



*Speed Post*

कार्यालय महानिदेशक लेखापरीक्षा  
वैज्ञानिक विभाग, नई दिल्ली

सं. म.नि./वै.वि./पर्या./विश्व बैंक अनुदान/NRSC/Hyd/2018-19/849

दिनांक

सेवा में,

25 NOV 2019

Secretary,  
Department of Water Resources,  
River Development & Ganga Rejuvenation,  
Shram Shakti Bhawan,  
Rafi Marg,  
New Delhi-110 001

विषय:— **Audit Certificate in respect of National Hydrology Project of National Remote Sensing Centre, Hyderabad (DoWR, RD&GR) for the year 2018-19.**

महोदय,

Pleas find enclosed Audit Certificates for National Hydrology Project of National Remote Sensing Centre, Hyderabad (Department of Water Resources, River Development and Ganga Rejuvenation) for the year 2018-19.

भवदीय,

संलग्न : यथोपरि

—हस्ता.—

निदेशक (पर्यावरण लेखापरीक्षा)

प्रति सूचना/आवश्यक कार्यवाई हेतु:

1. ✓ Sr. Accounts Officer, National Remote Sensing Centre, ISRO, Department of Space, Govt. of India, Balanagar, Hyderabad-500037.
2. वरिष्ठ प्रशासनिक अधिकारी (पी.पी.जी.-ई.ए.पी.) भारत के नियंत्रक महालेखापरीक्षक का कार्यालय, 9 दीनदयाल उपाध्याय मार्ग, नई दिल्ली- 110124
3. The CAAA, Ministry of Finance, Department of Economic Affairs, 5<sup>th</sup> Floor, B-Wing, Janpath Bhawan, New Delhi – 110 001.
4. Director, O/o the Director General of Audit, Scientific Departments, Bangalore Branch, Antriskh Bhawan, New B.E.L. Road, Bangalore-560094.

*[Signature]*  
निदेशक (पर्यावरण लेखापरीक्षा)



महानिदेशक लेखापरीक्षा  
वैज्ञानिक विभाग  
ए.जी.सी.आर. भवन, इन्द्रप्रस्थ एस्टेट,  
नई दिल्ली-110002  
DIRECTOR GENERAL OF AUDIT  
SCIENTIFIC DEPARTMENTS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI-110 002

### Report of the Comptroller and Auditor General of India

To,

The Secretary to the Government of India,  
Ministry of Jal Shakti,  
Shram Shakti Bhawan,  
Rafi Marg, New Delhi-110001.

#### Audit Report on the Project Financial Statements:

We have audited the accompanying financial statements of the National Hydrology Project, National Remote Sensing Agency, Hyderabad, financed under World Bank Loan PC:1420, which comprise the statement of sources and applications of funds and the Reconciliation of Claims to total applications of funds for the year ended 31<sup>st</sup> March 2019. These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our Audit.

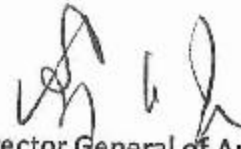
We conducted our Audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our Audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall statement presentation. We believe that our Audit provides a reasonable basis for our opinion.

In our opinion, the financial statement presents fairly in all material respects, the sources and applications of funds of National Hydrology Project, National Remote Sensing Agency, Hyderabad for the year ended 31<sup>st</sup> March 2019 in accordance with Government of India accounting standards.

In addition, in our opinion (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World bank for reimbursements of expenditure incurred; and (b) except for 'Nil' ineligible expenditures, expenditures of ₹596.25 lakh are eligible for financing under the Loan/Credit Agreement. During the

course of the Audit, SOEs amounting to ₹596.25 lakh and the connected documents were examined and these can be relied upon to support reimbursement of ₹298.125 lakh under the Loan/Credit Agreement.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of Comptroller and Auditor General of India for being laid before Parliament/State or Union Territory Legislature.

