CHAPTER VIII : MINISTRY OF HOME AFFAIRS

Directorate of Forensic Science Services

8.1 Poor planning leading to non-fulfilment of scheme objectives

The scheme of creation of 'Regional Forensic Science Laboratories/District Mobile Forensic Units' was launched without ascertaining the actual requirement of funds and modality of expenditure. As a result only six labs were set up out of 58 labs envisaged leading to non-fulfilment of scheme objectives.

The Expenditure Finance Committee (EFC) of the Ministry of Home Affairs (MHA) approved (February 2009) the scheme of Directorate of Forensic Science Services (DFSS) viz., Creation of Regional Forensic Science Laboratories (RFSLs) and District Mobile Forensic Unit (DMFU), to be implemented as a Central Sector Scheme. The scheme was to strengthen capacity of routine forensic case analysis work, to build additional capacity for forensic analysis in chemical, physical, biological and document sciences in the states and to strengthen Crime Scene Management. The criteria for setting up RFSL/DMFU in a State/UT was on a normative basis which included factors such as nature or level of crime, security scenario, crime rate, status of the existing facilities etc. Under the scheme, a sum of ₹ 48 crore was allocated for setting up of 6 RFSLs and ₹ 52 crore for 52 DMFUs.

In order to implement the scheme, the DFSS was required to enter into a Memorandum of Understanding (MoU) with the states/UTs willing to join hands for creation of RFSLs and DMFUs.

The scheme was created with an outlay of ₹ 100 crore, out of which funds amounting to ₹ 35.99 crore were released to 15 states and 5 UTs spreading over 2010-11 and 2011-12[1]. DFSS entered into MoU with 14 states/UTs **(Annex-XV).** As per MHA approval, the scheme was to be implemented during the 11th Five Year Plan (2007-12) so that after

[1] ₹ 13.59 crore – 2010-11, ₹ 22.40 crore – 2011-12.

expiry of plan period the RFSL/DMFU would stand transferred to state governments. In terms of MoU, after the completion of the plan period, the financial requirements for RFSL/DMFU was to be met through state/UT budget.

Audit observed that while the scheme was approved by the EFC in February 2009, the initial amount of first instalment was released by the DFSS in March 2011 despite the fact that the scheme was to culminate in the 11th Plan itself. Audit further observed that the delay was attributable to working out various modalities for implementation of the scheme such as preparation of Detailed Project Report, Action Plan for implementation, mechanism of review and monitoring, signing of the MoUs with the state/UT Governments etc.

Audit further observed that though the MoU contained roles and responsibilities of the DFSS and respective state/UT governments, no timelines were prescribed for undertaking various activities for implementation of the scheme. In the absence of timelines, there were delays on the part of the states in acquisition of land, procurement of instruments and engagement of manpower etc. for establishing the RFSL and DMFU.

Audit also observed that funds amounting to ₹ 9.79 crore were released to three states and two UTs[2] without entering into MoU with them, while in five[3] cases MoUs were entered into with the states well after the funds were released. Further, the decision of the Ministry/DFSS to go ahead with its initial decision to discontinue the scheme in the 12th Five Year Plan (2012-17) was imprudent, given the fact that not even 50 *per cent* of the earmarked funds were released by March 2012 as initially envisaged. As a result, only two RFSL and four DMFU were set up as of December 2014. Later, DFSS approached the Ministry twice (February 2013 and April 2013) to decide about further course of action; the decision of the Ministry was awaited.

[2] Sikkim, Manipur, West Bengal, Puducherry and A&N Islands.

[3] Meghalaya, Mizoram, Tripura, Haryana and Jammu & Kashmir

In the absence of Utilisation Certificates pertaining to ₹ 18.88 crore[4] released to 14 state/UTs, the progress made in these cases also remained unascertainable. The status is indicated in **Annex-XVI**.

DFSS stated (February 2015) that it was not in a position to continue the scheme due to non-availability of sufficient budgetary provisions.

Thus, it was evident that the scheme was launched late without proper assessment of fund requirement and modalities for implementing the scheme in a time bound manner. This led to slow financial and physical progress and premature closure of scheme without fulfilment of scheme objectives despite a large number of states having committed to these through signing of MoUs.

Indo-Tibetan Border Police

8.2 Blockage of ₹ 15.58 crore paid as advance due to non-supply of arms & ammunition by the ordnance factories

In the absence of effective control mechanism for procurement of arms and ammunitions, a Support Battalion of ITBP paid advance funds amounting ₹ 15.58 crore to various ordnance factories, which remained blocked due to non-supply of emergent required arms and ammunitions.

