

FORTY-NINTH REPORT
PUBLIC ACCOUNTS COMMITTEE

(1980-81)

(SEVENTH LOK SABHA)

PURCHASE AND FABRICATION OF WATER BOWZERS

MINISTRY OF TOURISM AND CIVIL AVIATION



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**LOK SABHA SECRETARIAT
NEW DELHI**

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13 November, 1980	
19 December, 1980	
24 April, 1981.	

* Not printed. One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library.

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(1980-81)

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1. Shri H. C. Paranjpe—*Joint Secretary.*
2. Shri D. C. Pande—*Chief Financial Committee Officer.*
3. Shri T. R. Ghai—*Senior Financial Committee Officer.*

INTRODUCTION

1. The Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Forty-ninth Report on Paragraph 30 of the Report of the Comptroller and Auditor General of India for the year 1978-79 Union Government (Civil) on Purchase & Fabrication of Water Bowzers.

2. The Report of the Comptroller and Auditor General of India for the year 1978-79, Union Government (Civil) was laid on the Table of the House on 26th March, 1980.

3. In this Report, the Committee have observed that the then Ministry of Transport and Communication had accorded in October 1966 administrative approval for purchase of 68 water bowzers to be fabricated on chassis. Since then the Ministry of Tourism and Civil Aviation failed to procure any water bowzers except one the proto-type now stationed at Safdarjung Airport, New Delhi. The main reason for delay in fabrication of water bowzers was firstly the non-development of power take off unit by M/s Ashok Leyland Limited, Madras and thereafter non-supply of the substitute viz. colt diesel engines by M/s Premier Automobiles Ltd, Bombay to M/s Hindustan General Industries Ltd., Delhi who are to supply the water bowzers. The Committee find from the facts and evidence placed before them that there was lack of seriousness, apathy and deficiency in functional coordination between different Departments of the Government of India. They have recommended investigation into the delay of about 15 years in the procurement of water bowzers.

4. The Committee (1980-81) examined Para 30 at their sittings held on 13 November, 1980 and 19 December, 1980. The Committee considered and finalised the report at their sitting held on 24 April, 1981. Minutes of the sittings of the Committee form Part II* of the Report.

5. For reference facility and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

*Not printed (One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

6. The Committee would also like to express their thanks to the officers of the Ministries of Tourism and Civil Aviation and Supply for the cooperation extended by them in giving information to the Committee.

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;

April 25, 1981.

Vaisakha 5, 1903 (*Saka*)

CHANDRAJIT YADAV,

Chairman,

Public Accounts Committee.

REPORT

PURCHASE AND FABRICATION OF WATER BOWZERS

Audit Paragraph

1.1. With a view to augmenting the water capacity of fire tenders to meet fire fighting requirements as prescribed by the International Civil Aviation Organisation (ICAO) at various airports, the then Ministry of Transport and Communication accorded (October 1966) administrative approval for purchase of 68 water bowzers at an estimated cost of Rs. 58.90 lakhs. These water bowzers were to be fabricated on chassis.

1.2. *Procurement of chassis.*—The Director General, Civil Aviation (DGCA) placed an indent on the Director General, Supplies and Disposals (DGSD) in October 1969 for purchase of two water bowzers (chassis as well as body building). On the basis of a single tender enquiry, an acceptance of tender was placed (17th July, 1970) by the DGSD on firm 'A' for supply of two chassis at a cost of Rs. 1.45 lakhs by 20th November, 1970 (extended to 25th January, 1972). The contract stipulated that order for supply of Power Take-off (PT) units to be fitted to chassis, would be placed separately on receipt of firm's quotation. Another contract for supply of 29 chassis (without PT units) at a cost of Rs. 26.97 lakhs was placed on firm 'A' on 4th September, 1971. Against the first contract, two chassis were produced by the firm without PT units and were accepted by the department after inspection on 17th November, 1971. These were delivered to firm 'B' for fabrication of bowzers on 16th February, 1972. In September 1971, firm 'A' informed the DGSD that the PT unit would not be suitable and that, instead, full torque PT unit was required. Again in June 1973, firm 'A' informed that it had not yet started production of torque PT units, but it had manufactured 2 other PT units by general engineering methods as proto-types which were considered suitable. These two PT units were obtained by the department at a cost of Rs. 0.05 lakh plus sales tax and were fitted on 19th October, 1973 to chassis already delivered to firm 'B' for necessary testing and fabrication of water bowzers; these were not found suitable as mentioned later in the paragraph.

1.3. Twentynine chassis without PT units were supplied to the department in April and May 1974. Out of these 10 were stored at Nagpur Aerodrome, 13 at Safdarjung Airport and 6 were issued

(February 1978) to firm 'D' for fabrication of bowzers. The Assistant Fire Officer of Safdarjang Airport, New Delhi, stated (May 1979) that 13 chassis (cost: Rs. 12.09 lakhs) were lying in open space without any watch and ward facility and that costly tyres and accessories were exposed to adverse effects of weather. The department stated (December 1979) that there had been no damage to the chassis so far (December 1979).

1.4. *Fabrication of water bowzers.*—Two contracts for fabrication of 2 numbers and 29 numbers of water bowzers on Leyland chassis were placed by the DGSD on firm 'B' in July 1970 and July 1971, valuing Rs. 0.79 lakh and Rs. 13.93 lakhs respectively. The work of fabrication could not be started by firm 'B' as the two chassis were supplied by firm 'A' only on 16th February, 1972 and the PT units were fitted to the chassis on 19th October, 1973. The PT units fitted to the chassis remained under test which could not be completed due to power cut in the intervening period. On 22nd April, 1975, firm 'B' informed the DGSD that on the basis of tests conducted, the PT units supplied by firm 'A' were not found suitable for operating fire fighting pumps. Firm 'A' tried to rectify the defects pointed out by firm 'B', but it did not succeed and the PT units did not give satisfactory performance even in the final test. On 13th November 1975, the contracts placed on firm 'B' were cancelled without financial repercussions on either side on the advice of the Ministry of Law. The 2 chassis delivered to firm 'B' were received back in December 1975 after joint inspection. The PT units supplied by firm 'A' were finally tested on 16th February, 1976 by the representative of the DGCA, the DGSD and firm 'A' and were not found satisfactory. The department then decided on 4th March, 1976 to place a fresh indent with revised specifications replacing the PT units by diesel engines for pump drive.

1.5. Two contracts were placed by the DGSD in September 1976 on firms 'C' and 'D' for fabrication of 6 numbers and 25 numbers of water bowzers with provision of separate diesel engines for pump drive and certain accessories at a cost of Rs. 7.50 lakhs and Rs. 28.75 lakhs respectively. In both the cases, the firms were required to produce acceptable proto-type to the Inspecting Officer within three months of the receipt of chassis failing which the contracts were to be cancelled at their risk and cost.

1.6. One chassis was handed over to firm 'C' in March 1977. Firm 'C' failed to supply the proto-type vehicle within the extended period of delivery (up to 30th September, 1977). The contract was, there-

fore, cancelled by the DGSD on 9th January, 1978 at the risk and cost of firm 'C'. Firm 'C' had, however, not returned the chassis (cost: Rs. 0.92 lakh) so far (November 1979).

1.7. The contract with firm 'D' was amended on 10th February, 1978 increasing the number of water bowzers from 25 to 31. Firm 'D' produced (May 1977) the proto-type which, on testing and inspection by the representatives of the DGSD and the indenter, was found to have certain manufacturing defects and the proto-type was rejected in October 1977. Firm 'D' represented that the rejection was not justified as the design and drawing had the prior approval of the indenter. In a meeting held on 6th December, 1977, it was decided by the DGSD to accept the proto-type after reducing the cost (total reduction: Rs. 3.43 lakhs for 25 numbers) due to deletion of certain items. The proto-type was positioned at Safdarjang Airport to facilitate inspection and acceptance of the remaining units when fabricated. In February 1978, six more chassis were handed over to firm 'D' for fabrication of water bowzers; the fabrication required 'colt' diesel engines to be supplied by another firm 'E'. Due to lock out in the factory of firm 'E', the supply of 'Colt' diesel engine became uncertain and the DGCA requested the DGSD in March 1979 to explore the possibility of using petrol engines. On 25 May, 1979 firm 'E' informed the DGCA and the DGSD that as the lock out had since been lifted, it would supply 'colt' diesel engine at 6 units per month from July 1979 onwards. However, no further engine had been supplied by firm 'E' (October 1979) and no water bowzers had been fabricated and supplied by firm 'D' so far (November 1979).

1.8. The Regional Director of Civil Aviation, Delhi Region reported to the DGCA on 23rd July, 1979 that the proto-type (cost: Rs. 1.75 lakhs) at Safdarjang Airport had not worked since its purchase (December 1977) due to several manufacturing defects and had been lying idle in unserviceable condition. The DGCA stated (June 1979) that the department had been continuously pursuing the matter at all levels to expedite the supply of water bowzers, but that it was helpless as the purchase had to be regulated through the DGSD only. The department added that it continued to suffer the shortage of this equipment in its safety services.

1.9. The case revealed that:

—orders for the PT units were placed on firm 'A' without verifying its manufacturing capacity and technical suitability with the result that the 2 units supplied were not

found suitable later (April 1975 and February 1976) and thus, fabrication of bowzers was delayed;

- orders for fabrication of water bowzers with 'colt' diesel engine for pump drive were placed on firms 'C' and 'D' without verifying the suitability of the equipment offered with the result that the proto-type (cost: Rs. 1.75 lakhs) did not work since its purchase (December 1977);
- the water bowzers which were urgently required for fire fighting purposes as per requirements of ICAO could not be procured so far (November 1979);
- amounts of Rs. 1.45 lakhs and Rs. 26.97 lakhs spent for procurement of 2 chassis and 29 chassis had remained blocked since February 1972 and May 1974 respectively; and
- a chassis valued at Rs. 0.92 lakh had been lying with firm 'C' (since March 1977) which refused to return it.

[Paragraph 30 of the Advance Report of the Comptroller and Auditor General of India for the year 1978-79, Union Government (Civil)]

Procurement of chassis:

1.10. With a view to augmenting the water capacity of fire tenders to meet the fire fighting requirements as prescribed by the International Civil Aviation Organisation (ICAO) at various airports, the then Ministry of Transport and Communication accorded in October 1966 an administrative approval for purchase of 68 water bowzers at an estimated cost of Rs. 58.90 lakhs. These water bowzers were to be fabricated on chassis. The Director General, Civil Aviation (DGCA) placed an indent on the Director General, Supplies and Disposals (DGSD) in October 1969 for purchase of two water bowzers (chassis as well as a body building).

1.11. The Committee wanted to know the water capacity of the fire tenders as prescribed by the International Civil Aviation Organisation and as actually existing at the time when administrative approval for purchase of 68 water bowzers was accorded to meet the fire fighting requirements at various airports in the country. The Ministry of Tourism & Civil Aviation have, in a written note, stated:

"The International Civil Aviation Organisation has indicated certain guidelines, which are not mandatory, in respect of quantity of water to be maintained at various aerodromes depending upon the passenger and fuel carrying capacity

of an aircraft operating through that aerodrome. Therefore, the requirement of water capacity in fire tender will vary from aerodrome to aerodrome depending upon the type of aircraft operating through them. The record pertaining to the period when the requirement of 68 water bowzers was worked out are not available. In absence of these records, it is not possible to specify the water capacity required at various aerodromes."

1.12. Explaining the role of International Civil Aviation Organisation in this regard, the Secretary of the Ministry of Tourism & Civil Aviation stated during evidence:

"I.C.A.O. is an advisory, recommendatory controlling body. They give their general directives, advise us as to what should be done. To a certain extent they are mandatory not in a legal sense but in the sense of being binding on us, so as to enable us to ensure that those specifications are adhered to."

"We are one of the major members of the ICAO. We are all 33 members. There are categories like category I, category II and category III. We are in the category II membership and next to China we are the most important member in terms of size and number of air-fields and we generally go by all the directives given by the ICAO."

1.13. In this context, the Director General-Civil Aviation elucidated the point as under:

"Our efforts have always been to see that we get the equipment indigenously even with some shortfalls. We do it to conserve foreign exchange. Our efforts have always been to achieve the specifications provided by ICAO and go by those specifications. We develop whatever we get."

1.14. Approval of Government for purchase of 68 water bowzers was accorded in 1966. Asked about the present requirement of water bowzers for the various airports, the Department of Civil Aviation, in a note have stated:

"The present requirement of water bowzers for the airports under the control of the Civil Aviation Department is 71. This does not take into account the requirement of water bowzers at the 4 International Airports which are under control of I.A.A.I. from April, 1972."

