

Annual Report

2009 - 2010



INLAND WATERWAYS AUTHORITY OF INDIA

MINISTRY OF SHIPPING

HEAD OFFICE : A-13, SECTOR-1, NOIDA-201301, DISTT.GAUTAMBUDH NAGAR (U.P.)

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MEMBERS OF THE AUTHORITY (During 2009-10)

		Telephone No.	Fax No.
Chairman	Shri S.P. Gaur, IAS	0120-2543972	0120-2543973
Member	Shri Sunil Kumar, IAS Vice-Chairman, IWAI	0120-2544009	0120-2544009
Member	Shri V. K. Chhibber, IAS Additional Secretary & Financial Advisor, Ministry of Shipping	011-23710140	011-23715195
Member	Dr. A. K. Chanda, IAS Chairman, Kolkata Port Trust	033-22205370	033-22208226
Member	Sh. Pradeep Kumar, IAS Member (Finance), IWAI	0120-2544004	0120-2544004
Member	Shri Satish C. Srivastava Member (Cargo), IWAI	0120-2543982	0120-2543994
Member	Shri Rajeev Gupta Joint Secretary (Shipping & IWT) Ministry of Shipping	011-23710189	011-23722855

OTHER DETAILS

		Telephone No.
Secretary	Shri Pradeep Kumar, IAS (From 29.05.06)	0120-2544036
	Shri S. K. Shahi (24.12.2009 to till date)	
Auditors	COMPTROLLER AND AUDITOR GENERAL OF INDIA	011-23235793
Bankers	SYNDICATE BANK Transport Bhawan, Parliament Street, New Delhi 110 001	011-23717573
	SYNDICATE BANK Sector-18, Noida 201 301	0120-2514381
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REGIONAL OFFICES

	Telephone No.	Fax No.
INLAND WATERWAYS AUTHORITY OF INDIA Gaighat Terminal – Cum office, Guljarbagh, Patna – 800007 (Bihar)	0612-2630012 0612-2630005 0612-2630114	0612-2630100
INLAND WATERWAYS AUTHORITY OF INDIA P-78, Garden Reach Road, Kolkata - 700 043 (West Bengal)	033-24390393 033-24395577 033-24396055	033-24395570 033-24391710
INLAND WATERWAYS AUTHORITY OF INDIA Pandu Port Complex, Pandu, Guwahati – 781012 (Assam)	0361-2570109 0361-2676925 0361-2676927 0361-2676929	0361-2570099 0361-2570055
INLAND WATERWAYS AUTHORITY OF INDIA National Waterways Road, N. H. 47 Bye pass, Kannadikkadu, Maradu, Ernakulam - 682 304 (Kerala)	0484-2389804 0484-2389208	0484-2389445

SUB OFFICES

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INLAND WATERWAYS AUTHORITY OF INDIA 360/F/44, Nawab Yusuf Road, Civil Lines, Allahabad - 211 006 (U.P.)	0532-2561151 0532-2560537	0532-2561152
INLAND WATERWAYS AUTHORITY OF INDIA 52, 2 nd floor, Patel Nagar, Nadesar, Varanasi - 221 002 (U.P.)	0542-2505329	0542-2505329
INLAND WATERWAYS AUTHORITY OF INDIA Navin Ganguli Road, Durga Asthan (Mandir Ghat), Badi Khanjarpur, Bhagalpur – 812001 (Bihar)	0641- 2400651	0641-2400651
INLAND WATERWAYS AUTHORITY OF INDIA Office Building No. 1, FBP Office Complex, P.O. Farakka Barrage, Distt. Murshidabad - 742212 (West Bengal)	03485-255809	03485-255809

1. IWT SECTOR – GENERAL INFORMATION

Transport sector comprising railways, roads, coastal shipping, inland waterways, pipelines and airways is pivotal for economic development of any country. A developed transport system enables optimum cost of transportation in a multimodal network utilizing strengths of all these modes on case to case basis.

Inland Water Transport (IWT) offers a cost effective environment friendly and fuel efficient mode, specially for bulk cargo, hazardous goods and over dimensional cargo - so vital for industrial development. It is on account of these strengths that this mode is being extensively used for transportation of bulk goods on every country e.g. USA, China, Europe etc where development of this mode was given due attention.

India has a number of rivers, backwaters, creeks and canals, which have the potential to be used as cost effective and efficient mode of transportation. Till middle of 20th century, IWT had been used as an important mode of transportation in various parts of the country. However, due to neglect of its developmental needs, the use of IWT in an organized manner is significantly seen today only in a few areas e.g. Goa, Assam, West Bengal and Mumbai, apart from Ganga, Brahmaputra and Champakara and Udyogmandal canals. It is however, heartening that transportation of goods by IWT mode in these regions has been steadily increasing and has gone up to 67.68million tonne (4.364 btkm) in 2009-10 from the level of 32.48 million tonne (1.63 btkm) in 2003-04.

Inadequate infrastructural facilities such as depth and width required for movement of IWT vessels of reasonable size for round the year operation, terminals for loading and unloading of cargo and connectivity with road/ rail, navigational aids for safe and unhindered navigation during day and night and shortage of IWT vessels are the main constraints facing the inland waterways sector. To achieve substantial IWT traffic, thrust is therefore necessary on creation of infrastructure mainly through public funding and at the same time augmentation of IWT fleet primarily through private sector.

2. Inland Waterways Authority of India (IWAI)

The IWAI was set up on 27th October 1986 vide Inland Waterways Authority of India Act, 1985, for regulation and development of inland waterways for the purposes of shipping and navigation. The IWAI is primarily responsible for development, maintenance and regulation of National Waterways. It also advises Ministry of Shipping on all matters related to IWT. The development of waterways other than National Waterways remains in the purview of respective State Governments.

3. National Waterways (NWs)

There are five NWs namely the Ganga from Haldia to Allahabad (NW-1, 1620 km), the Brahmaputra from Dhubri to Sadiya (NW-2, 891 km), the West Coast Canal from Kottapuram to Kollam with Udyogmandal and Champakara canals (NW-3, 205 km), the Kakinada-Puducherry stretch of canals with Godavari and Krishna rivers (NW-4, 1078 km) and the East Coast Canal with Brahmani river and Mahanadi delta (NW-5, 588 km). These waterways were declared as NWs in 1986, 1988, 1993, 2008 and 2008 respectively. Declaration of Barak river from Lakhipur to Bhanga (121 km) as yet another NW is under consideration of the Ministry.

4. Development of National Waterways

There are three basic infrastructural requirements for making a waterway viable for shipping and navigation. These are (i) navigation channel with adequate depth and width for reasonable size of cargo and passenger vessels, (ii) navigation aids for day and night navigation, and (iii) terminals to provide facility for berthing of vessels, loading and unloading of cargo/passengers and connectivity with road and rail.

IWAI undertakes development and maintenance of IWT related infrastructure facilities on NW-1, 2 & 3 while for NW-4 and 5 their detailed project reports (DPR) have been prepared and based on these PIB notes have been submitted to Govt. for approval.

IWAI is implementing various projects for making NW-1, 2 & 3 fully functional by providing following infrastructure:-

- Fairway with 3m//2.5 m/2m/1.5m depth in NW-1/2.5 m/2m/1.5 m depth in NW-2 and 2 m depth in NW-3.
- Fixed and floating terminals with mechanical handling facilities at several places.
- Facilities for day and night navigation; and
- Vessels for channel developmental works.

National Waterways 1 and 2 are alluvial rivers with typical characteristics of braiding, meandering and large water level fluctuation between summer and monsoon months. On these rivers, several shallow areas (shoals) come up during low water season and maintenance of 2 m Least Available Depth (LAD), particularly in upper reaches, become a difficult task. In these rivers, conservancy works (dredging and bandalling) are to be repeated every year on the shoals since after every monsoon the shoals are to be identified afresh and corrective measures (River

Conservancy works) taken up. NW-3 on the other hand, is a tidal canal with predictable and uniform tidal variation in water level. On this waterway, therefore, once the desired depth is provided by capital dredging, it can be maintained for a number of years by undertaking nominal maintenance dredging from time to time as per actual requirement. NW-4 and 5 consist of both canal and river stretches. While canal portions need to be extensively dredged once to provide depth, on Godavari and Krishna rivers yearly dredging will be required and on Brahmani river, five barrages with navigational locks have been proposed.

4.1 National Waterway -1

Fairway Development: - The stretch between Haldia and Tribeni (196 km) is tidal and the least Available Depth (LAD) of more than 2 m is maintained naturally therein. During 2009-10, to maintain LAD in stretch upstream of Tribeni, 3000m of bandals were erected and maintained in Tribeni-Farakka (364 km), and 14100m in Farakka-Allahabad (1060 km) stretches. In addition, 0.77 lakh m³ of dredging was carried out in Tribeni-Farakka stretch and 1.60 lakh m³ in Farakka – Varanasi stretch by deploying three Cutter Suction Dredgers (CSD) which are owned by IWAI. LAD of 2.5 m was maintained between Haldia and Farakka (560 km) for about 330 days. LAD of 1.8 to 2 m for about 275 days was maintained between Farakka and Patna (460 km), 1.5 m LAD between Patna and Varanasi (363 km) was maintained for about 200 days. However, between Varanasi-Allahabad, LAD of 1.0 m only could be maintained for about 300 days. Construction of two more Cutter Suction Dredgers (CSD) for NW-1 was completed during 2009-10.

Terminals: - At Patna, low-level jetty has already been constructed. Construction of high-level jetty at Patna, by CPWD progressed and 40% work was completed by March 2010. Acquisition of 1 acre of land for this high level jetty from Government of Bihar was completed and land taken over by IWAI in Feb 2010. For construction of permanent terminal at GR jetty, Kolkata, IWAI had entrusted the work to CPWD on deposit basis. During 2009-10 about 20% work was completed by March 2010. For construction of permanent terminal at Varanasi, the work was entrusted to M/s. EPI Ltd and after preparing estimate/drawing/design etc they floated the tender for construction work. Fixed terminals already exist at Farakka and Pakur.

Besides these fixed terminals, floating terminals also exist at Haldia, Kolkata (BISN and Botanical garden), Shantipur, Katwa, Hajardwari, Farakka, Rajmahal, Sahibganj, Manihari, Bateswarsthan, Bhagalpur, Semaria, Doriganj, Buxar, Ghazipur, Chunar and Allahabad. These terminals were maintained and used for transportation of cargo.

