No:J-180112/2/2010-NRCS
Government of India
Ministry of Environment & Forests
NATIONAL RIVER CONSERVATION DIRECTORATE

Pravaran Dhravan', C.G.O. Complex,
Lodhi Road, New Delhi-110003
Dated: 24th February, 2011

To

Shri Alok Ranjan,
Principal Secretary,
Department of Urban Development,
Government of Uttar Pradesh,
"Bapu Bhawan", Sachivalaya,
Lucknow (UP).

Sub:- Administrative Approval and Expenditure Sanction for the project proposal of
"Kanauj Sewerage Scheme (Phase-II), Uttar Pradesh under National Ganga River
Basin Authority (NGRBA) at an estimated cost of Rs.43.66 crore (Rupees Forty three
crore and Sixty six lakh only) — and Release of Grant-in-Aid of 1st installment of
Rs.7,25,00,000/- (Rupees Seven crore and Twenty five lakh only) in favour U.P. Jal
Nigam, Lucknow for the financial year 2010-2011.

Sir,

I am directed to convey the sanction of the President to the grant of Administrative
Approval and Expenditure Sanction (AA&ES) for the project proposal of "Kanauj Sewerage
Scheme (Phase-II), Uttar Pradesh" under National Ganga River Basin Authority (NGRBA) at an
estimated cost of Rs.43.66 crore (Rupees Forty three crore and sixty six lakh only). The cost
is to be shared on 70:30 basis between Govt. of India and the State Govt. of U.P. The Govt. of
India's share at 70% will be Rs.30.56 crore and the State Govt's share at 30% will be Rs.13.10
crore.

2. Sanction of the President is also conveyed to the release of Grant-in-Aid of 1st installment
payment of Rs.7,25,00,000/- (Rupees Seven crore and Twenty five lakh only) being the 25% of
Govt. of India's share of capital cost in favour of U.P. Jal Nigam, Lucknow for the above
mentioned project proposal.

3. Break-up of the sanctioned cost is at Annexure-I.

4. Administrative Approval and Expenditure Sanction for the scheme is granted subject to the
following conditions:-

(i) State Project Monitoring Group (SPMG) for NGRBA projects is required to be registered
and notified.
iii) Any cost escalation, over and above the sanctioned cost, will be the responsibility of the State Govt. as committed by them. The GoI share of the total project cost shall be limited to Rs. 30.56 crore.

(ii) The period of completion of the scheme is 18 months from the date of this sanction i.e., the project shall be completed by August, 2012. Progress of implementation of the project shall be closely monitored by the Govt. of Uttar Pradesh so as to ensure that the project is completed within the stipulated time. Schedule for completion of scheme and all other conditions shall be strictly adhered to.

(iv) Operation & Maintenance (O&M) will be the responsibility of the State Govt./Local Body. The cost of O&M for the first 3 years will be shared between GoI & State Government on 70:30 basis, with the O&M cost for the remaining years to be fully borne by the State Government/ULB. The continuation of GoI funding for O&M after 3 years will be dependent on a review carried out to determine satisfactory achievement of commitments made by ULB in the O&M Plan and MoA submitted. Cost overrun for O&M, if any, will also be met by the State Government/ULB.

(v) The State Govt. shall expeditiously release its share of funds corresponding to the GoI release made for the project.

(vi) The choice of technology for sewage treatment shall be left open during the tendering process by the State implementing agency and will be guided by the least life cycle cost and the output to be achieved as prescribed. DBO model to be adopted for STP.

(vii) Detailed design & engineering of the sewerage system and STP based on proper survey and investigations before execution shall be ensured by the State Govt./Implementing agency to achieve economy in the proposal as well as to avoid any shortfall in the design.

(viii) The State Govt. shall ensure appointment of agency (ies) for third party inspection/evaluation of projects implemented under NCRBA in Uttar Pradesh latest by 31-3-2011. Inputs from third party monitoring will be taken into consideration in processing release of funds.

(ix) Commitments made by the State Govt. & concerned ULB in the Tripartite MoA signed by them for the project relating to timely project execution, evaluation and monitoring at regular intervals, proper O&M and commitment to reforms shall be strictly adhered to.

(x) Progress of work to be achieved commensurate to the present release is indicated in the Annexure-II.

(xi) The Government of Uttar Pradesh shall also keep in view the following for compliance:

(a) The independent agencies while appraising the projects, have made suggestions. These need to be addressed by States during implementation.
(b) Need to establish synergy between O&M projects and other Central State sponsored schemes in the town to avoid any overlap in operation.

