

MINISTRY OF PORTS, SHIPPING AND WATERWAYS**NOTIFICATION**

New Delhi, the 14th June, 2022

G.S.R. 449 (E).—Whereas draft of the Inland Vessels (Insurance, Limitation of Liability and Obligations of Service Providers and Service Users) Rules, 2022 were published, as required under sub-section (1) of section 106 of the Inland Vessels Act, 2021 (24 of 2021), *vide* notification of the Government of India in the Ministry of Ports, Shipping and Waterways *vide* number G.S.R. 150 (E) dated the 23rd February, 2022, in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) dated the 23rd February 2022 inviting objections and suggestions from all persons likely to be affected thereby before the expiry of the period of thirty days from the date on which copies of the Gazette containing the said notification were made available to public;

And, whereas, copies of the said Gazette notification were made available to the public on 23rd February, 2022;

And, whereas the objections and suggestions received from the public in respect of the said draft rules have been considered by the Central Government.

Now, therefore in exercise of the powers conferred by section 59, sub-section (5) of section 64, sub-sections (1) and (2) of section 68, section 73, section 80, section 81, sub-sections (1), (2) and (3) of section 82, clause (e) of sub-section (1) of section 98 read with clauses (zq) to (zz) of sub-section (2) of section 106 of the Inland Vessels Act, 2021, the Central Government hereby makes the following rules, namely:—

CHAPTER-I**PRELIMINARY**

1. Short title and commencement.— (1) These Rules may be called the Inland Vessels (Insurance, Limitation of Liability and Obligations of Service Providers and Service Users) Rules, 2022.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.— (1) In these rules, unless the context otherwise requires –

(a) ‘Act’ means the Inland Vessels Act, 2021 (24 of 2021);

(b) “accident” means an accident involving the of inland vessel while within inland waters or within the waters notified by the Central Government;

(c) “Form” means the forms appended to these Rules;

(d) “insurance company” means the insurance company with which the mechanically propelled inland vessel was insured for the relevant period;

(e) “insurer” shall have the same meaning assigned within clause (a) of section 2 of the Insurance Act, 1938 (4 of 1938) and shall include any foreign company engaged in the business of insurance recognized and notified by the Central Government;

(f) “legal representative” shall have the same meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908 (5 of 1908);

(g) “marine insurance”, shall have the same meaning assigned to it in sections 3 and 4 of the Marine Insurance Act, 1963 (11 of 1963);

(h) “warranty” means an express or implied term or condition by which the insured undertakes that any particular act shall be acted upon or abstained from acting upon or that any condition shall be fulfilled or the existence of any particular state of facts is affirmed or negated; and that, such a term or condition whether it is material to the risk or not, shall absolutely be complied with.

(2) Words and expressions used and not defined in these rules but defined in the Act, shall have the meanings respectively assigned to them in the Act.

CHAPTER II – INSURANCE OF MECHANICALLY PROPELLED INLAND VESSELS

3. Duty to indemnify.— (1) Notwithstanding anything contained in any other for the time being in force, an insurer issuing a certificate of insurance under Chapter XII of the Act and in compliance with this rule shall be liable to indemnify the insured or any person as specified in the policy in respect of any liability to which the policy purports to cover.

(2) Where liability of the insured arises with respect to any claim by a third party, the corresponding liability of the insurer to indemnify the insured shall be the amount paid or payable by the insured to such third party in respect of such liability.

(3) Unless the insurance policy otherwise provides and subject to the provisions of the Act, the insurer is liable for successive losses, if the total amount of such losses exceed the sum insured.

4. Duties of the insured.— (1) The contract of insurance shall be based on the principle of good faith and either party to the insurance contract may avoid his obligations, if the other party is proven to have failed to observe the principle of good faith.

(2) The insured shall disclose to the insurer, every material circumstance that are in the knowledge of the insured and in the ordinary course of business.

(3) The insured is deemed to know all material particulars and upon proven failure of such disclosure, shall entitle the insurer to avoid the contract of insurance.

Explanation.- For the purposes of sub-rule (2), the material circumstances shall include any circumstance, which may influence the judgment of a prudent insurer in exercising discretion to undertake the risk sought by the insured and to be covered by the insurer and for determining the premium.

(4) Notwithstanding anything contained in this rule, the insurer shall be presumed to possess knowledge of matters, which any insurer in the ordinary course of his business ought to know.

5. Cover note.— (1) Pending issuance of certificate of insurance under rule 7, the authorized insurer may issue cover note and the cover note shall contain the contents as provided in Form No 1.

(2) A cover note referred to in sub-rule (1) shall be valid for a period of thirty days from the date of its issue and subject to satisfaction of the terms and conditions, the insurer shall issue a policy of insurance before the date of expiry of the cover note.

6. Policy of insurance and certificate of insurance.— (1) The policy of insurance of the Act shall be reduced to writing as per the provisions of section 66 of the act and unless such a contract is embodied in a marine policy, it shall not be admitted in evidence.

(2) An authorised insurer shall issue to every holder of a policy of insurance, a certificate of insurance and such certificate of insurance shall contain contents as provided in Form No. 2, with respect to the insured vessel.

(3) The policy may be executed and issued, either at the time when the contract is concluded or subsequently.

7. Authorised person to issue the cover note and certificate of insurance.— Every certificate of insurance or cover note issued by any insurer in compliance with the provision of the Act and under these rules shall be duly authenticated by such person who is specifically authorised by such insurer, in this regard.

8. Warranty.— (1) Any warranty, that needs to be inferred as an express warranty, shall be included in the policy, in writing.

(2) The warranty as to the safety, security and fitness of the mechanically propelled inland vessel to engage or employ in any intended voyage or purpose, shall be an implied warranty that arises at the commencement of the voyage or operation of such vessel, where the insurance policy is attach to the vessel.

9. Term of insurance.— (1) The term of insurance shall be deemed to commence from the date of the issuance of the cover note, where the cover note is issued; and if the cover note is not issued, the date on which the premium is received by the insurer from the insured; and such insurance shall remain valid till the date on which the cover note is cancelled or the insurance is terminated or lapses by time; whichever later:

Provided that where the cover note is cancelled and the authorised insurer or the insured decides not to continue with the contract of insurance; the terms of insurance shall be deemed to end on the date of cancellation of cover note.

(2) For the purpose of sub-rule (1), unless otherwise agreed between the insurer and the insured, the duty of the insured to pay the premium and the duty of the insurer to issue the policy or the certificate of insurance to the insured shall operate concurrently.

(3) The maximum period of insurance shall be twelve months.

(4) Notwithstanding anything contained in any other provisions, the obligation of an insurer to indemnify the insured against any third party risks or claims, which has arisen during the subsistence of the insurance and covered in the insurance policy; shall continue to remain valid, even if the policy has lapsed by operation of time or contractual clauses.

10. Inspection.— The Inspectors under whose jurisdiction, a mechanically propelled inland vessel is positioned or located, may require the owner, operator or master of such vessel, to produce copy of the valid certificate of insurance carried on board such vessel.

11. Detention.— (1) Any inland vessel found plying within inland waters, without a valid certificate of insurance shall be detained with immediate effect, by an authorised officer or inspectors acting under rule 10.

(2) The cost incurred in detaining and maintaining the vessel, during such detention, if any, by the authorities; shall be levied on the owner of the vessel or on his property.

(3) Any vessel detained under sub-rule (1) shall be released on production of the valid certificate of insurance or cover note, issued under the Act by any authorized insurer and upon satisfactory payment of the cost as provided under sub-rule (2).