Navigation Aids: - Temporary channel marks for day navigation were erected and maintained between Tribeni and Allahabad all round the year. Besides, fortnightly thalweg surveys were conducted during low water period and on monthly basis during flood period. River notices were issued and pilotage provided to the cargo vessels. During 2009-10, the night navigation aids were extended between Farakka and Varanasi and now the stretch of 1189 km between Tribeni and Varanasi has been provided with this facility with 1162 country boats fitted with lights. Night navigation aids (351 navigational lights fitted over country boats) was also maintained between Tribeni and Farakka (364 km). To supplement these aids and for providing state of art 24 hrs navigation aids in the entire waterway, DGPS stations were proposed to be set up at Katwa, Bhagalpur, Patna and Varanasi. Out of these, the station at Bhagalpur was commissioned during the year and for other places, suitable action were taken.

IWAI is also working on an important project of movement of 2-3 million tonne per annum of imported coal from Haldia to Farakka and Kahalgaon for the power plants of NTPC through private sector and action are being taken accordingly.

4.2 National Waterway – 2

Fairway Development: - During 2009-10, 16,800m of bandals were erected and maintained in the entire waterway. In addition, 22,480 m³ of dredging was also done by deploying one CSD which is owned by IWAI. Least Available Depth (LAD) of 2.0 m was maintained round the year between Dhubri and Dibrugarh and 1.5 m between Dibrugarh and Sadiya for about 330 days. Construction of four Cutter Suction Dredger (CSD) units progressed significantly. Out of these, two CSDs have been delivered. With construction of these CSDs, depth of 2 m can be provided with full assurance between Dhubri and Dibrugarh. With these dredgers, IWAI is also exploring the possibility of increasing the Least Available Depth (LAD) in the stretch between Dhubri and Neamati to 2.5 m which will significantly improve the viability of IWT operations.

Terminals:- Construction of low level jetty of fixed terminal (capable of handling container) at Pandu was completed and inaugurated by Secretary(Shipping),Govt of India on 18.4.09. For construction of high-level jetty of this terminal also, revised estimate of Rs 33.02 cr was sanctioned in Jan. 09. CPWD completed the design and tendering process and awarded the work to construction contractor. Foundation stone of this high level jetty was laid by Chairman IWAI on 19.4.09, construction progressed substantially and 59% of progress was made by March 10.

Floating terminals exist at Dhubri, Jogighopa, Tezpur, Silghat, Jamuguri, Neamati and Dibrugarh. These terminals were maintained and used for transportation of cargo. For construction of 6 terminal pontoons for upgrading floating pontoons at Tezpur, Neamati and Dibrugarh terminals also, work was in progress. An annuity based project for constructing and managing coal handling terminal by private sector at Jogighopa was taken up by IWAI under which competitive bids were invited. Based on the bid, a SFC note was prepared and sent to Ministry for approval.

Navigation Aids: - Channel marks for day navigation were erected and maintained in entire waterway. Night navigation aids were also maintained between Dhubri and Neamati (630 km). Besides, fortnightly thalweg surveys during low water period and monthly surveys during monsoons were carried out, river notices issued and pilotage provided to cargo vessels. To supplement these aids and for providing state of art 24 hrs navigation aids in the entire waterway, DGPS stations are proposed to be set up at Jogighopa, Tezpur and Dibrugarh. Out of these the DGPS station at Jogighopa was commissioned by March 2010 and action to take over land for setting up of DGPS stations at Tezpur and Dibrugarh were initiated. Further, for supply of buoys and lights work was awarded and was in progress.

An interesting potential as far as NW-2 is concerned is the possibility of movement of project cargo to several hydro-power projects coming up in Arunachal Pradesh on various tributaries of Brahmaputra. As many as 34 hydropower projects are slated to come up in Arunachal Pradesh on tributaries of Brahmaputra by 14th Plan, with total installed capacity of 31,322 MW. About 40 million tonne of cement and steel shall be transported for these projects from Kolkata / Haldia area. Through waterways of Bangladesh, NW-2 can provide a cost effective mode of transport. IWAI is working on these projects and has signed MoUs with Reliance Power and Jindal Power to facilitate transportation of their project cargo.

4.3 National Waterway - 3

Fairway Development: - Annual fairway development works including maintenance dredging, and maintenance of 24 hrs navigational aids were carried out. Bank protection works in some stretches were also completed in 2009-10.

Capital dredging for widening and deepening of canal in Kochi - Allapuzha, Allapuzha-Kayamkulam, Kayamkulam- Eddapallikotta and Eddapallikotta - Kollam stretches was started in first phase during 1997-98. In Kochi – Kottapuram stretch, capital dredging was started in 2nd phase during September 2002. Work in Kochi-Allapuzha sector was completed and in Kochi-Kottapuram sector dredging was completed except 4.83 km. But in the remaining stretches, it got delayed due to various problems such as disposal of dredged material, fishing nets, local issues leading to contractual problems etc. Out of entire length of 205 km of the waterway, the total shoal length had been estimated as 87.16 km out of which 62.67 km has so far been dredged and 24.49 km remains to be dredged. The total quantity which was to be dredged for deepening the entire shoal length was worked out as 40.33 lakh m³ out of which 23.98 lakh m³ has been dredged and 16.35 lakh m³ remains to be dredged. For completion of this capital dredging (which also includes widening of the narrow sections which necessitates removal of boulders, coconut trees, old bank protection etc), a scheme at a cost of Rs.89.74 Cr was approved by the Govt. and works were awarded in Allapuzha - Kayamkulam, Kayamkulam –Eddapallikotta stretches are scheduled to be completed by Jan,2013. Tendering for Eddapallikotta-Kollam stretch was under process.

Terminals: Terminals at seven locations namely Kottapuram, Aluva, Maradu, Viakom, Thaneermukam (Chertala), Trikkunnappuzha and Kayamkulam have already been constructed. Construction of 8th terminal at Kollam by CPWD was at advanced stage of completion. For providing facilities for mechanical handling at these terminals, 8 mobile cranes and 8 fork lifts were procured and provided at each terminal. Two IWT container terminals at Bolgatty and Willingdon Island were constructed during 2009-10 which shall facilitate seamless inland water transport connectivity between Vallarpadam international container terminal and NW-3, especially for container movement.

Navigation Aids: Project for providing and maintaining 24 hrs navigational aids by way of buoys and lights had been completed during 2007-08 and now the entire waterway has the facility for 24 hrs navigation which was maintained during 2009-10.

4.4 National Waterway - 4

Kakinada-Puducherry canal system (consisting of Kakinada canal, Eluru canal, Commamur canal, Buckingham canal and Kalluvally tank) along with Godavari and Krishna rivers (1078 km) had been declared as a National Waterway in November 2008. Detailed Project Report (DPR) of this waterway was completed in 2009-10 through a consultant and based on it, a PIB proposal was submitted to the Government.

4.5 National Waterway - 5

Waterway system consisting of East Coast Canal from Geonkhali to Charbatia along with Brahmani river from Talcher to Mangalgadi, Matai river from Charbatia to Dhamra and delta channels of Mahanadi and Brahmani rivers from Dhamra to Paradip (588 km) was also declared as a National Waterway in November 08. DPR for this waterway was also completed during 2009-10. Based on DPR a PIB proposal for development of this National Waterway was also submitted to the Ministry for approval.

5.0 Proposed National Waterway - 6

A proposal for declaration of Lakhipur-Bhanga stretch (121 km) of Barak river was passed by the Lok Sabha during February 2009. However, before the same could be passed by the Rajya Sabha, the tenure of the Lok Sabha got over. Therefore, for processing this declaration proposal the entire process has to be done afresh. In 2009-10, Ministry took necessary action in this regard for which inputs were provided by IWAI from time to time.

6.0 Technical Studies

IWAI receives separate grant for conducting techno-economic and other studies related to development of IWT sector. Three studies were completed during 2009-10 namely (a) Detailed Project Report (DPR) for development of NW-4 (b) DPR for development of NW-5 and (c) techno-economic feasibility study to decongest Mumbai city through IWT and coastal routes. Studies related to (a) Environment Impact Assessment (EIA) and Environment Management Plan (EMP) for NW-4 & 5, (b) DPR for decongestion of Mumbai city by IWT/Coastal routes, (c) techno economic feasibility study for waterways route between Vasai and MbPT via Thane creek and (d) design and testing of coastal cum inland vessel are in progress.

7.0 Central Plan Scheme for NER

There is a new Central Plan Scheme for development of IWT in NER under which 100% funds are provided by the Ministry of Shipping for execution of projects by the respective State Govts. Detailed guidelines of this scheme were circulated by Ministry to all NER States in Aug. 2008. One project of Govt of Mizoram for development of Tlawng river at a cost of Rs 5.28 cr was sanctioned in 2008-9 which progressed during 2009-10.

