

**OFFICE OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

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Report of the Comptroller and Auditor General of India for the year ended March 2017- Union Government, Scientific and Environmental Ministries/Departments presented in Parliament today.

Report contains 20 paragraphs involving ₹ 448.62 crore relating to weaknesses in procurement and contract management, inefficient project management, irregular financial benefits extended to employees and deficient internal controls.

Report of the Comptroller and Auditor General of India (C&AG) for the year ended March 2017: Union Government, Scientific and Environmental Ministries/Departments (Report No 2 of 2018) was presented in Parliament today. This report of the Comptroller and Auditor General of India relates to matters arising from compliance audit of the transactions of nine Scientific and Environmental Ministries/Departments of the Government of India as well as of autonomous bodies and Central Public Sector Enterprises under them. These are:

- 1) Department of Atomic Energy (DAE)**
- 2) Ministry of Science and Technology**
 - a) Department of Bio-Technology (DBT)**
 - b) Department of Science and Technology (DST); and**
 - c) Department of Scientific and Industrial Research (DSIR)**
- 3) Department of Space (DOS)**
- 4) Ministry of Earth Sciences (MoES)**
- 5) Ministry of Environment, Forest and Climate Change (MoEFCC)**
- 6) Ministry of New and Renewable Energy (MNRE)**
- 7) Ministry of Water Resources, River Development and Ganga Rejuvenation (MoWRRDGR)**

The report contains 20 paragraphs involving ₹ 448.62 crore relating to weaknesses in procurement and contract management, inefficient project management, irregular financial benefits extended to employees and deficient internal controls. An overview of the main audit findings included in this report is given below.

The following are the important areas of concern highlighted in this report:

Review of Outcome Budget of Ministry of New and Renewable Energy

Ministry of New and Renewable Energy did not follow Government instructions on parameters for preparation of Outcome Budget. This resulted in non-inclusion of information on normal savings resulting from economic use of the resources, the latest position of outstanding Utilization Certificates and unspent balances with States and implementing agencies in the Outcome Budget. There were also discrepancies in data maintained by MNRE and State nodal agencies, thereby undermining the utility of the Outcome Budget as an instrument to measure outcomes expected from the financial outlays being made.

(Chapter 2)

Activities of Heavy Water Board

Delay in decision making for dismantling and disposal of the closed Heavy Water Plant at Baroda and delay in closure of the Heavy Water Plant at Talcher by the Heavy Water Board resulted in avoidable expenditure of ₹ 68.26 crore on their maintenance. There was time overrun of one month to more than seven years in 29 projects and cost overrun of ₹ 12.32 crore in five projects. Oxidation system established at a cost of ₹ 8.66 crore could not be utilised due to lack of feeder gas.

(Paragraph 3.1)

Short-realisation of ground rent

Directorate of Construction Services and Estate Management was unable to renew license agreements and revise ground rent in respect of land leased to oil companies due to lack of decision by Department of Atomic Energy which resulted in short realization of rent and interest of ₹ 12.78 crore. Besides, an amount of ₹ 50.39 lakh towards interest on delayed payment of ground rent was also recoverable.

(Paragraph 3.2)

Outstanding dues pending for recovery

Board of Radiation and Isotopes Technology failed to take timely action to establish proper mechanism for realizing payments towards sale of radioactive material and allied products which resulted in outstanding dues of ₹10.71 crore.

(Paragraph 3.3)

Irregular Leave Travel Concession Claims

Nuclear Fuel Complex, Hyderabad, did not exercise stipulated checks before passing Leave Travel Concession bills of its employees which resulted in payment of ₹ 40.11 lakh towards irregular claims.

(Paragraph 3.4)

Activities of Institute of Bio-resources and Sustainable Development

The Institute of Bio-resources and Sustainable Development, Imphal could not make substantial progress towards achievement of its objective of bio-resource development and their sustainable utilization through biotechnological intervention for economic growth of the region, even after a lapse of more than 15 years since its inception.

