

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2018-2019)**

32

SIXTEENTH LOK SABHA

THIRTY SECOND REPORT

**[Delay in laying of the Annual Reports and Audited Accounts of the
National Mission for Clean Ganga, New Delhi]**

(Presented on 18 December, 2018)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
December 2018/ Agrahayana, 1940(Saka)**

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE

(2018-2019)

Shri Chandrakant Khaire

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Chairperson

M E M B E R S

2. Shri Dushyant Chautala
3. Shrimati Veena Devi
4. Shri P.C. Gaddigoudar
5. Shri Laxman Giluwa
6. Shri Choudhury Mohan Jatua
7. Shrimati Mausam Noor
8. Shri Bheemrao B. Patil
9. Shri Sanjaykaka Ramchandra Patil
10. Shri Bishnupada Ray
11. Shri Manohar Untwal
12. Shri Uday Pratap Singh
13. Shri Virendra Singh
14. Shri P.R. Sundaram
15. Vacant

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
 2. Smt. Rita Jailkhani - Director
 3. Smt. Maya Lingi - Additional Director
 4. Shri M.K. Rewari - Deputy Secretary
 5. Shri R.K. Chaudhary - Committee Officer
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INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2018-19), having been authorized by the Committee to present this Report on their behalf, present this Thirty Second Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the National Mission for Clean Ganga, New Delhi (Company).

2. In terms of the recommendation of the Committee on Papers Laid on the Table contained in its First Report, Second Report (5th Lok Sabha) and Second Report (6th Lok Sabha) presented to the House on 08 March 1976; 12 May 1976 and 22 December 1977 respectively, the Annual Report and Audited Accounts of the Organization/Company are required to be laid on the Table of the House within nine months of the closure of Accounting Year.

3. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of the National Mission for Clean Ganga and took oral evidence of the representatives of the Ministry of Water Resources, River Development and Ganga Rejuvenation at their sitting held on 19, July, 2018.

4. The Committee considered and adopted this Report at their sitting held on 12 December, 2018.

5. The Committee wish to express their thanks to the officers of the Ministry of Water Resources, River Development and Ganga Rejuvenation for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

New Delhi
12 December, 2018
21 Agrahayana, 1940(Saka)

Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table

REPORT

Delay in laying of the Annual Reports and Audited Accounts of the National Mission for Clean Ganga

The National Mission for Clean Ganga (NMCG) was established in August, 2011 under the administrative control of the Ministry of Environment & Forests as a registered society under the Societies Registration Act 1860. The NMCG and other related matters of Ganga and its tributaries were transferred to the Ministry of Water Resources, River Development & Ganga Rejuvenation on 31.07.2014.

2. The Committee had been informed by the Ministry of Water Resources, River Development and Ganga Rejuvenation that as per Rule 237 of the GFR 2017, the Annual Reports and Audited Statements of Accounts of Autonomous Organizations were required to be laid on the Table of the Parliament. Further, byelaw 32 (B) of the byelaws of NMCG required to forward Annual Report and Annual Accounts duly approved by its General Body to Central Government. Clause 43(5) of Statutory Order No. S.O. 3187(E) dated 7.10.2016 called the River Ganga (Rejuvenation, Protection and Management) Authorities Order, 2016 (Authority Order) also required NMCG to forward its Annual Expenditure Statement with Audit Report annually to the Empowered Task Force and the Central Government for being laid before each House of Parliament.

3. In term of recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of its First Report (5th Lok Sabha), Paras 4.16 and 4.18 of Second Reports of 5th Lok Sabha and Paras 1.12 and 3.6 to 3.8 of Second Report of 6th Lok Sabha presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Report and Audited Accounts together alongwith Review Statement of the Institutes/Organisations (Statutory/Autonomous Organisation, Public Undertakings, Corporations, Joint ventures, Societies etc.) were required to be laid on the Table of the House within 09 months of the close of the respective Accounting Year. To comply with this requirement proper time schedule

should be laid down for compilation of Annual Report and Annual Accounts and their auditing. The Committee felt that normally a period of 3 months would be sufficient for compilation of Annual Accounts and their submission for Audit; the next 6 months might be given for auditing of accounts; printing of the Report and sending it to Government for laying. If for any reason, the Annual Reports and Audited Accounts of the Institutes could not be laid within the prescribed period of 9 months, the Ministry concerned should lay a Statement within 30 days of the expiry of the aforesaid period or as soon as the House meets whichever is later, explaining the reasons as to why the documents could not be laid in time.

