

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

UNSTARRED QUESTION NO:1696

ANSWERED ON:10.12.2008

ACQUISITION OF NEW VESSELS BY SCI

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

- (a) whether the Shipping Corporation of India (SCI) has identified/ selected the agencies for procurement of new vessels;
- (b) if so, the details thereof;
- (c) the criteria followed/to be followed by the Government for selection of agencies;
- (d) the details of funds allocated by the Government for the said purpose during the current financial year; and
- (e) the extent to which the addition of new vessels will meet the future requirement of the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SHIPPING,ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a), (b) & (c): The Shipping Corporation of India (SCI) floats global tenders for acquisition of vessel and selection of the shipyard for construction of vessel is based on the outcome of the competitive global tendering process.

(d) The acquisition of vessels is made by a mix of internal resources and borrowing funds from the market.In the year 2008-09,SCI has earmarked an outlay of Rs.2342.01 crores comprising of Rs.1095.58 crores from internal resources and Rs.1246.43 crores from commercial borrowings.There is no budgetary support from Government of India for acquisition of vessels by SCI.

(e) SCI has envisaged acquisition of 62 vessels during the 11th Five Year Plan and has already signed shipbuilding contracts for 20 vessels and balance 42 vessels would be acquired during the balance plan period.Part of the new acquisition will be used as replacement for existing vessels to be phased out and some are for augmentation of its fleet.Addition of new vessel will help the company to retain its competitive edge and maintain its market share.