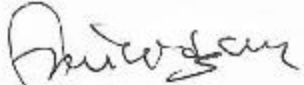


Director General of Audit (SD)

**Annexure-I**  
**Statement-A**

**Statement of Expenditure incurred by National Remote Sensing Centre, Hyderabad under National Hydrology Project Loan No. 1420-IN for the year 2018-19.**

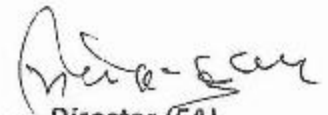
(Amount in Rs. Lakh)							
Sl. No.	Name of the offices	Total amount as per SOE	Actual expenditure verified in Audit	Expenditure Disallowed in Audit	Expenditure admitted in Audit	Percentage admissible as per agreement	Amount reimbursable
1	NRSC, Hyderabad	596.25	596.25	0.000	596.25	50%	298.125
	<b>TOTAL</b>	596.25	596.25	0.000	596.25	50%	298.125

  
Director (EA)

**Statement-B**

**Details of disallowances made from the expenditure incurred by National Remote Sensing Centre, Hyderabad under National Hydrology Project Loan No. 1420-IN for the year 2018-19.**

Sl. No.	Office	Amount Disallowed (Amount in Rs.)	Reason for disallowance
1.	National Remote Sensing Centre, Hyderabad	NIL	Not applicable

  
Director (EA)

**Statement – C**

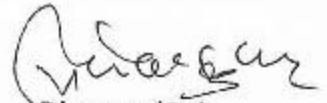
**Details of Reconciliation of claims of total application of funds for National Remote Sensing Centre (NRSC), Hyderabad under National Hydrology Project Loan No. 1420-IN for the year 2018-19**

(Amount in lakh)

Schedules	Current Year
A	596.25
B	0
C	596.25
D	298.125

(Amount in lakh)

Total expenditure made during the year (A) = 596.25  
Less: Ineligible expenditure (B) = Nil  
Total Eligible expenditure (C) = (A-B) = 596.25  
Amount reimbursable (50%) by bank (D) = 298.125

  
Director (EA)

**Audit Report relating to World Bank Aided Project "National Hydrology Project (PC: 1420)" for the year 2018-19**

**Para 1: Slow pace of expenditure**

Ministry of water resources (MoWR) approved Rs.17.37 crore for the year 2018-19 in the Annual Work Plan for NRSC for NHP Project. The opening balance of Rs.3.95 crore for the period 2018-19 was available with NRSC under this fund. During the quarter April-June 2018 NRSC could expend only Rs.0.66 crore and during the quarter July-September 2018 the expenditure was Rs.0.37 crore. Due to slow pace of expenditure, MoWR issued only Rs.6.47 crore in third quarter, out of which an amount of Rs.2.74 crore was returned by NRSC and thus Rs.3.73 crore was received as grant during the year 2018-19. NRSC could expend Rs.0.56 crore and Rs.4.38 crore for the quarter Sep-Dec. 2018 and Jan-March 2019 respectively leaving the closing balance of Rs.1.72 crore for the period 2018-19. Thus, during the year 2018-19, NRSC could expend only Rs.5.96 crore against Rs.17.37 crore as approved in annual work plan. As a result, only 34 per cent of the expenditure of approved Annual Work Plan could be utilized during the period 2018-19.

**Para 2: Excess expenditure towards Non-technical hired manpower**

According to approved annual work plan issued by Ministry of Water Resources (MoWR) for the year 2017-18 and 2018-19 expenditure towards 'Non-technical (supporting) Manpower hired' was restricted to Rs.6.48 lakh and Rs.8.90 lakh respectively. Thus, MoWR approved an amount of Rs.15.38 lakh towards 'Non-technical (supporting) Manpower hired' for the period 2017-2019. Audit however observed that NRSC incurred an expenditure of Rs.15.62 lakh under this head. Thus, there was an excess expenditure of Rs.0.24 lakh under the head 'Non-technical (supporting) Manpower hired'.

NRSC needs to restrict the expenditure under the head so that it could not cross the limit approved under the specific head by MoWR.

**Para 3: Unspent balance under different heads**

NRSC receives grant in aid from Ministry of water resources (MoWR) and allocating the fund under 14 different heads under National Hydrology Project. Out of 14 heads, NRSC allocated

the funds in 12 heads. Audit however, observed that out of 14 heads NRSC made the expenditure under nine heads only and no expenditure are made under five heads which indicates the slow progress of work under the National Hydrology Project. NRSC needs to take action towards progress of work so that the project would be completed within scheduled time.

