

GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING

LOK SABHA

UNSTARRED QUESTION NO.2146

TO BE ANSWERED ON 8<sup>th</sup> MARCH, 2018

SHIPYARDS

2146. SHRIMATI KOTHAPALLI GEETHA:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether twenty seven private shipyards in the country which are incurring massive losses due to debt and lack of work are likely to get any assistance from the Government and if so, the details thereof;
- (b) whether the Ministry of Defence has agreed to provide orders worth Rs. 50,000 crore to the Cochin Shipyard and if so, the details thereof;
- (c) whether most of these orders are likely to be outsourced to such private shipyards and if so, the details thereof; and
- (d) the details of the Memorandum of Understanding signed by various stakeholders including Major Ports State Maritime Boards and Public Sector Undertakings during the Maritime India Summit-2016?

ANSWER

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

- (a) Yes, Madam. The Government has introduced a Rs.4000 Crores Financial Assistance Policy (FAP) for Indian shipyards for a period of 10 years, for contracts secured between 01.04.2016 and 31.03.2026 (including these dates), under which financial assistance equal to 20% of the lower of "Contract Price" or the "Fair Price" will be extended to Indian Shipyards for each vessel built by them. This rate of 20 per cent will be reduced by 3 per cent every three years. Provided that at the time of release of financial assistance, if the actual payment received for a vessel is lower than the contractual price or fair price then financial assistance will be given on the actual payment received.
- (b) Currently, there is no proposal for providing orders worth Rs.50,000 crore to the Cochin Shipyard Ltd (CSL) by the Ministry of Defence. Since the year 2008, CSL has been engaged in construction of the Indigenous Aircraft Carrier for the Indian Navy. The Government approved, total value of the contract is Rs. 19341 crores which is being executed in a phased manner.

...2/-

(c) Does not arise.

(d) During the Maritime India Summit 2016, one hundred and forty one (141) Memoranda of Understanding (MoU) were signed by various stakeholders, covering different aspects such as procurement, setting up of infrastructure facilities including construction of jetties, construction of vessels, development of navigational aids, maritime education etc. The number of MoUs entered by stakeholders with different entities, including private entities, are as follows: (a) Major Ports : 83 (b) Inland Waterways Authority of India (IWAI) :5 (c) Directorate General of Lighthouses and Lightships (DGLL) : 4 (d) Cochin Shipyard Limited : 3 (e) Shipping Corporation of India : 6 (f) Dredging Corporation of India : 3 (g) Indian Maritime University : 6 (h) Maharashtra Maritime Board : 11 (i) Gujarat Maritime Board : 9 (j) Tamil Nadu Maritime Board : 1 (k) Petronet LNG : 2 (l) Indian Ports Rail Corporation Ltd.: 1 (m) Bharat Earth Movers Ltd. (BEML): 1 (n) Andaman Lakshdweep Harbour Works: 2 (o) Others: 4.

\*\*\*\*\*