12. Transfer of Policy of Insurance.— (1) When the ownership of any mechanically propelled inland vessel is transferred to another person, then the prevailing policy of insurance that covers the vessel, shall automatically be deemed to be transferred to transferee from the date of transfer of ownership of the inland vessel.

(2) In the event of transfer as provided under sub-rule (1), the transferee, within fifteen days from the date on which the transfer is effected or recorded in the registry of vessels; shall intimate the details of the transfer, registration of the mechanically propelled inland vessel, the date of transfer, the details of the previous ownership and the number and date of the prevailing insurance policy; to the authorised insurer who issued the existing policy.

(3) Any authorised insurer, who decides to issue a fresh policy of insurance or cover note, to the transferee; upon receipt of such information mentioned in sub-rule (2), shall effect the changes by incorporating such changes, in the official records maintained by the authorised insurer.

(4) The authorised insurer, who has undertaken the obligation to provide the insurance coverage to any mechanically propelled inland vessel against the risks provided under section 66 of the Act; shall issue the certificate of insurance and the policy of insurance in compliance with the provisions of the Act to the transferee who has acquired the ownership of the vessel.

(5) For the purposes of the Act and this Chapter, any policy of insurance once transferred shall be treated anew, and the previous policy shall be deemed as cancelled and invalid from the date of the issuance of the fresh certificate of insurance and the policy of insurance, as the case may be.

13. Exclusion of advertising matter.— No certificate of insurance or cover note issued under the Act and this Chapter shall contain any advertising matter on the face or on the back thereof.

14. Certificates of insurance lost, destroyed or mutilated beyond recovery.— (1) Where the holder of a policy—

(a) lodges with an authorised insurer, a declaration in which he declares that the certificate of insurance issued to him by such insurer has been lost, destroyed or mutilated beyond recovery and sets out full particulars of the circumstances connected with the loss or destruction of the certificate and the efforts made to find it;

(b) returns to the authorised insurer the certificate of insurance issued to him by such insurer in a mutilated condition,

then the authorised insurer shall issue in lieu thereof a duplicate certificate of insurance with the word “Original in Duplicate” prominently endorsed to the effect.

(2) After issuance of a duplicate certificate of insurance under sub-rule (1) and on representation that a certificate of insurance has been lost, and if subsequently the original certificate is retrieved, the original certificate of insurance shall be surrendered to the insurer.

15. Reporting of information.— On receipt of direction or request from the Central Government or any State Government or any officer authorised in this behalf by the State Government; to provide information or such other particulars; any person, authority or insurer required under the provisions of this Chapter to maintain records of documents, shall provide such information without any fees or charges.

16. Duty of insurers to satisfy Judgments and Awards.— (1) If, after a certificate of insurance has been issued under this Chapter, in favour of the person by whom a policy has been effected, and if any Judgment or Award in respect of any such liability as is required to be covered by a policy, as mentioned in this Chapter is obtained against any person insured by the policy, then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this rule, pay to the person entitled to the benefit of the decree any sum not exceeding the sum assured payable, as if he were the judgment debtor,

in respect of the liability, together with any amount payable in respect of costs and any amount payable in respect of interest on that sum by virtue of any enactment relating to interest on judgments.

(2) No sum shall be payable by any authorised insurer under sub-rule (1) in respect of any Judgment or Award unless, before the commencement of the proceedings in which the Judgment or Award is given, the insurer has been served with notice of such proceedings, through the Court or, as the case may be; the Court appointed or authorised to process claim or of the bringing of the proceedings, or in respect of such Judgment or Award so long as execution is stayed thereon pending an appeal; and an insurer to whom notice of any such proceedings is so served shall be entitled to be made a party thereto and to defend the action on any of the following grounds, namely: —

(a) that there has been a breach of a specified condition of the policy, being a condition excluding the use of the mechanically propelled vessel; or

(b) for hire or reward, where the mechanically propelled vessel was found not fit to ply on the commencement of the voyage.

(3) Where any such judgment as is referred to in sub-rule (1) is obtained from a Court in a reciprocating country and in the case of a foreign judgment, by virtue of the provisions of section 13 of the Code of Civil Procedure, 1908 (5 of 1908) conclusive as to any matter adjudicated upon by it, the insurer (being an insurer registered under the Insurance Act, 1938 (4 of 1938) and whether or not he is registered under the corresponding law of the reciprocating country) shall be liable to the person entitled to the benefit of the decree in the manner and to the extent specified in sub-rule (1), as if the judgment were given by a Court in India:

Provided that no sum shall be payable by the insurer in respect of any such judgment unless, before the commencement of the proceedings in which the judgment is given, the insurer had been served the notice through the Court concerned, regarding institution of the proceedings and, the insurer to whom notice is so served is entitled under the corresponding law of the reciprocating country, to be made a party to the proceedings and to defend the action on grounds similar to those specified in sub-rule (2).

(4) Where a certificate of insurance has been issued under this Chapter or the provisions of the Act and in such certificate of insurance, if there is any condition that does not purport to provide liability of the insurer to cover risks in compliance with section 66 of the Act for reasons other than those in clause (b) of sub-rule (2); such condition or conditions in the certificate of Insurance shall be of no effect.

17. Right to subrogation. — Where the insurer indemnifies the liability of the insured, such insurer shall be entitled to take over the interest of the insured, as far as the insured has been indemnified; and the rights and remedies of the insured in respect of the subject matter insured subrogates to the insurer.

18. Settlement between insurers and insured persons. — (1) No settlement made by an insurer in respect of any claim raised by the claimant in respect of any liability of the nature referred in section 66 of the Act shall be valid, unless such claimant is a party to the settlement.

(2) Where a person who is insured under a policy issued for the purposes of the Act has become insolvent, or where, if such insured person is a company, a winding-up order has been made or a resolution for a voluntary winding-up has been passed with respect to the company, no agreement made between the insurer and the insured person after the liability has been incurred to the claimants and after the commencement of the insolvency or winding-up, as the case may be, nor any waiver, assignment or other disposition made by or payment made to the insured person after the commencement aforesaid shall be effective to defeat the rights transferred to the claimant under this rule, but those rights shall be the same as if no such agreement, waiver, assignment or disposition or payment has been made.

19. Rights of claimants on insolvency of the insured.— (1) When any contract of insurance is effected in accordance with the provisions of this Chapter, and if a person is insured against risks or liabilities, which he owes to claimants as provided in Section 66 of the Act, then —

(a) in the event of the person becoming insolvent or making a composition or arrangement with his creditors;

(b) where the insured person is a company, in the event of a winding-up order being made or a resolution for a voluntary winding-up being passed with respect to the company or of a receiver or manager of the company's business or undertaking being duly appointed, or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge, any such liability incurred by the insured person and his rights against the insurer under the contract in respect of the liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and vest in the claimants covered under this Chapter or under the Act to whom the liability was so incurred.

(2) Where an order for the administration of the estate of a deceased debtor is made according to the law of insolvency, then, if any debt provable in insolvency is owing by the deceased in respect of a liability to any claimant for the claims covered under this Chapter or the Act; against which he was insured under such contract of insurance in accordance with the provisions of the Act; then the deceased debtor's rights against the insurer in respect of that liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and shall vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of the Act or under this Chapter purporting either directly or indirectly to avoid the policy or to alter the rights of the parties hereunder upon the happening to the insured person of any of the events specified in clause (a) or clause (b) of sub-rule (1) or upon the making of an order for the administration of the estate of a deceased debtor according to the law of insolvency, shall be of no effect.

(4) Upon transfer under sub-rule (1) or sub-rule (2), the insurer shall be under the same liability to the claimants covered under the Act or under this Chapter, as he would have been the insured person.