1.15. Asked as to why an indent on the Directorate General of Supplies and Disposals for the purchase of 68 water bowzers was placed in October, 1969 i.e. 3 years after the administrative approval for it was accorded in October, 1966, the Department have stated:

"After the administrative approval was received the Department had to locate a suitable chassis for fabrication of water bowzers, suitable power take off unit, suitable firms to fabricate the water bowzers on the chassis as required by us. The first Chassis identified for this purpose was Mercedes Benz manufactured by M/s. Telco who offered it alongwith the power take off unit. However, after exhaustive tests it was found that power take off unit was not giving the required speed and the required HP output. In the meantime it was found that another chassis with better payload was available from M/s. Ashok Leyland Ltd., Madras. A better payload would mean that we could have more capacity for water on the chassis. M/s. Ashok Leyland also offered to develop a suitable power take off unit to meet our requirements. Hence, an indent was placed on Director General of Supplies and Disposals in October, 1969 for the purchase of 2(two) Water Bowzers (Chassis and fabrication). Since this was a developmental project, there was a time-lag to locate suitable suppliers of chassis, power take off-unit and body building."

1.16. During evidence the Secretary Ministry of Tourism & Civil Aviation stated:

"To put it in a nut shell I am afraid that this has been very unhappy delay on the part of the management."

1.17. It is seen from the Audit Paragraph that on the basis of a single tender enquiry, an acceptance of tender was placed (17 July, 1970) by the DGSD on M/s. Ashok Leyland Ltd., Madras for supply of two chassis at a cost of Rs. 1.45 lakhs by 20 November 1970. (extended to 25 January 1972). When asked about the reasons for issuing a single tender enquiry, the Ministry of Tourism & Civil Aviation have stated:

"Other than M/s. Ashok Leyland Ltd., Madras there was only one firm namely M/s. Telco who were manufacturing Mercedes Banz Chassis. This was examined and found unsuitable. The chassis offered by M/s. Ashok Leyland Ltd., Madras was better from our point of view. Since the Comet 4X4 chassis manufactured by firm 'A' was the only indigenous chassis available to deliver the desired payload, a single tender enquiry (proprietary in nature) was resorted to."

1.18. In this connection the Secretary, Ministry of Tourism & Civil Aviation stated during evidence:

“Basically, in this country, we have only Tata Mercedes Benz producing chassis and Ashok Leyland producing heavy chassis required for this purpose. We could not go to the third party because there are none others in the country. Bowzer is mounted on a very heavy chassis. The engine and the PTO are all integrated items; we cannot separate one from for the other. We cannot invite tenders only for PTO; we have to call for tenders for the whole equipment. The Tatas were tied up with the Defence Ministry. Therefore, we had only one party to go to.”

1.19. When pointed out that in an earlier reply the Ministry had stated that the first chassis identified for this purpose was Mercedes Benz manufactured by M/s. Telco who offered it alongwith the power take off unit and after exhaustive tests it was found that power take off unit was not giving the required speed and required HP output, the witness clarified thus:

“For the Bowzer, of the size and capacity that we required, we could go only for 4×4. There is a difference between 4×2 and 4×4. It was 4X4 that was required for our purpose and it was not available from Telco; Telco informed the DGCA that the entire production of four-wheeled chassis was earmarked for Defence; they informed us as early as April, 1966.”

In this context the Director General Civil Aviation deposed:

“When Tata Mercedes had agreed to offer us with PTO, we accepted that. We carried out the other tests; we had to calculate the capacity of water, acceleration, etc. We did all that and were satisfied. But in that process Tata Mercedes said, “We are sorry; we cannot supply.”

1.20 Originally according to the acceptance tender the two chassis were to be delivered by 20 November 1970, but this data was subsequently extended to 25 January 1972. Asked on what consideration this was done, the Government in reply have stated:

“Extension of delivery period is granted to the contracting firm by the DGS&D on the specific request of the firms explaining the circumstances. In the absence of the relevant records with the DGS&D it is not possible to indicate the considerations on which the extension were given by DGS&D.”

1.21. In the acceptance of Tender dated 17 July 1970 it was stipulated that order for supply of Power Take Off Units to be fitted to

chassis would be placed separately on receipt of firm's quotation. Against this contract, two chassis were produced by M/s. Ashok Leyland Ltd., Madras without PT units and were accepted by the Department after inspection on 17 November, 1971. These were delivered to firm 'B' (M/s. D.G.L. Ltd., New Delhi) for fabrication of water bowzers on 16th February, 1972. In September, 1971, M/s. Ashok Leyland Ltd., informed the DGS&D that the PT unit would not be suitable and that, instead, full torque PT unit was required. Again in June 1973, the firm informed that it had not yet started production of torque PT units, but it manufactured 2 other PT units by general engineering methods as proto-types which were considered suitable. These two PT units were obtained by the Department at a cost of Rs. 0.05 lakh plus sales tax and were fitted on 19 October 1973 to chassis already delivered to firm 'B' for necessary testing and fabrication of water bowzers. On 22 April 1975 M/s. D.G.L. Ltd. (firm 'B') informed DGS&D that on the basis of tests conducted, the PT units supplied by firm 'A' (M/s. Ashok Leyland Ltd., Madras) were not found suitable for operating fire fighting pumps.

1.22. The Committee desired to know the difference between power take off unit, full torque PT unit & PT units manufactured by general engineering methods of proto-type. The Ministry of Tourism & Civil Aviation have stated:

"The power take off unit is the equipment which transfers the power from the engine of the vehicle for operating water pump. Normally the power take off unit is attached to the gear box of the vehicle for driving the pump. In this case there is a slight reduction of power, since the power has to be transmitted from the engine to the pump through gear box and power take off unit.

In the case of full torque, power take off unit it is directly attached to the fly wheel of the engine thereby giving more power output for operating the pump. The manufacture of power take off unit requires special machines and tools for the precessing. However, the firm M/s. Ashok Leyland developed a power take off unit by other difficult means without special machines. This is referred to as the power take off unit manufactured by General Engineering methods."

1.23. When enquired whether the capacity of M/s. Ashok Leyland Ltd. to manufacture power take off units was verified before placing orders, the Ministry have, in a note, stated:

"Since M/s. Ashok Leyland had adequate technical know-how it was considered that they will be in a position to design.

and develop a suitable power take off unit for the water bowzers. The reputation of the firm backed by M/s. British Leyland of U.K. was considered sufficient for accepting their claim to manufacture a suitable power take off unit. However, to safeguard the interest of the department, order was placed only for two power take off units at a total cost of Rs. 5,000/- only. It will be seen that the firm did manufacture and deliver two power take off units though it did not fully meet without requirements."

1.24. In evidence the Secretary, Ministry of Supply, however, stated:

"We did but not for PTO because we did not place order for PTO."

1.25. In this connection M/s. Ashok Leyland Ltd. Madras who were addressed to intimate whether they had any experience and capability of manufacturing PTO units for water bowzers, have in a communication stated:

"Ashok Leyland has had the know-how for the design and manufacture of PTOs for certain specific applications. Two such PTOs for specific applications are in production. These are generally used for driving hydraulic pumps for tipping gear applications and for taking drives for winches etc.

In the case of a water bowzer, one important requirement is that the PTO should be reversable and capable of driving the water pump even when the vehicle is in motion, characteristics not available in the two types of PTOs we are making.

The PTOs that we manufacture are driven off the lay shaft of the main gear box and hence they cannot cater to the above requirement."

1.26. It has been provided in para 69 of the DGS&D Manual that the required specifications/drawings should invariably be first obtained and attached with the tender enquiry. Para 59 of the DGS&D Manual also provides that the Assistant Director would scrutinise the indents with regard to the particulars given therein so as to facilitate further procurement action. In this context, M/s. Ashok Leyland have informed that the original acceptance of tender (A/T. No. SV7|209|77|033|1|1164 dated 4-9-71) did mention the requirements of a PTO. However, details of the output of the PTO and the specifications of the water pump that was to be driven were not men-

tioned in the A/T. About the basis on which the firm had offered the power take off unit to DGCA, it has been stated in the communication:

"We did get some details of the equipment that was to be driven by the PTO during discussions with the officials of the DGCA. Based on this information, Ashok Leyland did offer to supply a PTO *mounted on the transfer gear box* of the vehicle and accordingly went ahead with the design and manufacture of prototypes. In spite of all the efforts made by Ashok Leyland, the PTO developed indigenously did not meet the requirements of the DGCA. Hence we requested the DGCA to delete the requirements of the PTO from the A/T. This was done vide their amendment letter No. 211 dated 25-8-75."

1.27. The Director General Civil Aviation however stated during evidence:

"We asked for specifications from Ashok Leyland. We had to work out our requirements what capacity and what pump we could go for. In that process, Ashok Leyland confirmed to us that they had got a PTO called No. 109. Then we got into the details of No. 109 and came to the conclusion, in consultation with Ashok Leyland people, that this No. 109 would not meet our requirement. However, they said, they would develop within five or six months time another PTO which would meet our requirement. We immediately placed an order for two units. Those two units were tested again and again; some defect or other was there. The Ashok Leyland people had been on the job; they were coming for testing the unit which had been giving trouble. Ultimately they said that they could not make a PTO to meet our requirement."

1.28. When the Committee wanted to know as to why the question of specifications of PT units could not be resolved earlier, the Ministry of Tourism and Civil Aviation have stated:

"The difficulty was in the development of the required power take off unit. Being a developmental project a certain amount of delay is inevitable. The enormity of problems can be judged by the facts that even reputed firm of manufacturers like M/s. Ashok Leyland could not come up with a suitable answer to the problem. It should further be stated that the requirements of power take off units are

influenced by the type of pump provided by the fabricators and coordination between these two Indian agencies was a time consuming process."

1.29. Enquired about the reasons for not including the order for supply of power take off units in the original contract with M/s. Ashok Leyland Ltd. entered into in July 1970, the Ministry of Tourism & Civil Aviation have replied:

"Order for supply of Power take off units was not included in the original contract for supply of the chassis, since the production of power take off units was in a developmental state at that time and firm 'A' was requested to submit their quotations for these units separately in July, 1970."

1.30. Asked whether any enquiries in the local market were made regarding availability of PTO units before placing order on M/s Ashok Leyland, the Ministry of Tourism & Civil Aviation have stated:

"Since the fitment of PTO on the Ashok Leyland chassis had to have the approval of the manufacturers of these chassis, viz, M/s. Ashok Leyland and since the latter had come forward to develop, fabricate and supply a suitable PTO for fitment to the chassis and also in view of the fact that M/s. Ashok Leyland had the experience of developing another PTO (AL-109) earlier, this Department found no necessity at that time to make enquiries in the local market. It may also be relevant to mention that in the case of TELCO chassis also, we had made enquiries with the firm for supply of PTO to their chassis but this scheme had to be given up as the chassis themselves were not available."

1.31. To a question as to how the DGCA/DGSD ensured that this firm would be capable of developing power take off units, the Secretary, Ministry of Supply stated during evidence:

"In a developmental item, we do have to take risk. We were hoping all the time that the Ashok Leyland in association with the British Leyland would be able to provide prototype for P.T.O. They tried their best. Finally after several negotiations, we came to know that they were not able to manufacture it."

1.32. The Audit Paragraph states that the DGS&D had placed another contract for supply of 29 chassis (without PT units) on M/s Ashok Leyland at a cost of Rs. 26.97 lakhs on 4 September, 1971. The

Committee enquired if that was a developmental project, why the second order for 29 chassis was placed in September, 1971 i.e. prior to getting the delivery of 2 chassis ordered in July, 1970. The Ministry of Tourism and Civil Aviation have in a note stated:

"After examining in detail the technical specifications of the various types of chassis available at that time (April, 1970) in the country, M/s. Ashok Leyland's Comet Chassis was considered as the most suitable chassis for the fabrication of water bowzers. The development related only to the development of a suitable PTO the cost of which was Rs. 2500/- only per unit and not to the development of chassis. It was envisaged that a firm like Ashok Leyland would be able to develop successfully a suitable power take off unit (PTO). Even if the development of the suitable PTO by the firm failed, the chassis could be used for fabrication of water bowzers with a separate engine mounted on it for driving the pump.

