistant, NMCG

DODWS, Ministry of Jal Shakti, New Delhi

19. Shri V.K. Sharma, Under Secretary, DoDWS, Ministry of Jal Shakti, New Delhi.
20. Dr. Ravindra Bohra, Team Leader, Namami Gange Cell, Swachh Bharat Mission (Gramin), Ministry of Jal Shakti, New Delhi

Through video conferencing:

SMCG-Uttarakhand

21. Shri Jaipal Singh Tomar, Finance Director, SMCG Uttarakhand
22. Shri R. K. Jain, General Manager (Ganga), Uttarakhand Pay Jal Nigam, Uttarakhand
23. Shri Pradeep Bhatt, Sr. Financial Management Specialist, SMCG Uttarakhand
24. Ms. Chanda Malasi, Assistant Manager (Finance), SMCG Uttarakhand

SMCG-Uttar Pradesh

25. Shri Prabhash Kumar Singh, Additional Project Director, SMCG, Uttar Pradesh
26. Ms. Priya Agarwal, Sr. Financial Management Specialist, SMCG Uttar Pradesh
27. Shri Sandeep Kumar, Chief Engineer (Ganga), Uttar Pradesh Jal Nigam, Uttar Pradesh
28. Shri Shazad Ansari, Finance Director, Uttar Pradesh Jal Nigam (Rural), Uttar Pradesh

SMCG-Bihar

29. Dr. Rajiv Ranjan, General Manager (Finance), BUIDCO
30. Shri Ajit Kumar, Chartered Accountant (Finance Consultant), BUIDCO
31. Shri Rajan Kumar Shaw, Accountant, BUIDCO/SMCG, Bihar
32. Shri Kumar Anand, Accountant, SMCG, Bihar

SMCG-Jharkhand

33. Ms. Jyotshna Singh, Deputy Director, SMCG Jharkhand
34. Shri Sumit Kumar Mahto, Assistant Director, SMCG Jharkhand
35. Shri Amit Chakravarty Company Secretary-cum-Project Director (Finance)-JUIDCO
36. Shri Alok Kr. Mandal, Dy. General Manager (Works & Planning)-JUIDCO
37. Shri Radhakant Singh, Project Manager (Works & Planning)-JUIDCO
38. Shri Akhilesh Kumar Nayak, Project Manager (Works & Planning)-JUIDCO
39. Shri Astitwa Anand, Dy. Project Manager-JUIDCO
40. Shri Bibhuti Kumar, MIS/ GIS Specialist, SMCG Jharkhand
41. Shri Sharvan Prasad Gupta, Accountant, SMCG Jharkhand

SMCG-West Bengal

42. Shri Ranjan Kumar Jana, Director Finance SMCG, West Bengal
43. Shri Debajyoti Basu, Accountant, SMCG, West Bengal.