

Corporation of India (SCI) is in debt trap;

(b) if so, the factors responsible for such worst financial health of the Shipping Corporation of India; and

(c) whether Government proposes to take effective steps to check losses of the SCI, if so, the details thereof?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN) : (a) Although Shipping Corporation of India (SCI) has incurred losses, the debt equity ratio of SCI as on 31.03.2013 is 1.40, which is reasonable by the shipping industry standards. Accordingly, SCI is not at the risk of debt trap.

(b) and (c) Shipping is a cyclical industry and currently it is in a recessionary phase with freight rates at an all time low in major segments, which has adversely affected the financial performance of SCI in the recent years. The Ministry of Shipping reviews the overall performance of SCI and suitable advice is given to them from time to time to improve their performance.

India's plan to double port capacity

2906. SHRI Y.S. CHOWDARY : Will the Minister of SHIPPING be pleased to state :

(a) whether it is a fact that India's ambitious plan to double its port capacity could become a distant dream as major projects involving foreign investors have run aground, if so, the details thereof; and

(b) the steps taken by Government in this regard?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN) : (a) No, Sir.

(b) Does not arise. However, the steps taken by the Government for capacity expansion of ports are as under:

(i) Upto 100% FDI under the automatic route is allowed for port development projects.

(ii) Income tax incentives are allowed as per Income Tax Act, 1961.

- (iii) Bidding documents like PFQ, PFP and Concession Agreement have been standardized.
- (iv) Enhanced delegation of financial powers to Shipping Ministry to accord investment approval for PPP projects.
- (v) Streamlining of security clearance procedures,
- (vi) Close monitoring of developmental projects in the Major Ports.

Status of ship building industry

2907. SHRIMATI SMRITI ZUBIN IRANI : Will the Minister of SHIPPING be pleased to state :

- (a) the present status of ship building industry in the country;
- (b) the initiatives taken/being taken by Government for upgradation of infrastructure in the ports and augmentation of Indian tonnage in the shipping sector, especially in the State of Gujarat;
- (c) whether Government proposes to allow local shipping industry to raise foreign currency loans or bonds through any identified Financial Institution with a view to boosting the shipping industry; and
- (d) if so, the details thereof and the steps taken/being taken by Government in this regard, if not, the reasons therefor?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN) : (a) There are 8 public sector and 19 private sector shipyards in India. The Major shipyards in public Sector are the Cochin Shipyard Ltd. (CSL) Kochi under Ministry of Shipping, Mazagon Dock Ltd, Mumbai, Goa Shipyard Ltd, Goa, Garden Reach Shipbuilders and Engineers Ltd, Kolkata and Hindustan Shipyard Ltd, Vishakhapatnam which are PSUs under the Ministry of Defence. The major private sector shipyards are ABG Shipyard Ltd, Bharati Shipyard Ltd, Larsen and Toubro Limited and Pipavav Offshore and Defence Ltd. Order book position of Indian Shipyards is 0.4 Million DWT currently. Global share of Indian Shipyards as of year 2012 was 0.03% based on global shipbuilding orders in DWT.