1.33. Asked if Government had made any study of the market as to whether this item was available elsewhere, the Director-General, Civil Aviation stated in evidence:

"Only two firms are manufacturing the chassis. Other firms are going to provide bowzers. They have now gone to the third firm, M/s. Hindustan General Industries Ltd. Now, the question is: why in the beginning we had only the chassis which will make bowzers. It is the chassis part in mind? It is not the chassis plus other equipments. Ultimately these two reputed firms who manufacture chassis had become out of question. The third party has come forward and may be to some extent they are in a position to meet our requirement. This was not taken care of in the beginning because it was not only the chassis but other equipment also which together would make a perfect system for bowzers. Again a question arises as to why then this third firm was not taken into account? We were aware of these two firms. We did not know if there was any other firm like M/s. Hindustan General Industries Ltd., who were trying to develop this P.T.O. We did not know about it."

1.34. Enquired whether the DGCA ever approached M/s. Ashok Leyland Ltd. asking them to get the Power take off from their counterpart in U.K., the Secretary, Tourism & Civil Aviation replied in affirmative.

1.35. When the Committee further desired to know whether the Ministry had pointed out to the firm that they had to go and get the technical know-how from their counterpart in U.K. the Secretary, Ministry of Supply stated:

"They thought that conversion kit would be necessary for converting chassis from 4×2 to 4×4 wheel drive. So, an import licence was allowed to this company to get the conversion kit and this was done in the hope that British Leyland technology would be transferred and PTO would be provided.....They did not succeed."

1.36. Subsequently the Ministry of Tourism & Civil Aviation have informed the Committee that they never advised the firm to approach their counterpart in U.K. for acquiring the necessary know-how for manufacturing PT Units. In this connection an extract from the letter dated 5.12.1980, addressed to DGTD by M/s. Ashok Leyland Ltd., Madras is reproduced below:

".....We manufacture side-mounted power take-off's PTO 109 (high speed) and PTO 110 (slow speed) at our factory at Madras. Side-mounted PTO on the main gear-box can give maximum of 1.015 times speed of engine. For your information, full torque reversible PTOs suitable for Comet 4X4 chassis were never manufactured by Leyland Vehicles Ltd., U.K. or by us."

1.37. The Committee learnt that the DGCA had *inter-alia* written in a letter to the Tata Engineering on 10 May, 1966 that "the power take off will be imported from West Germany if required." When asked whether the facility for importing the power take off units was also made available to M/s. Ashok Leyland Ltd., the Secretary, Ministry of Tourism & Civil Aviation replied during evidence:

"The same facility was available to Ashok Leyland. But they said they would fabricate the item. They were aware of the fact that, if need be, foreign exchange would be released."

1.38. Elaborating the point further, the Director General of Civil Aviation stated:

"Foreign exchange was made available to Ashok Leyland for many other items. This was one of the items. Ashok Leyland was made aware that foreign exchange is avail-

able. During the discussions, even when they were building the proto-type, even when the proto-type failed, we told them about this but their reply was somewhat evasive. They were unable to get the proper type of power take off from UK. This was discussed during the inspection, during the proto-type inspection and testing by the engineers."

1.39. Enquired whether the Ministry had conveyed it to the firm in writing, the Department of Civil Aviation replied:

"No information was conveyed to M/s Ashok Leyland, Madras that foreign exchange could be released for procurement of PTO units from any foreign country. Nevertheless, it may be pointed out that at the request of M/s Ashok Leyland, Madras foreign exchange had been released for the import of conversion kits (for changing from 4X2 to 4X4 drives), bearing for PTO units, etc. Hence, M/s Ashok Leyland was aware that foreign exchange could have been made available in case they wanted the PTO or parts/components or the PTO to be imported from any country."

1.40. In this regard M/s Ashok Leyland Ltd. have however, stated as under:

"There was no question of our importing a PTO as the transfer gear box is an entirely indigenous design specially manufactured by us for the Defence requirement and is not readily adaptable for fitment of an imported PTO. Therefore, we had not requested the Ministry for foreign exchange assistance."

1.41. The Committee desired to know whether the DGTD was consulted before offering to TELCO the release of foreign exchange for the import of PT units. The Secretary, Ministry of Tourism & Civil Aviation stated during evidence:

"I do not want to make a categorical statement. If TELCO people responded for the same being fabricated here because we did not have the PTO or if they would like to import it, then we would have to release the foreign exchange and they would have gone to the DGTD for the clearance. They would not clear it unless they agreed with their proposal."

He added:

“The right thing should have been to consult him.”

1.42. To a question whether DGTD was ever consulted regarding the availability of PTOs within the country, the Ministry have stated:

“The general practice is to approach DGTD when import of a particular item becomes necessary. Since M/s Ashok Leyland had come forward to develop the required PTO indigenously, the DGTD was not approached regarding availability of these units within the country. It may be stated there that when M/s Ashok Leyland wanted foreign exchange for import of bearings for PTOs, besides other items, we approached DGTD who had cleared the import of these.”

1.43. To a question whether they approached any other country to get this item, the Secretary, Ministry of Tourism & Civil Aviation deposed:

“The PTO is co-related to the particular engine manufacture. Therefore, we cannot get it fabricated from other countries. PTO required for either Ashok Leyland chassis or TELCO chassis, the particular concern will have to fabricate themselves.”

1.44. As M/s Ashok Leyland could not make a proper design for the prototype power take off units, the Committee wanted to know whether they made any effort to import this item so that it could be supplied to DGCA on time. The firm, in a memorandum, have stated:

“It was a fact that in spite of the best efforts made by our R&D Division the prototypes that we made did not meet the requirements of the DGCA. Since this PTO was a special PTO mounted on the transfer gear box of the chassis it was not possible to consider import of this PTO.”

1.45. The reasons which led to failure to manufacture power take off units as stated by the firm are as under:

“No detailed specifications were given by the DGCA and in spite of every attempt the prototype PTO did not function effectively. This was basically because there was a

tendency for the PTO to over-heat (the equipment that was driven off the PTO was consuming much more HP than the output of the PTO)."

1.46. Enquired about the feasibility of manufacturing this item indigenously, the firm have stated in their memorandum:

".....PTOs are being manufactured in the country to suit certain requirements. In the present case of a specialised requirement, although a quantity of 29 is not an economic batch for an indigenous manufacturer to take up from the initial design and development to the stage of manufacture for specialised application, Ashok Leyland in order to meet the requirements of the DGCA, made very special concerted efforts."

1.47. As regards the alternatives to power take off units, the firm have stated:

"Even at the time of requesting for a deletion of the specialised PTO, an alternative suggestion to use a separate engine to drive the water pump was made. It is quite feasible to have a separate diesel engine close coupled to the water pump to drive the water pump."

1.48. It is seen from the Audit Paragraph that 29 chassis without PT Units were supplied to the Department in April and May, 1974 by the firm 'A' (M/s Ashok Leyland Ltd., Madras) against the second contract dated 4 September, 1971. When the Committee desired to know the original stipulated date of delivery and the reasons for delay in supplies, the Ministry of Tourism and Civil Aviation have stated:

"Original stipulated date of delivery was that the delivery should commence after 8-10 months from the receipt of import licence for import of the conversion kits (4x2 to 4x4) at 5 Nos. per month. The date of receipt of import licence was to be intimated by the firm. However, the delay in supply might be due to diversion of firm's production to meet the Defence requirements."

1.49. It has also been stated in the Audit Paragraph that out of the above 29 chassis, 10 were stored at Nagpur Aerodrome, 13 at Safdarjjang Airport and 6 were issued to firm 'D' (M/s Hindustan General Industries Ltd., New Delhi) in February, 1978 for fabrication of bowzers. The Assistant Fire Officer of Safdarjjang Airport, New

Delhi stated in May, 1979 that 13 chassis (cost; Rs. 12.09 lakhs) were lying in open space without any watch and ward facility and that costly tyres and accessories were exposed to adverse effects of weather. The Committee desired to know the condition of these 13 chassis. The Ministry of Tourism and Civil Aviation have stated:

“The condition of 13 chassis stored at Safdarjang Airport New Delhi is good and they are being inspected and serviced regularly. These are likely to be given to firm ‘D’ for fabrication after return of first 6 chassis which are already with them for fabrication.”

1.50. Asked about the utilization of the 10 chassis stored at Nagpur Aerodrome, the Ministry have stated:

“10 chassis which are stored in covered accommodation at Nagpur Aerodrome are not put to any use except for periodical testing to keep them in good running condition.”

Fabrication of Water Bowzers

1.51. Two contracts for fabrication of 2 numbers and 29 numbers of water bowzers on Leyland chassis were placed by the DGSD on firm ‘B’ (M/s. D.G.L. Ltd., New Delhi) in July 1970 and July 1971, valuing Rs. 0.79 lakh and Rs. 13.93 lakhs respectively. The work of fabrication could not be started by the firm as the two chassis were supplied by firm ‘A’ (M/s Ashok Leyland Ltd., Madras) only on 16th February 1972 and the PT units were fitted to the chassis on 19th October 1973. The PT units fitted to the chassis remained under test which could not be completed due to power cut in the intervening period. On 22nd April 1975, firm ‘B’ informed the DGSD that on the basis of tests conducted, the P.T. units supplied by firm ‘A’ were not found suitable for operating fire fighting pumps. Firm ‘A’ tried to rectify the defects pointed out by firm ‘B’ but it did not succeed and the PT Units did not give satisfactory performance even in the final test. On 13th November, 1975, the contracts placed on firm ‘B’ were cancelled without financial repercussions on either side on the advice of the Ministry of Law. The 2 chassis delivered to firm ‘B’ were received back in December 1975 after joint inspection.

1.52. When the Committee desired to know whether the capacity of M/s D.G.L. Ltd., New Delhi for fabrication of water bowzers was verified before placing orders, the Ministry of Tourism & Civil Aviation have stated:

“Two contracts were placed on M/s. DGL Ltd., New Delhi (Firm ‘B’) (A/T No. 329 dated 17-7-70 for 2 Nos. and A/T Nos. 451 dated 30-7-71 for 29 Nos.). Main file containing decision for awarding of contracts dated 17-7-70 for 2 Nos. is not readily traceable by DGS&D. However the file leading to issue on 2nd contract dated 30-7-71 shows that M/s. DGL (firm ‘B’) was a registered supplier.”

1.53. Enquired about the reasons for cancelling the contracts placed on M/s DGL Ltd., the Ministry have replied in a note:

“The contracts were for the fabrication of water bowzers to be fabricated on Leyland 4x4 ‘Comet’ chassis. The purchaser was also to provide P.T.O. units for which an order was placed by DGCA with M/s. Ashok Leyland, Madras the manufacturers of chassis. The P.T.O. units supplied by M/s Leyland on 22-3-74 against an order placed by DGCA were found defective by DGL Pvt., New Delhi. In this connection, joint inspection and testing was also carried out at the works of M/s DGL on 5-5-75 in the presence of the representatives of M/s. Ashok Leyland, DGL and DGCA. During this joint inspection defects were observed which could not be set right by M/s. Ashok Leyland. Subsequently, M/s. DGL made it clear that they could not take the responsibility for successful operation of water bowzers if the defective P.T.O. units were fitted. The representatives of the Inspection Wing of DGS&D and Fire Adviser, Min. of Defence were of the opinion that the defects pointed out by M/s. DGL were not without substance. Since M/s. Ashok Leyland did not succeed in rectifying the defects pointed out by M/s. DGL in the PTO units, the contracts for fabrication of water bowzers were cancelled on 13-11-75 without financial repercussions on either side on the advice of the Ministry of Law. The two Leyland chassis delivered to firm were taken back in December, 75 after joint inspection.”

1.54. From clause 19 (f) of the A/T dated 17 July, 1970 placed on M/s. D.G.L. Pvt Ltd., it is seen that the firm had to furnish Indemnity Bond and comprehensive Insurance Policy in original for Rs. 1,000—for each of the chassis before their delivery. Whereas the firm furnished the Indemnity Bond, they could not furnish the comprehensive policy as the DGS&D did not intimate the date of release of chassis to them. In this connection, the Ministry of Law in their note dated 5 June, 1975, *inter alia* advised the DGS&D as under:

“.....the Department appeared to have not performed its duty in connection with the reciprocal contract. In the circumstances, it is doubtful whether the Department gets right to cancel the contract at the risk and cost of the firm.”

