

PUBLIC ACCOUNTS COMMITTEE
(1971-72)

(FIFTH LOK SABHA)

THIRTY-SECOND REPORT

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 124th Report (Fourth Lok Sabha) on Audit Report (Civil), 1970 and Appropriation Accounts (Civil) 1968-69 relating to Ministry of Tourism and Civil Aviation (Department of Civil Aviation)]



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CORRIGENDA TO THIRTY SECOND REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE (1971-72) PRESENTED
TO LOK SABHA ON 11th April, 1972.

<u>Page</u>	<u>para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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	2	14	of	or
35	-	1	P.C.	P.A.C.

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PUBLIC ACCOUNTS COMMITTEE
(1971-72)

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Shri Era Sezhiyan

MEMBERS

2. Shri Bhagwat Jha Azad
3. Shrimati Mukul Banerji
4. Shri C. C. Desai
5. Shri K. G. Deshmukh
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10. Dr. Laxminarain Pandey
11. Shri Ramsahai Pandey
12. Shrimati Savitri Shyam
13. Shri Vijay Pal Singh
14. Shri G. Venkatswamy
15. Shri Ram Chandra Vikal
16. Shri S. B. Bobdey
17. Shri B. K. Kaul
18. Shrimati Vidyawati Chaturvedi
19. Shri Jagdish Prasad Mathur
20. Shri Thillai Villalan
21. Shri Shyam Lal Yadav
22. Shri Sheel Bhadra Yajee

SECRETARIAT

Shri B. B. Tewari—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Thirty-Second Report on the Action Taken by Government on the recommendations of the Public Accounts Committee contained in their 124th Report (Fourth Lok Sabha) on Audit Report (Civil) 1970 and Appropriation Accounts (Civil), 1968-69 relating to the Ministry of Tourism and Civil Aviation (Department of Civil Aviation).

2. On the 8th July, 1971, an "Action Taken" Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

- | | | |
|------------------------------------|---|----------------|
| Shri B. S. Murthy— <i>Convener</i> | } | <i>Members</i> |
| 2. Shri Bhagwat Jha Azad | | |
| 3. Shri Ram Sahai Pandey | | |
| 4. Shri C. C. Desai | | |
| 5. Shri Thillai Villalan | | |
| 6. Shri Shyam Lal Yadav | | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1971-72) considered and adopted this Report at their sitting held on the 24th January, 1972. The Report was finally adopted by the Public Accounts Committee on the 22nd February, 1972.

4. For facility of reference the main conclusion recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations observations of the Committee is appended to the Report (Appendix).

5. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller & Auditor General of India.

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

NEW DELHI;
February 22nd, 1972.
Phalguna 3rd, 1893 (S).

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 124th Report (Fourth Lok Sabha) on Audit Report (Civil), 1970 and Appropriation Accounts (Civil) 1968-69 relating to the Ministry of Tourism and Civil Aviation (Department of Civil Aviation), which was presented to the Lok Sabha on the 18th December, 1970.

1.2. Action Taken Notes have been received in respect of all the 23 recommendations contained in the said Report.

1.3. The Action Taken Notes/Statements on the recommendations of the Committee contained in the Report have been categorised under the following heads:—

(i) *Recommendations/Observations that have been accepted by Government.*

S. Nos. 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19 and 20—23.

(ii) *Recommendations Observations which the Committee do not desire to pursue in the light of the replies of Government.*

S. No. 18.

(iii) *Recommendations/Observations replies to which have not been accepted by the Committee and which require reiteration.*

S. No. 17.

(iv) *Recommendations Observations in respect of which Government have furnished interim replies.*

S. Nos. 5 and 6.

1.4. The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

1.5. The Committee will now deal with the action taken notes on some of the recommendations submitted to them by Government.

Purchase of equipments
(Para 1.7—Serial No. 1).

1.6. Commenting on the purchase of the High Power Air-Route Surveillance Radars from an Italian firm on the basis of supplier's credit, the Committee made the following observations in para 1.7 of their 124th Report:—

“The Committee on the basis of evidence tendered before them can only conclude that Government did not fully satisfy themselves that the High Power Air-Route Surveillance Radars purchased from the Italian firm on the basis of the supplier's credit offered were the best or the cheapest for the price paid for them. It appears at the time of deciding on this purchase the Government were not in possession of information regarding availability of this equipment and its relative prices in countries other than USA and Italy; no attempt was made to find out if credit would be available from any other source. In the opinion of the Committee a purchase of this magnitude involving Rs. 3.90 crores of which Rs. 2.83 crores were in foreign exchange should not have been considered without obtaining adequate comparative data on all aspects of the purchase from available sources. This lack of inquiry is all the more deplorable because as the Committee have commented in a latter section of this report, the Department do not expect to instal the equipments ordered for in 1966 and received by December, 1969 any time before the end of 1971. The Committee, therefore, desire that in future in all cases of substantial purchases comparative economics should be worked out after getting information from all accessible sources prior to accepting a supplier's credit. The manner in which this can be ensured may be settled between the Ministry of Finance (Department of Economic Affairs) and the Purchasing Ministries.”

1.7. In their reply dated the 17th June, 1971, the Ministry of Tourism and Civil Aviation (Department of Civil Aviation) has intimated that the matter has been brought to the notice of the Ministry of Finance (Department of Economic Affairs) for evolving a suitable procedure as recommended by the Public Accounts Committee.

1.8. The Committee would like the Ministry of Finance to finalise the procedure quickly and issue necessary instructions to all the purchasing Ministries under intimation to them.

Missing parts

(Para 1.10—Serial No. 2).

1.9. Referring to missing parts without which none of the radars purchased from Italy could be operated, the Committee made the following observations in para 1.10 of the Report:

“The Committee observe that in respect of the missing parts without which none of the radars purchased from Italy can be operated, the Department has not got any indication from the firm as to when these will be made available although more than two years have elapsed since shortages were reported first. The Committee are anxious that delay in replacement of these parts should not defer the installation of the equipment. They, therefore, desire that the matter should be taken up vigorously with the firm so as to ensure receipt of supplies well before the targetted date of installation of the equipments.”

1.10. In their reply dated the 17th June, 1971, the Ministry of Tourism and Civil Aviation (Department of Civil Aviation) have stated:

“The Department is already actively pursuing the matter with the firm for making good the shortages. As already indicated in para 1.8 of the Report, the firm has accepted all the discrepancies reported and have agreed to make good all the shortages.”

1.11. The Committee desired to be informed whether the installation of any of the radar equipments is delayed on account of the delay in getting the missing parts.

1.12. The Ministry of Tourism and Civil Aviation (Department of Civil Aviation) in their reply dated the 7th January, 1972 has stated:

“The installation of equipment at Bombay has commenced and is in progress. So far, there has been no delay in the progress of the installation due to lack of missing parts. The installation of equipment in other locations; Madras, Calcutta and Delhi will be taken up as soon as the Civil and electrical works have made sufficient progress. Unless the work of installation of equipment in these locations is taken up and progresses, the delay in the installation on account of delay in getting the missing parts cannot be known at this stage.”

1.13. The Committee note with concern that the Department is yet to receive the missing parts from the firm. They would like to know whether the installation of any of the equipments is delayed only for want of the missing parts.

1.14. The Committee need hardly stress that concerned steps should be taken to get the missing parts quickly so as to expedite the installation of the costly equipment at the four major air ports.

Period of Warranty

(Paragraphs 1.20 and 1.21—Serial Nos. 5 and 6).

1.15. In paragraphs 1.14 to 1.19 of their 124th Report (Fourth Lok Sabha), the Public Accounts Committee had dealt with in detail, the various issues involved in reckoning the warranty period in respect of the equipments purchased from Italy. The Committee made the following observations in paras 1.20 and 1.21 of the Report:—

“The Committee are unhappy that the Department of Civil Aviation are not able to instal even a single radar procured at such a heavy cost within the normal warranty period. They are also not satisfied with the way the period of warranty was got extended by the firm “as a gesture of cooperation”. The Secretary, Ministry of Tourism and Civil Aviation, however, had taken a position before the Committee that the warranty period should be counted not only from the date of shipment of the last consignment but also from the date of shipment of all the missing parts. The Committee desire that where there is a doubt interpretation of the terms of a contract the views of the Ministry of Law should be obtained at the earliest opportunity.”