4. When the Committee desired to know the reasons for the delay in laying of the Annual Reports and Audited Accounts of the NMCG since the year 2011-2012 to 2016 - 2017, the Ministry in its written reply stated as under: -

"The NMCG is a newly created organization in 2011. Since its creation it has undergone substantial change in its form, governing structure, control and mandate. Starting as a registered society under the Ministry of Forest and Environment it was transferred to the present controlling ministry namely Ministry of Water Resources, River Development and Ganga Rejuvenation on 31.07.2014. Further it was changed into an Authority with much wider scope of work and greater financial and administrative powers and responsibility to implement the flagship program of Namami Gange launched in 2015. The mandate has changed by including powers to issue directions under section 5 of EP(Act)1986. The organization also has changed in terms of placing Director General at Additional Secretary level and Executive Directors at Joint Secretary level".

5. The Ministry further stated that all these changes over the last six-seven years have had its impact on the normal functioning of the fledgling organization as it had to keep adjusting itself to the changing environment. For major part of the organisation's existence the management consisted only of the Mission Director in JS rank with two Director level officers. It is only with the constitution of NMCG as an authority w.e.f. 07.10.16, there had been induction of senior level officers to take care of the expanding mandate and responsibilities. These reasons led to initial delay in compiling of Annual Accounts and Annual Reports but now the gap has

been covered and NMCG would be current from this year onwards. The year-wise details of finalisation of Annual Accounts are given below:

"The Annual Accounts of NMCG for FY 2011 - 12, FY 2012 - 13 and FY 2013 - 14 were finalized on 1st September 2012, 1st September 2013 and 1st July 2014, respectively. However, NMCG could convene its first General Body Meeting chaired by the Hon'ble Minister of MOWR only on 7th May 2016 and hence the Annual Accounts for these years could be adopted by the General Body only on that day. The Annual Accounts for the three years were placed before Lok Sabha on 22.3.18. Annual Accounts for FY 2014 - 15 were finalized on 22 May 2015 and approved by Governing Council on 16 June 2016 and were adopted by the Empowered Task Force on 3 August 2017. Annual Accounts for FY 2015 - 16 were finalized on 20 September 2016 were approved by the Governing Council on 19 June 2017 and were adopted by the Empowered Task Force on 3 August 2017. Annual Accounts for 2014-15 and 2015 -16 had been approved by Hon'ble Minister on 20.6.18 and will be laid before the Parliament in the coming monsoon session. Annual Accounts for FY 2016 - 17 were finalized on 05 July 2017 and Audit was completed on 18 July 2017. No meeting of Governing Council had taken place since then and hence Annual Accounts for FY 2016 - 17 are yet to be approved by the Governing Council".

6. The Committee note that the Annual Reports and Audited Accounts of the NMCG for the years 2011-12; 2012-13 and 2013-14 were laid on the Table of the House on 22.03.2018 by the Ministry of Water Resources, River Development and Ganga Rejuvenation with delays ranging from 39 months to 63 months. Further only Audited Accounts, Review Statement and Delay Statement for the years 2014-15 to 2016-17 were laid on the Table of the House on 26.07.2018 with delays ranging from 7 months to 31 months whereas Annual Report for the year 2016-17 (upto 31.10.2017) was laid on the Table of the House on 02.08.2018. The Annual Reports of the NMCG for the year 2014-15 and 2015-16 have not yet been laid on the Table of the House. **Thus, the NMCG and the Ministry of Environment and Forests and Ministry of Water Resources, River Development & Ganga Rejuvenation failed to comply with the Parliamentary requirement of laying these documents as stipulated in the General Finance Rules 2017.**

7. When the Committee enquired about the pattern of funding to the NMCG by the Government of India, the Ministry in its written reply stated that NMCG receives funds from the Ministry of Water Resources, River Development and Ganga Rejuvenation (MOWR) under four budget lines namely (i) National River Conservation Program (NRCP) - Externally Aided Projects Component (EAP), (ii) NRCP - Non EAP Component, (iii) National Ganga Plan Component, and (iv) Ghat Beautification and Development of River Fronts Component. Details of year-wise funds released by Ministry of Water Resources, River Development and Ganga Rejuvenation to NMCG during the last three years are given below:

FY	Funds released by MOWR to NMCG
	(Rupees in crores)
2015-16	1,632.00
2016-17	1,675.00
2017-18	1,423.22
Total	4,730.22

8. On being questioned by the Committee regarding steps taken for finalization of Annual Reports and Audited Accounts of the NMCG for the years 2011-12 to 2017-18, the Ministry in their written reply stated that the Department of Economic Affairs (DEA), Ministry of Finance, Government of India was requested to recommend to CAG to conduct regular audit of NMCG by the Secretary, Ministry of Environment and Forests on 23 July 2012. Thereafter, entrustment of audit of accounts of NMCG to Comptroller and Auditor General of India for a period of five years from FY 2012-13 to FY 2016-17 was conveyed through letter dated 14 March 2013.