1.55. The Audit Paragraph has revealed that the PT units supplied by M/s. Ashok Leyland were finally tested on 16 February 1976 by the representatives of the DGCA, the DGSD and the firm and were not found satisfactory. The department then decided on 4 March 1976 to place a fresh indent with revised specifications replacing the PT units by diesel engines for pump drive. When the Committee enquired about the considerations on which it was decided to switch over from PT units to diesel engines, the Director General Civil Aviation stated during evidence:

“As regards the decision to put a separate engine, this was the point under consideration right from the beginning when we decided to go in for PTO that, in the event of our failure to get a suitable PTO, we would have to resort to putting a separate engine. Separate engine is an age-old concept. But the PTO has been the latest version. So, this was an experiment to try to get the latest one. With that objective we approached because we are aware the world over some of these aircraft fire tenders were set up with PTO engines without revising the capacity but still some of the countries are having separate engines for this sort of purpose. So we had a choice that we will first try to go to PTO and in the event of our failure to get proper engine, we will go for a separate engine. When we found that PTO was not available in the sense that such a huge company like Ashok Leyland with all the British backing and with all the British protection could have produced a prototype but ultimately failed, we had no choice left but to go for a colt engine.”

1.56. To a question as to who had taken this decision, the Secretary, Ministry of Supply, stated:

“A meeting was held in the room of the Deputy Director General, Mr. Iyengar and there were officers of the Supplies, DGCA and also the Inspection Wing and they considered this whole matter and came to the conclusion...” and there itself it was decided to invite quotations. Actually the quotations were invited for PTO also, but simultaneously it was decided to have a suitable diesel

engine. On that decision, the first order of Ashok Leyland was cancelled by DGCA. After that the DGCA placed a fresh indent with us with revised specification."

1.57. When enquired whether DGTD was consulted in this regard, the witness stated:

"DGTD has to first clear it. When they want to import anything the departments are supposed to go to the DGTD for clearance and only on their giving a certificate that it is not available indigenously or is not likely to be available in the near future, the import is allowed. Here we had given specifications and the feeling was that we will be able to get water bowzers with the colt engine or diesel engine. It took some time no doubt but the fact is that a proto-type was there and it is working even today. So it is not that any new development has to be done. It is done, it is right here in Safdarjang."

1.58. Two contracts were placed by the DGSD in September 1976 on firm 'C' (M/s. Brij Basi Udyog, Mathura) and 'D' (M/s. Hindustan General Industries Ltd., New Delhi) for fabrication of 6 numbers and 25 numbers of water bowzers with provision of separate diesel engines for pump drive and certain accessories at a cost of Rs. 7.50 lakhs and Rs. 28.75 lakhs respectively. In both the cases, the firm were required to produce acceptable proto-type to the Inspecting Officer within three months of the receipt of chassis failing which the contracts were to be cancelled at their risk and cost.

1.59. The Ministry of Tourism and Civil Aviation have informed the Committee that "the capacity of both M/s. Brij Basi Udyog Mathura and M/s. Hindustan General Industries Ltd., New Delhi was assessed by the Director of Inspection, NI circle, New Delhi." However the Committee find from the Capacity Reports that both the firms were not fit at that time for registration for these items. The Assistant Inspecting Officer had recommended for placement of a development/ educational order with a view to develop indigenous/additional capacity. Besides this, both the firms were to be advised on the following points before placing orders:

(i) *Brij Basi Udyog Mathure:*

- (a) the firm should provide necessary arrangement for stability test upto 27½ degrees as agreed to by the firm in their letter No. Bum-WB—76 dt. 20-6-76.

- (b) the firm should prepare layout drawing showing complete details of the fittings, their position etc. and get it approved by the indenter before commencing manufacture.
- (c) One prototype should be got approved before embarking on bulk manufacture.
- (d) The manufacturer's name of all the bought out items will have to be revealed by the firm before placement of order.
- (e) they should equip themselves for proper preparation of the steel surface before painting.
- (f) they should make necessary arrangement for balancing the impellers of the pumps.

(ii) *M/s. Hindustan General Industries Ltd.:*

- (a) asked to prepare a layout drawing showing the various fittings, size of the tank etc. alongwith the thickness of sheets, quality etc. and have it approved by the indenter before commencing bulk manufacture.
- (b) requested to have the prototype cleared before embarking on bulk manufacture.
- (c) advised to reveal the maker's name alongwith the specification of the bought out items.
- (d) asked to make proper arrangements for stability test for 27½ degrees in the event of placement of order as the present arrangement is not satisfactory or got one body tested for stability at C.I.V. Ahmednagar at their own cost."

1.60. Asked whether tenders were invited before placing orders on these firms, the Ministry have in a note stated:

"Tenders were invited before placing the orders. Against the tenders opened on 15-5-76, four quotations were received from M/s. Brij Basi Udyog, Mathura M/s. DGL Ltd., New Delhi, M/s. Kooverji Devshi, Bombay and M/s. Hindustan General Industries Ltd., New Delhi. These tenders were examined in detail both technically and commercially. Indenter recommended that in view of the developmental nature of the item, and early delivery, orders should be placed with more than one firm. He proposed not to consider the offer of DGL Ltd., New Delhi in view of their failure against the earlier contracts. The offer of M/s. Kooverji Devshi was also not considered since the firm had stated that in case they were not able to produce an acceptable prototype, the contract should be cancelled

without financial repercussions on either side. Moreover, they were also not prepared to give the required stability test as per the specification. The contracts were placed with the remaining two firms viz. M/s. Brij Basi Udyog, Mathura and M/s. Hindustan General Industries, New Delhi. The rates of M/s. Hindustan General Industries were lower than those of M/s. Brij Basi Udyog, Mathura."

1.61. It is seen from the Audit Paragraph that one chassis was handed over to firm 'C' (M/s. Brij Basi Udyog, Mathura) in March 1977. The firm failed to supply the prototype vehicle within the extended period of delivery upto 30 September, 1977. The contract was, therefore, cancelled by the DGS&D on 9 January, 1978 at the risk and cost of firm 'C'. The firm had, however, not returned the chassis costing about Rs. 0.92 lakh upto November, 1979.

1.62. When the Committee enquired as to what action had been taken against M/s. Brij Basi Udyog, Mathura for its failure to supply prototype vehicle, as per terms of the contract, the Ministry of Tourism and Civil Aviation have replied:

"The order with M/s. Brij Basi Udyog, Mathura was placed at a higher rate than M/s. Hindustan General Industries, New Delhi. The quantity ordered on this firm was cancelled at their risk and cost and the quantity with M/s. Hindustan General Industries, New Delhi was correspondingly increased. Since the rate of M/s. Hindustan General Industries was lower than M/s. Brij Basi Udyog, Mathura no risk purchase loss was incurred."

1.63. Asked whether the matter was referred to the Ministry of Law, the Department of Civil Aviation have replied:

"References were made to the Ministry of Law for advice on 19-4-78, 28-7-78, discussions with Ministry of Law were held on 31-7-1978, 19-12-78. The final advice of Ministry of Law is dated 19-1-79. The matter was referred to Lit. Section on 19-2-79. Further clarifications were obtained from Ministry of Law on 15-5-79 and 22-5-79 and it was advised by Ministry of Law that it was safer to move a court of Law for all necessary reliefs. A decision was taken on 16-6-79 in consultation with Ministry of Finance to move the court as per Ministry of Law's advice.".....

1.64. To a question whether the DGS&D filed a suit against the firm for non-performance of the contract, the Ministry have stated:

"Since the quantity 6 cancelled from contract with M/s. Brij Basi was covered with M/s. HGI under option clause at

a lower rate, no risk purchase loss was incurred. As regards the recovery of the cost of chassis a suit has already been filed in the Delhi High Court with a prayer to pass a decree for Rs. 2,14,396.78. Since the present cost of the chassis was Rs. 2,14,396.78, it was decided to make a prayer that the current cost of the chassis should be incorporated in our prayer before the Delhi High Court. In the plaint the cost of the chassis as on the date of filing the suit i.e. Rs. 2,14,396.78 has been given and it has also been prayed to award interest @ 12½ per cent as future interest. The court has also been requested for other reliefs which the High Court might deem fit, just and proper."

1.65. To a further question whether any show cause notice was given to M/s. Brij Basi Udyog, Mathura for black-listing it, the Ministry of Tourism and Civil Aviation in a note have stated:

"In view of the suit pending before the Delhi High Court, the matter is sub judice. However, no order has been placed by DGS&D for any fire fighting vehicles/equipment with M/s. Brij Basi Udyog after cancellation of the contract for water bowzers."

1.66. It is seen that the contract with firm 'D' (M/s. Hindustan General Industries Ltd., New Delhi) was amended on 10 February 1978 increasing the number of water bowzers from 25 to 31. The firm produced (May 1977) a proto-type which, on testing and inspection by the representatives of the DGS&D and the indentor, was found to have certain manufacturing defects and the proto-type was rejected in October 1977. The firm represented that the rejection was not justified as the design and drawing had the prior approval of the indentor. In a meeting held on 6 December 1977, it was decided by the DGS&D to accept the prototype after reducing the cost (total reduction: Rs. 3.43 lakhs for 25 nos.) due to deletion of certain items. The prototype was positioned at Safdarjang Airport to facilitate inspection and acceptance of the remaining units when fabricated. The Ministry of Tourism & Civil Aviation, who were asked to intimate the reasons for accepting the same prototype which was earlier rejected on inspection in October 1977, have stated:

"... before this meeting of 6-12-77 detailed technical discussions were held with the representatives of inspection wing and the technical representatives of DGCA as well as Dy. Director (Fire) in the meeting held on 3-11-77, 26-11-77 and 6-12-77. According to Technical Experts, the laden weight on the chassis was more than that specified

by the Chassis manufacturer and consequently the speed acceleration etc. of the vehicle was affected. During the technical discussions reduction of weight was considered and suitable price in reduction was obtained from the firm on account of the same."

1.67. The Ministry have informed the Committee that the prototype water bowzer fabricated by M/s Hindustan General Industries Ltd. (firm 'D') in May 1977 and lying at Safdarjung Airport has been put to service. In this connection, the Secretary, Ministry of Tourism & Civil Aviation stated:

".....We have one prototype. This prototype was actually received in 1977-78. The prototype is for all practical purposes in operation. We have kept it at the Safdarjung Airport. A prototype is to be kept at a place where a comparison with subsequent units can be made from time to time. We have placed an order for 31. One has been delivered to us. It had certain deficiencies, certain defects minor ones, and we got them checked up. Those defects were eliminated. It was over-weighted. In order to remove the surplus weight, we had to make certain adjustments so that it will be acceptable. This has been kept deliberately in Delhi and not sent to Nagpur or any other place because, when the other units come, we want to compare them with that....This water bowzer will be used along with crash fire tender. We have not had any problem so far. It is being used in the sense that it is available every day for conducting exercises. The crash fire tender kept at the Safdarjung Airport has never been used because there has been no necessity of using it. As it happens in all fire stations, they conduct the exercises every day. It is available; it is mobile; it is as good as any other bowzer that is imported."

1.68. Enquired whether the proto-type met the required standard, the witness stated:

"Yes, Sir. Initially there were some teething troubles with this prototype. We had discussed that with them and then the teething troubles were eliminated. They are now in good condition."

1.69. When the attention of the Secretary of the Ministry was drawn to the report (dated 23 July 1979) of the Regional Director

of Civil Aviation, Delhi Region according to which the prototype at Safdarjung Airport had not worked since its purchase due to several manufacturing defects and had been lying idle in unserviceable condition, he clarified the matter as under:

"When this prototype was handed over, it was found to be not strictly adhering to our specification. The reduction was brought about and, therefore, it was acceptable.... The thickness of the walls was reduced from six millimetres to three millimetres since the defect found was only with regard to the load on the chassis and the pulling capacity.... The Regional Director's observation is not correct in the sense that it has not been used in any situation because there has not been any accident as such. It is taken out every day for operation.... I asked the Regional Director, what does it mean? It is not put to any use. Nowhere have we put the fire fighting engine for any use. Every morning there is a drill. There are very minor defects. Some nuts and bolts were not all right. We spent some money on this. You may take it from me that it has been certified as being in a fit condition for operation; it can be used."

1.70. The Director General of Civil Aviation also confirmed that the prototype Bowzer at Safdarjung was "in a working condition. Since it was repaired last year we have not found any defects".

He added:

"...It is supposed to be an everyday exercise. The last repair was carried out in May 80. Thereafter, it has been functioning all right."

1.71. The Assistant Fire Officer in his report to the DGCA in July 1979 had identified the following five defects in the prototype:

1. Pump failed to take water from the open source from the deeper lift.
2. Primer failed to function.
3. Water tank has not been treated by the anti-corrosion paint.
4. Turning of engine cannot be done manually. Regular turning as required is not being done as the pump is not functioning.

5. The lugs provided are of poor casting and on application of the suction spanner, one of the lugs got broken."

Enquired whether the DGCA had seen the above Report, he stated during evidence on 13 November, 1980 that "it has been brought to my notice two days ago."