“The Committee might be informed of the final outcome of the negotiations with the firms on this point.”

1.16. In their reply dated the 17th June, 1971 the Ministry of Tourism & Civil Aviation (Department of Civil Aviation) have intimated that the various issues involved in this case have been clarified to the Director General of Supplies and Disposals on 25th May, 1971 for obtaining legal advice from the Ministry of Law and the final out-come will be reported to the Public Accounts Committee in due course.

1.17. The Committee desire that an early decision should be taken in the matter and the final outcome of the case be intimated to them.

*Delay in installation of equipments**(Paragraph 1.26—Serial No. 8).*

1.18. Commenting on the inordinate delay in installation of the four "High Power Air-route Surveillance Radars" at the four major airports, the Committee had made the following observations in para 1.26 of the Report:—

"The proposal to instal 4 "high power air-route surveillance radars" was originally sent by the Ministry of Tourism and Civil Aviation to the Ministry of Finance in September, 1963. Thereafter a dialogue ensued between the two ministries with the result that the foreign exchange was released only in July 1965. Taking two years in obtaining foreign exchange for an aeronautical project where technical advancement and obsolescence take place at an accelerated rate highlights the existence of bottlenecks and rigidity in our decision making and financial sanctioning procedure. The Committee would like the matter to be gone into by Government and the procedure streamlined for expeditious finalisation of proposals."

1.19. In their reply dated the 17th June, 1971, the Department of Civil Aviation have intimated that the matter has been taken up with the Ministry of Finance (Department of Economic Affairs) on 29-4-1971 for streamlining procedure for expeditious finalisation of proposals.

1.20. The Committee would like the Ministry of Finance to take expeditious action to streamline the procedure for expeditious finalisation of proposals involving foreign exchange and intimate to them.

*Delay in installation of the Radar Equipment—acquisition of land both in Delhi and Calcutta**(Paragraphs 1.47 and 1.53—Serial Nos. 11 and 13)*

1.21. Commenting on the inordinate delay in acquiring the land both at Delhi and Calcutta and in installing the Radar Equipment at the four major airports, the Committee made the following observations in para 1.47 and 1.53 of the Report:—

"The Committee further note that action for land acquisition was initiated in October, 1968 in Delhi although the site selection was over in July, 1967. The notification

under Section 4 of the Land Acquisition Act, 1894 was issued only in September, 1969 and the land was not handed over till August, 1970. As regards Calcutta although the action was initiated shortly after the selection of the site the Section 4 notification was issued only in March, 1970 and it is not known when the land will be handed over. The Committee do not feel happy with the inordinate delay in acquiring the land. As the costly equipment had been imported long back the Department should have convinced the authorities concerned of the necessity for expeditious acquisition of land."

"The Committee note that the Study Group of International Airports Committee have recommended in their report (September, 1968) that the planned projects of installation of Air Route Surveillance Radar should be expedited for implementation as soon as possible and included it under immediate improvements recommended to be completed within the next two years to meet the international and domestic traffic needs. The Committee hope that the Department of Civil Aviation will lose no further time and instal the equipments without delay so that the needed facility will be available at the earliest and the risk of deterioration of equipments by prolonged storage avoided."

1.22. In their reply dated the 17th June, 1971, the Ministry of Tourism and Civil Aviation (Department of Civil Aviation) have intimated that the above recommendations of the Committee have been noted.

1.23. The Committee wanted to know the present position regarding the acquisition of land both in Delhi and Calcutta.

1.24. The Department in their reply dated 7th January, 1972 has furnished the information as follows:—

Delhi: "The land was taken over on 9th September, 1970."

Calcutta: "Major portion of the land was taken over on 30th March, 1971 and the remaining portion, on 13th May, 1971."

1.25. The Committee also desired to know the latest position with regard to installation of the four High Power Air-Route Surveillance Radars at all the four major air-ports (air-port wise). The

information furnished by the Department in their note dated the 7th January, 1972 is as follows:

Bombay: "Civil and electrical works have almost been completed. The installation of equipment has commenced. The equipment have been positioned and the air ducts/wave guides are being installed."

Madras Building: The building work is nearly complete except for some minor details. The air-conditioning work is in progress.

Antenna Tower: The main structure of the Antenna Tower has been completed except for some minor details like painting, plastering of columns on the 9th floor etc.

Delhi: The Building and electrical works are in progress. 87 per cent. of the main building has been completed. 45 per cent. of Antenna Tower has also been completed.

Calcutta: The soil tests which were conducted for deciding the foundation for the building and the Antenna Tower indicated a very poor soil. As a result of this, the foundation design had to be re-done. The designs have now been finalised and tenders have been called for.

1.26. The Committee hope that the Department of Civil Aviation will lose no further time and instal the equipments without delay.

Delay in installation of Weather Bureau Radio Theodolites
(Para 1.71—Serial No. 17).

1.27. Commenting on the delay in installing the Weather Bureau Radio Theodolites at various stations, the Committee had made the following observation in para 1.71 of the Report:—

"The Committee were informed that the delay in installing the equipments was partly due to delay in manufacturing departmentally the audio-frequency modulated radiosondes, a subsidiary equipment necessary for accurate measurement of upper air data. The Committee note that the manufacture was taken in hand only in 1963 although the Department initiated action for the selection of places in 1961 at the time of formulation of the Third Five Year Plan. The flying equipment was ready after testing only in 1967. The Committee regret to note the failure of the

Department to take timely action to improve and modify the mechanical radiosondes, though they had experience of manufacturing this equipment for the past 25 years.

1.28. In their reply dated 17th June, 1971, the Department of Civil Aviation have stated:—

“Immediately after, the Department's proposal was accepted by the Government in July, 1962, action was initiated for the development of an electronic radiosonde and actual work of development was in fact started in 1962 itself. The electronic radiosonde (an audiofrequency modulated radiosonde) is completely different from the mechanical (chronometric) radiosonde then in use, both in concept and design. Before its mass production could be taken up in departmental workshops, the complete system, using as far as possible indigenous components, had to be developed in the departmental laboratories and tested in extensive laboratory and field trials. Entirely new calibration equipment with automatic mercury menometers for the calibration of baroswitches (the pressure sensing and switching element) had to be designed and constructed. The technical know how and wherewithal required for the development of this new equipment was completely different from that already available in the Department for manufacture of mechanical radiosondes. In fact, the electronic radiosonde was ready in 1966 but the Department could go in for mass production in 1967 only after having adequate and detailed tests on one of the WBRT units.”

1.29. While the Committee note that the Department has an explanation for the delay in the manufacturing departmentally the subsidiary equipment, they desire to emphasise that there should be a better synchronisation of the indigenous development of components and the import of main equipments in such cases in future.

Delay in installation of WBRT units subsequent to change of location and warranty period

(Paragraphs 1.86 to 1.88 and 1.92—Serial Nos. 20 to 23).

1.30. Commenting on the inordinate delay found at each stage in according administrative approval and expenditure sanction for the construction of building, lack of coordination between the different Ministries and delays and lapses in taking advance action, the

Committee had made the following observations in paragraphs 1.86 to 1.88 and 1.92 of the 124th Report:

"After the location was changed to Lucknow in 1966 it took nearly 4 years to accord administrative approval and expenditure sanction for the construction of building for which a plot of land was made available by the Director General of Civil Aviation in April, 1967 and the construction has not started yet (August, 1970). The Secretary, Ministry of Tourism and Civil Aviation while admitting the delay urged in extenuation that "this was due to the difference of opinion between the CPWD and the Ministry of Finance which unfortunately went on for some considerable time". The Committee can hardly appreciate such inordinate delay in according financial concurrence.

The Committee note that Jodhpur was one of 18 stations where modern wind finding equipments were to be installed as part of the India Meteorological Department's Third Five Year Plan. Although according to the witness action was initiated by the Department to find permanent accommodation for the installation of the equipment as far back as in 1956, the land could be purchased only in 1966. The Committee can hardly appreciate such inordinate delay. Further they note that it took a year for according administrative approval and expenditure sanction and another year to start construction of the building. The Committee are of the view that the delay of one year at each stage is not something which was inevitable.

