

CAG Report

Unfruitful expenditure on procurement of Liquid Nitrogen Plant: Regional Research Laboratory (RRL), Thiruvanthapuram, a constituent laboratory of Council of Scientific and Industrial Research, placed a purchase order on a UK based firm in March 1998 for the supply of a Nitrogen Generator and a liquefier at a cost of UK Pound 28,600 (equivalent to Rs 20.84 lakh). The equipment, required for the production of liquid nitrogen, was received in August 1998. RRL paid Rs 21.29 lakh, for it including freight and bank charges in September 1998. The system that arrived at RRL was a water-cooling instead of the stipulated air-cooling system. RRL failed to get a replacement or install the existing system. The system was lying uninstalled and unused for more than five years with possible implication on the serviceability of the equipment. RRL had procured 10996 litres of liquid nitrogen during November 1998 to June 2003 at Rs 5.89 lakh which could have been avoided had the system been installed.

**(Para 10.1 of Report No. 5 of 2005)
Scientific Departments**

Non-installation of Fermentation System: The Regional Research Laboratory (RRL), Bhubaneswar placed an order in March 1999 on a firm based at Kolkata, for supply of fermentation system comprising 50 litres capacity recycling fermentor and 100 litres capacity non-cycling batch type fermentor. The order was placed on the basis of quotation received in December 1998 from the firm. The firm has offered guarantee for a period of 14 months from the date of delivery/dispatch or 12 months from the date of commissioning/ demonstration whichever was earlier. While placing the order in March 1999, RRL incorporated a guarantee clause for a period of 24 months and also introduced a clause for performance bank guarantee of 10 per cent of the order value during the period of guarantee. As a result, the firm refused to complete the installation resulting in the system which was procured at a cost of Rs 13.08 lakh lying in disuse for more than four years.

**(Para 10.2 of Report No. 5 of 2005)
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