8.0 Inland Vessel Building Subsidy Scheme

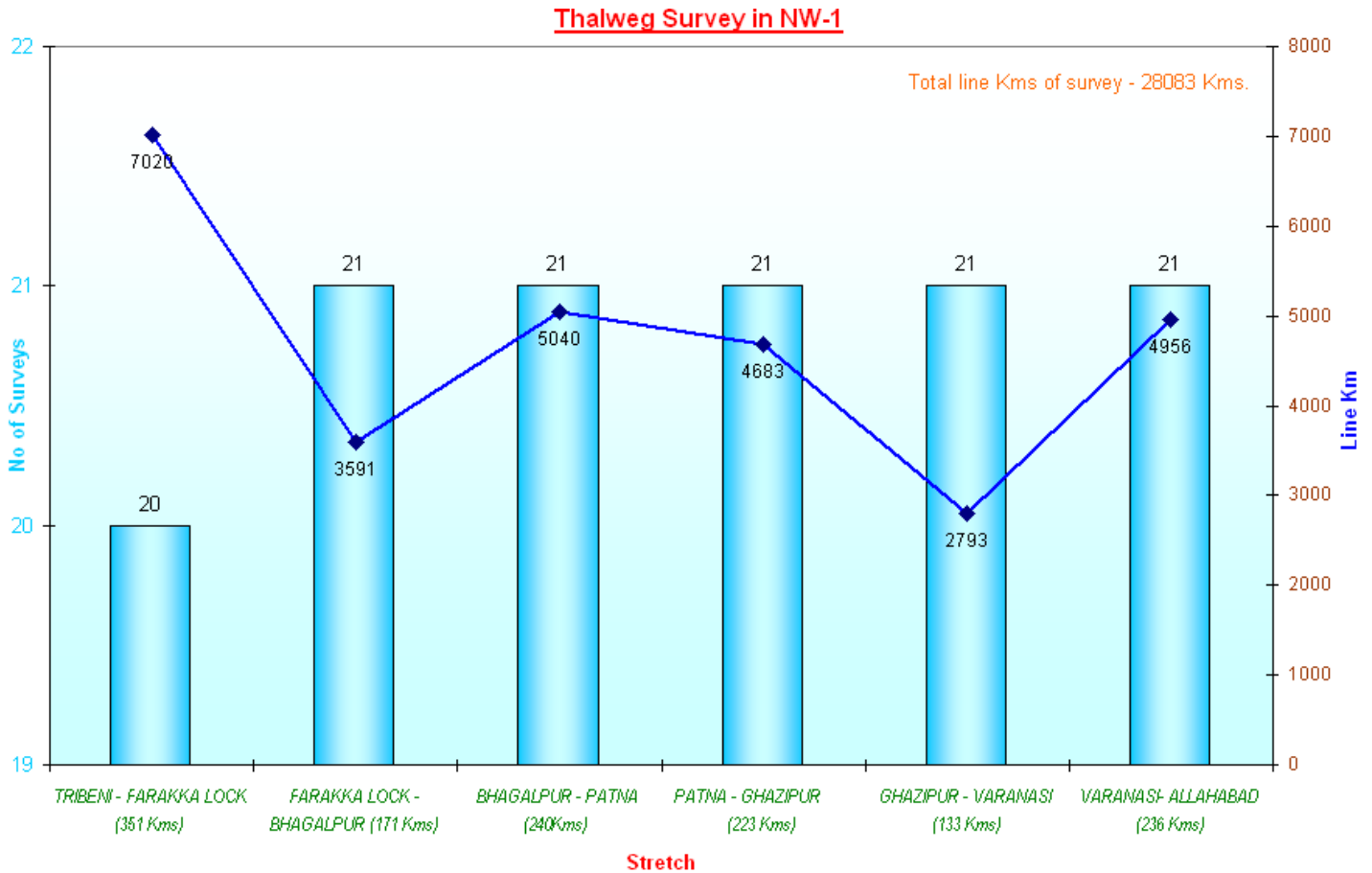
In the 10th Plan, this scheme was promulgated for providing subsidy of 30% cost of inland vessels built in Indian shipyards for operation on National Waterways and Indo-Bangladesh IWT&T protocol routes. This scheme however expired on 31.3.07. IWAI and MoS had been pursuing the authorities for getting this scheme extended during the 11th Plan since it is felt that with upgraded infrastructure on NWs 1, 2 & 3, this scheme will be helpful for increasing number of IWT vessels for transportation of cargo and passengers on NWs.

9. Survey Activities during the year 2009-10

NATIONAL WATERWAY NO-1

THALWEG SURVEYS

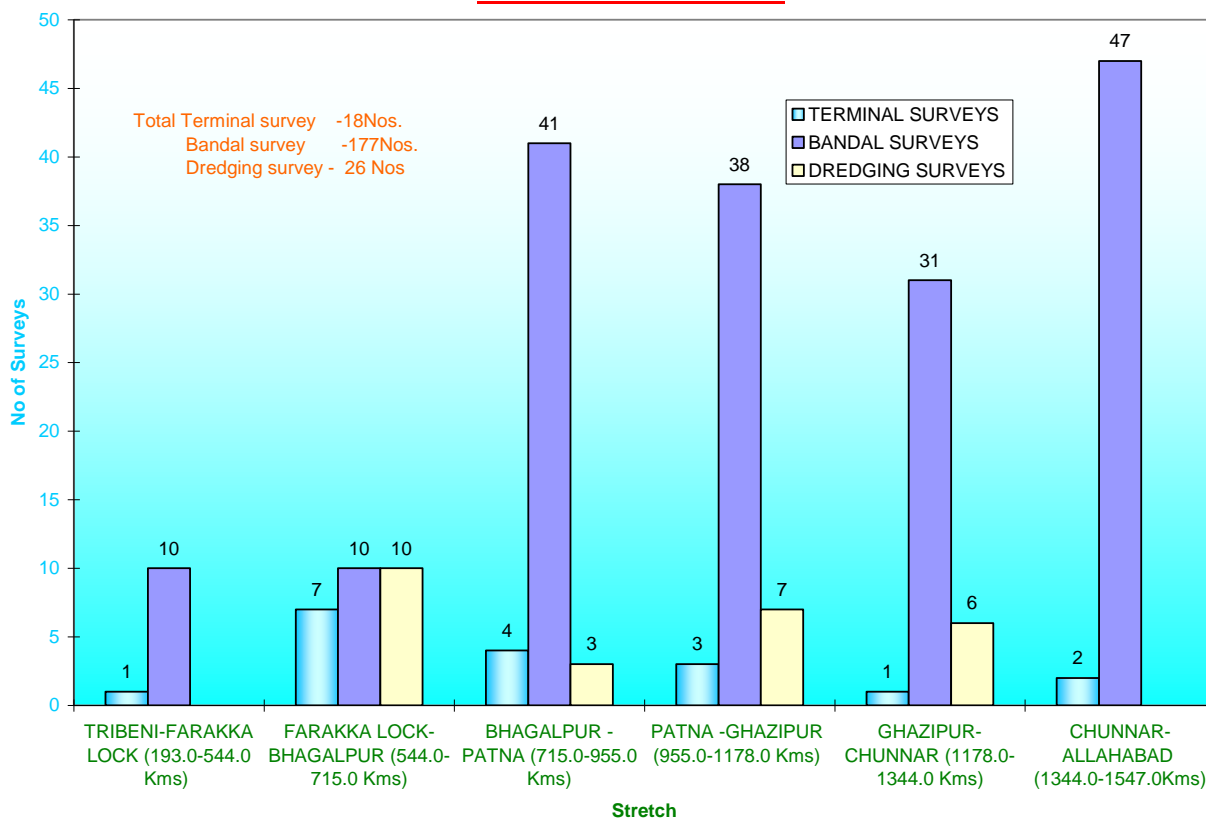
Thalweg surveys conducted departmentally on fortnightly basis and River Notices issued (both in English & Hindi) to the IWT users. Total 28,083 line Km of Thalweg surveys were undertaken during the year. Stretch-wise details of surveys undertaken are shown below:-



DETAILED SURVEYS

Pre / Post Bandalling and Dredging surveys were conducted departmentally at 203 shoal locations, details are given below:-

DETAILED SURVEY IN NW-1



TERMINAL SURVEYS

Terminal Surveys were carried out at Kukrahati in TRIBENI-FARAKKA stretch, Manglahat (588.0), Samdaghat (617.0), Manihari (633.0), Bateshwersthan (683.0) and Bhagalpur (715.0) in FARAKKA – BHAGALPUR stretch, at Munger (793.0), Semaria (853.0), and Gaighat (955.0) in BHAGALPUR - PATNA stretch at Doriganj (1001.0), Buxer (1122.0) and Ghazipur Ghat (1177.0), in PATNA - GHAZIPUR stretch at U/s Ramnager (1318.0) in GHAZIPUR - VARANASI (1178.0-1316.0), at Chuunar (1345.0) and Allahabad (1547.0Kms) inVARANASI - ALLAHABAD.

DREDGING SURVEYS

Departmental dredger CSD Jalangi and CSD Tapi were deployed in the Farakka pond area and carried out 70,348 m³ of dredging. The dredging work was monitored by using Automated Hydrographic Survey System by undertaking 10 no Pre & Post dredging surveys along with weekly channel monitoring surveys in Farakka Pond area.

SURVEYS FOR RESEARCH & DEVELOPMENT AND STUDIES.

Based on these surveys, River Conservancy works like bandalling & dredging were taken up. Land survey was carried out at Katwa for acquiring land for setting up of DGPS station. Periodical channel checking surveys were carried out in Farakka pond area.

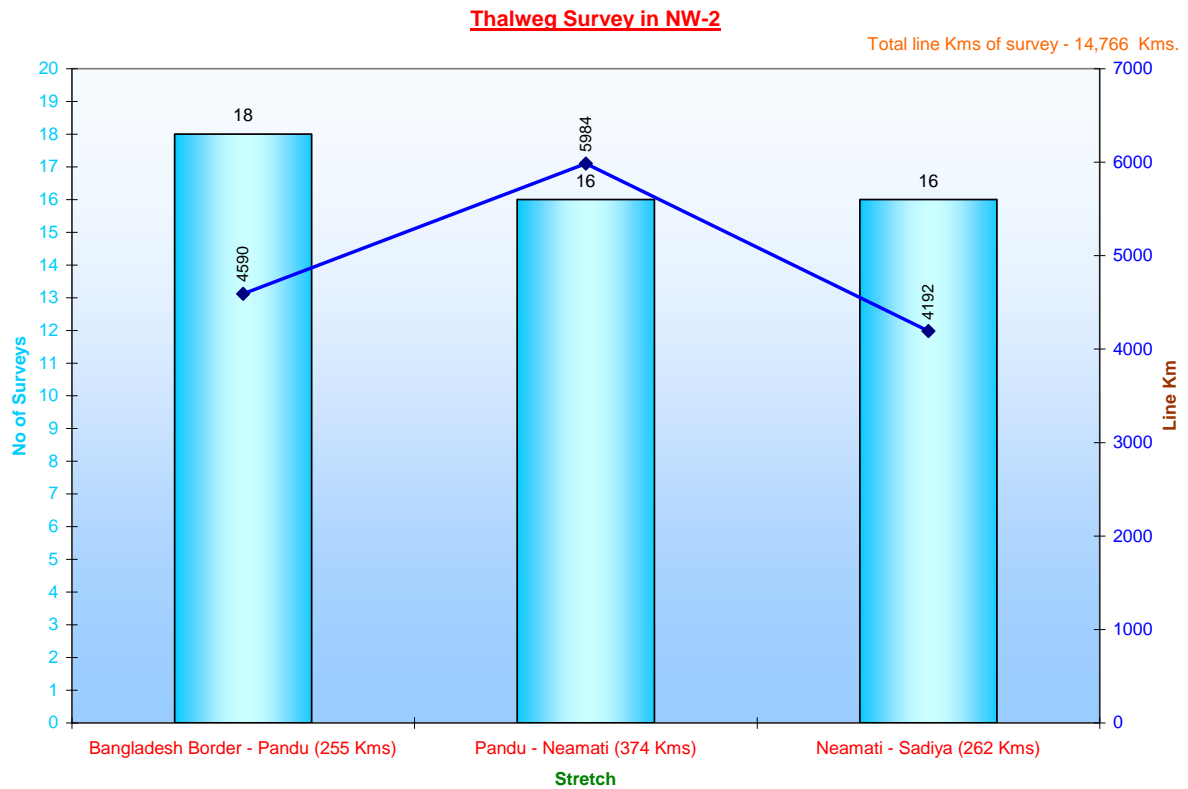
Indo-Bangladesh Protocol Route

Monthly Thalweg survey in Indo-Bangladesh protocol route was undertaken from Silver Tree point to Beharikhal (Bangladesh border). Total 1872 line Kms Thalweg survey were conducted and River Notices published in the IWAI web site.

