

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2402  
ANSWERED ON:17.08.2006  
DELAY IN AWARD OF LICENCES  
Ramadass Prof. M

**Will the Minister of CIVIL AVIATION be pleased to state:**

to Unstarred Question No. 4218 dated April 21, 2005 regarding `delay in award of licences` and state:

- (a) whether the observations of Comptroller and Auditor General have been examined;
- (b) if so, the details and the outcome thereof; and
- (c) the follow-up action taken thereon?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) Yes, Sir.

(b) The matter was subsequently followed up by Committee on Public Undertakings (COPU). The COPU has made following observations / recommendations:

Airports Authority of India (AAI) should follow prudent commercial practices and undertake wider consultations while framing eligibility conditions so that there is optimum participation and healthy competition, to fix responsibility for the revenue loss and suitable action taken in the matter, lay down suitable guidelines in the commercial manual providing for seeking Board's directions in crucial matters, strengthen legal machinery in future more effectively, to adhere in future the procedure laid down in the Commercial Manual strictly so as to avoid recurrence of such lapses in future, Ministry to strengthen monitoring mechanism and conduct periodical reviews of PSUs and provide suitable guidance.

(c) Suitable directions have been issued in accordance with the recommendations of COPU to all concerned to strengthen the monitoring mechanism and stressing the need for strict adherence to the time schedule for tender finalization vis-a-vis periodic monitoring of legal cases in order to avoid any delay in finalization of commercial contracts in future. In respect of fixing responsibility on erring officials, necessary explanation has been called and action is at hand taken for fixing responsibility.