The Committee have suggested investigation into lack of co-ordination between the different Ministries in earlier part of this report. This case may also be included in its ambit and the Committee apprised of the result:

The Committee are perturbed over the tendency on the part of the departments to delay the completion of planned projects due to lack of coordination between the Ministries or advance planning with a targetted programme. In this case not a single equipment was installed during the Third Plan period. (Six WBRTS procured during March-August, 1965 were actually installed between December, 1966 and June 1970 long after the expiry of the warranty period in June, 1966 and the remaining one

is yet to be installed. That "fortunately they (the equipments installed) have been functioning to our satisfaction" does not justify the failure to instal them within the warranty period. The Committee have elsewhere in this report drawn attention to the delays and lapses in taking advance action. The Committee would like the Government to consider in what manner the Departmental procedures and practices should be streamlined to gear them up for speedy action and make planning meaningful."

1.31. In their reply dated the 17th June, 1971, the Ministry of Tourism and Civil Aviation (Department of Civil Aviation) have stated:

"The Committee's observations have been noted and delays have been looked into. Instructions have been issued on 2nd June, 1971 to all concerned to identify well in advance the various phases of implementation of Plan projects and fix target dates for completion of various formalities/ phases of projects and set up an effective machinery for coordination and follow-up action. Heads of Departments have also been requested constantly and effectively to review the performance of such Plan projects so as to ensure that the targetted programme is adhered to. At the Ministry's level, the progress of implementation of Plan projects is also being reviewed at Secretary's level. Ministry of Works & Housing have been requested on 1st June, 1971 to look into the matter for issue of suitable instructions.

1.32. The Committee note that the Department of Civil Aviation has looked into the delays and has also issued necessary instructions for the timely implementation of plan projects. They would however like to be informed whether any specific lapses on the part of the officers of the Department came to notice and if so whether any action was taken by the Department apart from issuing instructions for the future.

1.33. The Committee also note that the Ministry of Works, Housing and Urban Development have been requested only in June 1971 to look into the matter for issue of suitable instructions. The results of the investigation and the action taken by the Ministry of Works, Housing and Urban Development may be intimated to the Committee.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee on the basis of evidence tendered before them can only conclude that Government did not fully satisfy themselves that the High Power Air-Route Surveillance Radars purchased from the Italian firm on the basis of the supplier credit offered were the best or the cheapest for the price paid for them. It appears at the time of deciding on this purchase the Government were not in possession of information regarding availability of this equipment and its relative prices in countries other than USA and Italy; no attempt was made to find out if credit would be available from any other source. In the opinion of the Committee a purchase of this magnitude involving Rs. 3.90 crores of which Rs. 2.83 crores were in foreign exchange should not have been considered without obtaining adequate comparative data on all aspects of the purchase from available sources. This lack of inquiry is all the more deplorable because as the Committee have commented in a latter section of this report, the Department do not expect to instal the equipments ordered for in 1966 and received by December, 1969 any time before the end of 1971. The Committee therefore, desire that in future in all cases of substantial purchases comparative economics should be worked out after getting information from all accessible sources prior to accepting a supplier's credit. The manner in which this can be ensured may be settled between the Ministry of Finance (Department of Economic Affairs) and the Purchasing Ministries. [S. No. 1 of Appendix II—Para No. 1.7 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted. The matter has been brought to the notice of Ministry of Finance (Deptt. of Economic Affairs) on 29th April, 1971 (Annexure I) for evolving a suitable procedure as recommended by the Public Accounts Committee.

IMMEDIATE

ANNEXURE I

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

**SUBJECT:—Public Accounts Committee—124th Report for 1970-71—
Purchase of equipment.**

In connection with the establishment of an Airways System in India by the Civil Aviation Department it was decided in March,

1964 to purchase 4 sets of Air Routes Surveillance Radar for installation at Bombay, Calcutta, Delhi and Nagpur. Subsequently, it was decided to instal the set for Nagpur at Madras. The proposal to purchase the four sets of Radars was accepted by the Ministry of Finance, subject to the condition that the purchase was financed under some Aid Scheme. Accordingly, in consultation with the Department of Economic Affairs, a project report was submitted to them in July 1964 for financing the purchase from the US AID. In September 1964, the Italian Embassy informed the Director General of Civil Aviation that the Radars in question were also being manufactured by Selenia, a firm of Italy, and suggested procurement of the equipment under the Italian Credit. As the Italian equipment was cheaper (Rs. 35 lakhs per set) than that of the USA (Rs. 45 lakhs per set) the Civil Aviation Department submitted a revised proposal in December, 1964 for obtaining the equipment under the Italian Credit from Selenia. This proposal was finally cleared by the Ministry of Finance in September 1965. There has been delay in the installation of the Radars and the Audit included the case in their Audit Report (Civil) 1970. The case has also been examined by the PAC. Paragraphs 1.7 and 1.26 of the PAC's 124th Report refer. The PAC has made *inter alia* the following recommendations:—

- (i) "The Committee on the basis of evidence tendered before them can only conclude that Government did not fully satisfy themselves that the High Power Air-Route Surveillance Radars purchased from the Italian firm on the basis of the supplier's credit offered were the best or the cheapest for the price paid for them. It appears at the time of deciding on this purchase the Government were not in possession of information regarding availability of this equipment and its relative prices in countries other than USA and Italy; no attempt was made to find out if credit would be available from any other source. In the opinion of the Committee a purchase of this magnitude involving Rs. 3.90 crores of which Rs. 2.83 crores were in foreign exchange should not have been considered without obtaining adequate comparative data on all aspects of the purchase from available sources. This lack of inquiry is all the more deplorable because as the Committee have commented in a latter section of this report, the Department do not expect to instal the equipments ordered for in 1966 and received by December, 1969 any time before the end of 1971. The Committee, therefore, desire that in future in all cases of substantial purchases

comparative economics should be worked out after getting information from all accessible sources prior to accepting a supplier's credit. The manner in which this can be ensured may be settled between the Ministry of Finance (Department of Economic Affairs) and the Purchasing Ministries."

- (i) "The proposal to instal 4 'high power air-route surveillance radars' was originally sent by the Ministry of Tourism and Civil Aviation to the Ministry of Finance in September, 1963. Thereafter a dialogue ensued between the two Ministries with the result that the foreign exchange was released only in July, 1965. Taking two years in obtaining foreign exchange for an aeronautical project where technical advancement and obsolescence take place at an accelerated rate highlights the existence of bottlenecks and rigidity in our decision making and financial sanctioning procedure. The Committee would like the matter to be gone into by Government and the procedure streamlined for expeditious finalisation of proposals."

2. Since the recommendations of the PAC will apply to all the Ministries of Government of India, the Ministry of Finance are requested kindly to examine them for issue of suitable instructions. PAC is being advised that the matter has been brought to the notice of Ministry of Finance (Deptt. of Economic Affairs) for evolving suitable procedure in compliance with PAC's recommendations.

A copy of PAC's report is enclosed.

Sd/-

Joint Secretary.

Min. of Finance (Deptt. of Economic Affairs) (Shri G. V. Ramakrishna, Jt. Secretary), New Delhi.

Min. of Tourism & Civil Aviation, New Delhi, U.O. No. 2-VB(4) 70—
Vol. II, dated 29th April, 1971.

Copy to Min. of Finance (Expenditure Division), (Shri Y. T. Shah. Addl. Secy.), New Delhi.

Sd/-

Under Secretary to the Govt. of India.

Recommendation

The Committee observe that in respect of the missing parts without which none of the radars purchased from Italy can be operated, the Department has not got any indication from the firm as to whom these will be made available although more than two years have elapsed since shortages were reported first. The Committee are anxious that delay in replacement of these parts should not defer the installation of the equipment. They, therefore, desire that the matter should be taken up vigorously with the firm so as to ensure receipt of supplies well before the targeted date of installation of the equipments.

[S. No. 2 of Appendix II—Para No. 1.10 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted. The Department is already actively pursuing the matter with the firm (Annexures II and III) for making good the shortages. As already indicated in Para 1.8 of the Report, the firm has accepted all the discrepancies reported and have agreed to make good all the shortages.

ANNEXURE II

(Copy of Letter referred to in Para 1.10)

OFFICE OF THE DIRECTOR GENERAL OF CIVIL AVIATION

No. 4/14/64-COM.III

Dated New Delhi, the 16th February, 1971.

Messrs. Greaves Cotton & Co. Ltd.,
Thapar House,
124, Janpath, Post Box 566,
New Delhi-1.

SUBJECT:—DGS&D New Delhi A/T No. SE.4/209/34/051/PAOND/III/3575, dated 7-6-1966 for 4 Nos. Selenia ATCR-2D Radars.

