

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:671  
ANSWERED ON:26.02.2015  
LOSS OF REVENUE  
Jena Shri Rabindra Kumar

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

- (a) whether there has been decline in revenue from the bulk segment of the Shipping Corporation of India in the last one year;
- (b) if so, the details thereof, and reasons for the decline;
- (c) whether it is true that fleet expansion has resulted in the loss of the company's profitability, if so, details thereof; and
- (d) whether the Government has taken any step to revive growth in the declining segments of the SCI; and details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI PON. RADHAKRISHNAN)

(a)&(b): Yes, Madam. The decline in revenues is due to the depressed freight rates arising out of recession in the global shipping market of the dry and wet segments and imbalance of tonnage, due to which supply is more than the demand.

(c): Yes, Madam. The fleet expansion has increased the Capital Expenditure cost of Shipping Corporation of India (SCI). The loss of profitability in the last three financial years is as follows:

(Rs. in Crores)

Financial Year	2011-12	2012-13	2013-14
Profit After Tax (PAT) before depreciation (1)	180	646	581
Depreciation (2)	608	760	856
Profit After Tax (1) - (2)	(-)	428	(-) 114 (-) 275

(d): The Government has increased the abatement of service tax from 50% to 60% and also exempted Customs and Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of EXIM and empty containers along the coast which are also available to vessels of SCI.