(Paragraph 4.1)

Irregular grant of promotion and entitlement

National Centre for Cell Science, Pune, did not follow extant rules and orders in the matter of promotions of scientific staff under Flexible Complementing Scheme and foreign tours. This resulted in irregular payment of salary, transport allowance and for foreign tours totalling ₹ 93.26 lakh to its personnel.

(Paragraph 4.2)

Non-utilisation of land procured for construction of staff quarters

National Institute of Immunology failed to utilize land acquired at a cost of ₹ 3.93 crore for constructing staff quarters even after lapse of 17 years resulting in avoidable payment of ₹ 35.89 lakh as penalty for delay in construction and pending liability of ₹ 41.14 lakh towards penalty.

(Paragraph 4.3)

Avoidable expenditure towards price escalation

Indian Association for the Cultivation of Science, Kolkata, incurred avoidable expenditure of ₹ 52.78 lakh and further liability of ₹ 31.01 lakh towards price escalation in the execution of a short term contract.

(Paragraph 5.1)

Non-recovery of penal interest

Failure of Department of Scientific and Industrial Research to impose penal interest on delayed remittances of its share of income from projects funded to private industries resulted in non-recovery of ₹ 2.55 crore.

(Paragraph 6.1)

Management of Eleventh Five Year Plan projects of CSIR

Audit of 27 selected Eleventh Five Year Plan projects under the National Laboratory Scheme of the Council of Scientific and Industrial Research revealed deficiencies in monitoring system in terms of non-constitution/ delayed constitution of the Task Forces/ Sectoral Monitoring Committees/

Research Councils and shortfall in the number of meetings these agencies had to conduct to oversee the implementation of the projects.

(Paragraph 6.2)

Avoidable payment of electricity charges

Delayed action by the Indian Institute of Chemical Biology, Kolkata for reducing the contract demand resulted in avoidable expenditure of ₹ 64.90 lakh towards billing demand charges paid to West Bengal State Electricity Distribution Company.

(Paragraph 6.3)

Operationalisation of Satellite Navigation System

NAVIC was approved by the Government of India in May 2006 at a cost of ₹ 1,420 crore to establish an independent and indigenous satellite based navigation system over the Indian landmass and surrounding region. An expenditure of ₹ 1,283.93 crore had been incurred on the programme so far. However, the system has yet to be operationalised due to delays in execution of contracts, deficient monitoring of programme and inadequate follow up. In addition, ₹ 3.57 crore were spent on unnecessary procurement of modems.

(Paragraph 7.1)

Infructuous expenditure on software development

Failure to implement and properly monitor a project on development of Digital Workflow System by the Department of Space resulted in non-development of the software for more than 11 years since its initiation despite expenditure of ₹ 2.27 crore.

(Paragraph 7.2)

Avoidable payment of rent for bonded warehouse

Centre for Marine Living Resources & Ecology, Kochi, stored unused and condemned items in a bonded warehouse thereby incurring avoidable expenditure of ₹ 1.03 crore towards rent of the bonded warehouse.

(Paragraph 8.1)

Irregular protection of pay

National Institute of Ocean Technology, Chennai, irregularly granted protection of pay of contract employees on their appointment on regular basis. This resulted in excess payment of pay and allowances of ₹ 1.97 crore to 44 employees.

(Paragraph 8.2)

Non-utilisation of Solar Thermal Power Plant

Failure to develop a dedicated workforce that could ensure continuous operation of a solar thermal power plant and research facility resulted in non-utilisation of the facility created at a cost of ₹ 46.36 crore.

(Paragraph 9.1)

Irregular payment on leave encashment

Encashment of Half Pay Leave/Sick Leave in deviation from DPE guidelines resulted in irregular payment of ₹10.53 crore during 2013-14 to 2016-17.

(Paragraph 10.1.1)

Non-Compliance of DPE Guidelines

Irregular payment due to non-approval of incentive scheme and excess payment on account of Encashment of Earned Leave to employees to the tune of ₹ 6.85 crore.

(Paragraph 10.2.1)
