

**GOVERNMENT OF INDIA  
SHIPPING, ROAD TRANSPORT AND HIGHWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:3070

ANSWERED ON:13.12.2005

SHIPS UNDER CONSTRUCTION AT HINDUSTAN SHIPYARD

Koya Dr. P. Pookunhi

**Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:**

- (a) the present status of 700 PAX passenger ship of Lakshadweep Administration now under construction in Hindustan Shipyard, Vishakhapatnam;
- (b) by which date the ship was originally planned to be constructed as per the terms of contract;
- (c) the reasons for the delay in completion of the ship;
- (d) whether any action is being contemplated to speed up the ship construction;
- (e) if so, the details thereof;
- (f) whether the non-completion of the construction work of ship is due to the deficiency of funds;
- (g) if so, whether the Government proposes to provide adequate funds for the purpose; and
- (h) if so, the details thereof?

**Answer**

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T .R. BAALU)

(a) As per the information furnished by HSL, the overall completion in terms of actual Hull, Machinery, fitment and Equipment is 60% in respect of the 700 Passenger ship of Lakshadweep Administration under construction at HSL. The main activities which are outstanding for the completion of the ship are with respect to Deck machinery, electrical, piping, outfitting, accommodation, air-conditioning, navigation and communication equipment.

(b) The ship was originally planned to be constructed by February, 2003 as per terms of the contract.

(c) The main reasons for the delay in completion of the ship are as follows; (1) Delay in finalization of Design & Documentation to meet the rules and norms, (2) Delay in procurement of second phase steel, (3) Non-availability of Building Dock for commencement of erection of panels since Building Dock was pre-occupied by 500 Cu. Meter Grab Hopper Dredger of Visakhapatnam Port Trust and INS Vagli, Submarine of Indian Navy and, (4) Working Capital problems faced by HSL.

(d) to (h) Yes, Sir. The following actions have been taken by this Department to speed up the construction of the ship;

i) A proposal is under consideration of the Government for providing a one-time financial assistance of Rs.34.07 crores to HSL for completion of the vessel.

ii) UTL Administration has been requested to consider a cost escalation of Rs.9.88 crores due to change in the scope of work and additional requirement over and above what was initially agreed to in the contract.

iii) Pursuant to the request of this Ministry, UTL Administration has also released Rs.8.00 crore to HSL in advance out of Rs.14.03 crores which was to be released by UTL to HSL after the delivery of the vessel. This has been done so as to enable HSL to continue with the construction of the vessel without further loss of time