20. Insolvency not to affect liability. — Where a certificate of insurance has been issued to the person by whom a policy has been effected, subsequent to which he becomes insolvent or bankrupt; then, notwithstanding anything contained in this Chapter, the liability of the insured and the authorised insurer shall remain with respect to nature of claims referred to in section 66 of the Act:

Provided that, nothing in this rule, shall affect the rights of insured to be indemnified by the authorised insurer or the rights of the claimants to bring direct action against the authorised insurer; who has undertaken the liability of the insured by virtue of the contract of insurance formed in compliance with the provisions of Chapter XII of the Act.

21. Duty to give information as to particulars of insurance and status of insured. — (1) Person against whom a claim is made in respect of any liability shall on demand by or on behalf of the person making the claim, state the details and particulars of insurance, including the extent of the risk or coverage and the like, as covered by such policy of insurance.

(2) In the event of any person becoming insolvent or making a composition or arrangement with his creditors or in the event of an order being made for the administration of the estate of deceased person according to the law of insolvency, or in the event of circumstances provided in rule 20, it shall be the duty of the insolvent debtor, personal representative of the deceased debtor or company, as the case may be, or the official assignee or receiver in insolvency, trustee, liquidator, receiver or manager, or person in possession of the property to give at the request of any person claiming that the insolvent debtor, deceased debtor or company, is under such liability to him as is covered by the provisions of the Act, the information as may reasonably be required by him for the purpose of ascertaining, whether any rights have been transferred to and vested in him, and for the purpose of enforcing such rights, if any; and any such contract of insurance as purports, whether directly or indirectly to avoid the contract or to alter the rights of the parties, upon giving of such information in the events aforesaid, or otherwise to prohibit or prevent the giving thereof in the said events, shall be of no effect.

(3) The duty to give the information imposed by this rule shall include a duty to allow access to all contracts of insurance, receipts for premiums and such other relevant documents in the possession or power of the person on whom the duty is so imposed under the Act or such other laws in force in India.

CHAPTER III - LIABILITY AND LIMITS – PROCEDURES

22. Limits of liability. — The rights of the persons, who are entitled to limit liability under section 64 of the Act with respect to the claims including passenger claims on any distinct occasion, shall be in accordance with the Schedule appended to these rules.

23. Conduct barring right to limit. — A person liable, shall not be entitled to limit his liability if it is proved that the loss resulted from his personal act or omission, committed with the intent to cause such loss or recklessly and with knowledge that such loss may probably resulting his act.

24. Limitation Fund. — (1) Any person who is entitled to limit liability against whom a claim has been registered may constitute a fund in accordance with sub-section (6) of section 64 of the Act.

(2) The fund constituted under sub-rule (1) shall be equivalent to the limits of liability prescribed under rule 23 and shall comprise of the applicable interest from the date of occurrence of the event, which gave rise to the cause of action for the alleged liability, till the date of constitution of the limitation fund, as determined by the court.

(3) The limitation fund constituted under sub-rule (1) shall be made available for the payment of claims as enumerated under sub-section (1) of section 64 of the Act.

(4) Subject to rule 23, any person, who is entitled to limit liability, may constitute the fund either by depositing the amount or by producing a financial guarantee determined by the court.

(5) For the purposes of this rule, any fund constituted by the persons entitled to limit the liability, including the insurer shall be deemed to be constituted by any or all persons against whom the alleged claims are instituted.

25. Disbursement of limitation fund. — (1) Upon the adjudication of claims, the court may disburse the limitation fund, which has been constituted under rule 24 among the claimants, in proportion to such claims.

(2) While disbursing the fund as provided under sub-rule (1), the court may set-off the payments, if any made to the claimants by the persons liable or the insurer, prior to the constitution of the fund against the amount determined as payable; as it may deem fit and appropriate.

(3) Subsequent to satisfactory disbursement of fund towards the claims against which such fund has been constituted, the persons who have constituted the fund shall be entitled for reimbursement of the residue or excess amount remaining in the fund.

(4) For the purposes of sub-rule (3), any person, who has constituted the limitation fund, is entitled to claim the excess amount and for reimbursement of the residue amount, such person may apply to the respective court, before which the limitation fund has been constituted.

(5) Upon receipt of the application provided under sub-rule (4), the respective Court may release any amount found in excess and subsequent to the satisfactory payment of the claims against which fund has been constituted.

(6) Notwithstanding anything contained in sub-rule (5), the Court may retain the amount against such claims, which in its opinion, is necessary to be retained for future benefactors or claimants who has not pursue their claims subsequent to the institution of such claims; against which fund has been constituted:

Provided that Court shall not retain the residuary amount found in excess of the satisfaction of the claims for more than twelve months, from the date of final disposal or adjudication of such claims.

(7) If the persons who have constituted the fund or the claimants fail to claim the fund or the amount entitled to be received against the claims; within a period of two years, from the date of final adjudication of the claims; such excess amount shall be credited against the Development Fund constituted under section 86 of the Act and the Welfare Fund constituted under section 96 of the Act or both, in such proportions, as may deem fit by the respective State Government; in whose jurisdiction the fund has been constituted.

CHAPTER IV –RULES ON REGULATION OF TRADE PRACTICES

26. Minimum terms of contract. — (1) Every service provider shall provide for contractual terms consistent with the provisions of the Act and the rules made thereunder and shall stipulate the following:-

- (a) service provider shall ensure safe transportation;
- (b) the details of insurance, including validity, extent and the like;
- (c) restrictions, if any regarding the carriage of passengers or cargo; and
- (d) such other conditions as may be specified by the Central Government

(2) Every service user shall disclose the following to the service provider. —

- (a) true nature of cargo or luggage in the case of passengers, carried or entrusted to be carried by any vessel directly or indirectly by the service provider;
- (b) cargo is free of any danger and are safe to be carried on the inland vessel in the intended form of carriage or storage;
- (c) the cargo is packed, labelled and identified in accordance with the provisions of the Act and this rule; and
- (d) such other matter as may be required to be provided under any of the provisions of the act.

27. Classification of dangerous goods and prohibited cargo. — (1) Central Government or such authority or officer authorised by Central Government may issue guidelines or directives for the safe stowage and carriage of dangerous goods or cargo on board inland vessels from time to time.

- (2) All service providers undertaking the carriage of dangerous goods shall ensure that the dangerous goods are stowed and carried in compliance with the guidelines or directives, issued under sub-rule (1).
- (3) Central Government or such authority or authorised officer by general order, may publish, from time to time, the list of dangerous goods along with their categorisation, compatibility with the carriage of passengers and segregation, including the guidelines for their safe stowage and carriage on board inland vessels and the dangerous goods or cargo shall be categorised into the following: —

- (a) flammable liquid;
- (b) flammable solid;
- (c) oxidising substances;
- (d) toxic substances;
- (e) corrosive substances;
- (f) explosives;
- (g) non-toxic but flammable gas;
- (h) toxic but non-flammable gas; and
- (i) such other materials irrespective of its form or nature, as may be notified as dangerous goods or dangerous cargo.

(4) For the purposes of safe stowage and transportation of dangerous goods as per sub-rule (1), the Central Government may classify the dangerous goods identified in sub-rule (3) to be carried by the following class or category of mechanically propelled inland vessels which are used to—

- (a) carry, stow, or transport cargo alone,
- (b) carry or transport passengers alone, in which cargo is carried as baggage accompanying passengers; and
- (c) carry, stow or transport passengers and cargo.

(5) All service providers shall provide adequate information by clearly exhibiting the information as to their compliance with this rule.

(6) Any service provider who is found carrying dangerous goods, in contravention to this rule, shall be punishable under sub-section 3 of section 87 of the Act.

