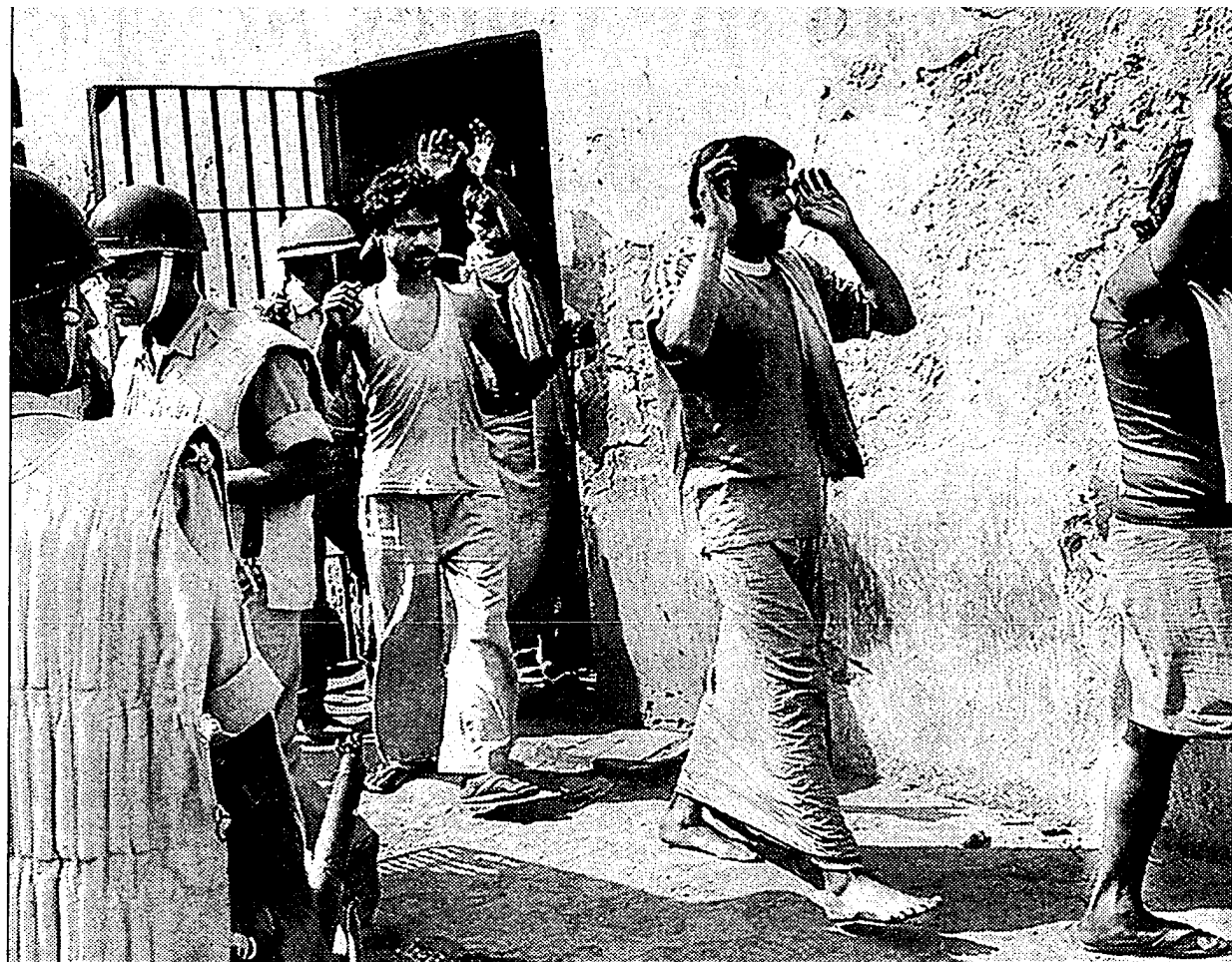


CAG raps defence ministry for hasty chopper deal

Times News Network

The Times of India (1861-2010); Apr 1, 2002; ProQuest Historical Newspapers: The Times of India

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Police stand guard as prisoners are marched out of a building after the authorities regained control of a prison in Chapra district, Bihar, on Saturday.

AFP

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NEW DELHI: The ham-handed way in which the defence ministry goes in for procurement of military hardware and software has once again been exposed by the latest report of the Comptroller and Auditor General of India (CAG).

Not only did the government embark on "unnecessary procurement" of anti-aircraft missiles and explosive cartridges in the name of "Operation Vijay" during the 1999 Kargil conflict, as reported earlier, it also signed contracts for acquisition of "special purpose helicopters" at exorbitant prices without proper evaluation.

Consider the helicopter deal: The ministry, in July 1999 and February 2001, sanctioned acquisition of these helicopters from a foreign manufacturer to enhance the naval fleet's operational capability "against low-level threats".

Two contracts, worth Rs 894.82 crore (\$ 200.80 million), were then signed for import of nine such helicopters, with associated equipment and spares. The CAG report points out the following shortcomings:

* The helicopter selected was only a prototype and had not entered the production phase.

* The deal was initiated without

finalising the naval staff qualitative requirements, in contravention of laid down procurement procedures.

* The evaluation trials were severely handicapped because the ability of the helicopter to provide fighter interception from ground station using data link could not be proved; it was not fitted with any electronic support measures; and the all-important early-warning radar was of 1983 vintage, among other things.

* The ministry was able to obtain "only a marginal discount of 5.7 per cent" on the price offered (Rs 59.56 crore each) even though "it was almost 56 per cent higher" than the Naval HQ estimation (Rs 38 crore each).

"Though the government procured an unproven helicopter, with an 18-year-old radar technology and incomplete trial evaluation, it was unable to negotiate any significant amount from the exorbitant price offered by the single vendor," holds the CAG report.

"Even allowing for a five per cent escalation per annum in dollar terms and after providing for additional fitments with helicopters, the extra expenditure would still be to the extent of Rs 118 crore," it adds.