

**Press release**

**C&AG's Audit Report No. 14 of 2018 on Defence Services, Air Force tabled in Parliament today.**

Comptroller and Auditor General of India's Audit Report No. 14 of 2018 on Defence Services, Air Force has been tabled in Parliament.

**About the Report**

This Report of the Comptroller and Auditor General (C&AG) of India relates to matters arising from the audit of the financial transactions of Indian Air Force (IAF) and relevant records relating to IAF in the Ministry of Defence (MoD), Defence Accounts Department (DAD), Military Engineer Services (MES), Defence Public Sector Undertakings and Defence Research and Development Organisation (DRDO) and its laboratories dedicated primarily to IAF. Highlights of findings included in the Report are as under:

**I Development of Indigenous Airborne Early Warning and Control System (AEW&CS)**

The project for indigenous development of AEW&C System was approved in 2004 at a cost of ₹1,800 crore to be completed by 2011. Besides, non-achievement of certain operational requirements specified by IAF, there was time overrun of 70 *per cent*. Selection of Embraer as platform created design constraints and caused delay. The achievement of indigenisation was only about 48 *per cent* of project cost. The project conceived in 2002 is yet to be fully realised leaving gaps in air surveillance capability of IAF.

*(Paragraph 2.1)*

**II Irregularity in procurement of MiG aircraft Tyres**

Faulty tendering process adopted since 2009, ensured that the contract was repeatedly awarded to the same foreign vendor, despite the vendor supplying defective tyres. IAF is saddled with defective, unusable 3080 MiGtyres from the firm, valuing ₹5.92 crore. Faulty RFP was issued as it did not correctly specify the QRs and the price evaluation

criteria. Vendors were selected for issue of RFP on pick and choose basis. Indigenisation was forgone to facilitate import of tyres.

*(Paragraph 2.2)*

### **III Irregularity in tendering for repair and overhaul of Mi-17 1V helicopters**

IAF unwarrantedly delayed the procurement of Repair and Overhaul (ROH) facility for Mi-17 1V helicopters. Repair and overhaul of the helicopters suffered from severe delays, excess expenditure and monopolization of repair and overhaul of helicopters by the Russian firm. By the time the contract was signed, most of the helicopters were grounded for want of repairs. By not setting up of ROH facility which would have costed about ₹196 crore, IAF committed to spend more than ₹600 crore by sending the helicopters abroad for repairs.

*(Paragraph 2.4)*

### **IV Performance Audit on Operational readiness of IAF airfields**

Operational readiness of the airfields is vital for air operations, especially during conflict. Audit found inadequacies in the support facilities at IAF airfields adversely affecting their readiness. These included facilities like restoration of runway after bombing, modernisation of communication systems, safe landing and take-off of aircraft, surveillance of aircraft while in air, refuelling of aircraft and handling of armaments to be loaded on the aircraft. GOI implemented a project for Modernisation of Airfield Infrastructure (MAFI) at a cost of ₹1220 crore for modernisation of 'kk' number of airfields by 2014. Till date only 'mm' number of airfields were commissioned. There were shortfalls in the equipment to be held by the airfields, which was mainly due to delay in the procurement.

*(Paragraph 3)*