

CHAPTER-6

Conclusions

Indian Navy not only plays a prominent role in safeguarding the sovereignty and integrity of the nation, but also in securing economic interests of the nation. Considering the role of the nation in a changed economic environment and shifting of balance of powers, it is highly imperative that Navy should be equipped to meet the challenges ahead. While steps have been taken to induct new ships, there is a need that limited naval resources are deployed more efficiently to discharge the operational roles.

Efficiently managed refits is one way by which Navy can ensure that operationally ready vessels are available to it longer, rather than undergoing a prolonged refits.

At present, the refit management in Indian Navy is such that most of the refits are started and completed with considerable delays i.e. of the 152 refits test checked, only 18 *per cent* refits commenced as per the norms of Indian Navy; while 74 *per cent* of the refits were completed with a total delay of 8629 days. A ship that is overdue for refit cannot be a part of an optimal solution to India's security needs. Similarly, ships undergoing longer repairs are not available for the operational role for which she was commissioned.

Even though these issues were raised by Audit in its earlier Report No.8 for the year 1999, we observed that even after a decade, the same concerns continued to exist as shown in this Performance Audit.

MLUs are special type of refitting exercise and have the potential of enhancing the role worthiness of ships. However, most of MLUs could not be started in time and their completion was also delayed significantly. We observed a delay of 5 to 67 months in 15 out of 18 ships identified for MLUs, while 10 MLUs were completed with a delay of upto 33 months. We also noticed that the entire package of MLU as envisaged while seeking sanction could not be achieved, as many equipments and systems were either deleted or delinked from the MLU package. Thus, the role enhancement as projected to the competent financial authority, while seeking sanction to the MLUs package could not be achieved.

The main reasons for less than optimal refit management continue to be infrastructure constraints at repair yards and timely availability of the spares needs for completing refit. Inadequate dry docking facilities to

support the refit requirements continue to delay the refits commencement and completion. The projects sanctioned for enhancing the facilities have witnessed considerable delays.

Availability of required spares continues to be a critical area which needs to be addressed for a fundamental reform of refit management. Lack of full complement of required spares, resort to cannibalisation and refurbishment of existing spares when their replacements are unavailable, are a matter of concern. This PA report has highlighted that the procurement procedure for spares is not tuned to meet timely requirements of spares for refit.

The cost accounting system followed at repair yards does not depict entire expenditure and costs attributable to a refit. The prevalent system did not aid cost identification, cost control or identification of cost inefficiencies. This apart, the system of assessing the capacity of repair yards, expressed in terms of Matrix Units was inadequately designed and implemented across various yards. This made the task of assessing yard capacity and their performance over time or across yards difficult.

While it is acknowledged that refit management of a very diverse fleet in terms of technology, origin and age profile with the help of NDs, poses a very challenging task, there is however, a need to overcome the constraints for a better managed refit/MLU system.



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