NATIONAL WATERWAY NO-2

THALWEG SURVEYS

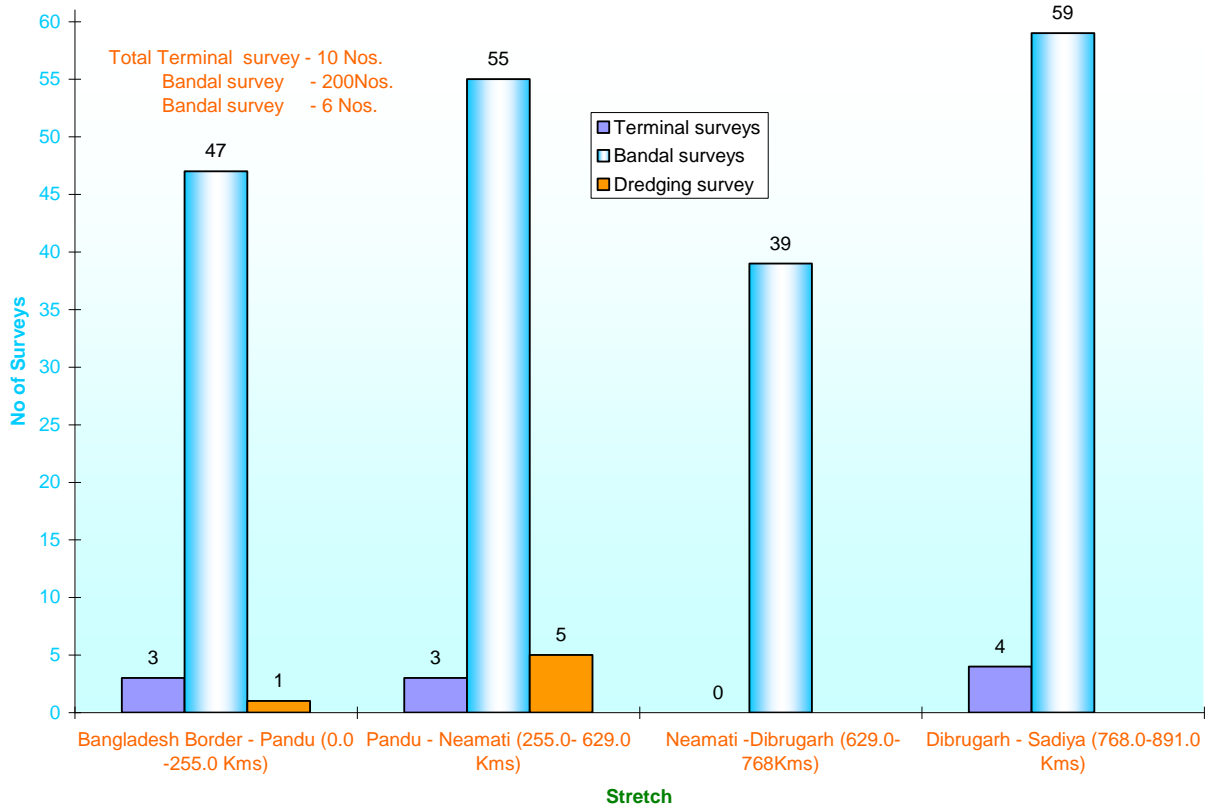
Thalweg surveys conducted departmentally on fortnightly basis and River Notices issued (both in English & Hindi). Total 14,766 line Km of Thalweg surveys were undertaken during the year, the stretch-wise details are shown below:-



DETAILED SURVEYS

Pre & Post Bandalling and Dredging surveys were conducted departmentally at 206 shoal locations, details are given below:-

Detailed surveys in NW-2



TERMINAL SURVEYS

Terminal Surveys were carried out at Dhubri (32), Jogighopa (108), Pandu (255), Tezpur (423), Neamati (629), Sengajan (772), Army Ghat (Dibrugarh) (786.0) and, Oriyam Ghat (860).

OTHER SURVEYS

Bank to Bank surveys conducted for the stretch between Bhuragaon(340 Kms) to Bekolichhapri (600Kms) for updating of navigational charts. Reconnaissance surveys was carried out in the River Lohit, Dibang, Siang to assess the navigability of rivers.



DGPS Based Navigation systems:-

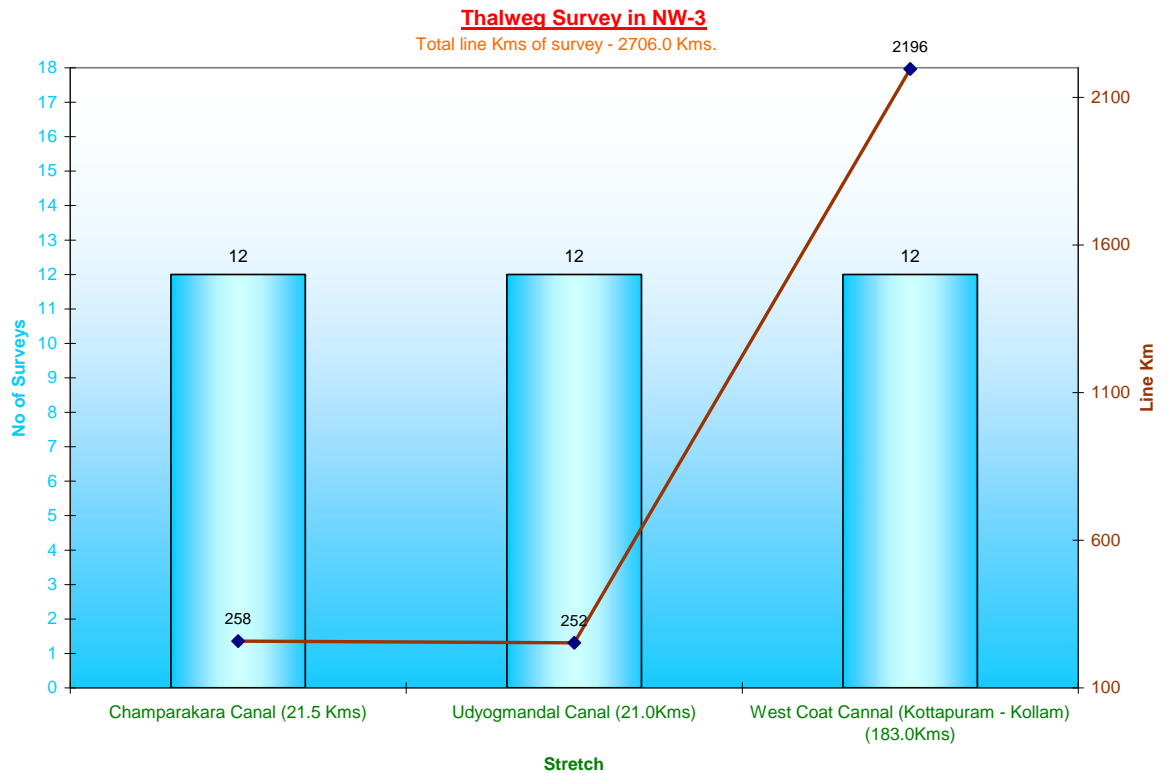
In order to make safe and efficient voyage of vessels plying in National Waterway-1 (the Ganga - Bhagirathi - Hooghly river system between Haldia and Allahabad) and National Waterway -2 (the Brahmaputra river between Sadiya and Dhubri), IWAI has sanctioned a scheme for setting up of Differential Global Positioning System (DGPS) stations in NW-1 at a cost of Rs. 10 cr and that in NW-2 at a cost of Rs 6cr. As per this, DGPS stations are envisaged at Katwa, Bhagalpur, Patna and Varanasi in NW-1 and Jogighopa, Tezpur and Dibrugarh in NW-2. Two DGPS stations have since been commissioned and one is now operational at Bhagalpur with effect from August 2009 and other at Jogighoppa w.e.f March 2010. These stations are planned in such a manner so as to get a radial coverage of 150 Km with sub-meter accuracy in position. Action has already been initiated for setting up of remaining five stations during next financial year.



NATIONAL WATERWAY NO-3

THALWEG SURVEYS

Thalweg surveys conducted departmentally in Kottappuram – Kochi - Kollam stretch (West Coast Canal) along with Udyogamandal & Champakkara Canals on monthly basis and River Notices were issued (both in English & Hindi). Total 2706 line Km of Thalweg surveys were undertaken during the year, the stretch-wise details are shown below:-



DETAILED SURVEYS

Pre & Post dredging Surveys were carried out departmentally at Thevara Jetty, Kannittathuruthu- D/s Chavara, Thevara Jetty, Kothad, Irumbanam, CSEZ Terminal, FACT Basin, Kothad, Bolghaty, Kayamkulam sea mouth, Pathiyankata, Vallikavu Jetty, Thaneermukhom, Coir villa, Thaneermukhom, Cherai-Munambam

10. SURVEY VESSELS & EQUIPMENT

The following survey vessels are operational and deployed for survey work:-

National Waterway No.1

1. S.L.Koel
2. S.L.Dwarkeswar
3. SL Megna
4. SL Anupallav
5. SL Kamla
6. SL.Ghaghra
7. S.L.Mandakini

8. S.L.Gandak
9. SL Punpun
10. SL Kosi

11. SL Rihand

National Waterway No.2

1. S.L Lohit
2. S.L.Subansiri
3. SL Dihang
4. S.L Barak
5. S.L.Buridihing
6. S.L.Dibang

National Waterway No.3

1. S.L. Pamba

All the Survey vessels are fitted with the state-of-the art survey equipment like Automated Hydrographic Survey System and HF communication sets for data collection, processing and printing.