1.72. In February 1978, six more chassis were handed over to firm 'D' (M/s. Hindustan General Industries Ltd., New Delhi) for fabrication of water bowzers; the fabrication required 'colt' diesel engines to be supplied by another firm 'E' (M/s. Premier Automobiles Ltd., Bombay). Due to lock out in the factory of M/s. Premier Automobile Ltd., Bombay, the supply of 'colt' diesel engine became uncertain and the DGCA requested the DGSD in March 1979 to explore the possibility of using petrol engines. On 25 May, 1979, firm 'E' informed the DGCA and the DGSD that as the lock out had since been lifted, it would supply 'colt' diesel engines at 6 units per month from July 1979 onwards. However according to Audit Para no further engine had been supplied by firm 'E' (October 1979) and no water bowzers had been fabricated and supplied by firm 'D' upto November 1979.

1.73. The Committee, wanted to know the latest position of supply of colt diesel engines by firm 'E' and fabrication of bowzers by firm 'D'. In a note, the Ministry of Tourism and Civil Aviation have stated:

"M/s. Premier Automobiles Ltd. Bombay could not supply the Diesel Colt Engine except the one number which was used in the prototype in view of the strike/lockout at their Works and at the works of their supplier of Pistons, M/s. India Pistons, Madras. This firm (firm 'E') was under lock-out on different occasions till the last week and as per the newspaper reports, the lock-out has since been lifted and the normal activities are expected to be resumed shortly. In view of the prolonged closure of the works of M/s. Premier Automobiles, Bombay leading to the non-availability of Premier Diesel Colt Engines, use of an alternative engine was explored and it was decided that M/s. Hindustan General Industries Ltd., New Delhi (firm 'D') would submit another prototype using an alternative engine, viz.; Kirloskar RS-44. It has been decided in case this prototype is approved, the firm would be supplying 6 Nos. using this engine and the balance with Premier Colt Diesel Engine depending upon the availability of the two alternative engines. The firm have been asked to

submit a prototype using a Kirloskar RE-4 Engine by 25th October, 1980. In case the availability of Colt Diesel Engine becomes normal, the firm would supply water bowzers @ 5 to 6 Nos. per month commencing 30 days of their receipt. In this connection Department of Heavy Industry were also approached who have advised M/s. Premier automobiles to give priority to the supply of diesel colt engine to M/s. Hindustan General Industries required for fabrication of these water bowzers."

1.74. The Ministry of Tourism and Civil Aviation have also informed the Committee that 'no agreement was entered into by the Government with M/s. Premier Automobiles Ltd. (Firm 'E') as the supply of colt diesel engines was to be obtained from Firm 'E' by M/s. Hindustan General Industries Ltd. (Firm 'D') directly. However, in view of the difficulties encountered by M/s. Hindustan General Industries Ltd. in procurement of colt diesel engines, DGS&D pursued the matter vigorously with M/s. Premier Automobiles Ltd. with a view to expedite supply.

1.75. It came out during evidence that DGS&D not only gave extension of time to M/s. Hindustan General Industries Ltd. for fabrication of water bowzers but also increased the price for fabrication of water bowzers. Asked about the reasons for this, the Ministry of Tourism and Civil Aviation have in a written note, stated:

"The increase in the price allowed to M/s. Hindustan General Industries Ltd. is 11 per cent. The reasons for the increase were as under:

- (a) Force Majeure conditions were prevailing in the form of non-availability of Premier colt engine and in this connection efforts made to assist the firm in getting the engine are given in Annexure 42 (Not reproduced). During the intervening period the prices of colt engine went up by Rs. 6,000/- approx. (from Rs. 14,000 to 20,000). Besides there was general escalation in the prices of steel required for fabrication purpose and other bought out components).
- (b) The prototype of M/s. Hindustan General Industries already stood approved and in case of cancellation of the contract and processing the case for further risk purchase, the time that would have taken in inviting the

tenders, processing the tenders and finalising the purchase and there after approval of prototype in case of new firm would have taken considerable time about 2 years as seen from our past experience. The success of the new supplier in submitting an acceptable prototype was also not certain.

- (c) It was seen that the rates of their competitors who had quoted in 1978 when the purchase was finalised, were higher by more than 14 per cent in case of M/s. Brijbasi Udyog, Mathura and 17 per cent in case of M/s. Kooverji Devashi, Bombay. The price increase given to M/s. HGI was only 11 per cent and thus lower than the price that had been accepted in respect of M/s. Brijbasi.
- (d) The firm had promised to submit an acceptable prototype using Kirloskar RE-4 engine and to make supplies using this engine in case Premier Colt engines was not available. Kirloskar RE-4 engine was costlier than Premier colt engine."

1.76. Giving the latest position regarding the fabrication of water bowzers, the Secretary, Ministry of Supply stated during evidence:

"We have been reviewing this and I can say this much. Regarding HGI, this contract was done early in 1976. We have had 12 meetings in a period of 3 years. Actually there were 10 meetings in a period of 3 years. Then there was some period when they were doing this prototype. 2 meetings were held before that and in all you can say 12 meetings were held. We discuss with the producers about the HGI project. Regarding supply of water bowzers, efforts were made with Premier Automobiles. They have to supply us colt engines. I have a list with me how many times we have met them. Here it was mainly due to circumstances beyond our control. We have been as you know, bogged by strikes or something like that.... It is because there are complications and there are a number of imlications. The H.G.I. is still on strike. I called the proprietors and they met me on the 6th of this month and asked them whether the strike was over. They said it would be over the next day. But now if we cancel these contracts, then the question arises as to what should

we do with the orders placed on them. We gave them 6 chassis. The first thing is that for recovery of these chassis we have to go to the High Court. We have to consult the Finance Secretary and the Law Ministry and then only we can take a decision on this point. I will certainly be going to the Minister also because if the strike goes on, there will be some difficulty. I have already consulted the Law Ministry because if we cancel the contract, there will be financial repercussions. Moreover, if I cancel the contract, what do we do with those 6 chassis and for that we have to see what are the alternatives.... We are constantly reviewing as to what to do in this matter. I had called the party to find out what is the stage of the strike. They said that the strike would be over and they would be able to go ahead with the contract."

1.77. Enquired about the assessment arrived at in the last meeting, he replied:

"There was no definite conclusion reached. The assessment was that this party was not likely to supply the things very quickly and it was also considered that we should make a formal reference to the Law Ministry. We did make a formal reference to the Ministry of Law as to whether it should be cancelled and if so what would be the financial implications? Then a point arose whether we had to give a performance notice to the party in terms of legal aspect and we were told that we had to give a performance notice or not is to be decided because we have to see what were the negotiations between the management and the trade unions being arrived at and it is quite possible that this factory might start working. The persons in charge of the management said that they would be able to do our job. They had already procured everything and according to them except fixing the coil engine, other things are ready. But it is only a matter of judgement. Even today I cannot give any categorical reply as to what can be done. We should be able to take a decision very soon in consultation with the Secretary, Civil Aviation Department, ourselves, Finance and Law."

1.78. The Ministry of Tourism & Civil Aviation have however, informed the Committee that "a physical assessment of the work done by the firm on 6 chassis could not be carried out. Director of

Inspection visited the firm's works at Nangloi on 3 December, 1980 but the firm's works were closed because of the dispute between the workers and management and the workers did not allow the management/outside to enter the works. However, firm have claimed that they have completed almost all fabrication work except installation of the engine."

1.79. The Ministry also issued a performance notice on 13 January, 1981 asking the firm (M/s. Hindustan General Industries Ltd.) to supply at least 5/6 water bowzers using Premier colt engine or to submit an acceptable prototype using Kirloskar RE-4 engine within 30 days of receipt of performance notice and that in case of default the outstanding stores shall be purchased at their risk and cost.

1.80. When the Committee wanted to know whether there was some clause for cancelling the contract in the A/T with HGI, the Secretary, Ministry of Supply stated:

"If we cancel it, how to get the item? Then, you pay higher price. It is a matter of judgement. Now, it is, as I said, very unfortunate. In some cases, it happens. It is not kept pending with my Department or even with the Department of Civil Aviation, which is the Department which is supposed to get the supply. Now, take the case of HGI. They wanted to get the engine from Premier Automobile who have to get piston from India Pistons. Unless they get the piston, the engine will not work.... We are discussing the matter with the Ministry on a day to day basis. They have said that we can cancel this contract even during the period of strike, and that it has no financial repercussions. Secondly we have to give 30 days notice before we cancel the order. So, we have to take a decision on it."

1.81. The Committee noted from the A/T placed on M/s. Hindustan General Industries Ltd. that the firm had to deposit a sum of Rs. 1,43,750/- as security Deposit and to give bank Guarantee of Rs. 30 lakhs latest by 30 October, 1976.

1.82. As regards the total requirement of water bowzers, the Secretary, Ministry of Tourism & Civil Aviation stated during evidence:

"Our available demand for bowzers is 71 taking into consideration all the airports in the country other than the International Airports. Only 31 are involved in this

litigation or in any manner to be involved in litigation or in any manner hampered in litigation. We are still left with 40 bowzers for which DGS&D is not involved. We are planning to go in for them in the current financial year and next financial year....We should meet our urgent requirements by this process and hopefully in the next three or four months these will come to us. Short of giving a formal assurance, I want to indicate that 40 will be the number which we will order in the next 13 months and we will so phase them that we get 10 or 15 at a time."

He added in this connection:

"We can today buy this bowzer off the Indian market, within 2 months. The prototype of PTO which we discouraged in 1976, is available today. We have them in the Airport Authority in Delhi, Bombay, Madras and Calcutta... We will straightway place the orders and get all the bowzers through."

1.83. Enquired whether proposals for purchasing another 40 water bowzers had been finalised, the Ministry of Tourism and Civil Aviation have, in a written note, stated:

"Though originally it was planned to procure another 40 water bowzers for various aerodromes in the country, subsequently due to cut in the plan funds, it is now proposed to go in only for about 23 water bowzers in the present plan period. Token provision for this is being made in the year 1981-82 so that the proposal can be finalised to enable us to get the equipment from 1982-83 onwards."

1.84. As several Departments were involved in the procurement of this equipment instead of one department being responsible, the Committee enquired whether this procedure needed to be simplified. The witness stated:

"What can be done. The Law Ministry has to be consulted, because there are legal problems. Our cases go to the courts and for arbitration. There are financial repercussions. If we by-pass law and the Government loses, the audit will object to it... In this case, once we placed the order, the responsibility is ours. We have to follow the certain rules. The decisions have to be taken. It may be the Secretary of the Law Department or

anybody, but these decisions have to be taken under the legal framework. But, it is not that we do not want to take a decision.

1.85. Elucidating the point further, the Secretary, Tourism & Civil Aviation stated:

“The Chairman has in mind the idea of institutionalisation or committee formation of a type which will sort out these problems. I have limited knowledge on the subject. Therefore, I put forward one or two points for consideration. One is perhaps the delegation aspect. The quantum may be much higher, than at least in the Ministry. Supply Secretary mentioned about a lakh of rupees. It may be in terms of the escalation in prices that have taken place, this one lakh may not be adequate. I have experience of the two Corporations where originally in 1960 or 1970, we had Rs. 50,000 set limit within the Chairman’s competence. It is now increased to Rs. 30 lakhs. Therefore, delegation is given. This could bring down; the number of cases referred to the PAC. This is a matter where you would be the better judge to go into and come to a conclusion. The matter of formation of a committee is complicated. There can be as many Committees as there are Departments. There can be a Committee for Civil Aviation matters, another for Defence. So, that may not work. But we can examine whether DGS&D could have some sort of a super-committee where cases pending for more than 1 year can get cleared at a much higher level. Next, a high-power legal cell could be built in DGS&D itself, instead of every time going to the Law Ministry, just as we have integrated Finance since 1976 in each Ministry. The internal law set-up should be equally competent as the Law Ministry, so that legal clearance is obtained quickly. The parent Ministry which places the order, should feel the responsibility and chase the order...”

1.86. Asked whether the high powered committee would be a part of a system in the Department, he replied:

“Within his own organisation, there are bulk purchasers. For instance, he may find out which Ministry buys a large number of items. He can coopt a group of 3 Ministries which could chase this matter relentlessly.”

1.87. The Secretary, Ministry of Supply, informed the Committee in this regard:

"A few years ago, we took a decision that for items which were required exclusively by one organization, we need not come into the picture. The departments themselves can purchase them. We transferred a large number of items to the Ministries of Defence and Railways, and to P&T. In fact, our work-load has already been reduced considerably; and these items don't come to us."