Dear Sirs,

Reference is made to the above quoted A/T against which 4 Nos. Selenia Radars have been supplied to this Department.

2. In this connection reference is invited to your letters No. D/Mc.4001/HS, dated 23rd July, 1970 and that dated 31st July, 1970, dated 3rd August, 1970 addressed to the Officers Incharge

Aeronautical Communication Stations, Calcutta, Bombay and Madras wherein it had been stated that arrangements were made to obtain and supply replacement items. It is requested that this office may kindly be informed how the position stands in this regard. In respect of supplies made to Palam and the Controller, Central Radio Stores Depot it is requested that the position regarding supply of shortage may kindly be intimated.

A very early reply will be appreciated.

Yours faithfully,

Sd/-

Asstt. Director of Communication
for Director General.

ANNEXURE III

(Copy of Letter referred to in Para 1.10)

OFFICE OF THE DIRECTOR GENERAL OF CIVIL AVIATION

No. 4/14/64-COM.III

Dated New Delhi, the 4th May, 1971.

To

M/s. Greaves Cotton & Co. Ltd.,
Thapar House,
124, Janpath, Post Box 566,
New Delhi.

SUBJECT:—D.G.S.&D. A/T No. SE4/209/34/051/III/3575, Dt. 7-6-1966
for 4 Nos. Selenia ATCR-2D Radars

Gentlemen,

Please refer to this office letter No. 4/14/64-COM.III, dated the 16th January, 1971 and subsequent reminder, dated the 19th March, 1971.

It will be appreciated if you kindly let this office know, at the earliest convenient date, the supply position of items mentioned in your letters No. D/Mc 4001/HS. dated the 23rd July, 1970, 31st July, 1970 and 3rd August, 1970 addressed to the Officer-in-Charge, Aeronautical Communication Station, Calcutta, Bombay and Madras and

also about supply of shortage in respect of supplies made to Palam and the Controller, Central Radio Stores Depot, New Delhi.

Yours faithfully,

Sd/-

Senior Technical Officer

for Director General of Civil Aviation.

Recommendation

The Committee also note that in 3 out of 7 cases the shortages were reported beyond the period of 30 days. The Committee note that the firm has agreed to supply the missing items, but they cannot help feeling that the Department should have been sufficiently alert in reporting the discrepancies without delay.

[S. No. 3 of Appendix II—Para No. 1.11 of the 124th Report
(Fourth Lok Sabha)]

Action Taken

Noted.

Recommendation

The Committee note that although the consignments were shipped from Italy after the closure of the Suez Canal and it took much longer time in transit via the Cape of Good Hope the period of warranty of 15 months from the date of shipment as decided before the closure of the Suez Canal remained unaltered and no attempts were made to extend the period of warranty proportionately. The Committee cannot appreciate how this important aspect was overlooked. The Committee would like Government to take appropriate action in time in regard to cases where the conditions relevant to the period of warranty are materially altered after the execution of contracts. The D.G.S.&D. should also keep a watch in this respect for remedial action.

[S. No. 4 of Appendix II—Para No. 1.13 of the 124th Report
(Fourth Lok Sabha)]

Action Taken

Noted. Suitable instructions have been issued to all concerned by this Ministry on 1st June, 1971 (Annexure IV) and by the Director General of Supplies and Disposals on 15th May, 1971 (Annexure V).

ANNEXURE IV

No. 4-34/70-IF

GOVERNMENT OF INDIA

MINISTRY OF TOURISM & CIVIL AVIATION

New Delhi, Dated the 1st June, 1971.

To

The Director General of Civil Aviation,
New Delhi.

The Director General of Tourism,
New Delhi.

The Director General of Observatories,
New Delhi.

The Commissioner of Railway Safety,
Lucknow.

SUBJECT:—*Warranty/Guarantee Clause in purchase orders.*

Sir,

The Public Accounts Committee in their 124th Report (Fourth Lok Sabha, 1970-71) have observed as under in connection with the shipment of High Power Air-route Surveillance Radars purchased from Italy in 1966:—

"The Committee note that although the consignments were shipped from Italy after the closure of the Suez Canal and it took much longer time in transit via the Cape of Good Hope the period warranty of 15 months from the date of shipment as decided before the closure of the Suez Canal remained unaltered and no attempts were made to extend the period of warranty proportionately. The Committee cannot appreciate how this important aspect was overlooked. The Committee would like Government to take appropriate action in time in regard to cases where the conditions relevant to the period of warranty are materially altered after the execution of contracts. The D.G.S.&D. should also keep a watch in this respect for remedial action".

2. Although it is true that the shipping time via the Suez versus the Cape of Good Hope will vary from vessel to vessel depending on various factors like number of ports of call, cruising speed,

route taken etc. the haulage between UK/Continent and India via the Cape of Good Hope will take some more time. In addition to extra shipping time there might be other contingencies which may materially reduce the period of warranty available. In all such cases officers connected with purchase from abroad should make appropriate and timely efforts to have the warranty suitably extended so that the period of warranty available to the Govt. is not reduced.

3. I am directed to request that the above instructions may be brought to the notice of all concerned for exercising utmost care in the matter.

Yours faithfully,

Sd/-

Deputy Secretary to the Govt. of India.

Copy forwarded to All Officers in the Ministry of Tourism & Civil Aviation for information and guidance.

Sd/-

Deputy Secretary (IF).

ANNEXURE V

DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS (CDN-2 Section) New Delhi

ROUTINE No. 25

Dated 15-5-1971.

SUBJECT:—Warranty/Guarantee Clause in A/T.

In a certain purchase case for importer stores the period of warranty was stipulated as one year from the date of commissioning or 15 months from the date of shipment from Italian Port, whichever was earlier, etc. This acceptance of tender was placed in early 1966. Subsequently, the Suez Canal was closed for all incoming traffic to India and all the ships had therefore to be diverted via the Cape of Good Hope.

2. The Public Accounts Committee in their 124th Report (Fourth Lok Sabha) (1970-71) on the Audit Report (Civil) 1970 and Appropriation Accounts (Civil) 1968-69 relating to the indenting Ministry remarked as follows on the basis that shipment via the Cape of

Good Hope will take longer time as compared to shipments through the Suez:—

“The Committee note that although the consignments were shipped from Italy after the closure of the Suez Canal and it took much longer time in transit via the Cape of Good Hope the period of Warranty of 15 months from the date of shipment as decided before the closure of the Suez Canal remain unaltered and no attempts were made to extend the period of warranty proportionately. The Committee cannot appreciate how this important aspect was overlooked. The Committee would like Government to take appropriate action in time in regard to cases where the condition relevant to the period of warranty are materially altered after the execution of contracts”.

3. The matter has been examined in consultation with the Ministry of Shipping and Transport and it has been advised by them that the shipping time via the Suez versus the Cape of Good Hope will vary from vessel to vessel depending on various factors like number of ports of call, cruising speed and route taken. The fact, however, remains that the haulage between U.K./Continent and India via the Cape of Good Hope being more it will on the fair/estimate, take 7-10 days extra time.

Recommendation

4. In addition to extra shipping time, there might be other contingencies which may materially reduce the period of warranty available. In all such cases the purchase Officers should make appropriate and timely efforts to have the warranty suitably extended so that the period of warranty available to the Government is not reduced.

Sd/-

All Purchase Dtes/Sections
at Hqrs. and the Regions,

Dy. Director (CS-I)

(One File No. CDN-2/26(2)/III/71).

Copy to:—

CDN-5 Their case No. CDN-5/4(42)/71 refers.

Recommendation

The Committee are grieved to note that a project contemplated for modernisation of 4 airports during the Third Plan (1961-66) was not expected to reach completion even by the middle of the Fourth Plan (1969-74).

[S. No. 7 of Appendix II—Para No. 1.25 of the 124th Report
(Fourth Lok Sabha)].

Action Taken

Noted.

Recommendation

The proposal to install 4 "high power air-route surveillance radars" was originally sent by the Ministry of Tourism and Civil Aviation to the Ministry of Finance in September, 1963. Thereafter a dialogue ensued between the two ministries with the result that the foreign exchange was released only in July 1965. Taking two years in obtaining foreign exchange for an aeronautical project where technical advancement and obsolescence take place at an accelerated rate highlights the existence of bottlenecks and rigidity in our decision making and financial sanctioning procedure. The Committee would like the matter to be gone into by Government and the procedure streamlined for expeditious finalisation of proposals.