28. Prohibited goods or cargo. — (1) Central Government or such authority or authorised officer by Central Government may, from time to time, issue the list of goods or cargo, which the inland vessels are prohibited from carrying—

- (a) flammable goods that are spontaneously combustible substance;
- (b) toxic substances which are infectious in nature;
- (c) radioactive substances or any compound containing radioactive materials including waste;
- (d) wastes carried as cargo intended to be dumped in inland waters; and
- (e) such other materials irrespective of its form or nature as may be enlisted as prohibited goods or cargo.

(2) Any service provider who is found carrying prohibited goods or cargo, shall be punishable under sub-section (3) of section 87 of the Act.

29. Packing, labelling and manner of display of class labels for dangerous goods or dangerous cargo. —

(1) The service user shall reveal the nature of dangerous goods or dangerous cargo to the service provider and shall pack, label and display the class of dangerous goods or dangerous cargo in compliance with instructions for the safe transport of dangerous goods or dangerous cargo by inland waterways, approved and issued by the Central Government or any other authority or officer authorised, by the Central Government from time to time.

(2) There shall be no presumption of knowledge on the part of the service provider with respect to the declaration of nature, packing, labelling, marking and display of class labels of dangerous goods or dangerous cargo by the service user:

Provided that the service provider shall not be held liable for the consequences arising from the acts committed by the service user in contravention to this rule.

(3) Notwithstanding anything contained in sub-rule (2), service provider may verify and inspect the cargo packed and labelled as dangerous goods or dangerous cargo and upon any demand from the service provider, the service user shall allow such verification and inspection of the goods or cargo by the service provider.

30. Mis-declared or undeclared goods or cargo. — (1) For the purpose of this Chapter, the State Government shall appoint or authorise such officer or authority to carry out inspection or search any vessel while plying within inland waters or such other premises on land within the respective jurisdiction so allotted.

(2) The officer appointed or authorised by the State Government under the Act or the rules made thereunder shall inspect the vessel or the cargo by serving notice to the service user or service provider.

(3) Notwithstanding anything contained in sub-rule (1), in case of an emergency or in the event of any information received with respect of prohibited cargo, dangerous goods or dangerous cargo that are carried or transported, not in compliance with the provisions of the Act or this rule; the inspector shall board such mechanically propelled inland vessel, or any vessel while in the inland waters or such premises on land without any notice served prior to his inspection or visit:

Provided any inspection carried out shall be reported to the Designated Authority with relevant information or such other reason that led to inspection under sub-rule (2).

(4) The inspectors appointed under the provisions of the Act or the rules made thereunder shall undergo periodical training and assessment, with respect to the functions assigned to them.

31. Removal, storage and sale of goods or cargo found carried or transported in contravention. — (1) The officer appointed or authorised for the purpose of this Chapter may remove, or cause to be removed, any goods or cargo carried, loaded or stored in any mechanically propelled inland vessel plying within inland water limits, which is found to be carried, loaded or stored in contravention of the provisions of the Act or the rules made thereunder.

(2) Any goods or cargo removed under sub-rule (1) shall be stored in warehouses or such facilities depending upon nature and characteristics of such dangerous goods or dangerous cargo, ensuring safety and security of such goods or cargo and that of human life and environment.

(3) The owner or person responsible for carrying, loading or storing of dangerous goods or dangerous cargo shall be liable to pay the expenses incurred for the removal and storage charges of such dangerous goods or dangerous cargo.

(4) If the owner or any person responsible for carrying, loading or storing, neglects to pay the expenses incurred in the removal thereof within one week after demand, the owner of the vessel shall be notified for a second time and after the lapse of one week from the issuance of second notice, if the demanded amount remains unpaid, then the cargo so removed shall be sold by public auction and the authorised or appointed officer may retain all the expenses of such removal, storage and sale, out of the proceeds of the sale.

(5) If the dangerous goods or dangerous cargo so recovered by the appointed or authorised officer remains unsold, such cargo shall be kept and deposited in such manner as the State Government may direct from time to time and the State Governments may, recover the expenses of maintaining the same, together with the expenses of sale, or maintaining the part or material remaining unsold.

(6) The expense and the additional amount incurred by the authorised officer or such other officer, shall be recovered out of the sale proceeds of the cargo removed from any mechanically propelled inland vessels, and the balance, if any shall be paid to the person entitled to the recovered cargo, or, if no such person appears and claims the balance; such balance amount shall be held in deposit for payment, without interest, to the person thereafter establishing his right of ownership of cargo, thereto.

(7) No claim beyond six months from the date of the sale shall be entertained and the same shall be rejected by any authorised or appointed officer.

(8) After the period of six months, the unclaimed amount so deposited under sub-rule shall be transferred to the Development Fund constituted under section 86 of the Act.

(9) Where the sale proceeds of the vessel or cargo are insufficient to meet the expenses and the additional expenses incurred; the owner or operator of the vessel shall be liable to pay the deficiency to the authorised or appointed officer upon demand; and if the deficiency remains unpaid, within one month from the date of such demand; the authorised or appointed officer may recover the deficiency from such owner or operator of vessel or cargo or both, as if it were an arrear of land revenue and such arrear shall be recoverable from the personal assets of such owner or operator of vessel or cargo or both.

32. Confiscation and custody of prohibited cargo or goods. — (1) The officer appointed or authorized for the purpose of this Chapter may remove, or cause to be removed and confiscate any cargo or goods; which are suspected to fall within the list of prohibited goods or cargo and are found to be carried, loaded or stored in any mechanically propelled inland vessel plying within inland water limits.

(2) If the authorised officer has reason to believe that the levels of carriage and presence of prohibited cargo are such as to cause or threat to cause imminent danger to life or environment, the vessel or vessels involved in wrongful act, shall be detained and removed to a safe wharf or jetty or such other place, depending on proximity and safety, for investigation, and for minimising and containment of apprehended dangers.

(3) The owner or person responsible for carrying, loading or storing of prohibited cargo or goods shall be liable to pay the actual expenses incurred for the removal and storage charges of such cargo and vessel:

Provided that the service provider shall not be held liable for the consequences arising from the acts committed by the service user in contravention to this rule.

(4) The prohibited cargo or goods seized or confiscated under sub-rule (1) or sub-rule (2) shall be destroyed at the earliest in safe conditions and at facilities, specifically designated by the respective Designated Authority.

(5) If the owner or any person responsible for carrying, loading or storing, neglects to pay the actual expenses incurred in the removal, storage, detention or disposal thereof, within one week after demand, such person shall be notified for a second time; and if after the lapse of one week from the issuance of second notice, the amount so demanded remains unpaid, the vessel so detained shall be sold by public auction and the appointed or the authorised officer may retain all the expenses of such removal, storage, detention or disposal, out of the sale proceeds.

(6) The expense and the additional amount shall be payable to the authorised officer or such other officer, out of the sale proceeds of the vessel detained from any mechanically propelled inland vessels, and the balance shall be paid to the person entitled to the vessel detained, or, if no such person appears and claims the balance; such balance amount for payment, without interest, to the person thereafter establishing his right of ownership of vessel thereto.

(7) No claim beyond twelve months from the date of the sale shall be entertained and the same shall be rejected by authorised and appointed officer.

(8) After the lapse of twelve months as provided in sub-rule (7), the unclaimed or residual amount recovered from the sale proceeds shall be deposited with the Designated Authority, and such fund, as it may deem fit to the respective State Government and thereafter the same shall be transferred to the fund constituted under section 86 or section 96 of the Act, as the case may be.

