

CHAPTER XIV: MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

14.1 Idle Equipment

Ministry failed to make necessary arrangements for installation of equipment worth Rs 87.14 lakh for more than five years on account of lack of infrastructure, indicative of poor planning.

Ministry of Surface Transport (now Ministry of Road Transport & Highways) decided in September 1993 to establish about 60 Permanent Traffic Count Stations (PTCS) on the National Highway network on geographical and traffic considerations for conducting traffic research activities by installing Automatic Traffic Counter-cum-Classifiers (ATCCs). In the first phase, 15 such machines were to be installed at Chennai (6), Roorkee (3), Vadodara (3) and New Delhi (3), on immediate basis. Subsequently, in February 1995 the allotment to Roorkee and Vadodara was diverted to Mumbai. The procurement of ATCCs was to be made under Asian Development Bank Loan package-II (No 1041-IND).

Ministry placed an indent with the Director General Supplies & Disposals (DGS&D) in June 1993 to procure the equipment. Subsequently, DGS&D issued Notification of Award in March 1994 in favour of a firm M/s AJS Scale International, New Delhi (Indian Agent) followed by a formal contract (May 1994) in favour of a foreign supplier namely, M/s. International Road Dynamics, Canada. The total cost involved was US \$ 229441.66 (inclusive of the Agents Commission of US \$ 15069.25 payable in Indian currency plus Rs 3.30 lakh cost of installation and indigenous components to be supplied by the agent). The stores were to be supplied within 10-12 weeks from the date of opening of the letter of credit, which was 20 October 1994. The Ministry, however, did not take simultaneous action for provision of rooms at these sites to house the equipment so that they could be installed and commissioned immediately on receipt at the sites. The cargo arrived at Mumbai Port in February 1995 for which the department paid an amount of Rs 68.30 lakh in March 1995. The equipment was not cleared from the port on arrival in February 1995, and was ultimately cleared between 19 June 1995 and 1 January 1996. This delay cost the Ministry Rs 5.31 lakh in demurrage charges.

The agent informed Ministry in April 1996 that none of the consignees had constructed rooms at the site for the installation of ATCCs. He also categorically stated that since the grout, sealants and batteries, etc. had a shelf life of a year or so, he would not be responsible for expiry of their life. Despite this, Ministry did not ask the consignees to take action.

The Indian agent finally declined in November 1999 to install the equipment on the ground that the spares had outlived their life and DGS&D had not paid

their commission. The equipment was lying uninstalled at their respective sites. Meanwhile, out of Rs 13 lakh released by the Ministry for maintenance, Rs 10 lakh was incurred on purposes other than maintenance by consignee at Chennai and consignee at Delhi had kept Rs 3 lakh in current account since October 1997.

Ministry stated in March 2001 that since clearing of cargo was multi-agency activity each functioning independently of the other, delay was attributable to postal and procedural delays and that there was no lapse on the part of Ministry. Reply of the Ministry is not tenable as the stores were to be supplied within 10-12 weeks from the date of opening of the letter of credit, which was 20 October 1994. Thus, there was constructive responsibility of the Ministry for failing to oversee the proper execution of installation of ATCCs.

Thus, equipment procured at a cost of Rs 87.14 lakh (inclusive of demurrage, transportation and maintenance charges) was lying idle for more than five years on account of the lack of infrastructure indicative of poor planning.

The matter was referred to the Ministry in June 2001; their reply was awaited as of November 2001.