

**COMMITTEE ON PAPERS LAID ON THE TABLE
(2021-2022)**

47

SEVENTEENTH LOK SABHA

FORTY SEVENTH REPORT

**[Delay in laying the Annual Reports and Audited Accounts
of the Inland Waterways Authority of India, Noida]**

(Presented on December, 2021)



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI
DECEMBER, 2021, AGRAHAYANA, 1943(SAKA)**

C O N T E N T S

PAGE

COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2021-2022)	(iii)
INTRODUCTION	(v)
REPORT	
Delay in laying the Annual Reports and Audited Accounts of the Inland Waterways Authority of India, Noida.	01

ANNEXURES

Annexure-I	Statement showing the year wise fund allocation (Grants in Aid) to the IWAI Noida, given by Government of India through Ministry of Shipping.	08
Annexure-II	Statement showing the dates of laying of the Audited Accounts of the, IWAI, Noida for the years 2015-16 to 2018-19.	09
Annexure-III	The chronological sequence in respect of finalization of Audited Accounts of the IWAI, Noida for the years 2015-16 to 2018-19.	10

APPENDICES

APPENDICES		
Appendix-I	The Extracts of the Minutes of the sitting of the Committee held on 22 September, 2020.	13
Appendix-II	The Extracts of the Minutes of the sitting of the Committee held on 29 November, 2021	15

COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE
(2021-2022)

Shri Ritesh Pandey

-

Chairperson

MEMBERS

2. Dr. Shafiqur Rehman Barq
3. Shri Margani Bharat
4. Shri Pallab Lochan Das
5. Chowdhury Mohan Jatua
6. Choudhary Mehboob Ali Kaiser
7. Dr. Amol Ramsing Kolhe
8. Dr. A. Chella Kumar
9. Shri Raja Amareshwara Naik
10. Shri Jamyang Tsering Namgyal
11. Smt. Aparupa Poddar
12. Shri T.N. Prathapan
13. Shri S. Ramalingam
14. Shri Saptagiri Sankar Ulaka
15. Shri Ashok Kumar Yadav

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Smt. B. Visala - Director
3. Shri Munish Kumar Rewari - Additional Director
4. Shri. R. K. Chaudhary - Under Secretary
5. Miss Vandana - Committee Officer

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2021-22), having been authorized by the Committee to present this Report on their behalf, present this Forty Seventh Report in respect of delays in laying of the Annual Reports and Audited Accounts of the Inland Waterways Authority of India, Noida.

2. In terms of the recommendations of the First Report and the Second Report (05th Lok Sabha) and the Second Report (06th Lok Sabha) of the Committee on Papers Laid on the Table, presented to the House on 08th March, 1976: 12th May, 1976 and 22nd December, 1977 respectively, the Annual Report and Audited Accounts of the Organisation/company are required to be laid on the Table of the House within nine months of the closure of accounting year.

3. The Committee considered the matter of the delays in laying the Annual Reports and Audited Accounts of the Inland Waterways Authority of India, Noida and took oral evidence of the representatives of the Ministry of Shipping and the Authority at their sitting held on 22nd September, 2020.

4. The Committee considered and adopted this Report at their sitting held on 29 November, 2021.

5. The Committee wish to express their thanks to the officers of the Ministry of Shipping and the Inland Waterways Authority of India, Noida, for furnishing the written replies and other material/information for placing their views in the matter before the Committee.

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

New Delhi
December , 2021
Agrahayana, 1943(Saka)

Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table

REPORT

Delay in laying of the Annual Reports and Audited Accounts of the Inland Waterways Authority of India, Noida.

Inland Waterways Authority of India (IWAI) was set up on 27th October, 1986, vide IWAI Act, 1985, for regulation and development of Inland Waterways for the purposes of shipping and navigation. The IWAI is inter-alia responsible for development, maintenance and regulation of National Waterways (NWs). The amount released by the Ministry of Shipping to the IWAI during the last three years as Gross Budgetary Support is as mentioned below (**Annexure I**) :-

(Rs. In Crores)

Sl. No.	Financial Year	Budgetary Allocation
1	2017-18	426.09
2	2018-19	862.00
3	2019-20	526.7692

As per approval accorded by the Government, IWAI was also permitted to raise GOI fully serviced bonds of Rs. 1000 crore in two tranches of Rs. 340 crore in the year 2016-17 and Rs. 660 crore in the year 2017-18. The amount raised as bonds was utilized by the IWAI for funding its infrastructure projects.

