

# CAG upbraids MoD, forces on purchases

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**New Delhi:** From shoddy planning and huge procurement delays to financial irregularities and wasteful expenditure, the comptroller and auditor-general of India has castigated the defence ministry and the armed forces for all this and much more.

In four reports tabled in parliament on Monday, the CAG pointed out lapses in several episodes ranging from faulty mid-life upgrade of the navy's IL-38 reconnaissance aircraft and delay in replacement of obsolete IAF radars to the army's excess procurement of handheld thermal imagers and irregular payment of counter-insurgency allowance. The CAG asked for a drastic overhaul of the defence acquisition system to ensure the forces get the "capabilities" they need to "meet the threat perception" in a timely and cost-effective manner.

**Mentioning how the army, navy and the IAF bought the same equipment separately, the CAG said they should plan purchases jointly to obtain 'the best value for money'**

Noting that the army's capital acquisition planning 'suffered from delays and low fulfilment', the CAG pointed out several 'deficiencies' in the entire process. The technical and trial evaluation process, for instance, "did not demonstrate objectivity and fair play". "In 60% of the cases, only a single vendor was pre-qualified," it said.

Pointing to cases where the army, navy and the IAF bought the same equipment separately, it said they should plan procurements jointly to obtain 'the

best value for money, reduce tendering cost and minimise processing time'. Though it noted that the MoD came up with the new 2005 and 2006 defence procurement procedures, the CAG said the 'efficacy of the reforms remained to be seen'.

Take some specific examples. The Rs 673.42-crore project to upgrade five IL-38 maritime reconnaissance planes, signed with a Russian company in 2001, did not progress as per schedule. "Two of these aircraft, refurbished at a cost of Rs 269.37 crore, were delivered after a delay of 25 months and 16 months respectively. They are without essential avionics and weapon systems, seriously limiting their operational capabilities," it said.

Turning to the army, the CAG said 'incorrect assessment' of its requirement for HHTIs (4,062 units) led to excess procurement of 56 units, causing 'an avoidable expenditure' of Rs 10.16 crore.