[S. No. 8 of Appendix II—Para No. 1.26 of the 124th Report
(Fourth Lok Sabha)]

Action Taken

Noted. The matter has been taken up with the Ministry of Finance, Department of Economic Affairs on 29th April, 1971 (Annexure I) for streamlining procedure for expeditious finalisation of proposals.

ANNEXURE I

IMMEDIATE

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

SUBJECT:—*Public Accounts Committee—124th Report for 1970-71—
Purchase of equipment*

In connection with the establishment of an Airways System in India by the Civil Aviation Department it was decided in March 1964 to purchase 4 sets of Air Routes Surveillance Radar for installation at Bombay, Calcutta, Delhi and Nagpur. Subsequently, it was decided to instal the set for Nagpur at Madras. The proposal to purchase the four sets of Radars was accepted by the Ministry of Finance, subject to the condition that the purchase was financed under some Aid Scheme. Accordingly, in consultation with the

Department of Economic Affairs, a project report was submitted to them in July 1964 for financing the purchase from the USAID. In September 1964, the Italian Embassy informed the Director General of Civil Aviation that the Radars in question were also being manufactured by Selenia, a firm of Italy, and suggested procurement of the equipment under the Italian Credit. As the Italian equipment was cheaper (Rs. 35 lakhs per set) than that of the USA (Rs. 45 lakhs per set) the Civil Aviation Department submitted a revised proposal in December 1964 for obtaining the equipment under the Italian Credit from Selenia. This proposal was finally cleared by the Ministry of Finance in September 1965. There has been delay in the installation of the Radars and the Audit included the case in their Audit Report (Civil) 1970. The case has also been examined by the PAC. Paragraphs 1.7 and 1.26 of the PAC's 124th Report refer. The PAC has made *inter-alia* the following recommendations:—

- (i) "The Committee on the basis of evidence tendered before them can only conclude that Government did not fully satisfy themselves that the High Power Air-Route Surveillance Radars purchased from the Italian firm on the basis of the supplier's credit offered were the best or the cheapest for the price paid for them. It appears at the time of deciding on this purchase the Government were not in possession of information regarding availability of this equipment and its relative prices in countries other than USA and Italy; no attempt was made to find out if credit would be available from any other source. In the opinion of the Committee a purchase of this magnitude involving Rs. 3.90 crores of which Rs. 2.83 crores were in foreign exchange should not have been considered without obtaining adequate comparative data on all aspects of the purchase from available sources. This lack of inquiry is all the more deplorable because as the Committee have commented in a latter section of this report, the Department do not expect to instal the equipments ordered for in 1966 and received by December, 1969 any time before the end of 1971. The Committee, therefore, desire that in future in all cases of substantial purchases comparative economics should be worked out after getting information from all accessible sources prior to accepting a supplier's credit. The manner in which this can be ensured may be settled between the

Ministry of Finance (Department of Economic Affairs) and the Purchasing Ministries."

- (ii) "The proposal to instal 4 'high power air-route surveillance radars' was originally sent by the Ministry of Tourism and Civil Aviation to the Ministry of Finance in September, 1963. Thereafter a dialogue ensued between the two Ministries with the result that the foreign exchange was released only in July, 1965. Taking two years in obtaining foreign exchange for an aeronautical project where technical advancement and obsolescence take place at an accelerated rate highlights the existence of bottlenecks and rigidity in our decision making and financial sanctioning procedure. The Committee would like the matter to be gone into by Government and the procedure streamlined for expeditious finalisation of proposals."

2. Since the recommendations of the PAC will apply to all the Ministries of Government of India, the Ministry of Finance are requested kindly to examine them for issue of suitable instructions. PAC is being advised that the matter has been brought to the notice of Ministry of Finance (Deptt. of Economic Affairs) for evolving suitable procedure in compliance with PAC's recommendations.

A copy of PAC's report is enclosed.

Sd/-

Joint Secretary.

Min. of Finance (Deptt. of Economic Affairs)

(Shri G. V. Ramakrishna, Jt. Secretary), New Delhi.

Min. of Tourism & Civil Aviation, New Delhi, U.O. No. 2-VB(4)/70-Vol. II, dated 29-4-71.

Copy to Min. of Finance (Expenditure Division) (Shri Y. T. Shah, Addl. Secy.), New Delhi.

Sd/-

Under Secretary to the Govt. of India.

Recommendation

The Committee are also not convinced that the siting data could not be obtained earlier than February, 1966. Thereafter the way the sites were selected in all the four air ports, the acquisition of land processed as commented in the succeeding section of this report, shows that the entire project was marked by lack of plan-

ning and foresight. The Committee wish that all the processes for installation of equipment should be clearly identified and target dates fixed when equipment are ordered keeping in view the delivery schedule and the guarantee period under the contract.

[S. No. 9 of Appendix II—Para 1.27 of the 124th Report
(Fourth Lok Sabha)].

Action Taken

Noted. Suitable instructions have been issued on 1st June, 1971 (Annexure VII) to all concerned for future guidance.

ANNEXURE VII

No. 4-34/70-IF

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

New Delhi, dated the 1st June, 1971.

The Director General of Civil Aviation,
New Delhi.

The Director General of Observatories,
New Delhi.

The Director General of Tourism,
New Delhi.

The Commissioner of Railway Safety,
Lucknow.

SUBJECT:—*Hundred twenty fourth report of the Public Accounts Committee (Fourth Lok Sabha, 1970-71)—Delay in installation of equipments.*

Sir,

The Public Accounts Committee in their Hundred Twenty Fourth Report (Fourth Lok Sabha 1970-71) have commented adversely about the delay in the installation of radars. The delay was attributed to various reasons viz. delay in processing the proposal for sanction, delay in according the sanction, delay in finalising the sites for installation of radars, lack of planning and foresight etc. The Committee desired that all processes for installation of equipment should be clearly identified and target dates fixed when equipments are ordered keeping in view the delivery schedule and the guarantee period under the contract.

2. I am directed to request that the above observations of the Committee may be brought to the notice of all officers of your department so that the various stages of a project are clearly identified and target dates fixed before a project is initiated and utmost care is taken to see that the target fixed are adhered to.

Yours faithfully,

Sd/-

Deputy Secretary to the Govt. of India.

Copy forwarded to All Officers and Sections in this Ministry for information and guidance.

Sd/-

Deputy Secretary (IF).

Recommendation

The Committee note there has been delay in the sitting Board meeting at Delhi. The Board met only in October, 1966 although the sitting criteria became available in February, 1966. It took 8 to 9 months for the finalisation of the selection of site at Delhi and Calcutta. In Bombay the site selection took 2½ years and it was finalised only in September, 1968 after the first batch of equipment was received in June, 1968. The Committee find that with better co-ordination among the departments concerned the work could have been pushed through with expedition.

[S. No. 10 of Appendix II—Para No. 1.46 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted.

Recommendation

The Committee further note that action for land acquisition was initiated in October, 1968 in Delhi although the site selection was over in July, 1967. The notification under Section 4 of the Land Acquisition Act, 1894 was issued only in September, 1969 and the land was not handed over till August, 1970. As regards Calcutta although the action was initiated shortly after the selection of the site the Section 4 notification was issued only in March, 1970 and it is not known when the land will be handed over. The Committee do not feel happy with the inordinate delay in acquiring the land. As the costly equipment had been imported long back the Depart-

ment should have convinced the authorities concerned of the necessity for expeditious acquisition of land.

[S. No. 11 of Appendix II—Para No. 1.47 of the 124th Report
(Fourth Lok Sabha)].

Action Taken

Noted.

Recommendation

The Committee find that in Bombay and Madras where departmental land was available it took one year to have the preliminary estimates for the buildings sanctioned and the buildings are expected to be completed only by the middle of 1971 and that it will take another six months to instal the equipments. The Committee are not convinced that the delay in the preparation of estimates and getting them sanctioned was inavoidable. They wish that the procedure for preparation of estimate and getting them sanctioned streamlined so as to cut out needless red-tape and delay.

[S. No. 12 of Appendix II—Para No. 1.48 of the 124th Report
(Fourth Lok Sabha)].