1.88. Enquired why this decision was taken he stated:

"Certain items are required by no one also except Railways. Railways have also expertise, and know what they want. Earlier it used to be with us. In fact, we used to buy much more than what we are now buying however even now we place 16,000 contracts, but they are required by more than one department. So, there is a central purchase organization. If we transfer everything to them, there is no need for this. This is a matter for cabinet to decide... I mentioned that those items which are required exclusively by that department, those items are done by them. But we still make a lot of purchases for the defence, for the railways and for the P&T. During the last fifty years the DGSD had developed expertise in purchases; we have a legal side; we have a big inspection side. There is a liaison officer from railways with us; people from Army, Navy, Air Force sitting in our office Timber, for instance, we buy for the Railways, in addition to many other things.

We have issued orders that officers of the level of DDG at the HQ regional directorates will keep special watch on contracts relating to operational and urgent demands of defence, items required to meet a sought etc. rural electrification water supply schemes, requirements for Asian Games which is a time-bound programme which cannot brook any delay. They must examine cases of delivery where it has been delayed beyond six months, other critical items. We have advisory committee. DG takes meetings every month; I take meetings at my level wherever necessary.

What Secretary, Department of Tourism & Civil Aviation was saying was that very recently, at the instance of the

Prime Minister it was taken up by the Cabinet Secretariat. We have delegated more powers. For instance, if the purchases were more than Rs. 1 crore, the case should be referred to the Ministry; we have raised this limit to 1.5 crores. If the price increase was more than 25 per cent over the last purchase price, it has to come to us; where he had to do negotiations, then the powers were limited to Rs. 50 lakhs. Similarly at the Assistant Director's level, Deputy Director's level etc. powers have been increased. DDG has now got power up to Rs. 75 lakhs. Earlier it was only Rs. 50 lakhs. This has been done in consultation with the Secretaries Committee. The Finance Secretary was there and we have taken various items into consideration. This has been done so that the departments do not have to waste their time on small matters, because the prices have gone up and we also wanted to have some decentralisation, as desired by the Prime Minister. We are also proposing that late and delayed tenders should be rejected. This will mean there will have to be a certain amount of discipline. Sometimes a delayed tender may be cheaper and there is a feeling that if we take that into consideration we can save, say, Rs. 2 lakhs. But sometimes they do not fill in all the information; they want negotiation and so on. This creates certain problems. We are examining all this constantly. Half of my time is spent in all these matters, how to rationalise it, how to decide what meeting should be held with whom, etc. I am myself keeping track of all important cases. In the case of water bowser, even if I sit every month, nothing can be done. As far as alternative orders are concerned, I would have done it but for this complication that six of our chassis are with this firm and they have done some work. What happens to that? I do not want to go to High Court. I will take Government orders. If necessary, two Ministers can sit together and look into it. We will not let grass grow on this."

He added:

"Personally I feel there should be a law officer in each Ministry. It has been discussed with the Law Secretary but they are reluctant because they feel the combined effort of the Law Ministry plus the library facilities will be better. We have an OSD (Litigation) in the DGS&D.

We have taken up the matter that let this officer be under the administrative control of the DGS&D. This file is still pending and, I hope I will be able to persuade the Law Ministry to put these people under the administrative control of the DGS&D."

1.89. In order to augment the water capacity of fire tenders to meet the fire fighting requirements at various airports, the then Ministry of Transport and Communications accorded in October 1966 its administrative approval for purchase of 68 water bowzers at an estimated cost of Rs. 58.90 lakhs. These water bowzers were to be fabricated on chassis. Two Accepted Tenders for supply of 31 chassis, (one placed for 2 chassis at a cost of Rs. 1.45 lakhs on 17 July 1970 and the other for 29 chassis at a cost of Rs. 26.97 lakhs on 4 September 1971) were placed on M/s. Ashok Leyland Ltd., Madras after a period ranging from 3 to 5 years from the date of receiving the administrative approval i.e. October 1966. These 31 chassis were delivered by the firm in 1974 but till now these have not been put to use as the water bowzers could not be fabricated because the power take off units which are an essential component fitted of the chassis could not be manufactured according to the required specifications and the alternative of fitting an engine did not materialise so far.

1.90. The contracts for chassis stipulated that order for supply of power take off units would be placed separately on receipt of firm's quotations. The Department of Civil Aviation had proposed in 1969 to obtain power take off units first from Telco and later from M/s. Ashok Layland Ltd. In both the cases the PTO Units could not be manufactured as per required specifications. In 1977 the proposal to have PT units was dropped and it was decided to go in for colt diesel engine. The firm (M/s. Premier Automobile Ltd., Bombay which was to manufacture diesel engines has so far supplied one colt engine. The result has been that the firm (M/s. Hindustan General Industries Ltd., New Delhi) which was to fabricate bowzers on receipt of the colt engines has been able to fabricate only one prototype water bowzer even after the changes in the specification were approved more than 4 years ago. The Committee find that the water bowzers have not been fabricated even 15 years after its administrative approval in 1966. This shows lack of seriousness, apathy and deficiency in functional coordination on the part of various authorities. In the succeeding paragraphs the various aspects of delay and lack of coordination have been discussed on the basis of the information made available to the Committee.

1.91. After obtaining the administrative approval in October 1966, the first indent for two water bowzers (Chassis as well as body building) was placed in October 1969 by DGCA on DGS&D, who on the basis of a single tender enquiry placed an acceptance of tender on 7 July 1970 on M/s. Ashok Leyland Ltd., Madras for supply of two chassis by 20 November, 1970. The contract stipulated that order for supply of power take off units to be fitted to the chassis would be placed separately on receipt of quotations from the firm (M/s. Ashok Leyland Ltd.). The DGCA thus took 3 years for placing orders for supply on DGS&D who took another about 10 months to place the order for supply on the firm. The Committee are not satisfied with the explanation given for this delay that "since this was a developmental project, there was a time lag to locate suitable supplies of chassis, power take off units and body building". The subsequent events clearly indicate that the DGCA proceeded with the procurement of water bowzers half heartedly, without serious thought or anxiety that it deserved. In fact the Secretary, Ministry of Tourism and Civil Aviation conceded during evidence "I am afraid that this has been very unhappy delay on the part of the management".

1.92. As regards the reasons for issuing a single tender enquiry in favour of M/s. Ashok Leyland Ltd., the Secretary, Ministry of Tourism and Civil Aviation informed the Committee during evidence:

"The Tatas were tied up with the Defence Ministry. Therefore, we had only one party to go to."

In this very context, the Department of Civil Aviation have stated:

"The first chassis identified for this purpose was Mercedes benz manufactured by M/s. Tata who offered it along with the power take off units. However after exhaustive tests, it was found that power take off unit was not giving the required speed and the required HP unit. In the meanwhile it was found that another chassis with better pay-load was available from M/s. Ashok Leyland Ltd."

1.93. The above two statements are contradictory in as much as on one hand it is stated that the offer of Telco was not accepted as their PT Unit was not giving required speed etc. while on the other hand M/s. Telco are reported to have declined the order as they were tied up with defence requirements. The Committee would like to know which of the two statements indicates the correct position.

1.94. The Committee are not convinced by Government's plea that the chassis supplied by M/s. Ashok Leyland Ltd. was a better one particularly when the PTO unit to be fitted to the chassis was not tried by Government at any stage and was still to be developed by the firm when orders for the chassis were placed on them. What the Committee are distressed to note is that without waiting for the result of development of the PTO unit for which separate orders were placed on M/s. Ashok Leyland Ltd., another contract for supply of 29 more chassis (without PTO units) was placed on the same firm on 4 September, 1971. In the absence of any positive and pressing reasons for having selected only M/s. Ashok Leyland for supply of the chassis and PTO units, the Committee are inclined to think that it was a clear lapse on the part of Government for not having issued a general tender enquiry in this regard. In fact, the DGCA conceded during evidence "we did not know if there was any other firm like M/s. Hindustan General Industries Ltd. who are trying to develop this PTO units. We did not know it."

1.95. It is a well established practice that before importing any equipment/component it is imperative that Director General, Technical Development should be consulted to certify that a particular equipment/component was not indigenously available. The Committee find that in the instant case DGCA had without consulting Director General of Technical Development written on 10 May, 1966 to M/s. Tata Engineering that "the power take off will be imported from West Germany if required."

The Secretary, Ministry of Tourism and Civil Aviation admitted during evidence that "the right things should have been to consult DGTD."

1.96. According to acceptance of tenders dated 17 July 1970 order for supply of Power take off units to be fitted to chassis was to be placed separately on M/s. Ashok Leyland Ltd., on receipt of their quotation.

In September 1971 the firm informed the DGS&D that the PTO units would not be available and that instead full torque PTO units were required. Again in July 1973 the firm informed that it had not yet started the production of Torque PTO unit but it had manufactured two other PTO units by general engineering methods. It is also seen that instead of routing the orders for PTO units through DGS&D, DGCA preferred to place the orders on the firm directly at a cost of Rs. 0.05 lakh plus sales tax and that too without

providing to them the required specifications and drawings, although para 69 of the DGS&D Manual provides that the required specifications/drawings should invariably be first obtained and attached to the tender of enquiry. The Committee would like to know why the specifications and drawings of PTO units were not supplied to the firm in the first instance and the reasons for not placing the orders through DGS&D when there was a specific provision in the contract.

1.97. The two PTO units obtained by the department from M/s. Ashok Leyland Ltd. were fitted on 19 October, 1973 to chassis already delivered to M/s. DGL Ltd. for necessary testing and fabrication of water bowzers. After testing again and again, these PTOs were not found suitable, and ultimately in April 1975 the firm informed DGS&D that the PTO units supplied by M/s. Ashok Leyland were not suitable for operating fire fighting pumps.

1.98. The Committee are constrained to point out that about six years were lost in an effort to obtain suitable PTO units from M/s. Ashok Leyland Ltd. The Committee are not satisfied with the reply of the Ministry of Tourism and Civil Aviation that M/s. Ashok Leyland Ltd. had adequate technical know-how and it was considered that they would be in a position to design and develop a suitable power take off unit for the water bowzers and that "the reputation of the firm backed by M/s. British Leyland of UK was considered sufficient for accepting their plan to manufacture a suitable power take off units." The firm, has however clarified on the other hand that it had "the knowhow for the design and manufacture of PTOs for certain specific application and those PTOs could not cater the requirements of water bowzers. The Committee are distressed to observe that the Ministry had failed to verify the capacity of the firm to produce the required type of PTO units before placing order on them and worse still clung to this order till the firm itself after its repeated failures expressed its inability to deliver the goods as per specifications. Since the DGCA had admitted during evidence that "as regards the decision to put a separate engine, this was the point under consideration right from the beginning when we decided to go in for PTO". It was possible to go for a separate engine at an early stage.

1.99. Consequent upon the failure of the PTO unit, the two contracts placed by DGS&D on M/s. DGL Ltd., New Delhi in July 1970 and in July 1971 for fabrication of 31 water bowzers on Leyland chassis were cancelled on 13 November, 1975 without financial repercussion on either side with the advice of the Ministry of law. In this connection, the Committee find from clause 19(f) of the

Acceptance Tender dated 17 July, 1970 that the firm had to furnish indemnity bond and a comprehensive insurance policy in original for Rs. 71,000 for each of the chassis before their delivery. Whereas the firm furnished the indemnity bond it could not furnish the comprehensive policy as the DGS&D failed to intimate the date of release of chassis to it. The Ministry of Law in their note dated 5 June, 1975 had inter alia stated that "the department appear to have not performed its duty in connection with the reciprocal contract. In the circumstances it is doubtful whether the department gets right to cancel the contract at the risk and cost of the firm." It is not clear to the Committee as to why the DGS&D did not inform the date of release of chassis to the firm. The Department owe an explanation for this costly lapse.

1.100. After the PTO units supplied by M/s. Ashok Leyland were not found satisfactory, the DGCA decided on 4 March, 1976 to place a fresh indent with the revised specification replacing the PTO units by diesel engines for pump drive. On the basis of the quotations received, two contracts were placed by DGS&D in September 1976 on M/s. Brijbasi Udyog, Mathura and M/s. Hindustan General Industries Ltd., New Delhi for fabrication of 6 numbers and 25 numbers of water bowzers with provision of coil diesel engine for pump drive and certain necessities at a cost of Rs. 7.50 lakhs and Rs. 28.75 lakhs respectively. In both the cases, the firms were required to produce acceptable prototypes within 3 months of the receipt of chassis failing which the contracts were to be cancelled at their risk and cost.

