

Pricing Formula of HSL and CSL

5939. SHRI RAMA KRISHNA KONATHALA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government had appointed any High Level Committee for revising and restructuring the pricing formula of Hindustan Shipyard Limited and Cochin Shipyard Limited;

(b) if so, the main recommendations made by the Committee; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) The following three major studies have been completed which, inter alia, related to revising and restructuring the Pricing Formula of ships built by Hindustan Shipyard Limited and Cochin Shipyard Limited:

1. Report of the Bureau of Industrial Costs and Prices.
2. High Powered Committee's Report on functioning of HSL.
3. High Level Committee's Report on functioning of CSL.

(b) The following are the major recommendations made in the above Reports:

1. Enhancement of the Shipbuilding subsidy given to the Shipyards from the present 30% to 40% of the International Party Price (IPP) in respect of Merchant Ocean-going vessels;

2. The domestic shipyards be allowed to participate in global tendering by

Indian Shipping Lines, with Government treating the domestic Shipbuilding Industry as a 100% export activity and the Shipbuilding Industry be granted the status of 100% export oriented unit;

3. Fixation of IPP in terms of foreign currencies and the shipowners to pay each stage instalment to the Shipyards at the parity rate of foreign exchange prevailing on the date of actual payment;

4. Ships for which the import content is likely to exceed the IPP of the same vessel should not be built indigenously; and

5. Sales Tax on ships may be exempted.

(c) A proposal for revising and restructuring the pricing formula based on the recommendations contained in the above Reports and keeping in view the recent change in the Economic and Industrial Policies, is under consideration.

Cochin Shipyard

5940. PROF. K.V. THOMAS: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the ways and means loan given to Cochin Shipyard during the last three years;

(b) the order position for the repair of ships; and the construction of the new ships in Cochin Shipyard Limited at present; and

(c) the progress made by Cochin Shipyard Limited in repair work of ships?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) Ways & Means Loan sanctioned to Cochin Shipyard during the last three years is as follows: