

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:862  
ANSWERED ON:19.03.2012  
ACQUISITION OF FLEET TANKER  
Patel Shri Bal Kumar

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

- (a) whether the Indian Navy awarded a contract for acquisition of a fleet tanker to a foreign shipyard;
- (b) if so, whether the steel to be used by the shipyard in construction met the technical specification given by the Navy;
- (c) if so, the details thereof;
- (d) whether the commercial negotiations for procurement address the issue of reasonability of pricing; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) Yes, Madam.

(b) Yes, Madam.

(c) Steel offered by the shipyard, M/s Fincantieri, in response to Request for Proposal (RFP) for construction of Fleet Tanker, was technically evaluated by a Technical Evaluation Committee (TEC). Based on technical clarifications offered by the shipyard, which were ratified by two classification societies, the steel offered by the shipyard was accepted by the TEC for the stated purpose.

(d) Yes, Madam.

(e) In order to ascertain reasonability of cost, the Contract Negotiation Committee (CNC) undertook costing for the tanker based on two separate costing models. Taking into account both the costing models, the CNC considered the cost quoted by M/s. Fincantieri of Euro 127.26 Million (Rs.747.65 crore) as the basic cost of the ship to be reasonable.