Action Taken

A minimum period of 12 to 21 months for planning and designing of works has been allowed in the Code of the Central Public Works Department. However, the recommendations of Public Accounts Committee have been brought to the notice of Ministry of Works & Housing on 29th April, 1971 (Annexure VIII) for necessary action.

ANNEXURE VIII

No. 2-VB(4)/70-Vol. II

IMMEDIATE

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

New Delhi, 29th April, 1971.

**SUBJECT:—Public Accounts Committee—124th Report for 1970-71—
procedure for preparation of estimates and designs.**

In connection with the establishment of an Airways System in India by the Civil Aviation Department it was decided to purchase

four sets of Air Route Surveillance Radars for installation at the four international airports viz; Delhi, Calcutta, Bombay and Madras. The installation of the equipment involved *inter alia* planning, designing and execution of civil works. There has been some delay in the installation of the equipment and the Audit included the case in their Audit Report (Civil) 1970. The case was examined by the Public Accounts Committee, which has *inter alia* made the following recommendation.

"The Committee find that in Bombay and Madras where departmental land was available it took one year to have the preliminary estimates for the buildings sanctioned and the buildings are expected to be completed only by the middle of 1971 and that it will take another six months to instal the equipments. The Committee are not convinced that the delay in the preparation of estimates and getting them sanctioned streamlined so as to cut out needless red-tape and delay."

2. The Chief Engineer (NZ) has offered the following comments on the above recommendations of the Public Accounts Committee.

"We have already told Public Accounts Committee meeting that as per our Central Public Works Department Code of practice, it takes 12 to 21 months for us to make a start of a work after requisition of the project is received. Preliminary estimates for Bombay and Madras were sent in April, 69 against the requisition of September 68 and November 68 i.e. we have taken 7 and 5 months for Bombay and Madras respectively. The time was required as we had to collect details regarding cost of Civil, Electrical, Furniture, drainage items etc., which were to be obtained from the Civil & Electrical branches of the Central Public Works Department".

3. While appreciating the difficulties involved in the actual preparation of the estimates, it is felt that some means may have to be found to reduce the time taken in the actual preparation of the estimates and getting them by eliminating avoidable delays at various stages and by streamlining the procedures, as observed by the Committee. The Ministry of Works & Housing are therefore, requested kindly to examine the procedure for preparation of estimates and issue suitable instructions for streamlining the procedures and expeditious preparation and sanction of estimates. The Public Accounts Committee is being informed that the Ministry of

Works & Housing have been requested to examine this matter for issue of suitable instructions.

Sd/-

Joint Secretary to the Govt. of India.

To

The Ministry of Works & Housing,
(Shri Kartar Singh, Joint Secretary),
New Dedhi.

No. 2-VB(4)/70-Vol. II,

Dated 29-4-71.

Copy to the Director General of Civil Aviation, New Delhi.

Copy to Ministry of Finance (CAF).

Sd/-

Under Secretary to the Govt. of India.

Recommendation

The Committee note that the Study Group of International Airports Committee have recommended in their report (September, 1968) that the planned projects of installation of Air Route Surveillance Radar should be expedited for implementation as soon as possible and included it under immediate improvements recommended to be completed within the next two years to meet the international and domestic traffic needs. The Committee hope that the Department of Civil Aviation will lose no further time and instal the equipments without delay so that the needed facility will be available at the earliest and the risk of deterioration of equipments by the prolonged storage avoided.

[S. No. 13 of Appendix II—Para No. 1.53 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted.

Recommendation

While the Committee deplore the lack of effective coordination and proper follow up action revealed in this case, they would suggest that the Department of Civil Aviation should ensure that in executing such projects in future there is better coordination with all the concerned agencies and proper follow up action is taken at each stage to avoid delays.

[S. No. 14 of Appendix II—Para No. 1.54 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted. All efforts will be made by the Department towards better coordination with all concerned agencies.

Recommendations

The Committee note that 15 audiomodulated radio-sonde/radar wind finding equipments were to be installed during the Third Five Year Plan period. The first batch of 7 sets of WBRT were purchased at the cost of Rs. 5.99 lakhs each during March-August, 1965 and thereafter 8 sets of Selenia wind finding radars were purchased at the cost of Rs. 6.07 lakhs (before devaluation) and Rs. 9.67 lakhs (after devaluation) each in October, 1966.

[Sl. No. 15 (para 1.65) of Appendix II of 124th Report (Fourth Lok Sabha)].

The Committee find that the Selenia wind finding radars were in fact costlier than WBRT equipment although the latter is admittedly a better equipment. The Committee are unhappy to note that purchases from two different sources were made without obviously evaluating the comparative advantages in regard to price and utility of each equipment. They accordingly desire that the Government should be circumspect in entering into purchases of this kind in future so that they get the best value for the foreign exchange spent.

[Sl. No. 16 (para 1.66) of Appendix II to 124th Report (Fourth Lok Sabha)].

Action Taken

The Selenia radar is a dual purpose equipment with the capability of detecting storms in addition to the measurement of upper air pressure, temperature, humidity and winds. Though the US Weather Bureau Radiotheodolite (WBRT-57) is better in performance in the matter of measurement of upper air pressure, temperature, humidity and winds, it is not made to detect storms. Selenia radars were required for installation at peninsular stations where upper air measurement requirements were less stringent and which are more subject to cyclonic storms, this equipment was therefore preferable to WBRT.

However the Committee's observations have been noted and necessary instructions have been issued on 2-6-1971 (Annexure IX).

ANNEXURE IX

No. 4-34(M)/70-IF

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

New Delhi, Dated the 2nd June, 1971.

The Director General of Civil Aviation,
New Delhi.

The Director General of Observatories,
New Delhi.

The Director General of Tourism,
New Delhi.

The Commissioner of Railway Safety,
Lucknow.

SUBJECT:—*Hundred Twenty Fourth Report of the Public Accounts Committee (Fourth Lok Sabha, 1970-71)—Need for evaluating comparative advantages of equipments available from various sources.*

Sir,

The Public Accounts Committee in their Hundred Twenty Fourth Report (Fourth Lok Sabha, 1970-71) have commented adversely about the purchase of certain equipment from two different sources without evaluating the comparative advantages in regard to price and utility of each equipment. The Committee have desired that the Government should be circumspect in entering into purchases of this kind so that they get the best value for the foreign exchange spent.

2. I am to request that the above observations of the Committee may kindly be brought to the notice of all officers in your Department/Organisation concerned with procurement of Stores/equipment etc. and it may be impressed upon them that they should exercise utmost care while framing proposals for purchases from abroad and comparative advantages of equipment available from various

sources/countries should be evaluated, both in price as well as in utility before a final decision for purchase is taken.

Yours faithfully,

Sd/-

Deputy Secretary to the Govt. of India.

Copy forwarded to All Officers and Sections in the Ministry for information and guidance.

Sd/-

Deputy Secretary.

Recommendation

As regards the shift from Ahmedabad and Srinagar the Committee were given to understand that the buildings available were not suitable for the installation of the heavy WBRT equipment and that necessary land for the purpose of construction of proper buildings was also not obtainable. The decision to locate these theodolites at these two stations was taken in 1961. It is indeed strange that the deficiencies of the buildings and non-availability of land should have come to light only in 1966 five years after the formulation of the proposals. The Secretary, Ministry of Tourism & Civil Aviation conceded that the Department "should have known about the requirement. This must be readily accepted. I do not have an explanation for it". The Committee are distressed at the lack of care depicted in not realising the unsuitability of the buildings at these two stations where the equipments were to be located. Further changing the stations for location of the modern wind finding equipment because of unsuitability of the buildings shows that the earlier priorities assigned, for modernisation of the stations were not very realistic. The Committee would, therefore, like to emphasise that there should be a proper and complete survey of all probable sites so as to establish their feasibility in all respects much ahead of the import of equipments in order to avoid the mistake of the kind that occurred in this case entailing delay in completion of the project.

[Sl. No. 19 (para. 1.80) of Appendix II to 124th Report (Fourth Lok Sabha)].

Action Taken

The Committee's observations have been noted and suitable instructions have been issued on 2-6-1971 (Annexure X) to all concerned to avoid recurrence of such instances.

ANNEXURE X

No. 4-34 (M) 70-IF

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

New Delhi, Dated the 2nd June, 1971.

The Director General of Civil Aviation,
New Delhi.

The Director General of Observatories,
New Delhi.

The Director General of Tourism,
New Delhi.