2. In terms of recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of its First Report (5th Lok Sabha), Paras 4.16 and 4.18 of Second Report of the 5th Lok Sabha and Paras 1.12 and 3.6 to 3.8 of Second Report of 6th Lok Sabha, presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Reports and Audited Accounts along-with the Review Statement of the Institutes/Organizations (Statutory/Autonomous Organizations, Public Undertakings, Corporations, Joint ventures, Societies etc.) are required to be laid within 09 months of the closure of the respective accounting year. To

comply with this requirement, proper time schedule should be laid down for compilation of Annual Report and Accounts and their auditing.

3. As per the provisions of Section 24, Chapter-V of the IWAI Act, 1985, the Central Government shall cause the Annual Report and Auditors Report to be laid, as soon as they are received from IWAI, before each House of Parliament.

4. The scrutiny by the Committee on Papers Laid on the Table reveals that the Annual Reports and Audited Accounts of the IWAI, Noida, for the years 2015-16, 2016-17, 2017-18 and 2018-19 were laid on the Table on the 06th April, 2017, 26th July, 2018, 12th December, 2019 and 4th February, 2021 with delay of about 3, 7, 11 and 13 months respectively (**Annexure-II**).

5. The chronological sequence in respect of the finalization of Audited Accounts of the IWAI, Noida, for the years 2015-16 to 2018-19, are given in **Annexure III**.

6. The Ministry of Shipping in their written replies have inter-alia submitted the following reasons for delay in laying of the documents;-

***a. Change in accounting format:** C&AG informed in January, 2017, "Authority is not adhering to the format of accounts, as approved by the Ministry of Shipping in February, 2005 in totality". Accordingly, format of financial statements was required to be reviewed and modified.*

***b. Finalization of accounting format:** 122 remarks were received from C&AG on the draft accounting format in three stages (96 + 22 +4) between January 2018 to July 2018. Matter was taken up through MoS and issues resolved. Accounting format was notified on 13.07.2020. The process of revision of accounting format caused delay in finalization of annual audit.*

***c. Process for Annual Accounts Audit:** Audit of annual accounts of the authority is carried out by C&AG in three phases every year as per their mandate and agreement between IWAI and C&AG. While the first phase is conducted in January every year, the second phase is in June-July and 3rd phase is done in November- December. Settlement of replies to audit observations, finalization of accounts and approved of Board takes time.*

d. Increase in expenditure volumes due to Jal Marg Vikas Programme(JMVP), development of New National Waterways etc.

The average annual expenditure of IWAI for the period 1986 to 2015 was Rs.60.710 crore. However, with the implementation of JMVP and development agenda of New NWs since 2016, the average annual expenditure increased to Rs.700.91 crore. Therefore, the audit scope also increased and resulted in time consuming annual 3 phase audit.

e. JMVP is being implemented across 4 states as a union project (UP, Bihar, Jharkhand & West Bengal). Each state has its own audit arrangement under the concerned Accountant General's jurisdiction. It took almost two years to settle the audit arrangement in consultation with C&AG for the substantial expenditure under JMVP on project across 4 states.....”

7. In this regard, the Chairperson, IWAI, during the course of evidence, informed the Committee as under :-

“in 2005 the new formats had come and we adopted it after the AG pointed out. It is because between 2005 and 2016-17, this issue was never raised by AG, so IWAI did not do it. But when AG pointed out that formats need to be changed, we immediately looked into this and then, along with AG, we tried to do the formatting change which took almost two years' time from 2017 till 2019. They gave us some 122 points to ask and we replied. This took some time. So, that format has now been finally changed and on 13th of July, it has been also put on Gazette. We will be adhering to the new accounting format from this year onwards. In any case, as Secretary has mentioned, we are fully geared up about the process which has been started.....”

