

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:1365  
ANSWERED ON:30.07.2003  
DISINVESTMENT OF SCI  
VILAS BABURAO MUTTEMWAR

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

to the reply given to Unstarred Question No.6501 dated May 7, 2003 and state:

- (a) whether the Government have decided to disinvest the Shipping Corporation of India;
- (b) if so, the reasons for further investment by the Government for the purchase of new ships;
- (c) whether the proposals for the procurement of new ships have since been finalised and the reasons therefor in view of (a) above; and
- (d) the time by which disinvestment of SCI is likely to be finalised?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI DILIPKUMAR MANSUKHLAL GANDHI)

(a) Yes, Sir.

(b)&(c) SCI has recently placed order for building 2 Very large Crude Oil Carriers at Hyundai shipyard, South Korea, and is in the process of signing the contract for building one Aframax crude oil tanker at Cochin Shipyard. Both these acquisition proposals were initiated before the process of disinvestment started in SCI and as per the business plan of SCI. The impact of procurement of new ships by SCI will be positive which will also enhance the profitability of the company. Placing order for acquisition of the ship at prevailing low newbuilding price would be favourable for future profitability and its valuation. This will also ensure that SCI reserve/internal resources are gainfully utilized. Moreover, the Government would not provide any budgetary support for the acquisition and the same would be funded by the company through internal resources and borrowings from the commercial market.

(d) The disinvestment of SCI is likely to take place by Oct.2003 as per the schedule of disinvestment, prepared by Ministry of Disinvestment.