11. CARTOGRAPHIC CELL

The Cartographic Cell in IWAI's Head Office at NOIDA is equipped with modern chart making hardware, Geographic Information System (GIS) & image processing softwares. The Cartographers of IWAI have been trained in using these hardware and softwares.

Preparation of River Atlas for Sunderbans Waterways and River pilot for three National Waterways and Sunderbans are in progress.

Sale of river charts.

A sum of Rs. 4,85,080/- has been realized so far through sale of 388 River Nav. Charts and 5 nos. River Atlases from IWAI, NOIDA and Rs. 28080/- through sale of 27 RNC from Director Kochi to IWT operators/ users & Govt. Department.

Participation in Seminars

- **Seminar at NHO, Dehradun:-**

Institution of Surveyor, New Delhi and NHO, Dehradun organized jointly a seminar on “*Challenges & Opportunities in the field of surveying /Mapping*” at National Hydrographic Office, Dehradun on 9th & 10th October 2009. A paper on “Navigation made easy in National Waterways” was presented wherein technological innovation made in the field of navigation by IWAI from conventional channel Marking to the modern DGPS technique was highlighted by Sh.G.Prasanth, Sr.JHS. Navigational charts and Atlas were also displayed in the exhibition organized at the venue of seminar at Dehradun which was appreciated by all participants.



Navigational Innovation of IWAI highlighted in the paper presented in the Seminar

- **Participation in Map India 2010**

A paper titled “Geospatial Technology in Inland Water Transport” was presented by Shri.S.Dandapat, Hydrographic Chief under the theme Surface Transport on 21st January, 2010 at Expocentre, Gurgaon during Map India 2010. Usage of various geospatial techniques in production of maps and accuracy in position fixing for sailing of vessels in National Waterways got wide publicity among participants.

XXIX INCA International Congress at Kolkata

IWAI become the corporate member of INCA during this year and participated in the XXIX the INCA International Congress held at Kolkata during 25-28 November, 2009. A stall was set up by IWAI in which various brochures , samples of River Navigational Charts, River Atlas etc. were displayed. Participants visited the stall shown keen interest in the field of IWT and also got awareness about various publications and facilities being provided by IWAI in National Waterways.

12. National Inland Navigational Institute (NINI), Patna.

The management and administration of NINI, Patna has been taken over by M/s. ARI Pvt Ltd, B-1, Hauz Khas, New Delhi with effect from 24.4.2009. The Organisation chart has been developed and required Faculty members and supporting staff including Principal are in position. Major achievements during the year were as follows:-

- State of art Inland Vessel Maneuvering Simulator installed at NINI and inaugurated by Vice Chairman. The trainings are being imparted to Induction course trainees and IWAI floating staff.



Virtual 3D Image of Gaihat Mahatma Gandhi Bridge in Inland Vessel Maneuvering Simulator installed at NINI

- A separate web site for NINI was launched and being updated regularly.
- Teaching aids in the form of DVDs and over 300 books were procured and are being used by the trainees.
- Workshop building was up-gradated by installing and machineries like lathe machine, bench grinder, Drilling machine.
- A separate scheme has been sanctioned for on board training under Apprenticeship 1957 Act and trainees were deployed on IWAI vessels.
- Database created for all NINI pass out candidates and 100% placement has been achieved for the trainees passed out in the 12th Batch induction rating course.
- The quality manual, procedures manual and form manual conceived and the institute independently audited by American Bureau of Shipping and issued ISO 9001:2008 certificate.
- Seminar on “Cargo Movement through Inland Waterways efficiency parameters” was organized at Patna on 11th September 2009. SH. ANUP MUKERJI, CHIEF SECRETARY BIHAR GOVERNMENT was the Chief Guest.



Sh. Anup Mukerji, Chief Secretary Bihar Govt. in the Seminar On "Cargo Movement Through Inland Waterways Efficiency Parameters" at Patna



6th Month Basis rating course Training.

The details of training, and in-house training programme conducted by NINI, Patna is as follows:-

S.N.	Course	From	To	Venue	Remarks
1	Induction course for R Deck/Engine 11 th Batch	Feb'09	10.06.09	NINI, Patna	53 Civilians
2	Disaster management and handling motor boats	1.06.09	10.06.09	NINI, Patna	15 personals 37 th Battalion Kanpur.
3	Hypack training seminar 2009	24.08.09	26.08.09	Goa	4 Surveyors from Field of
4	Hypack training seminar 2009	27.08.09	28.08.09	Noida	10 Surveyors from Field c
5	Refresher course training on equipments application	6.09.09	9.09.09	NINI, Patna	10 Surveyors from Field c
6	River Training works	7.9.2009	11.9.09	IIT, Roorkee	10 Engineering Wing officers
7	Elementary First Aid course for the Batch trainees	04.1.10	6.01.10	NINI, Patna	29 Civilians
8	Induction course for R Deck/Engine 12 th Batch	15.09.09	15.01.10	NINI, Patna	29 Civilian
9	Operation & Maintenance of vessels	03.09.09	04.09.09	ARI, New Delhi	9 Officers from Mech Marine wing
10	Induction course for GP Rating Batch	1.02.10	Contd.	NINI, Patna	51 Civilians
11	Training for instructors	10.08.09	14.08.09	ARI, New Delhi	3 faculties
12	Training for instructors	02.03.10	06.03.10	NINI, Patna	5 Faculties
13	Training of Trainers	08.03.10	20.03.10	NINI, Patna	4 faculties
15	Internal Auditors courses	18.03.10	20.03.10	NINI, Patna	4 NINI Principal & Staff

13. Indo-Myanmar Kaladan Multimodal Transit Transport Project

IWAI is the Project Development Consultant (PDC) appointed by Ministry of External Affairs (MEA), Govt. of India for implementation of Kaladan Multimodal Transit Transport Project in Myanmar. The project is piloted and funded by MEA. An agreement between MEA and IWAI in this regard was signed on 19th March 2009.

During the year 2009-10, IWAI completed the revision / updation of the DPR for the Port & IWT components of the project and furnished to the MEA its recommendations to revise the modal-mix of the proposed multimodal transit transport system based on techno-economic factors. The transit route originally agreed in the Indo-Myanmar Framework agreement for implementation of the project had following components;

- i. An integrated Port cum Inland Water Transport (IWT) terminal at Sittwe and development of navigation along river Kaladan in Sittwe – Kaletwa stretch (225 kms) including an IWT terminal at Kaletwa and supply of 10 nos. self propelled cargo barges of 260 tonne capacity.
- ii. Construction of a highway linking Kaletwa to the Indo-Myanmar border (62kms).

IWAI carried out extensive data collection and analysis in the project area including detailed hydrographic survey of the Sittwe harbour channel during 2009. After analysis of the data collected, it was found that the optimum modal-mix of the transit route would be as follows and same was recommended by IWAI to MEA for approval;

- iii. An integrated Port cum Inland Water Transport (IWT) terminal at Sittwe and development of navigation along river Kaladan in Sittwe – Paletwa stretch (158 kms) including an IWT terminal at Paletwa and supply of 6 nos. self propelled cargo barges of 300 tonne capacity.
- iv. Construction of a highway linking Paletwa to the Indo-Myanmar border (approx 130 kms).

The recommendations of IWAI were accepted by the Govt. of India. As a follow up, IWAI carried out the requisite tender process for selection of main Indian Contractor for the construction of the Port & IWT components. The process was successfully completed resulting in the selection of M/s Essar Projects (India) Ltd, Mumbai as the most competitive bidder. IWAI submitted in March 2010 its recommendations to the MEA to award the work to the selected contractor at a value of ` .342 crores with an implementation period of 36 months. In view of the change in modal-mix of the transit transport system making the road component larger, IWAI suggested to the MEA that a separate PDC having experience in road work may be appointed for the supervision of the road component proposed to be executed through a Govt. of Myanmar agency.

The Consultancy service by IWAI progressed as per schedule without any slippages during the year. IWAI has been able to deliver superior technical advice to the Govt. of India in the matter of IWT by recommending the change in modal-mix of Kaladan project. The change suggested by IWAI has not only made the implementation of capital works easier but will contribute to considerable reduction in transportation costs of goods along the corridor during its operational phase. Apart from above, the change has also made the transport system reliable round the year.

Map

14. Cargo movement during 2009-10

Substantial Cargo movement by IWT mode can be expected only after providing minimum infrastructural facilities required for economical navigation i.e. required navigation depth, night navigational facilities, DGPS, mechanized terminals and vessels. IWAI has drawn action plan to provide these minimum infrastructural facilities by 2011 subject to availability of both physical and financial resources.

At present sufficient inland vessels are not available to ply even in the developed stretches of the waterway. Only 77 cargo vessels (28 CIWTC vessels & 49 private vessels) are available in NW-1 and almost all are deployed in lighterage operations between Halida & Kolkata. IWAI has only 6 cargo vessels of which 5 deployed in NW-1 and one in NW-2. IWT Dte. Assam are operating only 12 vessels in NW-2. There is acute shortage of vessels.

However cargo is moved by IWT mode by IWAI vessels, Bangladesh vessels, country crafts and small mechanized crafts (less than 100 tonne capacity). Details of cargo movement on National Waterway No.1, 2 & 3, Goa and Mumbai Waterways for the year 2004-05, 2005-06, 2006-07 and 2008-09 are indicated in million ton (MT), ton-kms (TKM) and billion ton-kms (BTKM) in the annexure.

The cargo movement on National Waterways No.1, 2 & 3 during the year 2009-10 was 2.66 million tons (1065 million tons km) against 4.29 million tons (772 million tons km) during the year 2008-09. The cargo movement on Goa Inland Waterways during the year 2009-10 was 53.03 million tons (2651 million tons km) against 45.58 million tons (2279 million tons km) during the year 2008-09. Cargo movement in Mumbai Waterways (Dharmatar creek) during the year 2009-10 was 11.99 million tons (647.51 million tons km) against 10.16 million tons (548.42 million tons km) during the year 2008-09.

Operation of IWAI vessels continued during the year between Haldia and Patna to demonstrate the navigability of the waterways. Authority deployed its own vessels MV Rajagopalachari, MV Lal Bahadur Shastri, MV Homi Bhabha, MV Vishweshariyya, MV Rabindranath Tagore, MV Zakir Hussain and transported 10668 MT cargo between Haldia - Patna –Varanasi, Haldia-Karimganj and Haldia-Pandu. During the year 13.59 lakh MT Fly Ash, MS Wire rod, slag, slag, coal dust, Machinery, ODC etc was exported from India to Bangladesh by IWT mode, Cranes and other mechanical handling equipments were deployed for cargo handling at Patna, Haldia, Kolkata and Pandu Jetties.

Over Dimensional Cargo (ODC) movement picked up on National Waterways. These are mainly pertaining to power projects coming up in the vicinity of NW-1 and NW-2. Ten consignments of over dimensional heavy lift project cargo of 3308 MT from Kolkata to Barh, Jamania, Balia, Fatua in NW-1, four consignments of ODC of 1092 MT from Kolkata to Jogighopa, Tejpur in NW-2 and (2 no 480 and 520 MT in Feb, 2009) in NW-2 and one ODC of 800 MT from Cochin Port to FACT in NW-3 have been moved.

IWAI has initiated development of river cruises in the Ganges and facilitated the Inland Water Cruise Vessel MV Bengal Pandaw of M/s Pandaw Cruises India Pvt. Ltd. New Delhi in its operation in NW-1. The Cruise Vessel has completed ten trips between Kolkata and Buxar/Gazipur/Varanasi during the period September 2009 to March 2010 carrying foreign mainly European tourists.

Cargo table

15. FINANCIAL PERFORMANCE

A. INCOME & EXPENDITURE

During the financial year 2009-10 a sum of Rs. 14103.00 lakhs was received from the Government of India, Ministry of Shipping and a sum of Rs. 176.69 lakhs was earned by the Authority by way of interest on short term deposits, sale of tender forms ,usage of open stock yards and storage places at Pandu Port etc. The scheme-wise expenditure is indicated below:

(Rs. in Lakhs)

Name of the scheme	Expenditure	
	Previous Year 2008-09	Current Year 2009-10
1. Technical Studies	82.18	100.00
2. Loan Interest Subsidy / IVBBS	26.53	-
3. <u>National Waterway No.1</u>		
a. River Conservancy Works	1225.86	1829.38
b. Construction of Cargo berth	2373.55	323.44
c. Construction Dredgers & allied vessels	178.70	856.18
d. Procurement of Cargo Vessel	95.33	161.97
e. Procurement of steel Pontoon	932.30	57.83
f. Procurement of survey launches	-	-
g. Procurement of Survey Equipment	25.05	2.66
h. Installation Night Navigation	106.86	23.11
i. Installation of DGPS Station	262.75	21.13
j. Procurement of multi purpose Tug	-	421.19
4. National Waterway No. 2		
a. River Conservancy Works	679.26	1004.32
b. Construction of Terminal	184.98	1471.84
c. Construction of Hy Surface dredger	-	92.29
d. Construction of Dredgers & allied vessels	2191.91	2424.91
e. Procurement of Sr. Equipments	17.58	-
f. Construction of steel Pontoon	144.66	119.07
g. Acquisition of multi purpose Tug	-	421.20
h. Acquisition of cargo vessel		-24.89
5. National Waterway No. 3		
a. Development works	207.02	854.68

Name of the scheme	Expenditure	
	Previous Year 2008-09	Current Year 2009-10
b. Construction of Terminals	218.60	1473.88
c. Procurement of Survey Equipments	1.75	-
d. Procurement of Dredging unit	602.40	342.86
6. Training of IWT Personnel including NINI	77.11	199.84
7. IWT Development Fund	193.92	310.91
8. Establishment (including I. Tax)	2287.40	1640.26
9. Joint Venture/BOT Project	4.98	-
TOTAL	12120.68	14128.06

B. SOURCE AND APPLICATION OF FUNDS

(Rs.in lakhs)

Name of the scheme	Expenditure	
	Previous year 2008-09	Current year 2009-10
SOURCE		
1. Increase in Capital grant	6852.17	6925.00
2. Decrease in working capital	-	651.00
3. Excess of income over expenditure for the year	-	659.00
4. Decrease in capital working progress	233.52	-
TOTAL	7085.69	8235.00
APPLICATION		
1. Increase in fixed assets	6114.29	2096.00
2. Increase in capital work in progress	-	6139.00
3. Increase in working capital	971.40	-
TOTAL	7085.69	8235.00

C STATEMENT OF CASH FLOW

(Rs. in Lakhs)

CASH FLOW FROM OPERATING ACTIVITIES	Amount(Rs) 2009-10
Excess of expenditure over income	(5754.40)
Adjustments for	--
Depreciation	1377.45
Replacement reserve	(1377.45)
Interest paid	--
Interest recd	(50.41)
Writeoff/Loss on sale of fixed assets	13.85
Deffered Grants written back	--
Prov. For Obsolescence of stock	--
Prov. For employee benefits charged to opening reserves	--
Operating profit	--
Adjustments for working capital changes	--
Decrease/(increase) in stocks	(25.42)
Decrease/(increase) in sundry debtors	--
Decrease/(increase) in loans and advances	1393.04
Increase/(decrease) in deposits on a/c of others	(4.81)
Increase/ (decrease) in Current Liabilities	(545.16)
Increase/(decrease) in other liabilities and provisions	338.70
Cash generated from operations	(4634.61)
Income Tax (net)	(2.62)
Net Cash from operating activities	(4637.23)
CASH FLOWS INVESTING ACTIVITIES	--
Purchase of fixed assets and increase in CWIP	(9601.19)
Govt. Grant recd	14691.99
Intt. Received	50.41
Net cash used in investing activities	5141.21
CASH FLOWS FROM FINANCING ACTIVITIES	--
Increase/(decrease) in bank overdraft	--
Interest paid	--
Dividend & corporate dividend tax	--
Net cash from financing activities	--
Total Increase / (decrease) in cash and cash equivalents during the year	503.98
Cash & cash equivalents at the beginning of the year	1472.02
Cash & Cash equivalents at the end of the year	1976.00

Notes to the Cash flow statement:

1 Cash & Cash equivalents means cash & bank balances (refer schedule-III Cash and Bank balances)

16. PERSONNEL AND ADMINISTRATION

As on 31-03-2010, 33 officers & 65 staffs at the head office and 57 officers & 179 staffs in the field offices were in position. The Authority has approved a restructuring proposal based on the report of National Productivity Council. The proposal is under active consideration of the Govt.

The authority is committed to implement official language policy of the union in all its activities in a progressive manner. Hindi workshops and other related activities were periodically organised at the head office and regional offices. Hindi week was organised at the head office and regional offices. On this occasion different types of Hindi competitions were organised in all the offices.

The authority has been entrusted with the additional responsibility of implementing the official language policy of the Union in all the member offices of the Town Official Language Implementation Committee (T.O.L.I.C.), Noida by the Department of Official Language of the Ministry of Home Affairs. The chairman of the authority is the chairman of T.O.L.I.C., Noida. A half-yearly meeting was organised regularly to discuss problems and difficulties being faced by the different member offices of the T.O.L.I.C., Noida. In order to encourage personnel of the member offices to work more and more in Official Language Hindi different types of Hindi Competitions, Workshops, and other related activities were organized from time to time under the auspices of T.O.L.I.C., NOIDA. Also, the children of the personnel of member offices who secure outstanding marks in 10th and 12th examinations are awarded each year with 'Hindi Pratibha Award.'

ACKNOWLEDGEMENT

IWAI places on record its appreciation of the sincere efforts and contribution made by the employees at all levels.

IWAI also acknowledges the assistance and support given by the Ministry of Shipping, Comptroller & Auditor General of India and other Government departments and other agencies.

FOR AND ON BEHALF OF
INLAND WATERWAYS AUTHORITY OF INDIA

Sd/-

(BHUPINDER PRASAD)
CHAIRPERSON

Place : NOIDA

Dated :

ACCOUNTING POLICIES

1. **TREATMENT OF EXPENSES**

Expenditure on hydrographic survey, techno-economic study, bandalling, bottom-panelling, dredging, temporary structure in channel marking and maintenance of vessels, etc. is treated as revenue expenditure whereas expenditure on permanent structures in channel marking, cost of vessels, survey launches, tugs, barges, dredgers, etc. is treated as capital expenditure.

2. **DEPRECIATION**

Depreciation has been provided on straight line method on the basis of rates in Schedule XIV of the Companies Act 1956 as per Notification No. 1/12/92-CL, V; Circular No. 14/93 dated 20.12.1993. Depreciation on library books has been charged @ 100 % on straight line method. Figures shown in brackets () in column 5 and 9 of Schedule II indicate deduction from Gross Block and Depreciation respectively. Depreciation is charged for the whole year in the year of purchase and no depreciation is charged in the year of disposal/sale.

3. **CAPITAL WORK IN PROGRESS**

The work in progress is accounted on actual cost basis and includes payments made to contractors for work done and certified.

4. **STORES, SPARES AND TOOLS**

Stores, spares and tools are valued at cost.

5. **PRIOR PERIOD ADJUSTMENTS**

Income and expenditure in excess of Rs. 1000/- each for item relating to previous year / years is credited / debited as the case may be to this account.

6. PROVISIONS

- (i) Provision for known liability is created in respect of any expenditure if the value exceeds Rs. 1000/-.
- (ii) Provision for leave encashment on retirement in respect of regular employees is created as per Accounting Standard 15 issued by Institute of Chartered Accountant of India.
- (iii) Provision for bonus is created on adhoc basis as declared by Central Government in previous year in respect of autonomous bodies.
- (iv) Provision for pension contribution / gratuity has been made as per IWAI Employees Pension Fund Regulations, 1993.

7. TREATMENT OF GRANTS

The Authority will have no revenue generation except for grant from the Govt. till such time National Waterways become fully operational for public use and tariff rates, levies and fees are fixed. As such, out of grants received from the Government, expenditure incurred on revenue account is classified as revenue grant, payments towards assets are classified as capital grant and balance, if any, are treated as grants received in surplus (under current liabilities).