(c) Sewage works now proposed under the project will form part of City Sanitation Plan to be prepared by the State Government.

(d) Service level benchmarking will be ensured by the States/ULBs to ensure highest level of quality for treated sewage / industrial effluents.

(e) The baseline data for characteristics of river water would be obtained. The projection to the likely improvement of river water quality would be prescribed and regularly monitored.

(f) Monitoring of project deliverables by the PIA is the integral part of responsibility of PIA. State Govt. to regularly respond to MJR or NRC for regular monitoring.

(g) DBO (Design, Build Operate) model will be followed for the STPs proposed to be constructed.

(h) Treated effluents parameters from the STPs will be regularly monitored ensuring that they meet the discharge standards. The data of STP monitoring would be made available online.

(i) State will ensure effective control of industrial pollution. It would be ensured that the industries treat their effluents to prescribed standards before discharge into the sewerage system.

(j) State will ensure effective control of Municipal Solid Waste of the town.

(k) A plan of action for giving 100% connections to sewer network year wise during the implementation period of work shall be prepared and a suitable provision is to be made in the byelaws to enforce compulsory sewer connection and user charges on the beneficiaries in the project area.

(l) State Govt / PIA to ensure Stakeholder consultation during implementation. The suggestions made are to be taken care of during implementation stage.

(m) Treated waste water should be reused for irrigation, industrial and other purposes.

(n) Commitments by State Govt./ULBs along with the timelines for suitable O&M of assets with specific reference to commitments on User Charges given by the State Govt. under JnNURM to be fulfilled.

(o) Commitments by State Govt to ensure water support as per MoUD guidelines so that water flow attains self cleansing velocity.
Following commitments by State Govt/ULB to be fulfilled:

- To reforms & outcomes
- Provision for TPI to ensure quality of work & scheduled progress of work
- To countersigning of UCs by State authorities.
- On O&M and revenue generation
- Commitments given to MoUD
- Continuous treated wastewater monitoring at the outlet of STP
- On rate of water supply

Conditions/commitments indicated in the ESC Memorandum and its Minutes, compliance response of new guidelines, and other documents shall be strictly adhered to in the project implementation and management.

The funds for the project implementation will be released by the GOI in suitable instalments, and each instalment will be released only after scrutiny of the Utilization Certificate and Progress Report in respect of the previous instalment. Periodical examination of any mismatch between the funds released and physical progress achieved component-wise and ensuring that the matching share of the State Government, if any, has been released to the implementing agency.

The State Government shall release their corresponding share in the project from time to time commensurate with the share of India's release and confirm.

Subsequent release of the GOI share of the project cost will be in appropriate instalments upon production of Utilization Certificate in Form GFR-19-A duly signed by the authorized signatory, production of Expenditure Statement and Progress Report showing progress in respect of provisions insisted in terms of percentage.

5. The release of funds is subject to the following terms and conditions:

   **Financial Aspects:**

   i) The terms and conditions as stipulated in the order conveying Administrative Approval & Expenditure Sanction (AA&ES) in respect of the scheme under the Plan shall be adhered to during implementation of the project.

   ii) Any escalation over and above the sanctioned cost of the scheme shall be borne by the State Government. The Implementing agency has to take this into account while incurring expenditure on the approved project.

   iii) Funds shall be made available to the implementing agencies without delay or diversion.

   iv) The State Govt. shall take all necessary legal and executive measures to ensure that local body augments its revenue for Operation & Maintenance of the assets created under the River Conservation Plan.
v) Appropriate policy initiatives will be taken by State Government for non-point sources of pollution including agricultural run-off, industrial pollution and solid waste management.

vi) On receipt of the grant, the grantee/State Government shall release its share in the cost of the project, if any. Further, installment of grants or its portion would be released only after the such contribution, if any.

vii) The funds released for the project should be credited through a separate interest earning bank account. The interest thus earned should be credited to the project and reflected in the Utilization Certificate from time to time and shall be adjusted towards the funds release for the project. For any diversion of funds, the signatory of the bank account shall be held responsible.

viii) The Government of India reserves the right to withdraw the sanction at any stage if it is convinced that the amount released has not been properly utilized or appropriate progress is not being made.

ix) The Implementing Agency is not permitted to sell or utilize funds for the same purpose from any other organization (Government, semi-Government, autonomous or private).

x) The implementing agency shall furnish monthly expenditure statements in the prescribed forms from the commencement of the project. These should be submitted by the 20th of the following month for the preceding month.