8. As regards the steps taken by the Ministry to curtail the delays in future, the Ministry in their written replies stated the following :-

“ CAG prescribed Accounting Format for IWAI whose finalization lead to delay in auditing the accounts. The prescribed format of Accounts has been notified in the Gazette of India vide GSR (440 E) dated 13.07.2020 and this major issue now stands resolved.”

9. In this connection, the Secretary, Ministry of Shipping, during the course of evidence, deposed before the Committee as under :-

' Since the modified form has now been agreed to, the IWAI has adopted that. So, from this year onward, hopefully, the entire process will be better streamlined and we will try our best to ensure that we are able to adhere to the timelines given in the rules and be able to present the Annual

Report and the accounts in time. The issues that were there in the previous year, as I mentioned, is a part of the written replies. We will try our best to make sure that for this year we are able to adhere to the timelines given in the rules. There were initial problems because of COVID and such related issues. But we have drawn up an action plan to be able to catch up. The audit team is already working for this year's accounts. The IWAI has strengthened the manpower to ensure that the replies are given....."

10. In regards to the efforts made to ensure timely receipt of the final Audit Reports from the Audit authorities, the Ministry in a written submission apprised that the Annual Accounts are submitted by IWAI to C&AG within time. C&AG is conducting three phase audit on Annual Accounts. The matter was pursued with C&AG office for providing Audit report at the earliest.

11, As regards the remedial measures taken to ensure timely laying of the documents in Parliament in future, the Ministry in their written replies, submitted the following:-

" Efforts are being made by IWAI/Ministry of Shipping to ensure timely laying of the documents before the Parliament within the prescribed period of nine (09) months from the close of the accounting year. However, as mentioned in earlier para, due to delay in auditing of IWAI accounts by C&AG due to a couple of issues in the revised Accounting Format approved by Ministry of Shipping faced by IWAI. Now, the new Accounting format of IWAI accounts duly prescribed by the C&AG has been notified in the Gazette of India vide GSR 440 (E) dated 13.07.2020. This would minimize the delay in auditing of the Accounts of IWAI by the C&AG, which has been the main reason for the delay in the last few Financial years."

12. The Committee considered the matter of delay in laying of Annual Reports and Audited Accounts of Inland Waterways Authority of India, Noida, for the years 2015-16, 2016-17, 2017-18 and 2018-19 and took oral evidence of the representatives of the Ministry of Shipping on 22.09.2020.

Observations / Recommendations

13. The Committee note that the Inland Waterways Authority of India have not been following the stipulated time frame for laying its Annual Reports and Audited Accounts on the Table of the House. The Committee are concerned that the Annual Reports and Audited Accounts of the Authority for the years 2015-2016, 2016-17 2017-18 and 2018-19 were laid with escalating delays of about 3 , 7 11 and 13 months respectively. And the Annual Reports and Audited Accounts for the financial year 2019-20* have not been laid as yet.

14. The Committee have been apprised that the change in the accounting format, finalization of accounting format, three phase process of Annual Accounts Audit and Increase in expenditure volumes have been the cumulative reasons among the other ancillary factors, causing overall delay in laying of the papers. As regards the delay caused due to finalization of the changed accounting format, the Committee are not quite convinced and feel perplexed to note that the Ministry as well as IWAI has failed to observe their collective responsibility of implementing the new accounting format, approved by the Ministry of Shipping more than a decade ago in 2005, but notified only on 13.07.2020. This is further appalling that during the oral evidence of the Ministry and Authority taken on 22.09.2020, the Chairperson, IWAI, informed the Committee that it was only after the queries raised by the Auditor General on the accounting format in the year 2017, that the Authority started revising the accounting format. Though the issue has now been stated as resolved, the Committee however, have not been apprised about the specific reasons for the delay in notification and implementation of the new accounting format.

15. The Committee further note that the three phase Account Audit process followed by IWAI, which have been stated as one of the reasons for the delay, is a yearly process followed by C&AG as per their mandate. Apparently, these procedural intricacies could be predicted and taken care of in advance to avoid any possible resultant delays by adhering to the scheduled targets. The Committee are of the firm view that delays on account of regular established procedures could not be perpetuated and should be avoided by exercising due diligence.