For and on behalf of the Authority

Sd/-
(S. JAYARAMAN)
Chief Accounts Officer

Sd/-
(SUNIL KUMAR)
Vice-Chairman

Sd/-
(BHUPINDER PRASAD)
Chairperson

SCHEDULE-VII

NOTES FORMING PART OF ACCOUNTS AS ON 31.3.2010

- 1) Capital work in progress amounting to Rs. 13,725.17 lakhs (previous year Rs. 7585.75 lakhs) consists of following::

	Name of Party	Purpose	Amount (Rs. in lakhs)
a)	Neptune Marine (P) Ltd.	Construction of Work boats	107.95
b)	HDPE	Construction of cargo vessels	404.35
c)	CPWD	Construction of high level jetty Pandu	1817.74
d)	HDPE	Construction of Hy. Surface dredger	562.97
e)	CPWD	Construction of terminals in NW-3	497.36
f)	CPWD	Construction of high level jetty at Gaighat	875.16
g)	NSDRC	Design and modification of Hy. Surface dredger	5.40
h)	M/s. Star tech. (P) Ltd.	Construction of dredgers and Work Boats	1148.19
i)	M/s Tebma Shipyards Ltd.	Construction of dredgers	2743.56
j)	HDPE	Construction of Work Boat	1951.00
k)	CPWD-Allahabad	Construction of Allahabad terminal	46.00
l)	NF-Railway	Construction BG siding at Pandu	389.37
m)	Techno steel & Craft	Construction of Pontoon	286.19
n)	Elcome Marine Service (P) Ltd.,	Supply of DGPS	100.86
o)	Shiv shakti Marine Service	Supply of Becon Light / tower	62.71
p)	CPWD	Construction of GR Jetty	576.50
q)	A.C. .Roy & Co.	Construction of Multi purpose tug	842.39
r)	PWD	Construction of Jogighopa terminal	95.04
s)	Styanaryan Lo hoty	Construction of Neamati jetty	50.92
t)	Cochin Port Trust	Construction of Bolghatty/ willingdon island jetty	1148.31
u)	CPWD	Construction of Bhagalpur terminal wall	13.21
		Total	13725.17

- 2) During the year 2009-10, the Authority has incurred the following expenditure in respect of chairman and full time Members::

Salary	House Rent	Leave Salary & pension contribution	Medical reimbursement	Travelling Expenses		Total
				Foreign	Inland	
5519529	782779	1205768	105455	1296781	116013	9026325
Previous Year-						
3395755	913473	1522448	109831	474019	840703	7076952

During the year chairman IWAI visited (i) United state of America as Indian delegation for inspection of IWT Infrastructure in upper Mississippi river from 24 to 25th August, 2009 and vice chairman has visited at Hague, Netherland with high level working group from 17th & 18th June 2009 and Member (Finance) has also visited (i) Dhaka with team consultant for studying issues relating transportation of ODC Movement from 8th-11th December 2009 (ii) Dhaka to examine the request of government of Bangladesh for assistance in dredging of their rivers from 18th to 24th January 2010.

- 3) Land costing Rs. 244.49 lakhs (previous year Rs. 244.49 lakhs) was acquired for construction of R & D –cum-Office complex at Noida and Rs. 21.34 lakhs (previous year Rs. 21.34 lakhs) was acquired for terminal at kolkatta on lease hold basis for 90 years and 15 years respectively and Rs. 4.14 lakhs (previous year Rs. 4.14 lakhs) is being written off every year.
- 4) (i) ITAT has given decision for the assessment years 1988-89 to 1997-98 (excluding Assessment year 1990-91) ruling that the grant of the authority is a capital grant hence not taxable. While giving effect to ITAT order, ACIT, Noida has issued fresh assessment order in which the misc. receipt of authority has been treated as income. Against the said order, authority has filled appeal with CIT (Appeals) Ghaziabad, and the same has been dismissed. Authority has filled further appeal with ITAT, New Delhi against the order of CIT. ITAT, New Delhi has passed orders to CIT (Appeals) to hear the case and review decision. CIT (Appeals) again dismissed the appeals and Authority has filled Appeals with ITAT, New Delhi against the orders of CIT (Appeals). ITAT has passed the order with the direction to AO, to restore this issue and give the opportunity to the assessee and then to pass an order in accordance with the law. However, appeal for A.Y 1990-91 is still pending with CIT (Appeals).

- (ii) ACIT Noida has also imposed penalty in response to fresh assessment orders and raised demand. An appeal against the said penalty order was also filled with CIT (Appeals), Ghaziabad, and same was dismissed. Authority has filled appeals with ITAT, New Delhi against the order of CIT (Appeals) and same was disposed by ITAT as allowed for statistical purposes. ACIT Noida has been asked to refund the penalty amount of Rs.11.19 crores for the Assessment Year 1988-89, 89-90,91-92 to 1996-97 as per ITAT, New Delhi order. ACIT Noida has issued the order with the contention that no fresh adjudication of penalty U/s 271(1) © in view of ITAT direction is required. Against the order of ACIT, Noida, Authority has filled a application with ACIT, Noida under section 154 to review the matter as per direction of ITAT, New Delhi.
- (iii) The Income Tax department has also filed an appeal in High Court of Allahabad against the order of ITAT, New Delhi for the assessment years 1988-89 to 1997-98.
- (iv) The Authority has been registered under section 12 A w.e.f. 1.4.1998 With Income Tax department. The authority got the exemption u/s 10(23C)(iv) from CBDT/CCIT-Ghaziabad from Assessment Year 1998-99 to 2010-11. For renewal of exemption u/s 10 (23C) (iv) from the Assessment year 2011-12 onwards, application has already been filed with CIT-Ghaziabad. The renewal is awaited.
- 5) A sum of Rs. 975.27 lakhs (previous year Rs. 1003.48 lakhs) towards cost of land for 11 terminal sites (area 12.4717 hectare) was made as advance payment to Govt. of Kerala. Out of this, 10.1259 hectares of land for 11 no. of terminals sites has been taken over and capitalized for Rs. 820.74 lakhs till March 31,2010 (previous year Rs. 974.61 lakhs). and Rs. 14.60 lakh (previous year Rs. 39.68 lakhs) as building has been capitalized. Authority is liable to pay interest on land acquisition as per orders of court. Land for Alappuzha terminal has been notified and award passed in the name of IWAI. Handing over of land is still pending due to non rehabilitation of 9 nos families.
- 6) A sum of Rs. 1615.73 lakhs (previous year Rs.1,622.50 lakhs) towards cost of construction of 11 terminals in NW-3 has been paid to CPWD. Out of this, Rs. 902.92 lakhs (previous year Rs. 929.68 lakhs) capitalised as terminal.
- 7) For acquisition of land for widening of canals in NW-3 measuring 21.28 hect. an advance of Rs. 1300.20 lakhs including interest of Rs 61.00 lakhs (previous year Rs. 1271.71 lakhs) was with Govt. of Kerala. Out of this, land valued at Rs. 1074.79 lakhs (area 21.2592 hectares) has been received and therefore capitalized (previous year Rs. 1075.34 lakhs).
- 8) A sum of Rs 1470.00 lakhs paid as deposit to cochin port trust for construction of jetty at bolghatty and willingdon island during the year. An amount of Rs 1148.31 lakhs shown as capital work in progress as per progress of work.
- 9) A sum of Rs. 2,773 lakhs (previous year Rs. 1373 lakhs) has been released as deposit to Executive Engineer, Patna Central Division-II, CPWD in connection with construction of high level general cargo berth at Gaighat, Patna. Out of this, a sum of Rs. 875.16 lakhs (previous year Rs. 242.53 lakhs) has been charged to Capital works in Progress.

- 10) A sum of Rs. 2,866.00 lakhs (previous year Rs. 1770.00 lakhs) has been released as deposit to CPWD-Guwahati in connection with construction of high level general cargo berth at Pandu, Guwahati. Out of this a sum of Rs. 1817.74 lakhs (previous year Rs. 165.33 lakhs) has been charged to capital works in progress.
- 11) A sum of Rs. 1030 lakhs (previous year Rs. 1030 lakhs) has been released as deposit to NF Railway Guwahati in connection with construction of BG siding at Pandu Terminal, Guwahati and out of above Rs. 389.37 lakhs (previous year Rs.281.79 lakhs) has been shown as capital work progress.
- 12) A sum of Rs. 35.20 lakhs (previous year Rs. 35.20 lakhs) has been released as advance to DM-Allahabad for acquisition of land for Allahabad Terminal. During the FY 2005-06, an amount of Rs. 24.06 lakhs towards cost of 8.759 hectare land has been capitalized.
- 13) 53 nos. flats at Sector-34, Noida were taken over on 15.12.2002 from Director General of Light Houses & Light Ships (DGLL) Ministry of Shipping for staff of IWAI at a total transfer price of Rs. 225.28 lakhs plus transfer fee, stamp duty etc. The quarters have been taken over and repaired and allotted to IWAI employees. Hence, Rs. 307.33 lakhs (previous year Rs. 307.33 lakhs) has been capitalized. However, transfer in the name of IWAI could not be registered since the flats have not yet been registered in the name of first owner DGLL. After persuasion with DGLL for making payment of land rent, etc. to Noida, the initial registration is under process with Noida. Thereafter it will be transferred in the name of IWAI.
- 14) Two vessels namely MOT TUG III and Flat Turni have been declared condemned by the Authority. Their scrap value has been assessed as Rs. 18.75 lakhs and Rs. 7.05 lakhs respectively. For disposal of both the vessels open tender had been called. Due to some reasons, the work was not awarded to the highest bidder. Highest bidder has filed a case in lower court against the decision of the Authority. The decision of court is awaited. MOT Tug-III has been received from CIWTC with out cost. Hence token value of Rs. 1.00 has been taken in accounts.
- 15) A Claim was lodged with M/s Oriental Insurance Co. for Rs. 34.17 lakhs towards loss of Buoys and Lights including penal interest since 2004. Insurance Company has agreed for Rs. 23.93 lakhs only. Decision of Oriental Insurance Company is not acceptable to Authority and Authority has again asked the insurance company to settle the claim immediately.
- 16) 47 nos. of Buoys with chair, anchor and accessories and 7 day marks have been lost at Kolkatta region during 2002-2003. Authority has lodged the insurance claim of Rs. 28.91 lakhs. The reply from insurance company is awaited.

