

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1370
ANSWERED ON:03.08.2006
PROCUREMENT OF INGPS SYSTEM
Masood Shri Rasheed

Will the Minister of DEFENCE be pleased to state:

- (a) whether the French Defence Company, M/s, SAGEM has charged three times more than the agreement for procurement of INGPS system;
- (b) if so, the reasons therefor; and
- (c) the reasons for not issuing new tender for INGPS system?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) & (b): A contract was concluded with M/s SAGEM in 1999 for procurement of Inertial Navigation and Global Positioning System (INGPS) with provision for the Transfer of Technology (ToT) for manufacture of the system. The ToT could not materialize due to the refusal of the French Government for a key component of the system. A communication from the vendor about the French Government's refusal was received in December, 2000 by which time the period for exercising the option for procurement of additional sets at the same price in the contract was over. Hence, a contract had to be concluded with M/s SAGEM in 2003 to meet the immediate requirement of the Air Force at a higher cost than that contracted in 1999.

(c) The INGPS were required for upgrade of MiG 27 and Su-30 aircraft. These upgrade programmes with the SAGEM INGPS had progressed to a point where any change in the INGPS would have repercussions on the timely completion of the projects. Delay in the procurement of INGPS could have attracted monetary penalties on account of delay in supply of INGPS for the Su-30 programme.