9. The chronological sequence of different activities involved in finalization of Annual Reports and Audited Accounts of the NMCG and auditing of the same for the financial years 2011-12 to 2017-18 are given in **Annexure - I**.

10. The Ministry in their written reply had further stated that for initial years that is 2012-2013, 2013-2014 & 2014-2015 the NMCG was part of the Ministry of

Environment and Forest, which included it in its Annual Reports. Till 2016-17 NMCG did not have proper organizational structure, it was not possible to prepare Annual Report, hence the activities of the organization were included in the Annual Report of the Ministry for the year 2015-16 and 2016-17. The NMCG has brought out its first Annual Report for the period 01.04.2016 to 31.10.2017 (for period of one and a half year i.e. 18 months). The Report was approved by Hon'ble Minister of State on 20.06.2018 and the same was placed before the House on 02.08.2018. The delay in finalization of Annual Report was on account of designing the Report for the first time, which involved additional work of finalizing the content and layout.

11. when the Committee asked whether the Ministry had identified the stages in which delays have occurred during all these years and steps taken to curtail delays in future, the Ministry in their written reply have stated that delay also took place in getting the content translated into Hindi where required. The main reason for delay was adoption of the accounts in the Governing Council and the Empowered Task Force meetings, which could not be held in time. These meetings will now be held more regularly, so that delay in adoption of account does not take place.

12. when the Committee enquired about any procedural difficulties associated with convening the meeting of the Competent Authority for getting approval of the documents of the NMCG, the Ministry in their written reply stated that the meetings at the level of the Competent Authority could not be held during the last one year because of change of the Competent Authorities.

13. The Ministry in their written reply also informed NMCG have Internal Auditing mechanism and Accounts have been compiled in time.

14. When the Committee asked whether any time schedule had been laid down either by the NMCG or by the Ministry indicating normative time for completion of the task at each stage involved in finalization of the Annual Reports and Audited Accounts, the Ministry in their written reply had stated that since NMCG has been registered as a trust under Section 12A of the Income Tax Act, 1961, which *inter-alia* provides that Income Tax Return, after finalization of books of accounts has to

be furnished within the time limit prescribed under Section 139 of the Income Tax Act (which presently is 30 September) and the given time schedules is followed.

15. The Ministry in their written reply also informed that the Finance Division and the Subject Matter Division monitor the progress of Auditor Account and Annual Report respectively.

16. On being asked by the Committee whether any remedial measures had been taken or proposed to be taken both by the Ministry and the NMCG to ensure timely laying of documents before Parliament within the prescribed period of nine months for the close of accounting year in future, the Ministry in their written reply had stated that initial difficulties in setting up the organization addressed to a great extent, all efforts would be made to abide by the timelines for laying the documents before the Parliament.

17. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of NMCG for the years 2011-2012 to 2016-2017 and on the issue took evidence of the representatives of the Ministry of Water Resources, River Development & Ganga Rejuvenation and NMCG on 19.07.2018.

18. Elaborating further the reasons for delay in laying of the Annual Reports and Audited Accounts of the NMCG, the Secretary, Ministry of Water Resources, River Development & Ganga Rejuvenation during the evidence explained the Committee as under:

"National Mission for Clean Ganga (NMCG) was set up in the year 2011. Earlier it was a part of the Ministry of Environment and Forests under the Society Registration Act. It come under the control of the Ministry of Water Resources, River Development & Ganga Rejuvenation in 2014. It is still a society and was granted status of Authority by restructuring on 7th October, 2016 . It was given powers under the Environment Protection Act and the Management Structure was also strengthened. Now there is a DG of NMCG at the top level and five posts of Executive Directors (of the rank of Joint Secretary) have been created to support the DG. All these changes over the last six-seven years have had its impact on the normal functioning of the NMCG. These reasons led to initial delay in compiling of Annual Accounts and Annual Reports. Now the gap has been covered and NMCG would be current from 2017-18 onwards"