The Commissioner of Railway Safety,
Lucknow.

SUBJECT:—*Hundred Twenty Fourth Report of the Public Accounts Committee (Fourth Lok Sabha—1970-71)—Shifting of sites for installation of W.B.R.T. Equipment.*

Sir,

The Public Accounts Committee in their Hundred Twenty Fourth Report (Fourth Lok Sabha, 1970-71) have commented adversely on the shifting of sites earlier selected for installation of certain imported equipment on account of buildings/civil facilities at these sites having been subsequently found to be not suitable. The Committee have, therefore, emphasized that there should be a proper and complete survey of all probable sites so as to establish their feasibility in all respects much ahead of the import of equipment in order to avoid the mistake of the kind that occurred in this case entailing delay in completion of the project. I am to request that the above observations of the Committee may be brought to the notice of all concerned in your Department concerned with the implementation of projects and installation of equipment so that utmost care is exercised in the initial stages itself in properly and carefully completing the survey of all probable sites so as to ensure that the sites once selected do not have to be shifted for want of civil facilities/infra structure for the installation of equipment.

Yours faithfully,

Sd/-

Deputy Secretary to the Govt. of India.

Copy forwarded to All Officers and Sections in the Ministry for Information and guidance.

Sd/-

Deputy Secretary.

Recommendation

After the location was changed to Lucknow in 1966 it took nearly 4 years to accord administrative approval and expenditure sanction for the construction of building for which a plot of land was made available by the Director General of Civil Aviation in April, 1967 and the construction has not started yet (August, 1970). The Secretary, Ministry of Tourism & Civil Aviation while admitting the delay urged in extenuation that "this was due to the difference of opinion between the CPWD and the Ministry of Finance which unfortunately went on for some considerable time". The Committee can hardly appreciate such inordinate delay in according financial concurrence.

[Sl. No. 20 (Para 1.86) of Appendix II to 124th Report (4th Lok Sabha)]

The Committee note that Jodhpur was one of 18 stations where modern wind finding equipments were to be installed as part of the India Meteorological Department's Third Five Year Plan. Although according to the witness action was initiated by the Department to find permanent accommodation for the installation of the equipment as far back as in 1956, the land could be purchased only in 1966. The Committee can hardly appreciate such inordinate delay. Further they note that it took a year for according administrative approval and expenditure sanction and another year to start construction of the building. The Committee are of the view that the delay of one year at such stage is not something which was inevitable.

[Sl. No. 21 (Para 1.87) of Appendix II to 124th Report (4th Lok Sabha)]

The Committee have suggested investigation into lack of co-ordination between the different Ministries in earlier part of the report. This case may also be included in its ambit and the Committee apprised of the result.

[Sl. No. 22 (Para 1.88) of Appendix II to 124th Report (4th Lok Sabha)]

The Committee are perturbed over the tendency on the part of the Departments to delay the completion of planned projects due to lack of coordination between the Ministries or advance planning with a targetted programme. In this case not a single equipment was installed during the Third Plan period. (Six WBRTS procured during March-August, 1965 were actually installed between December, 1966 and June, 1970 long after the expiry of the warranty period in June, 1966 and the remaining one is yet to be installed.) That "fortunately they (the equipments installed) have been functioning to our satisfaction" does not justify the failure to instal them within the warrant

period. The Committee have elsewhere in this report drawn attention to the delays and lapses in taking advance action. The Committee would like the Government to consider in what manner the Departmental procedures and practices should be streamlined to gear them up for speedy action and make planning meaningful.

[S. No. 23 (Para 1.92) of Appendix II to 124th Report (4th Lok Sabha)]

Action Taken

The Committee's observations have been noted and delays have been looked into. Instructions have been issued on 2nd June, 1971 (Annexure XI) to all concerned to identify well in advance the various phases of implementation of Plan projects and fix target dates for completion of various formalities phases of projects and set up and effective machinery for coordination and follow-up action. Heads of Departments have also been requested constantly and effectively to review the performance of such Plan projects so as to ensure that the targetted programme is adhered to. At the Ministry's level, the progress of implementation of Plan projects is also being reviewed at Secretary's level. Ministry of Works, Housing have been requested on 1st June, 1971 (Annexure XII) to look into the matter for issue of suitable instructions.

ANNEXURE XI

No. 4-34 (M)/70-IF

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

New Delhi, Dated the 2nd June, 1971.

The Director General of Civil Aviation,
New Delhi.

The Director General of Observatories,
New Delhi.

The Director General of Tourism,
New Delhi.

The Commissioner of Railway Safety,
Lucknow.

SUBJECT:—*Hundred Twenty Fourth Report of the Public Accounts Committee (Fourth Lok Sabha, 1970-71)—Lack of Co-ordination and advance planning.*

Sir,

The Public Accounts Committee in their Hundred Twenty Fourth Report (Fourth Lok Sabha, 1970-71) have commented adversely on

the delay in the completion of plan projects due to (i) lack of co-ordination and follow up action and (ii) advance planning with a targetted programme.

2. With a view to ensure that such cases of lack of co-ordination/ follow up action, advance planning do not recur, I am to request that in future all phases of implementation of Plan projects should be clearly identified well in advance and target dates for completion of various formalities and phases of projects fixed. Action should also be taken to set up a suitable machinery for effective co-ordination and follow-up action with all the Departments/Organisations concerned with the implementation of the project. The progress of implementation of such projects should be constantly and effectively reviewed right from the inception by the Head of the Department personally so as to ensure that proper co-ordination and follow up action is being maintained and targetted programme is being adhered to. In the event of any shortfall in performance, the matter should be brought to the notice of Ministry or to the Task Forces which have been recently constituted for periodically reviewing progress of implementation of Plan schemes for taking suitable remedial action.

Yours faithfully,

Sd -

Deputy Secretary to the Govt. of India.

Copy forwarded for information and guidance to All Offices in the Ministry.

Sd -

Deputy Secretary

ANNEXURE III

GOVERNMENT OF INDIA

MINISTRY OF TOURISM AND CIVIL AVIATION

No. 3-34/70-IF

Dated New Delhi, the 1st June, 1971

SUBJECT:—Public Accounts Committee—124th Report for 1970-71.

The Public Accounts Committee in their 124th Report for 1970-71 have commented adversely on the delay which has taken place in installation of Radio Sonde and Radio Wind Units at Lucknow and

Jodhpur. In this connection, the P.C. have made the following recommendations:—

“1.86. After the location was changed to Lucknow in 1966 it took nearly 4 years to accord administrative approval and expenditure sanction for the construction of building for which a plot of land was made available by the Director General of Civil Aviation in April, 1967 and the construction has not started yet (August, 1970). The Secretary, Ministry of Tourism & Civil Aviation while admitting the delay urged in extenuation that “this was due to the difference of opinion between the CPWD and the Ministry of Finance which unfortunately went on for some considerable time”. The Committee can hardly appreciate such inordinate delay in according financial concurrence.

1.87. The Committee note that Jodhpur was one of 18 stations where modern wind finding equipments were to be installed as part of the India Meteorological Department's Third Five Year Plan. Although according to the witness action was initiated by the Department to find permanent accommodation for the installation of the equipment as far back as in 1956, the land could be purchased only in 1966. The Committee can hardly appreciate such inordinate delay. Further they note that it took a year for according administrative approval and expenditure sanction and another year to start construction of the building. The Committee are of the view that the delay of one year at such stage is not something which was inevitable.

1.88. The Committee have suggested investigation into lack of co-ordination between the different ministries in earlier part of this report. This case may also be included in its ambit and the Committee apprised of the result.”

2. It will be seen that the Committee have suggested in into lack of co-ordination between the different Ministries. The matter has been investigated into and statements giving the chronological events leading to the establishment of radio sender-radio wind units at Jodhpur and Lucknow are enclosed. It will be seen therefrom that there have been delays at various stages. In so far as this Ministry is concerned, in order to avoid recurrence of such delays, instructions have been issued (copy enclosed). It is requested that the matter may be similarly looked into at your end and suitable instructions issued to avoid recurrence of such delays. In the meantime, the PAC is being

advised that the Ministry of Works, Housing and Urban Development have been requested to look into the matter for issuance of suitable instructions.

Sd/-

Under Secretary to the Govt. of India.

The Ministry of Works, Housing and Urban Development,
New Delhi.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES OF GOVERNMENT.

