

# Overview

## Introduction

This report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of the transactions of nine Scientific and Environmental Ministries/Departments of the Government of India. The report contains seven chapters. Chapter I, in addition to explaining the objective of preparing this report, defines audit scope and methodology and also provides a synopsis of significant audit findings and observations. Chapters II to VII present detailed findings/observations arising out of the compliance audit of Scientific and Environmental Ministries/Departments and the research centres, institutes and autonomous bodies under them.

Important areas of concern highlighted in the current report fall under the following broad categories:

- **Inefficient project management;**
- **Weaknesses in procurement and contract management;**
- **Irregular financial benefits extended to employees; and**
- **Deficient internal controls**

An overview of the specific audit findings included in this report is given below:

## Inefficient project management

### Implementation of Drugs and Pharmaceutical Research Programme

Deficiencies in selection, financial management and monitoring of projects sanctioned by Department of Science and Technology under Drugs and Pharmaceutical Research Programme led to non-realisation of outstanding loans and interest of ₹ 73.68 crore, non-receipt of final project completion reports and consequent lack of information on outcome generated from the projects. The objectives of enhancing capabilities of Indian pharmaceutical industry and promoting them to develop new drugs at lower costs were not achieved.

*(Paragraph 3.1)*

### **New Millennium Indian Technology Leadership Initiative Scheme**

New Millennium Indian Technology Leadership Initiative Scheme, implemented by Council of Scientific and Industrial Research with the objective of building, capturing and retaining a global leadership position for India in selected areas through scientific and technological developments, did not yield expected results. Out of 30 projects seen in audit, technologies were commercialised in only four projects. Nine industrial partners defaulted in repayment of loans of ₹ 64.92 crore. There were instances of insufficient monitoring, non-compliance with scheme guidelines and time and cost overruns.

*(Paragraph 4.1)*

### **Unfruitful expenditure due to non-functional website**

Content managed website developed by the Ministry of Earth Sciences at a cost of ₹ 2.27 crore remained non-functional since February 2012, resulting in unfruitful expenditure.

*(Paragraph 6.1)*

### **Installation and upkeep of meteorological observatories by Regional Meteorological Centre, Kolkata**

Maintenance of observatories set up by Regional Meteorological Centre, Kolkata for collection of various types of meteorological data was inadequate. This, together with shortage of manpower, resulted in observatories lying defunct, shortfalls in carrying out prescribed inspections of observatories, non-rectification of defective instruments, inadequate geographical coverage of areas under the centre and gaps in collection of meteorological data.

*(Paragraph 6.2)*

### **Implementation of E-waste (Management and Handling) Rules, 2011 by Central Pollution Control Board**

Central Pollution Control Board did not conduct assessment of quantity of e-waste being generated/processed in the country and effectively coordinate with State agencies for collection and compilation of such data. The Board also failed to implement framework for reduction of use of hazardous substances in Electrical and Electronic Equipment manufactured and imported in the country.

*(Paragraph 7.1)*

### **Inordinate delay in completion of pilot projects for sewage treatment**

Central Pollution Control Board took up a scheme for setting up demonstration projects for treatment of sewage at four locations. After more than four years of sanction and in spite of incurring expenditure of ₹ 8.22 crore, sewage treatment could not commence at any of the four locations due to lack of planning, coordination and monitoring.

*(Paragraph 7.2)*

### **Weaknesses in procurement and contract management**

#### **Avoidable expenditure due to poor management of land and delayed construction of office complex**

Department of Science and Technology delayed executing lease deed in respect of land acquired from New Okhla Industrial Development Authority (NOIDA) for 21 years and failed to complete construction of office complex within permissible time period. Consequently, it incurred avoidable expenditure of ₹ 1.81 crore besides recurring liabilities towards penalties till completion of the construction.

*(Paragraph 3.2)*

### **Irregular financial benefits extended to employees**

#### **Implementation of Performance Related Group Incentive Scheme**

Department of Atomic Energy introduced group incentives under Performance Related Incentive Scheme in May 2009. Review of implementation of the scheme in three units of Department of Atomic Energy, in which payment of group incentives of ₹ 32.19 crore was made during 2010-14, revealed instances of relaxation of targets, inflation of achievements and improper assessment of performances that not only defeated the purpose of awarding incentives for higher performances but also resulted in irregular payment of incentives.

*(Paragraph 2.1)*

#### **Irregular grant of promotions with retrospective effect**

Contrary to Government of India instructions, Council of Scientific and Industrial Research Scientist Recruitment and Assessment Promotion Rules, 2001 contained provisions for retrospective promotions. Resultantly, its four test checked laboratories promoted 256 scientists under Flexible Complementing Scheme with retrospective effect, which resulted in irregular benefits of ₹ 4.81 crore.

*(Paragraph 4.2)*

### Implementation of incentive schemes

The policy framework of Indian space programme has provision for grant of various rewards and incentives to employees of Department of Space (DOS)/Indian Space Research Organisation and its centres. Government of India approved Performance Related Incentive Scheme (PRIS) for individual/ group performance based on the recommendation of Sixth Central Pay Commission. DOS implemented PRIS for all employees and continued to grant additionally, other special allowances resulting in multiple benefits to its employees. A structured monitoring and evaluation mechanism for PRIS was not instituted. There were instances of violation of DOS guidelines on grant of PRIS.

*(Paragraph 5.1)*

### Deficient internal controls

#### Irregular payment of Service Tax

Master Control Facility, Hassan paid ₹ 1.33 crore during the period July 2012 to June 2014 towards Service Tax on the cost of security services provided by Central Industrial Security Force, which was not required under rules. Of this, refund of ₹ 44.68 lakh was secured after the matter was raised by Audit. The remaining amount of ₹ 88.05 lakh stood forfeited as it became time barred.

*(Paragraph 5.2)*

#### Avoidable payment of electricity charges

Regional Remote Sensing Centre-East, Kolkata incurred avoidable expenditure of ₹ 55.37 lakh towards payment of electricity charges.

*(Paragraph 5.3)*