

CHAPTER XI : MINISTRY OF SCIENCE AND TECHNOLOGY

Council of Scientific and Industrial Research

11.1 Unfruitful expenditure

Failure of Regional Research Laboratory, Bhubaneswar to indicate the correct specifications while placing the order for a High Temperature Contact Angle measuring system on a foreign firm resulted in receipt of the system with wrong specifications. Neither had the matter been resolved with the supplier nor had RRL initiated any legal action against the supplier, with the result that the system costing Rs. 24.04 lakh was lying uninstalled.

Regional Research Laboratory (RRL), Bhubaneswar, a constituent unit of Council of Scientific & Industrial Research (CSIR) proposed (May 2003) to procure a High Temperature Contact Angle measuring system with molybdenum disilicide as heating elements. The system was required to study the reaction between refractory substrate and the material to be heated in the furnace at high temperature. In a quotation received by RRL in August 2003, a German supplier quoted for the system with molybdenum silicon dioxide as the heating element instead of molybdenum disilicide. However, RRL did not notice the change in the heating element in the quotation and placed the order on the firm for the system with molybdenum silicon dioxide as heating element in January 2004 at a cost of 47904 Euros.

RRL received the system in July 2004 and released 90 *per cent* payment amounting to 43,554 Euros, equivalent to Rs. 24.04 lakh through letter of credit. On receipt of the system, it was noticed that the heating system supplied by the firm was neither molybdenum disilicide nor molybdenum silicon dioxide but molybdenum oxide. RRL took up the matter with the supplier in the same month which replied in September 2004 arguing that RRL retain the system supplied by them in view of its advantages over the system ordered. RRL in October 2004 requested the supplier to replace the equipment. The supplier refused. RRL again took up the matter with the supplier in January 2005 for replacing the system with molybdenum disilicide heating elements. The supplier stated in February 2005 that RRL had not placed the order for the system with molybdenum disilicide but with molybdenum silicon dioxide which did not exist as heating element. It further stated that since RRL had not ordered for the system with molybdenum disilicide, they were unable to deliver the same. Despite the fact that the supplied system did not conform to its specification or the supply order, RRL

did not initiate any legal action against the firm. The system has been lying uninstalled for more than eight months.

RRL stated in March 2005 that it had been making all efforts to rectify the situation and that the fault lay with the supplier of the system. It further stated in October 2005 that RRL was in correspondence with the Chief Vigilance Officer and Legal Advisor of CSIR for initiation of legal action against the supplier.

Thus, lapse of RRL in not indicating the correct specification while placing the supply order resulted in an unfruitful expenditure of Rs. 24.04 lakh.

The matter was referred to Ministry in August 2005; their reply was awaited as of January 2006.

11.2 Avoidable expenditure

Lack of co-ordination by Central Mechanical Engineering Research Institute (CMERI), Durgapur in linking its decision for procurement of SMART-300 X-ray machine for a unit recommended for closure resulted in avoidable expenditure of Rs. 17.17 lakh.

The Central Mechanical Engineering Research Institute (CMERI) Durgapur, an institute of Council of Scientific and Industrial Research (CSIR) had three constituent Mechanical Engineering Research and Development Organisations (MERADO) at Pune, Chennai and Ludhiana for assisting the growing industries in their day to day problems in the field of mechanical engineering. The institute uses X-ray machines for conducting radiographic analysis.

In July 2001, CMERI approved procurement of a new SMART-300 X-ray machine for MERADO, Chennai. A month later, in August 2001, CMERI, having identified MERADO Chennai and Pune as poor performers recommended their closure to CSIR. However, on CMERI's instruction a purchase order for the X-ray machine at a cost of Rs. 17.17 lakh was placed in December 2001. The decision to purchase a new X-ray machine for an institute already recommended for closure was inappropriate.

CSIR instructed closure of MERADO Chennai and Pune in April 2002. MERADO Pune also had a SMART-300 X-ray machine. This along with the newly procured machine of MERADO Chennai had to be transferred to CMERI, Durgapur on closure of the units. These two SMART-300 X-ray machines were in excess in CMERI, Durgapur. CMERI did not explore the possibility of utilisation of these machines. On this being pointed out in audit

in February 2005, CMERI proposed to issue a circular to all CSIR laboratories, exploring the possibility of utilisation of the two SMART-300 X-ray machines.

While justifying the procurement of the machines, CMERI stated in March 2005 that the machine for the Chennai unit was purchased under the modernisation plan and the money allocated was to be utilised before 31 March 2002. CMERI further stated that all the recommendations do not come into reality and sometimes recommendations are turned down by the authorities and at that time there was a need to enhance the earnings of the unit by providing sophisticated equipment. The reply indicates improper haste in spending government funds besides lack of co-ordination in linking procurement decision for a unit recommended for closure. This led to avoidable expenditure of Rs. 17.17 lakh.

The matter was referred to the Department in August 2005. Reply was awaited as of January 2006.