Recommendation

The Committee find that the location of the equipments was changed from Allahabad to Lucknow in August 1966 and from Ahmedabad and Srinagar to Jodhpur and Nagpur in December, 1966 long after the receipt of the equipments and the expiry of the warranty period. The reason advanced for the shift from Allahabad is that the I.A.F. was to take over the aerodrome at Bamrauli (Allahabad). The Committee desire to be convinced that there was effective coordination between the IAF and the India Meteorological Department right from the time the sites were selected initially.

[Sl. No. 18 (para 1.79) of Appendix II to 124th Report (Fourth Lok Sabha)].

Action Taken

Although it was decided by Government that the Civil Aerodrome will be taken over by the IAF in 1962, it was also decided on 25-9-62 that the India Meteorological Department would continue the provision of meteorological facilities at the airport for some more time. It was in the meantime decided on 25-9-1964 to shift the location of the RS/RW station itself from Bamrauli to Lucknow. Since the IAF was ultimately to take over the station and a permanent building was available at Amausi (Lucknow) airfield and from the synoptic point of view both stations were similar, the actual shift was, after the Indian Air Force requested the Department to shift from Bamrauli, completed on 15-8-66 and the station started in a rented building. There has been no lack of effective coordination between the Indian Air Force and the India Meteorological Department from the time the sites were initially selected.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION.

Recommendation

The Committee were informed that the delay in installing the equipments was partly due to delay in manufacturing departmentally the audio-frequency modulated radiosondes, a subsidiary equipment necessary for accurate measurement of upper air data. The Committee note that the manufacture was taken in hand only in 1963 although the Department initiated action for the selection of places in 1951 at the time of formulation of the Third Five Year Plan. The flying equipment was ready after testing only in 1967. The Committee regret to note the failure of the Department to take timely action to improve and modify the mechanical radiosondes, though they had experience of manufacturing this equipment for the past 25 years.

[Sl. No. 17 (para 171) of Appendix II to 124th Report (Fourth Lok Sabha)].

Action Taken

Immediately after, the Department's proposal was accepted by the Government in July, 1962, action was initiated for the development of an electronic radiosonde and actual work of development was in fact started in 1962 itself. The electronic radiosonde (an audiofrequency modulated radiosonde) is completely different from the mechanical (chronometric) radiosonde then in use, both in concept and design. Before its mass production could be taken up in the departmental workshops the complete system, using as far as possible indigenous components, had to be developed in the departmental laboratories and tested in extensive laboratory and field trials. Entirely new calibration equipment with automatic mercury menometers for the calibration of baroswitches (the pressure sensing and switching element) had to be designed and constructed. The technical know-how and wherewithal required for the development of this new equipment was completely different from that already available in the Department for manufacture of mechanical radiosondes. In fact, the electronic radiosonde was ready in 1966 but the Department could go in for mass production in 1967 only after having adequate and detailed tests on one of the WBRT units.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee are unhappy that the Department of Civil Aviation are not able to instal even a single radar procured at such a heavy cost within the normal warranty period. They are also not satisfied with the way the period of warranty was got extended by the firm "as a gesture of cooperation". The Secretary, Ministry of Tourism and Civil Aviation, however, had taken a position before the Committee that the warranty period should be counted not only from the date of shipment of the last consignment but also from the date of shipment of all the missing parts. The Committee desire that where there is a doubt about interpretation of the terms of a contract the views of the Ministry of Law should be obtained at the earliest opportunity.

The Committee might be informed of the final outcome of the negotiations with the firms on this point.

[Sl. Nos. 5 & 6 of Appendix II—Para Nos. 1.20 and 1.21 of the 124th Report (Fourth Lok Sabha)].

Action Taken

Noted. Various issues involved in this case have been clarified to the Director General of Supplies and Disposals on 25-5-1971 (Annexure VI) for obtaining legal advice from the Ministry of Law and the final outcome will be reported to the Public Accounts Committee in due course.

[Replies to all recommendations at Serial Nos. 1—23 were received along with the Ministry of Tourism and Civil Aviation (Department of Tourism & Civil Aviation) O.M. No. 4-34 70-IF, dated the 17th June 1971].

ANNEXURE VI

K. ANJALIAH,
Sr. Tech. Officer.

MOST IMMEDIATE

OFFICE OF THE DIRECTOR GENERAL OF CIVIL AVIATION

11/4/69-COM. II

25th May, 71.

Dear Sri Pal,

A reference may be made to your D.O. No. CLN-5/5(42)/71 dated 28th April, 1971 enclosing copies of notes recorded in the Directorate General of Supplies and Disposals as well as the views of the Ministry of Law.

It would appear that an impression has been created that the Radar equipment and the installation materials supplied under the contract are different items unrelated to each other and that the Radar is a part of some other system. It is further observed that the note recorded in the Directorate General of Supplies and Disposals, indicated that as Radar and installation materials were supplied on different dates, the date of commencement of warranty period in each case should be from the date of shipment of individual Radars. The Legal Adviser has expressed the opinion that the warranty clause can be involved only where defective material has been supplied.

In this connection, it may be mentioned that the Radar equipment as well as all accessories including the installation materials should be treated as indivisible whole and should be supplied in total. Consequently, the A/T should be treated as one complete item. It is essential that the Radar equipment and the accessories including all the installation materials are received in full before any defect in the materials can be determined. It is, therefore, obvious that the date of commencement of the warranty clause should be when the entire equipment and the accessories as well as the installation materials are shipped as a complete whole.

It is, therefore, requested that this may kindly be brought to the notice of the Ministry of Law and their advice sought keeping the

above aspect in view. If considered necessary, this Department may also please be associated during the discussion with the Ministry of Law.

The final comments on the conclusion/recommendations made by the PAC are required to be submitted before the end of May, 1971. It would be appreciated if this is given top priority and your comments furnished during the next two to three days.

With regards,

Yours sincerely,

Sd/-

Sri M. M. Pal,
Dy. Director (CS-1),
Directorate General of Supplies & Disposals,
New Delhi.

Copy to Mr. C. B. Agarwal, Dy. Director. DGS&D.

NEW DELHI;

ERA SEZHIYAN.

February 22, 1972.
Phalgun 3, 1893 (S).

Chairman.
Public Accounts Committee.

APPENDIX

Summary of main Conclusions/Recommendations

S. No.	Para No.	Miaistry/Deptt. concerned	Conclusion/Recommendation
1	2	3	4
1	1.4	Tourism and Civil Aviation (Dept. of Civil aviation)	The Committee hope that final replies in regard to those recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.
2	1.8	-do-	The Committee would like the Ministry of Finance to finalise the procedure quickly and issue necessary instructions to all the purchasing Ministries under intimation to them.
3	1.13	-do-	The Committee note with concern that the Department is yet to receive the missing parts from the firm. They would like to know whether the installation of any of the equipments is delayed only for want of the missing parts.
4	1.14	-do-	The Committee need hardly stress that concerted steps should be taken to get the missing parts quickly so as to expedite the installation of the costly equipment at the four major air ports.
5	1.17	-do-	The Committee desire that an early decision should be taken in the matter and the final outcome of the case be intimated to them.

- | | | | |
|----|-------|----------------|---|
| 6 | I. 20 | Civil Aviation | The Committee would like the Ministry of Finance to take expeditious action to streamline the procedure for expeditious finalisation of proposals involving foreign exchange and intimate to them. |
| 7 | I. 26 | -do- | The Committee hope that the Department of Civil Aviation will lose no further time and instal the equipments without delay. |
| 8 | I. 29 | -do- | While the Committee note that the Department has an explanation for the delay in the manufacturing departmentally the subsidiary equipment, they desire to emphasise that there should be a better synchronisation of the indigenous development of components and the import of main equipments in such cases in future. |
| 9 | I. 32 | -do- | The Committee note that the Department of Civil Aviation has looked into the delays and has also issued necessary instructions for the timely implementation of plan projects. They would however like to be informed whether any specific lapses on the part of the officers of the Department came to notice and if so whether any action was taken by the Department apart from issuing instructions for the future. |
| 10 | I. 33 | -do- | The Committee also note that the Ministry of Works, Housing and Urban Development have been requested only in June 1971 to look into the matter for issue of suitable instructions. The results of the investigation and the action taken by the Ministry of Works, Housing and Urban Development may be intimated to the Committee. |