#### Para 4: Measurable targets

NRSC has divided the NHP activities in to eight components for assessing the physical progress vis-à-vis Annual Work Plan. Some of its components are real-time operational spatial flood early warning system development, Development of satellite-based regional evaporative flux monitoring system, satellite data based inputs for irrigation scheduling, training etc. Audit however observed that measurable targets were not set in some of the components. The progress made during 2018-19 under this project where measurable targets were not set is given in the table below:

Sl. No.	Components	Annual work plan	progress	Remarks
1.	Real-time Operational Spatial Flood Early Warning System Development	<ul style="list-style-type: none"> <li>Preparation of spatial and non-spatial database for Tapi and Godavari River catchments</li> <li>Development of FF model</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of spatial and non-spatial database for Tapi and Godavari River catchments is in progress</li> <li>MIKE Hydro River Model (FF Model) Development Completed</li> <li>MIKE Hydro River Model (FF Model) Calibration and Validation is in progress</li> </ul>	Estimated time for completion of spatial and non-spatial database for Tapi and Godavari River catchments and MIKE Hydro River Model (FF Model) Calibration and Validation is not given.
2.	Glacial Lake Outburst Flood (GLOF) Risk Assessment	<ul style="list-style-type: none"> <li>Inventory of Glacial lakes/water bodies using high resolution Resourcesat LISS4 MX (~5m) data</li> <li>Inventory of Glaciers using high resolution Resourcesat LISS4 MX (~5m) data</li> <li>Glacial lake database Preparation including quality check</li> </ul>	<ul style="list-style-type: none"> <li>Mapping of Glacial lakes and water bodies (greater than 0.25 ha) along with attributes completed for Indus basin and Ganga &amp; Brahmaputra basins is in progress</li> <li>Quality check for glacial lakes and water bodies is in progress for Indus basin</li> <li>Medium resolution (10 m) Cartosat DEM covering within Indian boundary</li> </ul>	Estimated time for completion of mapping of Glacial lakes and water bodies along with attributes for Ganga & Brahmaputra basins and quality check for glacial lakes and water bodies for Indus basin is not given.



		<ul style="list-style-type: none"> <li>Attribute database for ranking and identification of critical lakes</li> </ul>	<ul style="list-style-type: none"> <li>procured</li> <li>Glaciers associated with glacial lakes are also being mapped</li> </ul>	
3.	Operational hydrological drought services using remote sensing	<ul style="list-style-type: none"> <li>Collection and analysis of rainfall data and water balance components</li> <li>Collection of EAC curves for major and medium projects</li> <li>methodology for parameter finalisation for providing Hydrological Drought Assessment (HYDAS)</li> </ul>	<ul style="list-style-type: none"> <li>Standardized Runoff Index is being generated using the runoff derived from VIC model.</li> <li>Data for 91 CWC reservoirs and all major tanks in Maharashtra are collected. EAC curves from other sources/states are to be collected.</li> <li>Methodology development is in progress. Weights for different indices will be decided based on different methods in literature survey</li> </ul>	Estimated time for generation of Standardized Runoff Index, collection of data of EAC curves from other sources/states (except Maharashtra) is not given.

NRSC may set measurable targets and estimated time so that the project may be completed according to its timeframe.

#### **Para 5: Maintenance of Cash Book**

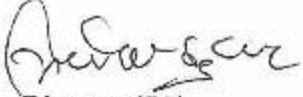
As per rule 13(IV) of Receipt & Payment rules, at the end of each month, Head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. Further, Rule 13(VI) of Receipt & Payment Rules states that an erasure or overwriting of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The Head of Office should initial every such correction and invariably date his initials.

On scrutiny of Cash Book made available to Audit, it was observed that signature of head of the office (Project) is not available in the Cash Book. The control measures may be initiated as per Codal provision. Further, Audit observed that the case of overwriting/correction made for which proper corrective action has not been followed. Such cases are given in the table below:

Page No.	Observation
146	Overwriting
144	Whitener used
136	Overwriting

124	Overwriting/ Whitener used
221	Overwriting
104	Overwriting
90	Overwriting
88	Overwriting
81	Overwriting
51	Whitener used
47	Overwriting

The above omissions are brought to the notice for necessary action.

  
Director (EA)