(9) Where the sale proceeds of the vessel are found insufficient to meet the expenses and additional expenses incurred; the owner of the vessel found responsible under this rule shall be liable to pay the deficient amount to the authorised or appointed officer, upon demand; and if such amount remains unpaid, within one month from the date of such demand, such amount shall be recoverable as if as if it were an arrear of land revenue and such arrear shall be recoverable from the personal assets of such owner of vessel.

(10) Notwithstanding anything contained under this rule, if the responsibility of delivering the prohibited goods or cargo that are found to be carried, loaded or stored on any non-mechanically propelled inland vessel; lies on the owner of such goods or cargo, such person shall be fully liable to meet the expenses and additional expenses incurred for removal, storage, detention or disposal of such goods or cargo and such expenses shall be recoverable as if it were an arrear of land revenue and such arrear shall be recoverable from the personal assets of such owner of cargo:

Provided that in the event if both the owner or operator of the vessel and prohibited goods or cargo are found liable for carrying, loading or storing of such goods or cargo; then such persons shall be jointly and severally liable under the Act for committing the offences and shall meet the expenses and additional expenses incurred removal, storage, detention or disposal of such goods or cargo, and such expenses shall be recoverable as if it were an arrear of land revenue and such arrear shall be recoverable from the personal assets of such owner of vessel or cargo.

(11) Any person who acts in contravention with any of the situations in sub-section (1) shall be punishable under sub-section 3 of section 87 of the Act.

33. Directions by competent authority.— The Competent Authority shall provide directions as to the safe custody and disposal of dangerous and prohibited cargo or goods as may be removed from any mechanically propelled vessel found within the inland waters.

34. Cancellation and suspension of certificate or approval.— In the event of investigation or inquiry initiated against any service provider for non-compliance with the provisions of this Chapter, the State Government may suspend or cancel any certificate or approval issued under the provisions of the Act.

35. Obligation to not commit unlawful acts.— Unless specifically exempted under the Act; any or all of the following acts are hereby declared unlawful and the service providers, service users or any other persons directly or indirectly involved in operation of vessels or cargo or passenger terminal shall at all times comply with their respective obligations mentioned in this Chapter-

- (a) illegal opening of inland waterway ports or landing stages; embarking or disembarking passengers, loading or unloading cargo at places that are not prescribed;
- (b) destroying inland waterway navigation works;
- (c) erecting illegal obstructions to impede inland waterway navigation;
- (d) illegal building of houses, tents, stalls or other works on inland waterways in violation of the protection of inland waterway infrastructures;
- (e) loading of vessels with passengers and cargo, beyond the limits prescribed or permitted under the Act; i.e. , overloading of vessels;
- (f) dumping soil, rocks, sand, gravel or other waste substances and exploiting minerals within the areas of channels and channel protection corridors;
- (g) putting fixed fishing gear, means of fishing or rearing aquatic resources in channels designated for inland navigation;
- (h) putting out inland vessels that do not meet safety and environment protection requirements and also fail to meet operating conditions;
- (i) escaping after causing accidents in order to avoid responsibility, infringing upon human life or property when vessels are in distress;

Explanation.- For the purpose of this clause, leaving from the site of the accident to ensure safety of the vessel, crew or her passengers, shall not cause any unlawful act;

- (j) taking advantage of accidents to cause chaos, hindering the handling of accidents;
- (k) breaching the signal on wave, causing restriction or using other banned signals;
- (l) plying beyond the limits of inland waters, unless so permitted by the authority;
- (m) plying without applicable endorsement or sanction beyond the permitted area of voyage;
- (n) organising illegal races or participating in illegal races of vessels on inland waterways;
- (o) committing or permitting the commission of acts of violation and in contravention to the provisions of the Act; and
- (p) other acts as may be notified by State Government by publication in Official Gazette.

(2) Any person who acts in contravention to all or any of the situations in sub-rule (1) shall be punishable under sub-section (3) of section 87 of the Act.

CHAPTER V – RULES ON WRECK AND SALVAGE

36. Obligation to report.— Any person who finds or takes possession of a wreck located within the limits of jurisdiction of any receiver of wreck appointed under sub-section (1) of section 58 of the Act or bring any such wreck within such limits, shall make a report in writing to such receiver of wreck in Form No. 3 appended to these rules.

37. Information by receiver.— Upon receipt of information under rule 36 the receiver of wreck shall communicate such information to the designated authority or such other authorities, as may be appointed or authorised by the respective State Governments; and if the information pertains to any event of vessel being wrecked, stranded or being in distress in the National Waterways, the designated authority shall communicate the information to the competent authority or such other officer, as may be appointed by the Central Government:

Provided that, where the Central Government has by direction or order delegated its powers to administer wreck in the National Waterways to any State Government, the receiver of wreck shall inform the designated authority or such other authorities, as may be appointed or authorised by such State Governments.

38. Possession of wreck by receiver.— When a receiver of wreck, receives reliable information that subsequent to a vessel becoming a wreck, is sunk or stranded in inland waters within his respective jurisdiction and is abandoned by its owner, such receiver shall proceed to the location of the wreck and drop a lead line over such vessel and prepare a declaration that the possession of the wreck is taken over by the receiver of the wreck:

Provided that, if it is found as not practicable to take physical possession of the wreck, the receiver of wreck shall make a declaration and record in such declaration the reasons for not being able to take the physical possession.

39. Duties of receivers of wreck. — The receiver of wreck in taking possession of the wreck shall-

- (a) if the wreck is of an inland vessel or parts or property or cargo of such vessel, registered under the Act, send the information to the owners of the vessel in writing with intimation to the designated authority, in whose jurisdiction the vessel is found to be registered;
- (b) if the wreck is of an inland vessel or parts or property or cargo of such vessel, registered in a foreign country, send the information to the owners of the vessel in writing with intimation to the competent authority or such other authority as may be appointed by the Central Government under section 82 of the Act or the rule made thereunder;
- (c) if the wreck is of any vessel or parts or property or cargo of such vessel, registered under the Merchant Shipping Act, 1958 or any other law in force in India, send the information to the owners of the vessel in writing with intimation to the respective Principal Officer of the Mercantile Marine Department or such other authority, appointed as the registering authority under such laws;
- (d) if the vessel, property, part or cargo or ownership; which has caused the wreck, is un-identifiable or not traceable, the receiver of wreck shall record the reasons thereof and shall send information of the wreck to the designated authority or such other officers appointed by the respective State Governments;
- (e) as provided in clause (d), if the whereabouts of the owner or the vessel is unidentifiable or not traceable, the receiver of wreck shall cause such vessel or property or part to be raised, removed, blown up or otherwise destroyed as the circumstances may warrant;
- (f) the information provided by the receiver of wreck to the authorities concerned shall include details, such as the extent of danger to human life, obstruction to safe navigation, probabilities of environmental pollution and the like, if any; and shall be submitted in Form No. 4 appended to these rules.
- (g) the receiver of wrecks or any officer appointed or authorised thereof, shall record the events of finding, marking, recovery or disposal of wrecks in the official register maintained and shall send a report to the respective State Government; and
- (h) if any property recovered by a receiver of wreck remains unclaimed or the person claiming it fails to pay reasonable expenses incurred for preserving the wreck and an additional amount of twenty-five per cent. of the amount of such expenses; such vessel or property or part may be put to sale by public auction-
 - (i) immediately, if the property is of perishable nature;
 - (ii) if it is not of a perishable nature, at any time not less than two months, after the recovery thereof.

40. Obstruction to navigation. — (1) The receiver of wreck may remove, or cause to be removed, any timber, raft or other property, floating or being in any part of the inland water, which, in his opinion, obstructs or impedes the free navigation thereof or the lawful use of any landing place or embarking or part thereof.

