

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA

UNSTARRED QUESTION NO.2296

TO BE ANSWERED ON 8th MARCH, 2018

SUBSIDY SCHEME FOR WATER TRANSPORT VEHICLES

2296. SHRIMATI P.K.
SREEMATHI TEACHER:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government has implemented any scheme for providing subsidy to the production sector of water transport vehicles;
- (b) if so, the details thereof;
- (c) the eligibility conditions stipulated for getting this subsidy;
- (d) whether this subsidy has been extended to the vehicles where the owner and builder are the same persons and if so, the details thereof; and
- (e) if not, whether the Government proposes to amend the scheme/guidelines so as to include such vehicles under the scheme and if so, the details thereof?

ANSWER

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

(a)&(b):(i) There was a shipbuilding subsidy scheme of Government of India for construction and delivery of vessels and not water transport vehicles. This scheme was operational for all the Indian shipyards from 2002 to 2007. Shipbuilding subsidy @ 30% on contractual price or reasonable price or actual payment received, whichever is lowest, was provided to private sector shipyards after delivery of vessels and to public sector shipyards as per stage payments received by the shipyards. The scheme expired on 14th August 2007. Government decided in March 2009 to liquidate the committed liabilities in respect of shipbuilding subsidy for shipbuilding contracts signed upto 14th August 2007. Budgetary provision of Rs.5152 crore up to 31st March 2014 was approved by the Government. Under this scheme, shipbuilding subsidy of Rs.1142 crore has been released to Indian shipyards till 31.03.2014. A total number of 121 vessels have been delivered by the Indian shipyards under the scheme.

(ii) Further, the Union Cabinet approved the Shipbuilding Financial Assistance Policy for Indian shipyards on December 09, 2015 for shipbuilding contracts signed from

01.04.2016 to 31.03.2026 (including these dates) along with a budgetary provision of Rs. 4000 crore . Under this scheme, financial assistance of 20% on contractual price or fair price or actual payments received for a vessel, whichever is lowest, would be provided after delivery of vessels. The scheme is being implemented online by Directorate General of Shipping. Applications for in-principle approval for 26 (twenty six) vessels have been received by Directorate General of Shipping from Indian shipyards. In principle approval for 22 (twenty two) vessels has been granted by Directorate General of Shipping as on 05.03.2018. Number of applications for release of financial assistance received by the Directorate General of Shipping as on 05.03.2018 is 4 (four).

(c) The eligibility conditions stipulated for getting financial assistance under the financial assistance policy 2016-2026, are given in **Annexure-I**. Detailed guidelines are available on the website of this Ministry and are also annexed at **Annexure-II**.

(d)&(e): No, Madam.

ANNEXURE-I

- Financial Assistance will be provided to Indian shipyards for 10 years for contracts secured between 01.04.2016 and 31.03.2026 (including these dates).
- Only those vessels, which are constructed and delivered within a period of three years from the date of Contract, shall be eligible for availing financial assistance under the policy. Provided that, in case of specialized vessels, the competent authority may grant in principle approval for construction and delivery of such vessels within a specific period even beyond the aforesaid three years, but not exceeding six years, when the shipyard applies for such approval for the vessel under the policy guidelines and thereafter the delivery period provided for in this Clause shall be such extended period as permitted by the Competent Authority.
- Following vessels are excluded from financial assistance policy:
 - Vessels built for Indian buyer or ship owner, which do not exceed length of more than 24 meters.
 - Vessels made of wood irrespective of their lengths.
 - Vessels built for defence purposes or for use by Navy or Coast Guard.
 - Vessels built under contracts secured on nomination basis from the Central or State Government or their agencies except those secured from the Central or State Public Sector Enterprises.
- In case of specialized and non standard vessels, valuation certificates from three international valuers as per the list shown in schedule III of guidelines are required to be submitted by shipyards. In case of standard vessels, fair price will be determined on a periodic basis by the competent authority based on international price trends.
- Documents as listed in the guidelines are required to be submitted by the shipyards.