1.101. The Committee note from the Audit paragraph that one chassis was handed over in March 1973 to M/s. Brijbasi Udyog Mathura who failed to supply the prototype vehicle within the extended period of delivery upto 30 September 1977 and the contract was therefore cancelled by the DGS&D on 9 January 1978, on the risk and cost of the firm. This firm had not returned the chassis valuing over Rs. 0.92 lakhs at that time. In this connection the Committee have been informed that the contract had been cancelled in consultation with the Ministry of Law and an order for the cancelled quantity was placed on M/s. Hindustan General Industries Ltd. under option clause at a lower rate no risk purchase loss was incurred. For recovering the cost of one chassis from M/s. Brijbasi Udyog, Mathura, a suit had been filed in consultation with the Ministry of Law in Delhi High Court with a prayer to pass the decree for Rs 2,14,396.78 being the present cost of the chassis. The Court had also been requested for other reliefs which the High Court

might deem fit just and proper. The Committee would like to be apprised of the latest position in this regard.

1.102. As mentioned earlier on the cancellation of the contract on M/s. Brijbasi Udyog six chassis issued to them were transferred to M/s. Hindustan General Industries Ltd., thus making a total order of 31 water bowzers on them. M/s. Hindustan General Industries Ltd., had been able to produce in May 1977 a prototype which on testing and inspection by the representative of the DGS&D and the DGCA was found to have certain manufacturing defects and as such the prototype was rejected in October, 1977. When the firm represented that the rejection was not justified as the design and drawing of the prototype had the prior approval of the indenter, the prototype was accepted on 6 December, 1977 after reducing the cost (total reduction being Rs. 3.43 lakhs for 25 numbers). The Committee regret over the failure of the department to give proper design and drawings to the firm. They desire to know how a prototype produced on the basis of wrong design and drawings and once rejected was subsequently accepted. The Committee recommend that a small team of technical experts should be appointed which can advise on top priority the suitability and performance of this prototype before going in for such type of water bowzers.

1.103. The chassis handed over to M/s. Hindustan General Industries Limited were required to be fitted with colt engines which were to be supplied by another firm namely M/s. Premier Automobile Bombay. The Committee are surprised to learn that no agreement was entered into by the Government with M/s. Premier Automobile Ltd. as the supply of colt diesel engines was to be obtained direct from this firm by M/s. Hindustan General Industries Ltd. As will be seen from subsequent para, this arrangement had given rise to delay in the procurement of colt diesel engines for which DGS&D had to pursue the matter vigorously. The Committee are unable to understand how such an arrangement was allowed to be made under which M/s. Premier Automobile were not obliged to supply the colt engine within a stipulated period. The Committee consider this as a deplorable manner of entering into an agreement and desire that responsibility for this should be fixed.

1.104. The Committee further note that due to lock out in the factory of M/s. Premier Automobile Bombay, the supply of colt diesel engines became uncertain and it was only on 25 May 1979 when the firm informed the DGCA and DGS&D that the lock out

had been lifted and it would supply colt engines at 6 unit per month from July 1979 onwards. The Committee are concerned to learn that in spite of the above assurance given by the firm no engine has been supplied by it since then. The Committee would like to know the action taken by the Government to ensure timely supply of colt engine to M/s. Hindustan Industries Ltd.

1.105. Yet another aspect of the sad story of delay in procurement of water bowzers is stated to be the strike by the workers in M/s. Hindustan General Industries. The officials of DGS&D had 12 meetings with the firm to expedite the supply and the firm had informed the Ministry of Tourism and Civil Aviation that they had completed almost all fabrication work except installation of the colt engines. However the Ministry informed the Committee that a physical assessment of the work done by the firm on six chassis could not be carried out. When the Director of Inspection visited the firm's work at Nangoli on 3 December 1980 the workers who were on strike did not allow the management/outside to enter the works.

1.106. It is noted that a performance notice was issued on the firm on 13 January 1981 asking M/s. Hindustan General Industries Ltd. to supply at least 5 to 6 bowzers using prototype colt engine or to submit an acceptable prototype, using Kirloskar RE-4 engine within 30 days on receipt of performance notice and that in case of default the outstanding stores would be purchased at their risk and cost. The Committee would like to know the latest position in this regard.

1.107. The present total requirements of water bowzers is 71 taking into consideration of all the airports other than the 4 international airports which are under the control of International Airport Authority of India. Against the total requirements of 71, the supply of 31 bowzers is hampered because of the complications mentioned in the earlier paragraphs. The Secretary, Ministry of Tourism and Civil Aviation stated during evidence that they were planning to go for the remaining 40 water bowzers without involving DGS&D. He had almost assured the Committee: "I want to indicate that 40 will be number which we will order in the next 13 months and we will so phase them that we get 10 or 15 at a time. He further stated: "We can today buy six bowzers of the Indian market, within two months. The prototype of PTO which we discouraged in 1973 is available today. The Committee would like to caution the Department that this is a matter on which if past experience is any guide

complacency can be disastrous and utmost watch is needed at every stage of the progress of linked items.

1.108. The Committee have come to the conclusion that they have come across a typical case of delays on the part of bureaucracy where the procurement of a few water bowzers for use at various airports in the country could not make any headway in a long period of about 15 years merely because the Department concerned had utterly failed in getting a small item like the PTO unit which was to be fitted on water bowzers. This speaks volumes of the casualness with which the concerned Departments viz., Department of Civil Aviation (DGCA) and Department of Supply (DGS&D) handled this case all these years.

The indenting Department i.e. Department of Civil Aviation (DGCA) after getting approval of the project in 1966 proceeded with the case at a snail's pace, completely overlooking the fact that the water bowzers were required in an area of vital importance where life and safety of people was involved. The Committee feel that had the difficulties been looked into and decisions taken at higher level the delays at several stages would have been cut down to a great extent, resulting in hastening the procurement of the water bowzers.

In this connection, the Committee would like to draw pointed attention of the Government to the following aspects in particular:

- (i) After obtaining the administrative approval for procurement of 68 water bowzers, indents were placed for 31 chassis (without PTO units) on M/s Ashok Leyland Ltd. Madras after a period ranging from 3 to 5 years.
- (ii) Orders for the PTO units were placed on M/s Ashok Leyland Ltd. Madras without verifying its manufacturing capacity and technical suitability with the result that the two units supplied were not suitable later and thus fabrication of bowzers was delayed for about 6 years.
- (iii) Orders for fabrication of water bowzers with 'colt' diesel engine for pump drive were placed on M/s. Brijbasi Udyog Mathura and Hindustan General Industries Ltd. without verifying the suitability of the equipment offered, with the result that the prototype did not work satisfactory.
- (iv) Amount of Rs. 1.45 lakhs and Rs. 26.97 lakhs spent for procurement of two chassis and 29 chassis had remained

blocked since Feb. 1972 and May 1974 respectively as suitable PTO could not be manufactured.

- (v) A chassis valued at Rs. 0.92 lakh has been lying with M/s Brijbasi Udyog Mathura since March 1977 who refused to return it.

1.109. The Committee would like the concerned Departments to go into delay which occurred at various stages, right from the date of obtaining administrative approval till date and identifying the reasons for such delays comes to fix responsibility at the level of officers who were associated with the handling of the case.

1.110. From the facts and evidence placed before the Committee on this paragraph the Committee feel that there is a need for co-ordination between the different Ministries particularly in those areas and fields in which two or more Ministries or Departments are involved for the execution of a project. The Committee recommend that there should be a co-ordinating Committee of the concerned Ministries/Departments which may do continuous monitoring into the projects costing Rs. 10 lakhs and above. The Committee hope this would expedite the execution of projects in a coordinated and integrated manner.

NEW DELHI;
April 25, 1981.

Vaisakha 5, 1902 (S).

CHANDRAJIT YADAV,
Chairman,
Public Accounts Committee.

APPENDIX

Statement of Observations and Recommendations

Sl. No.	Para No.	Ministry/Deptt.	Recommendations and Observations
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1	1.89	Ministry of Tourism and Civil Aviation/ Ministry of Supply	<p>In order to augment the water capacity of fire tenders to meet the fire fighting requirements at various airports, the then Ministry of Transport and Communications accorded in October 1966 its administrative approval for purchase of 68 water bowzers at an estimated cost of Rs. 58.90 lakhs. These water bowzers were to be fabricated on chassis. Two Accepted Tenders for supply of 31 chassis, (one placed for 2 chassis at a cost of Rs. 1.45 lakhs on 17 July 1970 and the other for 29 chassis at a cost of Rs. 26.97 lakhs on 4 September 1971) were placed on M/s. Ashok Leyland Ltd., Madras after a period ranging from 3 to 5 years from the date of receiving the administrative approval i.e. October 1966. These 31 chassis were delivered by the firm in 1974 but till now these have not been put to use as the water bowzers could not be fabricated because the power take off units which are an essential component fitted or the chassis could not be manufactured according to the required specifications and the alternative of fitting an engine did not materialise so far.</p>

The contracts for chassis stipulated that order for supply of power take off units would be placed separately on receipt of firm's

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quotations. The Department of Civil Aviation had proposed in 1969 to obtain power take off units first from Telco and later from M/s. Ashok Leyland Ltd. In both the cases the PTO Units could not be manufactured as per required specifications. In 1977 the proposal to have PT units was dropped and it was decided to go in for colt diesel engine. The firm (M/s. Premier Automobile Ltd., Bombay which was to manufacture diesel engines has so far supplied one colt engine. The result has been that the firm (M/s. Hindustan General Industries Ltd., New Delhi) which was to fabricate bowzers on receipt of the colt engines has been able to fabricate only one prototype water bowzer even after the changes in the specification were approved more than 4 years ago. The Committee find that the water bowzers have not been fabricated even 15 years after it administrative approval in 1966. This shows lack of seriousness, apathy and deficiency in functional coordination on the part of various authorities. In the succeeding paragraphs the various aspects of delay and lack of coordination have been discussed on the basis of the information made available to the Committee.

After obtaining the administrative approval in October, 1966, the first indent for two water bowzers (Chassis as well as body building) was placed in October, 1969 by DGCA on DGS&D, who on the basis of a single tender enquiry placed an acceptance of tender on

7 July, 1970 on Messrs Ashok Leyland Ltd., Madras for supply of two chassis by 20 November, 1970. The contract stipulated that order for supply of power take off units to be fitted to the chassis would be placed separately on receipt of quotations from the firm (M/s. Ashok Leyland Ltd.) The DGCA thus took 3 years for placing orders for supply on DGS&D who took another about 10 months to place the order for supply on the firm. The Committee are not satisfied with the explanation given for this delay that "since this was a developmental project, there was a time lag to locate suitable supplies of chassis, power take off units and body building". The subsequent events clearly indicate that the DGCA proceeded with the procurement of water bowzers half heartedly, without serious thought or anxiety that it deserved. In fact the Secretary, Ministry of Tourism and Civil Aviation conceded during evidence "I am afraid that this has been very unhappy delay on the part of the management."

4 1'92 Ministry of Tourism
and Civil Aviation

As regards the reasons for issuing a single tender enquiry in favour of M/s. Ashok Leyland Ltd., the Secretary, Ministry of Tourism and Civil Aviation informed the Committee during evidence:

"The Tatas were tied up with the Defence Ministry. Therefore, we had only one party to do to."

In this very context, the Department of Civil Aviation have stated:

"The first chassis identified for this purpose was Mercedes Benz manufactured by M/s. Tata who offered it along with the power take off units. However, after exhaustive tests, it was found that power take off units was not giving the required speed and the required HP unit. In the meanwhile it was found that another chassis with better pay-load was available from M/s. Ashok Leyland Ltd."

The above two statements are contradictory in as much as on one hand it is stated that the offer of Telco was not accepted as their PTO Unit was not giving required speed etc, while on the other hand M/s. Telco are reported to have declined the order as they were tied up with defence requirements. The Committee would like to know which of the two statements indicates the correct position.

The Committee are not convinced by Government's plea that the chassis supplied by M/s. Ashok Leyland Ltd. was a better one particularly when the PTO unit to be fitted to the chassis was not tried by Government at any stage and was still to be developed by the firm when orders for the chassis were placed on them. What the Committee are distressed to note is that without waiting for the result of development of the PTO unit for which separate orders were placed on M/s. Ashok Leyland Ltd., another contract for sup-

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6. 1.94 Ministry of Tourism
and Civil Aviation/
Ministry of Supply

ply of 29 more chassis (without PTO units) was placed on the same firm on 4 September, 1971. In the absence of any positive and pressing reasons for having selected only M/s. Ashok Leyland for supply of the chassis and PTO units, the Committee are inclined to think that it was a clear lapse on the part of Government for not having issued a general tender enquiry in this regard. In fact, the DGCA conceded during evidence "we did not know if there was any other firm like M/s. Hindustan General Industries Ltd. who are trying to develop this PTO units. We did not know it."