(2) If the owner of any such timber, raft or other property or the person, who has caused any such obstruction, impediment or public nuisance, neglects to pay the reasonable expenses incurred in the removal thereof, within thirty days after demand or in such other manner as the State Government may, by general or special order direct, the receiver of wreck or such other officer may cause such timber, raft or other thing or the materials of any public nuisance so removed, or so much thereof as may be necessary, to be sold by public auction and may retain all the expenses of such removal and sale out of the proceeds of the sale.

41. Unsold property and sale proceeds. — (1) If the property so recovered by a receiver of wreck remains unsold, such property shall be kept and deposited in such manner as the State Government directs, and may, if necessary, from time to time, realise the expenses of keeping the same, together with the expenses of sale, or further sale of so much of the thing or materials remaining unsold.

(2) The expenses and the additional amount shall be payable to the receiver of wreck or such other officer, out of the sale proceeds of the property so recovered from inland waters, and the balance shall be paid to the person entitled to the property recovered, or, if no such person appears and claims the balance, shall be held in deposit for payment, without interest, to the person thereafter establishing his right of ownership thereto.

(3) No claim beyond thirty six months from the date of the sale shall be entertained and the same shall be dismissed by the receiver of wreck or such other officer.

(4) After the period of thirty six months, the unclaimed amount so deposited under sub-rule (1) shall be transferred to the common fund created under the provisions of the Act.

(5) Where the sale proceeds of the property are not sufficient to meet the expenses and the additional amount receivable; the owner of the vessel at the time the vessel was wrecked, stranded or sunk shall be liable to pay the

deficiency to the receiver of wreck or such other officer on demand, and if the deficiency be not paid within one month of such demand, receiver of wreck or such other officer, may recover the deficiency from such owner as if it were an arrear of land revenue.

(6) Notwithstanding anything contained herein, liability of persons entitled to limit liability under the Act shall not exceed the limits as prescribed by the Central Government.

42. Protecting the wreck.— (1) No person shall. —

- a) without the leave of the master board or attempt to board any vessel which is wrecked, stranded or in distress as aforesaid, unless the person is, or acts by command or order in writing issued by, the receiver of wreck; or
- b) impede or hinder or attempt in any way to impede or hinder the saving of any vessel stranded or in danger of being stranded or otherwise in distress in the inland waters or of any part of the cargo or equipment of the vessel, or of any wreck; or
- c) secrete any wreck or deface or obliterate any marks thereon; or
- d) wrongfully carry away or remove any part of a vessel stranded or in danger of being stranded or otherwise in distress, in the inland waters, or any part of the cargo or equipment of the vessel or any wreck.

(2) Where a receiver of wreck suspects or receives information that the wreck is secreted or is in the possession of some person, who concealed is not the owner thereof or that any wreck is otherwise improperly dealt with, he may apply to the Judicial Magistrate of the First Class or Metropolitan Magistrate, who has jurisdiction over the matter, for a search warrant and that Magistrate may grant such warrant and the receiver of wreck by virtue thereof may enter any house or other place and also any vessel and search for seize and detain any such wreck found.

43. Fouling of Government moorings.— (1) If any vessel hooks or gets fouled in any of the buoys or moorings laid down by or by the authority of the State Government in any part of inland water, the master or person in charge of such vessel shall not, nor shall any other person, except in the case of emergency, lift the buoy or mooring for the purpose of unhooking or getting clear from the same without permission in writing from the receiver of wreck or any other officer appointed or authorised in this behalf.

(2) The receiver of wreck or any other officer appointed or authorised in this behalf immediately on receiving information of such possibility of accident or accident, shall issue permission in writing and shall assist the clearing of such vessel, the master or person in charge of the vessel shall, on demand, pay such reasonable expenses that are incurred.

44. Procedure for the sale of wreck.— (1) A receiver of wreck shall not sell any wreck otherwise than by public auction and every such sale shall be made on, as is where is basis with purchaser assuming full responsibility for any taxes payable to Government or port authorities and for encumbrance on the wreck.

(2) A notice for sale of a wreck shall be published not less than fourteen days in advance of the appointed date of sale, in three consecutive issues of at least two daily newspapers having a wide circulation and such notice shall include—

- (a) the description of the wreck under sale, its site and other known details, if any;
- (b) the percentage of the auction price that shall have to be paid as down-payment immediately after the conclusion of the auction;
- (c) the period within which the balance amount shall be payable by the successful bidder;
- (d) any other details as may be deemed necessary depending upon the nature of the wreck being sold and the circumstances under which it is being sold;
- (e) a provision reserving right in the receiver to reject highest bid or to postpone or cancel the sale without assigning any reason there for and
- (f) a provision to the effect that amount of down-payment referred to in clause (b) shall be liable to be forfeited, if the successful bidder fails to effect full and final payment of the balance amount, within the period stipulated as per clause (c).

(3) Where a receiver does not accept highest bid or postpones or cancels any auction he shall record in writing the reasons therefore and make a report to the Designated Authority or such other officer as may be appointed by the State Government.

(4) Where, any auction is frustrated by reason of rejecting the highest bid or cancelling the option by the receiver of wreck or by reason of failure on the part of the highest bidder to effect full and final payment of the price within the stipulated period, the auction process for sale of the wreck shall be initiated afresh.

45. Wreck spread over two or more jurisdiction.— When a part of any wreck is washed or brought ashore within the jurisdiction of one receiver and the remaining part thereof is so washed or brought ashore in the jurisdiction of another receiver or receivers of wreck, each of such receivers shall act independently of each other.

46. Wreck delivered in the jurisdiction of another receiver. — When a wreck found in the jurisdiction of any receiver of wreck is delivered to any other receiver, the latter shall immediately report the matter to the former; and the disposal of such wreck shall be done by the receiver to whom it is delivered in the like manner, as if it was found in his jurisdiction.

47. Wrecks in National Waterways.— For the purposes of administration of events of vessel being wrecked, stranded or in distress, occurring within the National Waterways, the Central Government may by direction or order delegate the powers conferred under the Act to State Governments, within the jurisdiction of which the National Waterways passes by and where such vessel is wrecked, stranded or being in distress is located.

48. Extending the application.— The Central Government may by notification in the Official Gazette, extend the application of any other law pertaining to administration of wreck, stranding of vessels or vessels being in distress in force in India to the inland vessels plying within the inland waters.

49. Salvage and rights of salvors.— (1) Owner of any mechanically propelled inland vessel in distress or master or any other person duly authorised by the owner in this behalf may enter into an agreement with any person for rendering salvage services to the vessel, which is in distress and any such agreement may provide for—

- (a) the amount payable to the salvor in the event of successful completion of the venture;
- (b) the amount payable to the salvor in the event of partial success of the venture;
- (c) the rights and responsibilities of the parties to the contract including the right of salvor for remuneration and remedies for its recovery;
- (d) the manner in which any dispute arising out of the agreement shall be settled; and
- (e) any other matter of particular importance or relevance to the subject matter of the agreement.

(2) Where services are rendered not by virtue of any agreement as provided under sub-rule (1) above, —

- (a) wholly or in part within the inland water limit in saving life from any vessel; or
- (b) in assisting a vessel or saving the cargo or equipment of a vessel which is wrecked, stranded or in distress at any place in the inland water limits; or
- (c) by any person other than the receiver of wreck in saving any wreck;

the owner of the vessel, cargo, equipment or wreck shall pay the salvor, a reasonable sum for the salvage as determined by the receiver of wreck or any officer appointed or authorised to act as valuator for the said purpose.