- 17) 64 Nos of Buoys has been lost at kolkatta region (45 no during 2006-07 and 19 no during 2009-10). Authority has lodged the insurance claim of Rs 37.09 lakhs with oriental insurance co. Ltd. During the year a loss of Rs 13.33 lakhs has been shown in income & expenditure accounts.
- 18) During March 2005, the Authority has signed agreement with M/s HDPEL, Kolkatta for construction and delivery of Floating Dry Dock at a cost of Rs. 873 lakhs excluding taxes and cost of spare parts. The Authority has cancelled the contract and the amount released to HDPEL, Kolkatta Rs. 261.90 lakhs against the contract has been shown as advance to contractor. For reviewing the project, a committee was formed and committee recommended that the work may be given to M/s HDPEL again. After this, the cost of project has been increased by HDPEL due to increase in steel price etc. The proposal was placed before the Authority and as discussed thereon, the rate quoted by HDPEL is to be properly justified. In the mean time, Authority is also trying to adjust the amount already paid without affecting overall progress of works assigned to the company.
- 19) A work was awarded to M/s Neptune marine Pvt Ltd. in 2003 for construction of Three number of work boats at the cost of Rs.359.85 Lakhs. As per contract Rs.161.93 Lakh has been released to firm including Rs.53.98 Lakh against Bank Guarantee. In the financial year 2008-09 Bank Guarantee of Rs.53.98 Lakhs has been invoked and fund received from bank. Due to non compliance of Contract terms and condition, the contract was terminated on 29.7.2009. and arbitrator has been appointed. One no. of work boat is in possession of Authority from 11.12.2008. The Work Boat is not as per requirement of IRS and IWT, Dte. Govt. of West Bengal during test and trial' hence can not be registered. Same is not capitalized.
- 20) Authority has appointed M/s IL&FS Infrastructure Development corporation Ltd. As Project Development Organisation for identification and development of IWT projects on PPP mode. Authority has contributed Rs. 50,00,000/- towards its 50% share in the initial corpus of the Project Development Fund for undertaking development of Projects. The contributed amount has been shown as investment.
- 21) Ministry of External Affairs (MEA), Govt. of India has appointed IWAI as Project Development consultant for implementation of multi modal transit transport facility on Kaladan river connecting the Sittwe port in Myanmar with the State of Mizoram in India. Agreement of the above assignment has been entered on 19.03.2009 between Authority and MEA. Authority has received consultancy fee of Rs. 588.99 lakhs during financial year 2009-10. During the year an amount of Rs. 119.31 lakhs including liability of service tax of Rs 58.88 lakhs has been incurred on the project by the Authority and the same is charged to expenditure .
- 22) Authority has taken three number of policies from LIC for pension, gratuity and leave encashment for IWAI employees. LIC has provided actuarial valuation for all three policy. As per actuarial valuation as on 31.03.2010, the fund for pension Rs. 3032 lakhs, gratuity Rs 507.59 lakhs and for leave encashment Rs. 374.44 lakhs is required. During the year 2009-10 provision of Rs 47.55 lakhs for leave encashment and Rs. 596.62 lakhs for pension & gratuity has been provided after considering the available fund and provision already provided till last financial year.

- 23) Authority has established separate trusts in the name of "IWAI – General Provident Fund" with effect from 24.05.2002 and "IWAI - employees Pension fund" with effect from 25.03.2003 for administering and managing the general provident fund and pension/Gratuity fund in respect of employees of Authority respectively. IWAI - employee pension fund is managed by LIC of India. Fund of Rs.1845.90 Lakh for pension, Gratuity and Rs.326.89 Lakh for leave encashment is available as on 31.03.2010 as against the actuarial valuation of liability to the tune of Rs. 3954.03 lakhs.

In IWAI – Employees General Provident Fund, a fund of Rs.705.24 Lakh is available as on 31.03.2010.

- 24) Authority has entered into share holders agreement in three JV projects with three companies namely (i) M/s Royal Logistics (ship) Ltd., Kolkatta (ii) M/s SKS Waterways Ltd., Kolkatta and (iii) M/s Vivada Logistics Pvt. Ltd. Kolkatta. As per Share holders agreement with M/s Royal Logistics (ship) Ltd, Kolkatta and M/s SKS Waterways Ltd, Kolkatta the initial authorized share capital of each company is Rs. 5.00 lakhs and same is required to be contributed in the ratio of 70% by J.V partner and 30% by IWAI. Accordingly, Authority has contributed its share of Rs. 1.50 lakhs each as initial authorized share capital in M/s Royal Logistics (ship) Ltd., Kolkatta and M/s SKS Waterways Ltd. Kolkatta.
- 25) There are 4 Arbitration cases pending before the Arbitrators, three cases relate to capital dredging works in NW-3 having a contingent liability of Rs.3302 Lakhs and one case relate to construction of vessels involving Rs 1600 lakhs damages approximately. In one case, the contractor (M/s Dharti Dredging Corporation Limited) has proposed termination of arbitration proceedings. A committee has been appointed to negotiate terms & conditions of withdrawal of arbitration. Further there are 16 service related cases pending in Hon'ble High Courts of Delhi, Allahabad, Guwahati and Patna and 2 cases of Interest subsidy are pending in Delhi and Indore High Courts. Apart from the above, there are 100 LAR cases and 215 LAA cases pending in various courts and High courts of Kerala respectively for payment of higher compensation for land acquisition involving approximately an amount of Rs. 1000 Lakhs.
- 26) A sum of Rs. 42.20 lakhs has been extracted by initiating RR proceedings by Kochi Corporation with the help of attachment by Revenue Tahsildar Ernakulam from official Current Account of IWAI-Kochi towards enhanced amount of rent arrears of office building occupied by IWAI Kochi at 2347-N, Paramara Shopping complex, Paramara Road, Kochi-18 for the period 1st January 1999 to 31st August 2006. Authority has filled a appeal in high court kerela against decision of corporation of Kochi.
- 27) Bank guarantees valued at Rs. 1589.03 lakhs (previous year Rs. 1866.89 lakhs) have been received from the contractors / suppliers towards security deposit, Earnest money and mobilization advance against the works / contracts awarded to them till March 31,2010.

- 28) In Companies Act schedule XIV, depreciation rate for some of the fixed assets used for inland waterways has not been provided. Hence, Authority is charging depreciation on Barges @ 3.34%, Terminals @ 4.75% ,night navigation equipment @ 4.75%, crane @ 3.34%, and dredgers @ 7%.
- 29) Re-grouping and re-classification has been done where considered necessary.
- 30) All the figures are rounded off to the nearest rupee and figures in () indicate negative figures

For and on behalf of the Authority

Sd/-
(S. JAYARAMAN)
Chief Accounts Officer

Sd/-
(SUNIL KUMAR)
Vice-Chairman

Sd/-
(BHUPINER PRASAD)
Chairperson

Audit Report of the Comptroller & Auditor General of India on the Accounts of Inland Waterways Authority of India for the year ended 31st March 2010.

We have audited the attached Balance Sheet of Inland Waterways Authority of India (Corporation) as at 31st March 2010 and the Income and Expenditure Account for the year ended on that date under section 23 of the Inland Waterways Authority of India Act, 1985 (IWAI Act, 1985) and rule 28 (3) of the Inland Waterways Authority of India Rules, 1986 (IWAI Rules, 1986) as amended in 2002 vide Notification No. GSR 449 dated 10.10.2002. These financial statements include the accounts of units/branches of the Corporation. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Balance Sheet and Income and Expenditure Account dealt with by this report have been drawn up in the format approved by the Government of India under section 34(2) (g) of the IWAI Act, 1985 and rule 28(2) of IWAI Rules, 1986.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Corporation as required under Section 34(2) (g) of the IWAI Act, 1985 in so far as it appears from our examination of such books.

- iv. We report that the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account.
- v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting policies and Notes on Accounts give a true and fair view in conformity with accounting principles generally accepted in India.
- a) In so far as it relates to the Balance Sheet, of the state of affairs of the corporation as at 31st March, 2010 and
- b) In so far as it relates to Income and Expenditure Account, of the income/expenditure for the year ended on 31 March, 2010.

A review of accounts showing the summarized financial results of the Corporation for the last three years is given in Annexure-I.

Place: New Delhi

Date: 05 October 2010

Sd/-

(Birendra Kumar)

Principal Director of Commercial Audit

Ex-officio Member, Audit Board-I

New Delhi

SUMMARISED FINANCIAL RESULTS OF INLAND WATERWAYS AUTHORITY OF INDIA FOR THE YEAR ENDED 31st MARCH 2010 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. FINANCIAL POSITION

The table below summarizes the financial position of Authority under broad headings for the last three years.

		(Rupees in crore)		
Liabilities		2007-08	2008-09	2009-10
a)	Capital under section 11 (i) (c) of the Act.	0.94	0.94	0.94
b)	Capital grant under Section 18 of the Act.			
	i) Capital Grant less Replacement Reserve and lease rent written off.	332.25	389.15	458.40
	ii) Loans	-	-	-
c)	Reserve & Surplus		-	-
	i) Free reserve	-	-	-
	ii) Capital Reserve	-	-	-
d)	i) Current Liabilities & Provisions	42.82	44.74	41.94
	ii) Provision for gratuity	0.21	0.25	0.92
	Total	376.22	435.08	502.20
e)	Gross block	217.81	278.95	313.43
f)	Less: Cumulative Depreciation	50.37	61.94	75.42
g)	i) Net Block	167.44	217.01	238.01
	ii) Leasehold land	2.11	2.07	2.03
h)	Capital work in progress	78.19	75.86	137.25
i)	Investments	0.50	0.53	0.53
j)	Current Assets, Loans & Advances	127.98	123.02	114.38
k)	Miscellaneous Expenditure (Income & Expenditure Account)	-	16.59	10.00
	Total	376.22	435.08	502.20
l)	Working Capital (j-d(i) & (ii))	84.95	78.03	71.52
m)	Capital Employed (g + l)	254.50	297.11	311.56
n)	Net Worth (a + c (i) – k)	0.94	(15.65)	(9.06)
o)	Net Worth per Rupee of Capital under section 11 (i) (c) of Act (n /a)	1	(16.65)	(9.63)

2. LIQUIDITY

Percentage of current Assets to Current Liabilities and Provisions (excluding gratuity provision) which is a measure of liquidity was 298.88, 274.97 and 272.72 during 2007-08, 2008-09 and 2009-10 respectively.

3. SOURCES AND UTILISATION OF FUNDS

Fund amounting to Rs. 82.35 crore from external sources were generated and utilized by the Authority during the year 2009-10 as per details given below:-

A.	Source of Funds	(Rupees in crore)
	i) Increase in Capital Grant	69.25
	ii) Decrease in Working Capital	6.51
	iii) Excess of Income over expenditure for the year	6.59
	Total	82.35
B.	Utilization of Funds	
	i) Increase in Fixed Assets (net)	20.96
	ii) Increase in Capital work-in-progress	61.39
	Total	82.35

Place: New Delhi

Date: 05 October 2010

Sd/-

(Birendra Kumar)

Principal Director of Commercial Audit

Ex-officio Member, Audit Board-I

New Delhi