7. Ministry of Tourism
and Civil Aviation

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It is a well established practice that before importing any equipment/component it is imperative that Director General, Technical Development should be consulted to certify that a particular equipment/component was not indigenously available. The Committee find that in the instant case DGCA had without consulting Director General of Technical Development written on 10 May, 1966 to M/s. Tata Engineering that "the power take off will be imported from West Germany if required." The Secretary, Ministry of Tourism and Civil Aviation admitted during evidence that "the right things should have been to consult DGTD."

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According to acceptance of tenders dated 17 July, 1970 order for supply of Power take off units to be fitted to chassis was to be

placed separately on M/s Ashok Leyland Ltd., on receipt of their quotation. In September 1971 the firm informed the DGS&D that the PTO units would not be available and that instead full torque PTO units were required. Again in July 1973 the firm informed that it had not yet started the production of Torque PTO unit but it had manufactured two other PTO units by general engineering methods: It is also seen that instead of routing the orders for PTO units through DGS&D DGCA preferred to place the orders on the firm directly at a cost of Rs. 0.05 lakh plus sales tax and that too without providing to them the required specifications and drawings, although para 69 of the DGS&D Manual provides that the required specifications/drawings should invariably be first obtained and attached to the tender of enquiry. The Committee would like to know why the specifications and drawings of PTO units were not supplied to the firm in the first instance and the reasons for not placing the orders through DGS&D when there was a specific provision in the contract.

9 1.97 Ministry of Tourism
and Civil Aviation/
Ministry of Supply

The two PTO units obtained by the Department from M/s. Ashok Leyland Ltd. were fitted on 19 October 1973 to chassis already delivered to M/s DGL Ltd. for necessary testing and fabrication of water bowzers. After testing again and again, these PTOs were not found suitable, and ultimately in April 1975 the firm informed DGS&D that the PTO units supplied by M/s. Ashok Leyland were not suitable for operating fire fighting pumps.

10 1.98 Do: The Committee are constrained to point out that about six years were lost in an effort to obtain suitable PTO units from M/s. Ashok

Leyland Ltd. The Committee are not satisfied with the reply of the Ministry of Tourism and Civil Aviation that M/s. Ashok Leyland Ltd. had adequate technical know-how and it was considered that they would be in a position to design and develop a suitable power take off unit for the water bowzers and that "the reputation of the firm backed by M/s. British Leyland of U.K. was considered sufficient for accepting their plan to manufacture suitable power take off units." The firm, has however clarified on the other hand that it had "the know-how for the design and manufacture of PTOs for certain specific application and those PTOs could not cater to the requirements of water bowzers. The Committee are distressed to observe that the Ministry had failed to verify the capacity of the firm to produce the required type of PTO units before placing order on them and worse still clung to this order till the firm itself after its repeated failures expressed its inability to deliver the goods as per specifications. Since the DGCA had admitted during evidence that "as regards the decision to put a separate engine, this was the point under consideration right from the beginning when we decided to go in for PTO". It was possible to go for a separate engine at an early stage.

Consequent upon the failure of the PTO unit, the two contracts placed by DGS&D on M/s. DGL Ltd., New Delhi in July 1970 and

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in July 1971 for fabrication of 31 water bowzers on Leyland chassis were cancelled on 13 November 1975 without financial repurcusion on either side with the advice of the Ministry of Law. In this connection, the Committee find from clause 19 (f) of the Acceptance Tender dated 17 July 1970 that the firm had to furnish indemnity bond and a comprehensive insurance policy in original for Rs. 71,000 for each of the chassis before their delivery. Where-as the firm furnished the indemnity bond it could not furnish the comprehensive policy as the DGS&D failed to intimate the date of release of chassis to it. The Ministry of Law in their note dated 5 June 1975 had *inter alia* stated that "the department appear to have not performed its duty in connection with the reciprocal contract. In the circumstances it is doubtful whether the department gets right to cancel the contract at the risk and cost of the firm." It is not clear to the Committee as to why the DGS&D did not inform the date of release of chassis to the firm. The Department owe an explanation for this costly lapse.

Ministry of Tourism
and Civil Aviation/
Ministry of Supply

12 1.100

After the PTO units supplied by M/s Ashok Leyland were not found satisfactory, the DGCA decided on 4 March 1976 to place a fresh indent with the revised specification replacing the PT units by diesel engines for pump drive. On the basis of the quotations received, two contracts were placed by DGS&D in September 1976 on M/s. Brijbasi Udyog, Mathura and M/s. Hindustan General Industries Ltd., New Delhi for fabrication of 6 numbers and 25 numbers of water bowzers with provision of colt diesel engine for

pump drive and certain necessities at a cost of Rs. 7.50 lakhs and Rs. 28.75 lakhs respectively. In both the cases, the firms were required to produce acceptable prototypes within 3 months of the receipt of chassis failing which the contracts were to be cancelled at their risk and cost.

13 1.101 Ministry of Tourism
and Civil Aviation/
Ministry of Supply

The Committee note from the Audit paragraph that one chassis was handed over in March 1973 to M/s. Brijbasi Udyog, Mathura who failed to supply the prototype vehicle within the extended period of delivery upto 30 September 1977 and the contract was therefore cancelled by the DGS&D on 9 January 1978, on the risk and cost of the firm. This firm had not returned the chassis valuing over Rs. 0.92 lakhs at that time. In this connection the Committee have been informed that the contract had been cancelled in consultation with the Ministry of Law and as order for the cancelled quantity was placed on M/s. Hindustan General Industries Ltd. under option clause at a lower rate no risk purchase loss was incurred. For recovering the cost of one chassis from M/s. Brijbasi Udyog, Mathura, a suit had been filed in consultation with the Ministry of Law in Delhi High Court with a prayer to pass the decree for 2,14,396.78 being the present cost of the chassis. The Court had also been requested for other reliefs which the High Court might deem fit just and proper. The Committee would like to be apprised of the latest position in this regard.

As mentioned earlier on the cancellation of the contract on M/s. Brijbasi Udyog six chassis issued to them were transferred to M/s. Hindustan General Industries Ltd., thus making a total order of 31 water bowzers on them. M/s. Hindustan General Industries Ltd., had been able to produce in May 1977 a prototype which on testing and inspection by the representative of the DGS&D and the DGCA was found to have certain manufacturing defects and as such the prototype was rejected in October, 1977. When the firm represented that the rejection was not justified as the design and drawing of the prototype had the prior approval of the indenter, the prototype was accepted on 6 December, 1977 after reducing the cost (total reduction being Rs. 3.43 lakhs for 25 numbers). The Committee regret over the failure of the department to give proper design and drawings to the firm. They desire to know how a prototype produced on the basis of wrong design and drawings and once rejected was subsequently accepted. The Committee recommend that a small team of technical experts should be appointed which can advise on top priority the suitability and performance of this prototype before going in for such type of water bowzers.

The chassis handed over to M/s. Hindustan General Industries Limited were required to be fitted with colt engines which were to be supplied by another firm namely M/s. Premier Automobile, Bombay. The Committee are surprised to learn that no agreement was entered into by the Government with M/s. Premier Automobile Ltd. as the supply of colt diesel engines was to be ob-

tained direct from this firm by M/s. Hindustan General Industries Ltd. As will be seen from subsequent para, this arrangement had given rise to delay in the procurement of colt diesel engines for which DGS&D had to pursue the matter vigorously. The Committee are unable to understand how such an arrangement was allowed to be made under which M/s. Premier Automobile were not obliged to supply the colt engine within a stipulated period. The Committee consider this as a deplorable manner of entering into an agreement and desire that responsibility for this should be fixed.

16 1.104 Ministry of Tourism
and Civil Aviation/
Ministry of Supply

The Committee further note that due to lock out in the factory of M/s. Premier Automobile Bombay, the supply of colt diesel engines became uncertain and it was only on 25 May 1979 when the firm informed the DGCA and DGS&D that the lock out had been lifted and it would supply colt engines at 6 unit per month from July 1979 onwards. The Committee are concerned to learn that in spite of the above assurance given by the firm no engine has been supplied by it since then. The Committee would like to know the action taken by the Government to ensure timely supply of colt engine to M/s. Hindustan Industries Ltd.

17 1.105 Do

Yet another aspect of the sad story of delay in procurement of water bowzers is stated to be the strike by the workers in M/s. Hindustan General Industries. The officials of DGS&D had had 12 meetings with the firm to expedite the supply and the firm had

informed the Ministry of Tourism and Civil Aviation that they had completed almost all fabrication work except installation of the colt engines. However the Ministry informed the Committee that a physical assessment of the work done by the firm on six chassis could not be carried out. When the Director of Inspection visited the firm's work at Nangloi on 3 December 1980 the workers who were on strike did not allow the management/outsideers to enter the works.

18 1.106

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It is noted that a performance notice was issued on the firm on 13 January 1981 asking M/s. Hindustan General Industries Ltd. to supply at least 5 to 6 bowzers using prototype colt engine or to submit an acceptable prototype, using Kirloskar RE-4 engine within 30 days on receipt of performance notice and that in case of default the outstanding stores would be purchased at their risk and cost. The Committee would like to know the latest position in this regard.

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The present total requirements of water bowzers is 71 taking into consideration of all the airports other than the 4 international airports, which are under the control of International Airport Authority of India. Against the total requirements of 71, the supply of 31 bowzers is hampered because of the complications mentioned in the earlier paragraphs. The Secretary, Ministry of Tourism and Civil Aviation stated during evidence that they were

planning to go for the remaining 40 water bowzers without involving DGS&D. He had almost assured the Committee: "I want to indicate that 40 will be number which we will order in the next 13 months and we will so phase them that we get 10 or 15 at a time. He further stated: We can today buy six bowzers of the Indian market, within two months. The prototype of PTO which we discouraged in 1976 is available today. The Committee would like to caution the Department that this is a matter on which if past experience is any guide complacency can be disastrous and utmost watch is needed at every stage of the progress of linked items.

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The Committee have come to the conclusion that they have come across a typical case of delay on the part of bureaucracy where the procurement of a few water bowzers for use at various airports in the country could not make any headway in a long period of about 15 years merely because the Department concerned had utterly failed in getting a small item like the PTO unit which was to be fitted on water bowzers. This speaks volumes of the casualness with which the concerned Departments viz., Department of Civil Aviation (DGCA) and Department of Supply (DGS&D) handled this case all these years.

The indenting Department i.e. Department of Civil Aviation (DGCA) after getting approval of the project in 1966 proceeded

with the case at a snail's pace, completely overlooking the fact that the water bowzers were required in an area of vital importance where life and safety of people was involved. The Committee feel that had the difficulties been looked into and decisions taken at higher level the delays at several stages would have been cut down to a great extent, resulting in hastening the procurement of the water bowzers.

In this connection, the Committee would like to draw pointed attention of the Government to the following aspects in particular:

- (i) After obtaining the administrative approval for procurement of 68 water bowzers, indents were placed for 31 chassis (without PTO units) on M/s Ashok Leyland Ltd. Madras after a period ranging from 3 to 5 years.
- (ii) Orders for the PTO units were placed on M/s Ashok Leyland Ltd. Madras without verifying its manufacturing capacity and technical suitability with the result that the two units supplied were not suitable later and thus fabrication of bowzers was delayed for about 6 years.
- (iii) Orders for fabrication of water bowzers with 'colt' diesel engine for pump drive were placed on M/s Brij-basi Udyog Mathura and Hindustan General Industries Ltd. without verifying the suitability of the equipment

offered, with the result that the proto-type did not work satisfactorily.

(iv) Amount of Rs. 1.45 lakhs and Rs. 26.97 lakhs spent for procurement of two chassis and 29 chassis had remained blocked since Feb. 1972 and May 1974 respectively as suitable PTO could not be manufactured.

(v) A chassis valued at Rs. 0.92 lakh has been lying with M/s Brijbasi Udyog Mathura since March 1977 who refused to return it.

The Committee would like the concerned Departments to go into the delay which occurred at various stages, right from the date of obtaining administrative approval till date and identifying the reasons for such delays so as to fix responsibility at the level of officers who were associated with the handling of the case.

From the facts and evidence placed before the Committee on this paragraph the Committee feel that there is a need for coordination between the different Ministries particularly in those areas and fields in which two or more Ministries or Departments are involved for the execution of a project. The Committee recommend that there should be a co-ordinating Committee of the con-

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cerned Ministries/Departments which may do continuous monitoring into the projects costing Rs. 10 lakhs and above. The Committee hope this would expedite the execution of projects in a coordinated and integrated manner.
