

MINISTRY OF SHIPPING

RAJYA SABHA

UNSTARRED QUESTION NO 2905 TO BE ANSWERED ON 20.02.2014

*Steps taken to check losses of SCI

2905. DR. JANARDHAN WAGHMARE

N.K. SINGH

Will the Minister of SHIPPING be pleased to state:-

- (a) whether the financial health of the Public Sector Undertaking, Shipping 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?

Answer

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) & (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.