xi) The implementing agency shall furnish to the NRCD a utilization certificate in respect of grants-in-aid received during the various quarters as under:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
<td>April – June</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>July – September</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>October – December</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>January – March</td>
</tr>
</tbody>
</table>

xii) The cost of the scheme will be shared on 70:30 basis between the Government of India and the State Govt. The sanctioned amount should be spent exclusively thereto as per the guidelines of the scheme and within the stipulated time. The liability of NRCD will not exceed the amount sanctioned for the project/scheme. Any unspent amount(s) should be surrendered to the Directorate. For carrying forward any unutilized amount(s) beyond the specified time limit prior approval of NRCD should be obtained.

xiii) It is the responsibility of the implementing agency to ensure that the assets are exclusively used for the purpose for which the grant is sanctioned and to maintain the assets and their records properly.
xiv) All the assets accumulated out of the grants shall not be disposed of, encumbered, or utilized for any purpose other than that for which sanctioned.

5.1 Audit:

a) The Comptroller & Auditor General of India at his discretion shall have the right of access to the books and accounts of the implementing Agency receiving the funds from the Government of India for the purpose of audit.

b) The books of accounts of the grantee relating to this grant, shall be open to Audit by the Internal Audit Wing of the Ministry.

c) The implementing agency shall furnish to the Government annually a report of its work within three months, and its audited statement of accounts within nine months of the financial year.

5.2 Electronic Remittance of Funds

The fund released by the Ministry are being remitted by Electronic transfer. The following details may be kept updated from time to time, to enable electronic remittance:

(a) Bank account details both in figures and words to NRCD
(b) MICR Code and IFSC Code of the Bank Branch.
(c) Necessary authorization by the grantee organization to its bank to receive remittances on its behalf and to issue necessary bank receipt to the Ministry's bank for receipt of funds.

5.3 Submission of Monthly Physical & Financial Progress Reports (PFPR):

(a) Monthly Physical and Financial Progress Reports (PFPR) in the prescribed format shall be signed by at least two designated officers of the implementing Agency, one of whom will be Chief Engineer/Head of the Department.

(b) The signing officer shall intimate his name and designation in full in capital letters and affix official seal under the signature. While fax PFPRs will be accepted for commencement of the processing of the claim, the signed PFPRs must follow by Speed Post.

(c) Consistency between the physical progress and expenditure shall be maintained and reasons for substantial variations in excess of more than 10% shall be appropriately explained against each item.

5.4 Submission of Utilization Certificate (UCs):

The Utilization Certificates (UCs) in the prescribed format shall be signed and stamped by the Head of the Organization, Head of the Accounts Department and field level functionary at Executive Engineer level/Designated Investigator as applicable. The name and designation of the officers signing the UCs shall be clearly mentioned in full and in capital letters.
5.5 Project Management & Monitoring:

(a) The State Government will critically monitor and review proposals of the project in order to ensure that there is no time and cost overrun and it is commissioned on time. Time and cost overrun leading to delay in implementation of projects is viewed with great concern by the Government and as per instructions contained in Cabinet Secretary's D.O. letter No.261/1/10/2000-Cab. Dated June 4, 2001 read with Planning Commission's D.O letter No.O-14015/2/98-PAMD dated 19.6.1998, mandatory Review of the Scheme must be carried out from time to time so as to assess the expenditure trend and time schedule of the schemes and appropriate action against those responsible for delay shall be taken in accordance with the instructions.

(b) The State River Conservation Authority and its Standing Monitoring Committee shall monitor the project from time to time.

(c) The State Project Management Group being formed shall regularly monitor and report on the implementation issues.

(d) City Level Monitoring Committees shall also be constituted in the town for regular monitoring as per the extant guidelines.

5.6 Inspection:

(a) The Government of India may depute any person to visit the implementing agency for the purpose of monitoring its work. Full facilities shall be provided by the implementing agency to the persons deputed for inspection by the Government of India.

(b) The implementing agency shall maintain separate and audited accounts for the project. If it is found expedient to keep a part or the whole amount in a bank account and the interest thus earned has to be reported as a credit to the grantees, it shall be adjusted towards further installments of grant.

5.7 Operation & Maintenance:

(a) Assets created under the GAP/ NCP shall be handed over to the local body after completion and construction agency shall continue to maintain assets on contract basis till such time the local body acquires the necessary technical expertise for this purpose.

(b) Local communities shall be involved in the operation and maintenance of non-core schemes.

5.8 Miscellaneous:

Any staff that may be employed for preparation, execution or supervision of the project by the implementing agency are not to be treated as employees of the Government of India. They shall be governed solely by the rules of the grantee with respect to all matters including terms and tenure of service. The deployment of such staff at the time of completion or termination of the project will not be the concern or responsibility of the Government of India.