Observations/Recommendations

19. The Committee are disappointed to note that the Ministry of Environment, Forests and Climate Change and Ministry of Water Resource, River Development and Ganga Rejuvenation and NMCG have neither fulfilled the Parliamentary requirement nor Committee's recommendation regarding laying of the Annual Reports and Audited Accounts of the NMCG. As per the Rule 237 of the GFR 2017, the Annual Reports and Audited Accounts of the NMCG for the years 2011-2012, 2012-2013 and 2013-2014 should have been laid by December, 2012, December, 2013 and December, 2014 respectively. But these documents were laid on the Table of the House on 10.12.2015 with delays ranging from 12 to 36 months. Further Annual Reports and Audited Accounts of the NMCG for the years 2014-2015 and 2015-2016 should have been laid by December, 2015, and December, 2016 respectively. However, the NMCG had laid only Audited Accounts, Review Statement and Delay Statement on 26.07.2018 with delays ranging from 19 to 31 months. The Annual Reports and Audited Accounts of the NMCG for the year 2016-17 were laid on the Table of the House 26.07.2018 with delays of almost 7 months.

20. While examining the reasons from delays of 6 to 35 months in laying of the documents of the MNCG, the Committee note that undue delay had occurred at all the stages right from compilation of Annual Accounts to laying them on the Table of the House. The NMCG took more than 5 months at the stage of compilation of Annual Accounts for the years 2011-2012, 2012-2013 and 2015-2016 as against 03 months prescribed by the Committee in this regard. Further, the NMCG had finalised its first Annual Report for the period 1st April, 2016 to 31 October, 2017 on 10.06.2018. The Committee expressed its concern over these delays.

21. The chronology of events has brought into sharp focus the failure of the Ministry of Environment, Forest and Climate Change and Ministry of Water Resources, River Development and Ganga Rejuvenation to put in place a system and monitoring mechanism to ensure laying of document of NMCG on the Table of both the Houses of Parliament within the stipulated time. The Ministry must make all out efforts to ensure that the documents of the NMCG pertaining to 2017-2018 is laid within stipulate time. The Committee shall be informed of the compliance of these directions as also measures taken by the Ministry to avoid delays in future.

22. The Committee also impress upon the Ministry that if due to unavoidable reasons, the Annual Reports and Audited Accounts of the NMCG could not be laid on the Table of the House within the stipulated time; a statement explaining the reasons as to why the requisite documents could not be laid within prescribed period should be laid on the Table of the House strictly within 30 days as recommended by the Committee in its earlier Report.

**New Delhi
12 December, 2018
21 Agrahayana, 1940(Saka)**

**Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table**

Annexure - I

The details of dates of compilation of Annual Accounts of NMCG and time taken after the closure of respective Accounting year

Sl. No.	Task	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Date of compilation of Annual Accounts Number of days after closure of the accounting year	1.9. 12 154	1.9. 13 154	1.7. 14 92	22.5. 15 52	20.9. 16 173	5.7. 17 96	Under Process
2.	Date of submission of Annual Accounts to Auditors	23.9.13	23.9.13	28.7.14	15.6.15	22.9.16	20.7.17	Yet to be submitted
3.	Date of start of audit Date of completion of audit (<i>i. e.</i> submission of Draft Report) Duration for auditing (number of days)	22.10.13 14.11.13 24	7.10.13 23.10.13 16	14.8.14 15.9.14 33	13.7.15 4.8.15 23	4.10.16 27.10.16 23	21.8.17 7.9.17 18	Yet to be submitted Yet to be commence
4.	Date on which draft Audit Report was issued Time taken after receipt of Annual Accounts (Number of days)	14.11. 13 53	23.10.13 31	15.11.14 50	4.8.15 51	27.10.16 36	28.11.17 132	Yet to be commence
5.	Date on which final Audit Report received by NMCG Time taken after issue of the draft report (Number of days)	14.11.13 0	14.2.14 115	19.12.14 96	26.11.15 115	16.1.17 82	28.11.17 83	Yet to be commence

Appendix-I

THE EXTRACTS OF THE MINUTES OF SITTING OF THE COMMITTEE ON PAPERS LAID ON THE TABLE HELD ON 19TH JULY, 2018

The Committee sat on 19th July, 2018 from 1500 hrs. to 1600 hrs in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire - Chairperson

MEMBERS

2. Shrimati Veena Devi
3. Shri P.C. Gaddigoudar
4. Shri Bheemarao B. Patil
5. Shri P.R. Sundaram

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jaikhani - Director
3. Smt. Maya Lingi - Additional Director
4. Shri Munish Kumar Rewari - Deputy Secretary
5. Shri R.K. Chaudhary - Committee Officer