(3) Salvage in respect of the preservation of life when payable by the owner of the vessel shall be paid in priority to all other claims for salvage.

50. Determination of amount due as salvage.— (1) Where there exists an express agreement between the owner and salvor, the amount of salvage due to any person shall be determined having regard to the following considerations, namely: —

- (a) nature and degree of danger to which human life or property saved was exposed;
- (b) aggregate value of the property saved;
- (c) sale proceeds of salvaged property, where such property was sold;
- (d) nature and degree of risk incurred by salvor;
- (e) value of salvor's property engaged in salvage service and, nature and degree of danger to which it was exposed;
- (f) responsibilities incurred in performance of salvage service such as risk to insurance, liability to passengers or cargo or both through deviation or delay
- (g) loss incurred in performance of salvage service such as detention, loss of profitable trade, damage suffered by vessel, its equipment or gear;
- (h) expenses properly incurred by salvor in furtherance of salvage service;

- (i) expenses incurred by salvor towards loss of or injury to life or damage to property arising out of salvage service;
- (j) skill shown by salvor in rendering service; and
- (k) time spent and the labour involved in rendering salvage service.

(2) Where clause (k) of sub-rule (1) is the only criterion on which salvage claim is based, no salvage shall be payable.

51. Dispute of determination of amount payable as salvage.— (1) Any dispute arising with respect to the determination of amount payable or determined amount pending or due payment under this chapter shall be determined upon application made by either of the disputing parties.—

- (a) to Judicial Magistrate of the First Class or a Metropolitan Magistrate, as the case may be, where the amount claimed does not exceed ten lakh rupees;
- (b) to the District Court where the amount claimed exceeds ten lakh rupees.

(2) Where there is dispute as to the persons who are entitled to the salvage amount under this rule, the Judicial Magistrate of the first class or the Metropolitan Magistrate or the District Court, as the case may be, shall decide the dispute and if there are more persons than one entitled to such amount, such Magistrate or the District Court shall adjudicate and apportion the amount thereof among such persons.

(3) The costs of and incidental to all proceedings before a Judicial Magistrate of the first class or a Metropolitan Magistrate or the District Court under this rule shall be in the discretion of such Magistrate or the District Court, who shall have full power to determine by whom or out of what property and to what extent such costs are to be paid and to give all necessary directions for the aforementioned purpose.

52. Appointment of valuers.— (1) For the purposes of determining the value of any property salvaged or for valuing any considerations made in determining the Amount of salvage; the receiver or the court may appoint a valuer from a panel of valuers, which shall be provided by the designated authority, on request.

- (2) The receiver shall keep on record the valuer's report and give attested copies thereof to the owner and salvor.
- (3) The valuers shall be paid of such charges as the receiver or Court may consider reasonable and such charges shall be a charge on the expense account of salvage:

Provided that, where a valuer is appointed at the request of either the owner or the salvor without the consent of the other party, the charges shall be paid by the party at whose request the valuer was appointed.

53. Salvage Award.— (1) No salvage award shall be made. —

- (a) in any case where the property or sale proceeds thereof, are claimed by the owner or his duly authorised agent or assignee, until the title of the claimant to the said property or sale proceeds thereof is established;
- (b) in any case where the property is not claimed by its owner or his duly authorised agent or assigned, until the said property is sold; and
- (c) in any case where either party has applied for the appointment of valuer, until the valuer's charges are paid.

(2) Where the receiver has made a salvage award, he shall withhold the delivery of the wreck to the owner until the owner obtains a release from the salvor in respect of salvage due to him under the said award.

(3) Where the receiver has disposed of any wreck, he shall settle the salvor's claim in accordance with the Award from within the sale proceeds of the wreck and obtain a receipt from the salvor in token of his having received the amount in full and final settlement of his claim, before effecting payment of balance sale proceeds to the owner.

54. Powers to issue orders and directions.— For the purposes of effective administration of the rules, the State Governments shall by direction or order provide for the following —

- (a) delivery of wreck to the rightful owner;
- (b) formalities when buoys found adrift or ashore;
- (c) procedures involved in salvage;
- (d) procedures on services rendered to vessels stranded or otherwise in distress;
- (e) receipts and expenditures;
- (f) fees;

- (g) register book; and
- (h) such other procedures and processes as may deem fit by the respective State Governments, which are not in conflict with the Act or the rules made thereunder.

CHAPTER VI – RULES ON TRADE PERMISSION AND ENDORSEMENT OF CERTIFICATES OF FOREIGN VESSELS

55. Procedures and Terms. — By virtue of powers conferred under section 82 of the Act and subject to the scope, application and such other terms and conditions agreed between the Central Government with any other country pertaining to permission provided to foreign vessels to be employed for inland navigation in India and waivers and exemptions, if any, provided by the Central Government; the foreign vessel intended to be employed in the inland waters of India shall. —

- (a) make an application to such authority as may be authorised under this rule; for the permission to ply within the inland waters of India through the owner or operator or any authorised representative of such owner or operator;
- (b) the foreign vessel shall hold certificates equivalent to those specified under Chapters IV, V and VI of the Act;
- (c) in case of certificate of survey or equivalent certificate, such foreign vessels shall comply with the requirements in compliance with Chapter IV of the Act and an endorsement regarding compliance shall be specifically be obtained from the designated authorities, in whose jurisdiction such vessels are intended to be employed; and unless specified otherwise by an order or direction, in the event of exclusive employment through National Waterways, similar endorsement to be obtained from the competent authority;
- (d) the standards of manning as provided under Chapter VI of the Act and the rules made thereunder shall be complied with by the foreign vessels intended to be employed within the inland waters;
- (e) in case, if the foreign vessels intended to be employed falls within the category of ‘special category vessels’, such vessels shall comply with Chapter VII of the Act and the rules made thereunder;
- (f) the foreign vessel shall possess certificate equivalent to the certificate for prevention of pollution mandated under Chapter IX of the Act and the rules made thereunder;
- (g) shall follow the rules of the road prescribed under the Act; and
- (h) such other conditions as may be notified by the Central Government from time to time.

56. Powers to exempt foreign vessels.— Subject to section 112 of the Act, the Central Government may provide for exemptions or relaxations to the any class or category of foreign vessels from the requirements of the Act or the rules are made thereunder.

57. Issuance of certificate of trade permission.— The trade permission granted under rule 55 shall be evidenced by a certificate or such other document, which shall be issued by the respective authorities in compliance with the Act and the rules are made thereunder.

58. Pre-requisite compliance with additional terms. — The permission provided under rule 55 shall, among others, specify additional terms and conditions such as the requirements of vessel classification; the period and validity of the permission; extend or area within which the foreign vessels are permitted to be used; intended employment or purpose of the vessel; financial undertaking or guarantee requirements and the like; that are to be complied with by the foreign vessel as a condition pre-requisite for issuance of trade permissions.

59. Duty to surrender. — Upon completion of intended employment or purpose of foreign vessels, permitted to ply within the inland waters of India, by virtue of expiry of permission or termination, whichever earlier; the document referring to the permission shall be surrendered or submitted to the authority, which has issued such permission and such authority shall endorse the said document certifying the permission as cancelled.

60. Renewal. — Upon application for renewal of permission being received from the applicants, the respective authorities under rule 55 may renew the permission for a period of six months.

61. Power to refuse permission. — Notwithstanding anything contained herein, the respective authorities, who have received the application under rule 55 or rule 60, may refuse granting permission for foreign vessels and the reasons for such refusal shall be recorded in writing.

62. Fees and additional fee. — The respective authorities under rule 55 may charge such fees, as may be notified by the Central Government or the State Governments, as the case may be, by an order or direction issued from time to time.