6. The Drawing and Disbursing Officer, National River Conservation Directorate, Ministry of Environment & Forests is hereby authorized to prepare and submit the form Rs.7,25,00,000/-.
(Rupees Seven crores and twenty five lakhs only) to Pay and Accounts Officer, Ministry of Environment & Forests, New Delhi, to make payment electronically i.e. through CBS/RTGS to

Managing Director, U.P. Jal Nigam, 6, Rama Pratap Marg, Lucknow (UP) whose bank details are given below:

<table>
<thead>
<tr>
<th>Name of the Implementing Agency</th>
<th>Address of Implementing Agency</th>
<th>Name &amp; Complete Address of Bank Branch</th>
<th>MICR Code &amp; IFSC Code</th>
<th>Type of Account</th>
<th>Account No.</th>
</tr>
</thead>
</table>

Receipt of funds may kindly be acknowledged by way of a letter. Changes if any in the bank details shall be communicated to this Ministry immediately.

7. This is a one-time grant and the issue of 1st instalment. No Utilization Certification is involved in this case. The grantee institution is a State Government Body.

8. The funds from the shareholders on the schemes would be debitable to the Major Head '3435' 0101060331 (In Aid Capital Assets) – National Ganga River Basin Authority (NGRBA) under Department of Environment & Forests for the financial year 2010-2011 (Plan).

9. In case of non-performance of any of the conditions of the grant or in case of closure or dissolution of the grantee organization, the Government shall take possession of all the assets of the organization acquired out of the Government grants and use them in any manner deemed appropriate or to recover the value of such assets at its discretion.

10. This sanction is subject to the powers delegated to the Ministry of Environment & Forests and with the approval of the Chief Accounting Authority for Environment & Forests as well as with the approval of Minister of State (I/C) Environment & Forests. The advice of IFD was conveyed vide their Dy. No.330/11 dated 18.2.2011.

Yours faithfully,

(C. UPPULLI)

Under Secretary to the Government of India
Copy forwarded for information and necessary action to:

1) DDO (NRCD) (2 copies)
2) Joint Director of Audit-II, Commercial, Scientific and Misc. Works, AGCF
   Building, I.P. Estates, New Delhi.
3) The Chief Secretary, Govt. of U.P., Sachivalaya Annex, Lucknow (UP).
4) Principal Secretary, Department of Urban Development, Govt. of U.P.
   "Bapu Bhavan", Sachivalaya, Lucknow (UP).
5) Special Secretary, Department of Urban Development, Govt. of U.P.
   "Bapu Bhavan", Sachivalaya, Lucknow.
6) Managing Director, U.P. Jal Nigam, 6, Rana Pratap Marg, Lucknow (UP).
7) Chief Engineer (Ganga), U.P. Jal Nigam, 6, Rana Pratap Marg, Lucknow.
9) Executive Officer, Nagar Palika, Kannauj, U.P.
10) District Magistrate, Kannauj (UP).
11) Dir(Fin)/Dir.(KCR)/Dir.(BS)/DD(SS)/US (F)/US (P).
12) Sanction Folder/Guard File/Computer cell.

(C.UPPILI)

Under Secretary to the Government of India.
<table>
<thead>
<tr>
<th>SL No.</th>
<th>Item</th>
<th>Rs. in Crore</th>
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<tbody>
<tr>
<td>A</td>
<td>Civil Works</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sewer &amp; Access works</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zone I</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zone II</td>
<td>8.51</td>
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<td>Zone IV</td>
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<tr>
<td></td>
<td>Sewage Pumping Stations</td>
<td>8.35</td>
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<tr>
<td></td>
<td>Rising Main</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zone II</td>
<td>1.25</td>
</tr>
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<td></td>
<td>Zone IV</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effluent Channels</td>
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<tr>
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<td>Sub Total A</td>
<td>34.18</td>
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<tr>
<td>B</td>
<td>EGM Works</td>
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<tr>
<td></td>
<td>Sewing plant, ventilation, Electric Panel etc.</td>
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<tr>
<td></td>
<td>Zone I</td>
<td>0.71</td>
</tr>
<tr>
<td></td>
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<td>Zone IV</td>
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<td>Sub Total B</td>
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<tr>
<td>C</td>
<td>Pilla Est Volume at site (taking the cost estimates in present day prices)</td>
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<td>Total</td>
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<tr>
<td>D</td>
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<td></td>
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<td>Sub Total C</td>
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<tr>
<td></td>
<td>Grand Total</td>
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