

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:3917  
ANSWERED ON:14.12.2000  
PROCUREMENT OF AFRAMAX TANKERS .  
VSM (RETD.) COL. CHOUDHARY

**Will the Minister of SHIPPING be pleased to state:**

- (a) whether the Shipping Corporation of India (SCI) is procuring 4 Aframax Tankers from Hyundai Heavy Industries Limited, South Korea;
- (b) if so, whether SCI have agreed to extend delivery within the time schedule of 26 months given in the Tender Documents by one year;
- (c) if so, the details thereof;
- (d) whether the Hyundai Heavy Industries Limited, South Korea, is facing acute financial crisis as published in Financial Time London, dated April 24, 2000;
- (e) if so, whether the Government have restrained the Shipping Corporation of India not to advance a huge sum of money to this Company for purchase of 4 Aframax Tankers as was done earlier in case of another deal with Halla Engineering and Heavy Industries Limited, South Korea; and
- (f) if so, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SHIPPING(SHRI HUKUMDEO NARAYAN YADAV)

(a) Yes, Sir.

(b)&(c) Yes, Sir. The tender documents do not stipulate the delivery schedule. However, for evaluation of commercial offers, the delivery schedule and payment terms are considered. Accordingly, delivery schedule has been arrived at the time of placing the order.

(d),(e) & (f) The SCI while shortlisting the Shipyards analyse the financial strength based on Balance Sheet and Profit & Loss Accounts of the Shipyards. On the basis of this analysis, M/s. Hyundai Heavy Industries was found to be financially strong for taking up the project. Government have not issued any instruction restraining SCI from making payments to the Shipyard for the purchase of four Aframax Tankers. In the case of M/s. Halla Engineering and Heavy Industries Limited, South Korea, the contract was made null and void as the shipyard was declared bankrupt.