16. The Committee also note that there has been an increase in expenditure volumes due to the implementation of Jal Marg Vikas Programme(JMVP) and development of new National Waterways etc. The average annual expenditure has increased to Rs.700.91 crore in the year 2016 from 60.710 crore for the period of 1986-2015 which lead to an increased audit scope and ultimately resulted in time consuming annual 3 phase audit. The Committee further note that JMVP is being implemented across 4 states as a Union project (UP, Bihar, Jharkhand & West Bengal) and each of these states has its own audit arrangement under the concerned Accountant General, which took almost two years to settle the audit arrangement in consultation with C&AG for the substantial expenditure under JMVP .

17. The Committee recommend to the Ministry of Shipping to ensure timely laying of the Annual Reports and Audited Accounts in future, in coordination with IWAI and C&AG and be extra vigilant in monitoring the compliance of the various directives/ guidelines by the organisations in their administrative aegis. The Committee hope that as per the assurance given by the Secretary, Ministry of Shipping and Chairman, IWAI, the timelines given in the rules will be adhered to and pending Annual Report and Audited Accounts for the financial year 2019-20 *, would be laid without further delay. The Committee would like the Ministry to actualize their action plan drawn to catch up with the delays, for which IWAI has also strengthened its manpower.

18. The Committee further recommend that, if for any unavoidable reasons, it is not possible to lay the Annual Reports and Audited Account of the IWAI on the Table of the House within the stipulated time, a statement explaining the reasons as to why the requisite documents could not be laid within the prescribed period should be laid strictly within 30 days of the expiry of the prescribed period or as soon as possible after the reassembly of the next Session.

New Delhi
December , 2021
Agrahayana, 1943(Saka)

Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table

* Laid on 29.07.2021

ANNEXURE-I

Statement showing the year wise fund allocation (Grants in Aid) to the IWAI, Noida given by Government of India through Ministry of Shipping is as under :-

(in Crores)

S. No.	Year	Budgetary Allocation
1.	2017-18	426.09
2.	2018-19	862
3.	2019-20	526.7692

ANNEXURE-II
Vide Paras 04 & 12

**Statement showing the dates of laying of the Audited Accounts of the
IWAI, Noida, for the year 2015-16 to 2019-20**

Year(s)	Date by which required to the laid	Date of laying of Annual Reports and Audited Accounts	Extent of delay
2015-16	31-12-2016	06/04/17	Three months
2016-17	31-12-2017	26/07/18	Seven months
2017-18	31-12-2018	12/12/19	Eleven months
2018-19	31-12-2019	04/02/21	Thirteen months
2019-20*	31.12.2020	-----	-

* Laid on 29.07.2021

Annexure-III
vide para 05 of the Report

**The chronological sequence in respect of finalization of Audited
Accounts of the IWAI, Noida, for the year 2015-16 to
2018-19**

	Activities	2015-16	2016-17	2017-18	2018-19
a.	The date on which the Institute approached the Audit Authorities to appoint the auditors for auditing the accounts and the date of their appointments; Time taken in Appointment after closure of Financial year.	-----	-----	-----	-----
b.	The date of compilation of Annual Accounts of the Authority; Time taken after closure of F/Y	June 2016 03 Months	June 2017 03 Months	June 2018 03 Months	June 2019 03 Months
c.	The date on which the Annual Accounts were submitted to Auditors for auditing; Time taken after compilation of Accounts	29.06.2016 -----	29.08.2017 02 Months	20.07.2018 20 days	11/7/19 11 days
d.	The date and duration for auditing the Annual Accounts of the Authority by Auditors.	25.07.2016 Up till 54th day	25.09.2017 Up till 47 th day	16.08.2018 Up till 57 th day	23.07.2019 Up till 57 th day
e.	The date of queries raised by Auditors during auditing of Annual Accounts;	25.07.2016 to 12.08.2016	25.09.2016 to 10-11- 2017	11.09.2018 to 08.11.2018	06.09.2019 to 06.12.2019.
f.	The date on which the replies to the audit queries was furnished to the Auditors;	19.08.2016	16.11.2017	19.09.2018 &10.11.2018	06.09.2019 &12.12.2019

g.	The date on which draft Audit Report was issued by Audit Authorities.	02/09/16	14.12.2017	13.12.2018	10.01.2020
h.	The date on which the final Audit Report received by the Authority;	29-12-2016	09/02/18	01/02/19	17.03.2020
i.	The date of finalization of Annual Reports;	17.01.2017	20.02.2018	16.03.2019	04.06.2020
j.	The date on which documents were got approved from the Competent Authority;	25.01.2017	12/03/18	04/04/19	16.07.2019
k.	The date on which documents were taken up for translation & printing and the time taken for completing the task;	20.1.2017 & 31.03.2017 11 days	01.03.2018 & 12.03.2018 11 days	03.05.2019 & 01.07.2019 88 days	08.06.2020 & 28.08.2020 43 days
l.	The date on which documents were sent to the Ministry for being laid in House	06/02/17	15.03.2018	24.07.2019	02/09/20

m .	The date of laying of the documents on the Table of the House.	06/04/17	26.07.2018	12/12/19	Efforts are being made to lay the documents during the ensuing Monsoon Session-2020.*
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* Laid on 04.02.2021

**THE EXTRACTS OF THE MINUTES OF THE SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE (2019-2020)**

The Committee sat on Tuesday, 22nd September, 2020 from 11:00 hrs. to 13:30 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Shyam Singh Yadav - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Raja Amareshwara Naik
4. Smt. Aparupa Poddar
5. Shri T.N. Prathapan

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Smt. B.Visala - Director
3. Shri R.K.Chaudhary - Under Secretary

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**REPRESENTATIVES OF THE MINISTRY OF SHIPPING AND
THE INLAND WATERWAYS AUTHORITY OF INDIA, NOIDA**

- a. Dr. Sanjeev Ranjan - Secretary
- b. Dr. Amita Prasad - Chairperson, IWAI
- c. Shri Rajat Sachar - Senior Economic Adviser, M/o
Shipping
- d. Shri Pravir Pandey - Vice-Chairman, IWAI
- e. Shri Shashi Bhushan Shukla - Member (Traffic & Finance), IWAI
- f. Shri A.K. Gupta - Director Finance, IWAI

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

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8. Thereafter, the Committee called the representatives of the following five Ministries and respective Organisations one by one to tender oral evidence before the Committee in connection with the delay in laying of the Annual Reports and Audited Accounts -

(iv) xx xx xx xx xx xx

(v) The Ministry of Shipping in connection with delay in laying of the Annual Reports and Audited Accounts of the Inland Waterways Authority of India, Noida.

9 - 20 xx xx xx xx xx xx

21. At last, the Chairperson welcomed the representatives of the Ministry of Shipping and Inland Waterways Authority of India, Noida to the sitting of the Committee and explained to them that the meeting has been called to discuss the reasons for delays in laying of the Annual Reports and Audited Accounts of the Authority. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

22. Dr. Sanjeev Ranjan, Secretary, Ministry of Shipping submitted before the Committee that change in accounting format for Authority as prescribed by the CAG, time taken for compilation of accounts, their submission to audit, receipt of draft and responding to audit queries were the main reasons for delay. However, he assured the Committee for timely laying of the documents of the Authority in future.

23. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the Authority for useful discussion in connection with examination of the subject.

The witnesses then withdrew.

24. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

THE MINUTES OF THE SITTING OF
THE COMMITTEE ON PAPERS LAID ON THE TABLE
(2021-2022)

The Committee sat on Monday, 29th November, 2021 from 1500 hours to 1630 hours in Committee Room "C", Parliament House Annexe , New Delhi.

PRESENT

Shri Ritesh Pandey - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Dr. Amol Ramsingh Kolhe
4. Dr. A. Chellakumar
5. Shri S.Ramalingam,
6. Shri Saptagiri Sankar Ulaka

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Shri Munish Kumar Rewari - Additional Director
3. Smt. Manjinder Pubbi - Under Secretary

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee.

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3. Thereafter, the Committee took up the seven Reports (original) regarding the delay in laying the Annual Report and Audited Accounts of the following organisation for the consideration :-

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Inland Waterways Authority of India (IWAI); .

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4. After deliberations, the Committee adopted the all seven Reports without modifications.

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The Committee then adjourned.
