

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2822

ANSWERED ON:15.03.2010

AIRCRAFT CARRIER ADMIRAL GORSHKOV

Botcha Lakshmi Smt. Jhansi;Jindal Shri Naveen;Rani Killi Krupa;Rathod Shri Ramesh;Tewari Shri Manish;Vivekanand Dr. G.

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

- (a) the initial price that was arrived at between India and Russia for the purchase and sale respectively of the aircraft carrier Admiral Gorshkov;
- (b) the number of times since the arrival at the initially negotiated price there has been an escalation in the price of the aircraft carrier;
- (c) the final price of the Admiral Gorshkov that the Government would have to pay;
- (d) whether even after the cost escalations that have taken place there is still a price escalation clause in the contract re-negotiated between the two countries;
- (e) the original delivery schedule of Admiral Gorshkov alongwith the amended delivery schedule of the aircraft carrier;
- (f) the time by which it would be inducted into the Indian Navy;
- (g) whether any responsibility has been fixed on those responsible for this cost escalation and delay; and
- (h) if so, the details thereof?

**Answer**

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) to (h): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF LOK SABHA UNSTARRED QUESTION NO. 2822 FOR ANSWER ON 15.3.2010

Contracts and supplementary agreements comprising repair and re-equipping, logistic supports, training, et cetera were concluded with the Russian side for acquisition of the aircraft carrier, ex-Admiral Gorshkov, in January 2004 at a cost of US Dollars 974 million. The Russian side submitted a revised Master Schedule indicating a delay in the project and an increase in price for repair and re-equipping of the aircraft carrier, due to increase in scope of work not originally envisaged. The Government approved the proposal for conducting negotiations with the Russian side for finalizing a revised Repair and Re-equipping Contract and other related contracts/agreements affected due to delay in the project and Additional Works projected. The negotiations have since been concluded by the Contract Negotiation Committee(CNC). The revised cost of USD 2330 million has been approved by the Government. Prices for the works to be carried out under the revised contracts/agreements are fixed. The aircraft carrier was originally scheduled to be delivered in August 2008. The ship's delivery is re-scheduled to December, 2012. Re-scheduling of the ship's delivery and revision in its cost were necessitated due to emergence of Additional Works projected, detailed agreed scope of trials, et cetera.