63. Equal treatment. — (1) The terms and conditions, subject to which permissions are given to foreign vessels under rule 55 or renewed under rule 60, shall not be more favourable than those afforded to similar class, type or category of inland vessels, registered, recognised or identified under the Act, which the Indian inland vessels are required to comply with.

(2) The fees, additional fees, charges and penalties, as prescribed under the Act and the rules made thereunder, which are applicable to Indian inland vessels, shall be applicable to foreign vessels permitted to ply within the inland waters of India.

CHAPTER VII – GENERAL RULES

64. Protection and preservation of environment. — By virtue of powers conferred under section 98 of the Act, for the purposes of protecting and preserving biodiversity, aquatic life and environment; and to minimise the damage caused by navigation of inland vessels; all inland vessels passing through areas notified as ecologically sensitive areas and protected areas shall comply with the applicable norms and standards, as prescribed by the Central Government under Environment (Protection) Act, 1986 (29 of 1986), the Wild Life (Protection) Act, 1972 (53 of 1972) and such other governing laws in force in India.

65. Offences under these rules. — Any person acted in contravention to these rules, shall be punishable under the provisions of sub-section (3) of section 87 of the act.

66. Fees and additional fees prescribed under the Act. — (1) For the purposes Section 89 of the Act, the fee or additional fee prescribed by the respective State Governments, shall be subject to the approval by Central Government.

(2) Where it is not practical to determine and fix the fees or additional fees, the State Governments may by recording the reasons thereof, notify by direction or order, the categorisation and classification of services, along with such fees or additional fees, as may be applicable from time to time.

SCHEDULE

LIMITS OF LIABILITY

[see rule 22]

GENERAL LIMITS

(a) In respect of claims for loss of life or personal injury on any distinct occasion

- (i.) For the loss of life, ten lakh rupees per person
- (ii.) For the permanent disability, eleven lakh rupees per person.

Note: The limit of liability for the death and disability compensation shall be over and above the cost of the treatment of the sick or injured person.

The determination of the disability shall be in accordance with the Employees Compensation Act, 1923.

(b) In respect of claims arising on any distinct occasion for loss of life or personal injury to passengers on an Inland vessel —

- i. For the loss of life, an amount of ten lakh rupees per passenger.
- ii. For the permanent disability, an additional amount of 10% per passenger.

Note: The limit of liability for the death and disability compensation shall be over and above the cost of the treatment of the sick or injured person.

The determination of the disability shall be in accordance with the Employees Compensation Act, 1923.

(c) In respect of any other claims

For vessels below 500 GT- Four crore rupees

For vessels from 500 GT to less than 3000 GT – eight crore rupees

For vessels of 3000 GT and upto 6000 GT – twelve crore rupees.

Form No. 1**COVER NOTE**

[see rule 5 (1)]

1. Vessel identification number or marks, and description of the vessels identity or nature including
2. Nature, type or class of insurance
3. Mark of the vessel
4. Registration number
5. Type of vessel
6. Eligibility to ply in any particular area – [Zone 1 / Zone 2 / Zone 3]
7. Name and address of the insured/owner(s).
8. Details of ownership [Registered owners or owners or Joint ownership or Authority or Describing shares]
9. Effective date and time of commencement of insurance for the purpose of this Act.
10. Date of expiry of insurance .

This is to certify that this Cover note is issued in accordance with the Inland Vessels Act [2021] and the Rules made thereunder.

Further, the insured is hereby indemnified against the following risks —

1.
2.

This document shall remain valid till the Master policy is issued or thirty days, whichever earlier, after which this document is terminated automatically.

Authorised Signatory**Date of Issue****Form No. 2****CERTIFICATE OF INSURANCE**

[see rule 6 (2)]

1. Name and Address of the Insurer.
2. Name of the Vessel.
3. Vessel identification number or marks, and description of the vessels .
4. Identity or nature including .
5. Registration number.
6. Type of vessel.
7. Eligibility to ply in any particular area – [Zone 1 / Zone 2 / Zone 3].
8. Details ownership or registered ownership or Joint ownership or Authority or shares.
9. Name and address of the insured or owner(s).
10. Validity of Insurance or Time Period.
11. Effective date and time of commencement of insurance.
12. Date of expiry of insurance.
13. Sum or Liability insured with deductibles.
14. Conditions of coverage or Special conditions or Warranty.
15. Prohibitions.
16. Procedure to raise claim.
17. Contact information.
18. Dispute resolution.

Dated --/--/----**Signed On Behalf Of****Designation**

Form No. 3**REPORT BY ANY PERSON FINDING THE WRECK**

[see rule 36 (1)]

1. Name and Address of the Informant:
 - (a) In case of Company (name, address, official seal, etc.)
 - (b) In case of Firm (name, address, official number etc.)
2. Designation of the informant: (details of director or partner)
3. Vessel Identification Number or Marks and Description of Vessel:
4. Name, official number, registration number and port of registry of vessel:
 - (a) Inland vessel registered under the Act
 - (b) Inland vessel registered in a foreign country
 - (c) Vessel registered under the Merchant Shipping Act, 1958
5. Details of Registered Owner, Operator and Charterer of the Vessel:
6. Date of finding the vessel, parts, property or cargo:
7. Details of parts, property or cargo of vessel:
8. Name and details of the Receiver of wreck:
9. Place where the vessel, parts, property or cargo was found:
 - a. Inland waters
 - b. National waterways
10. Particulars of the vessel, parts, property or cargo found:
11. Description
12. Estimated value
13. Information of wreck passed by the Receiver of wreck to the authorities:
14. Designated authority or such other authority under the State Government.
15. Competent authority or such other authority under the Central Government.
16. Principal officer of the Mercantile Marine Departments
17. Information of wreck to be informed to the insurer or their agents:

I/We _____ do hereby affirm to the details as mentioned above with regard to the wreck that took place on _____ at _____ for the purposes of Chapter X of the Inland Vessel Act, 2021 and the rules made thereunder.

Date:

Signature of Informant

Place:

Designation and Details of Informant/Company/Firm

Form No. 4**OBSTRUCTION TO NAVIGATION**

[see rule 39 (6)]

1. Name and address of informant:
2. Name and port of registry of the vessel:
 - (a) Registered under the Act-
 - (b) Foreign Vessel-
 - (c) Registered under the Merchant Shipping Act, 1958 or any other law in force-
3. Particulars of obstruction:
 - (a) Nature and size of obstruction-
 - (b) Nature of danger to navigation-
 - (c) Objects causing obstruction-
4. Name and port of derelict or sunken wreck, if known, and if not known, any particulars, leading to its identification:
5. Description of the wreckage and any marks:
6. Date and time when the wreckage, wreck was last seen and date and time of report made, if any:
7. If sunken wreck, the exact spot in which the vessel is lying:
8. In case of floating wreckage, the place where last seen, and the direction in which drifting:
9. Whether the derelict was boarded by the informant or any of his crew.
10. Whether the vessel was broken:
11. Whether the vessel was waterlogged:
12. Whether vessel had capsized:
13. Did the vessel be into collision:
14. Nature and description of vessel cargo:
15. Date of making this report:
16. Date of informing the insurer or their agents:

I _____ (details of Receiver of wreck) do hereby affirm to the details as mentioned above with regard to the wreck that took place on _____ at _____ for the purposes of Chapter X of the Inland Vessel Act, 2021, and the Rules made thereunder.

Date:

Signature of Receiver of Wreck

Place:

Designation and Details of Receiver of Wreck

[F. No. IWT-11011/91/2021-IWT]
SUNIL KUMAR SINGH, Adviser (Statistics)