

CHAPTER XV : MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

15.1 Unfruitful expenditure

The Ministry procured five numbers Weigh-in-Motion cum Automatic Traffic Counter cum Classifiers. These machines were lying uninstalled for more than seven years due to lack of proper planning for their installation in coordination with the identified State Governments resulting in unfruitful expenditure of ₹ 1.54 crore.

Ministry of Road Transport and Highways (Ministry) procured five numbers Weigh-in-Motion cum Automatic Traffic Counter cum Classifiers (WIM-cum-ATCC) from M/s Electronique Control Mesure, France (Firm) at a cost of Euro 267,869.05 (FOB) (₹ 1.42 crore) during the year 2006-07 with the objective of collecting electronic data of axle load aimed at preventing overloading of vehicles. As per the terms of the contract, initial payment of 60 *per cent* of the FOB price i.e. ₹ 96.51 lakh was made to the firm in August 2006.

The systems were to be installed in three states viz. Odisha (2 nos.), Madhya Pradesh (1 no.) and Uttar Pradesh (2 nos.). While site identification and its preparation was the responsibility of the Government, the Firm was responsible for providing technical assistance for installing and commissioning the systems. The Ministry forwarded necessary drawings and details to these States in June 2006, after placing purchase order for procuring the machines and requested the States to take appropriate action for preparation of the site. All five systems were received and delivered to the designated consignees in August 2006. However, the site for their installation was neither identified nor prepared by that time.

After delivery of the systems, the Firm gave a presentation to the Ministry in the presence of consignees in October 2006, for preparation of site and installation of the systems. As the drawings given by Firm were found to be un-interpretable/not suitable as per Indian Standards, these were revised in January 2007 and the Ministry requested the concerned States to expedite preparation of the estimates and submit

the same to the Ministry for approval. Government of Madhya Pradesh and Odisha awarded the civil works in October 2007 and January 2010 and incurred an expenditure of ₹ 0.75 lakh and ₹ 55.99 lakh, respectively, on preparation of sites. No expenditure was incurred for the two sites of Uttar Pradesh.

The representatives of the Firm visited the Ministry in April 2009 to discuss various issues regarding installation of the systems, but they refused to visit the only site under preparation at that time at Rewa, Madhya Pradesh. The Ministry asked the States of Odisha in February 2010 and Madhya Pradesh in June 2010, to keep the civil works required for installation of systems in abeyance. In the meantime, the Ministry served (May 2010) a Show Cause Notice to the firm followed by Contract Termination Notice in September 2010.

The firm expressed its willingness in December 2010 that it would visit all the five sites in one go instead of three sites as proposed by Ministry. Neither the Ministry confirmed the status of the remaining two sites in Uttar Pradesh to the Firm, as these were not completed by the state of Uttar Pradesh, nor did the representatives of the firm visit any of the five sites. The Ministry again served final contract termination notice to the firm in May 2011 for not providing technical assistance to install the systems. Hence, none of the machines procured in 2006 could be installed.

The Ministry replied (March 2013) that it had made efforts to sort out technical and contractual issues. The Ministry further stated (October 2013) that legal recourses available to the Ministry were being explored and efforts were being made to engage another firm to install the system. In response to an audit query the Ministry further stated that they had not taken any step to black list the firm.

Thus placing purchase orders for five WIM-cum-ATCC by the Ministry without proper planning for their installation and operation, in coordination with the identified State Governments, resulted in unfruitful expenditure of ₹ 1.54 crore. Thus, objective of collecting electronic data of axle load aimed at preventing overloading could not be achieved.