REPRESENTATIVES OF MINISTRY OF WATER RESOURCES, RIVER DEVELOPMENT AND GANGA REJUVENATION

1. Shri U.P. Singh - Secretary
2. Shri Roopesh Srivastava - Director
3. Shri Sundeep - Director
4. Dr. Pravin Kumar - Director

REPRESENTATIVES OF NATIONAL MISSION FOR CLEAN GANGA

1. Shri Rajiv Ranjan Mishra - Director General
2. Shri Hitesh Kumar S. Makwana - Executive Director
3. Shri D.P. Mathuria - Executive Director
4. Shri Rozy Agarwal - Executive Director
5. Shri Rajiv Kishore - Executive Director

At the outset, the Chairperson welcomed the Members to the sitting of the Committee and briefly apprised them about the agenda of the sitting.

2. Thereafter, the representatives of the Ministry of Water Resources, River Development and Ganga Rejuvenation and National Mission for Clean Ganga ushered in.

3. The Chairperson welcomed all the representatives of the Ministry of Water Resources, River Development and Ganga Rejuvenation and National Mission for Clean Ganga to the sitting of the Committee and briefly apprised them about the agenda of the sitting. He also informed them about the provisions of Direction 58 of Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. The Secretary, Ministry of Water Resources, River Development and Ganga Rejuvenation, explaining the reasons for delay in laying of Annual Report and Audited Accounts of the National Mission for Clean Ganga (NMCG) for the years 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017, stated that National Mission for Clean Ganga (NMCG) was set up in the year 2011. Earlier it was a part of the Ministry of Environment and Forests under the Society Registration Act. It came under the control of the Ministry of Water Resources in 2014. It is still a society and was granted status of Authority by restructuring on 7th October, 2016. It was given powers under the Environment Protection Act and the Management Structure was also strengthened. Now there is a DG of NMCG at the top level and five posts of Executive Directors (of the rank of Joint Secretary) have been created to support the DG. It was also submitted *inter-alia* that the Ministry is going to present Audited Accounts for three years i.e. 2011-2012, 2012-2013 and 2013-2014 in Parliament and have also got date for laying the accounts for the years 2014-2015 and 2015-2016 in Rajya Sabha on 30th July, 2018 and in Lok Sabha on 2nd August, 2018 respectively.

5. The Secretary further submitted that Audited Accounts for the year 2016-2017 are available with them and Accounts for the year 2017-2018 have also been

prepared and will be audited before December, 2018. They have prepared annual report for the first time and will be laid on the Table in Rajya Sabha on 30th July, 2018 and in Lok Sabha on 2nd August, 2018 respectively.

6. Thereafter, the Chairperson thanked the representatives of the Ministry of Water Resources, River Development and Ganga Rejuvenation and National Mission for Clean Ganga.

7. The witness then withdrew.

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The Committee then adjourned.

- (iv) *Draft Reports relating to the Action Taken by Government on the recommendations/observations made by the Committee in their **Seventh Report** on Delay in laying of Annual Report and Audited Accounts of the Rail Land Development Authority New Delhi;*
- (v) *Draft Reports relating to the Action Taken by Government on the recommendations/observations made by the Committee in their **Eighth Report** on Delay in laying of Annual Report and Audited Accounts of the Delhi Development Authority New Delhi;*
- (vi) *Draft Reports relating to the Action Taken by Government on the recommendations/observations made by the Committee in their **Ninth Report** on Delay in laying of Annual Report and Audited Accounts of the University Grants Commission New Delhi;*
- (vii) *Draft Reports relating to the Action Taken by Government on the recommendations/observations made by the Committee in their **Tenth Report** on Delay in laying of Annual Report and Audited Accounts of the National Institute of Social Defence New Delhi;*
- (viii) *Draft Reports relating to the Action Taken by Government on the recommendations/observations made by the Committee in their **Eleventh Report** on Delay in laying of Annual Report and Audited Accounts of the National Commission for Women New Delhi;*
- (ix) *Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the Central Pollution Control Board(CPCB), New Delhi;*
- (x) *Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the National Mission for Clean Ganga (NMCG), New Delhi; and*
- (xi) *Draft Reports regarding delay in laying of the Annual Report and Audited Accounts of the Office of the Chief Commissioner for Persons with Disabilities (CCPD), New Delhi.*

4. After deliberations, the Committee adopted the Memoranda and Reports without modifications.

5. The Committee authorized the Hon'ble Chairperson to present the same to the Parliament during ongoing Session.

Then the Committee adjourned.