Rule 161 of the General Financial Rules stipulates that appropriate time for each stage of procurement should be prescribed by the Ministry/Department to reduce delay in procurement. The Ministry of Home Affairs, Government of India had no practice of quoting time schedule for supply of arms and ammunition at the time of issue of sanction order and making advance payments against the sanctioned amounts to ordnance factories. However, as per the Proforma Invoice of the ordnance factories, the supplies were to be made within a period ranging between one and nine months from the date of receipt of advance payment.

Scrutiny of records (August 2009 & May 2013) of the office of a Support Battalion, Indo-Tibetan Border Police Force (ITBP), Karera, Shivpuri,

[4] Excluding the funds of ₹ 17.11 crore released to Sikkim, Uttarakhand, Mizoram, Goa, Puducherry and A&N Islands where labs were set up/UC received.

M.P. revealed that the payment of ₹ 15.58 crore being 60 *per cent* of the total cost was made as advances during 2007-08 to 2012-13 to different ordnance factories for supply of emergent requirement of arms and ammunitions **(Annex-XVII)**. However, the supply of the ordered arms and ammunitions was not made (November 2014) by the different ordnance factories. On this being pointed out by Audit (08/2009, 05/2013 & 01/2014) the Support Battalion, ITBP stated that to ensure early supply, monthly correspondence, telephonic messages and fax message were made and even special messengers deputed. It was also stated that due to non-supply of demanded arms and ammunitions, the performance of the forces was adversely affected. The Ministry also accepted (June 2014) the pendency of arms and ammunition and stated that the Ordnance Factory Board (OFB) could not make supplies of the items due to circumstances beyond their control. The Ministry further stated that the OFB has made arrangement to supply these pending items during the 2014-15.

The fact remains that in the absence of effective control mechanism for procurement in ITBP, the funds amounting to ₹ 15.58 crore paid by the Support Battalion, as advance to various ordnance factories, were blocked for the periods ranging from one to six years due to non-supply of arms and ammunitions.

Audit is of the view that the Ministry should look into the issue of advance payment to the Ordnance factories and take effective steps to remove the inefficiencies in the system, by making ordnance factories more accountable and ensuring timely supply of urgently needed arms and ammunitions to ITBP.

National Security Guard

8.3 Unauthorised expenditure of ₹ 2.15 crore

National Security Guard incurred an expenditure of ₹ 2.15 crore on activities that were not covered by the sanctions issued by the Ministry for construction of four Regional Hubs.

The Ministry of Home Affairs (Ministry) sanctioned (June 2009) ₹ 186.36 crore towards construction of pre-fab and permanent structures required for raising Regional Hubs of National Security Guard (NSG) in four metropolitan cities[5]. The Ministry further directed that the work would be executed by the National Building Construction Corporation (NBCC). The NSG on the directions of the Ministry entered into an MoU with NBCC in June 2009 for execution of the work. The construction of Regional Hubs commenced in September 2009 and completed in July 2012 (Chennai), October 2011 (Kolkata), January 2012 (Hyderabad) and October 2012 (Mumbai).

Audit observed that though the sanction was given for construction of structures like accommodation, barracks, mess, office & stores etc, expenditures on un-approved components, such as, purchase of furniture, payment of electricity bills and maintenance of buildings were also incurred by the NSG. Audit further observed that the MoU also did not provide for payment by NSG towards these components. Thus, the NSG incurred an unauthorised expenditure of ₹ 1.81 crore (including 7 *per cent* Agency Charges), as shown in **Annex-XVIII**, on items that were not covered under the sanctions issued by the Ministry. It was also observed that the NSG paid ₹ 26.83 lakh and ₹ 7.58 lakh to NBCC for post construction maintenance works of Hub at Kolkata (upto March 2013) and Hyderabad (2012-13) respectively. This expenditure was incurred, without the required approval of the Ministry, out of funds earmarked for construction of Hubs.

On this being pointed out, the Ministry endorsed (December 2014) the reply of NSG stating that expenditure incurred on maintenance work of Regional Hubs in all the four metropolitan cities was as per actual need of the NSG. As there was no alternative available with the NSG and maintenance of essential services was an inescapable requirement, the expenditure had been charged to the project cost. The Ministry on receipt of a request from NSG for ex-post facto approval, conveyed sanction of the competent authority (December 2014) for an expenditure of ₹ 2.15 crore incurred on purchase of furniture, payment of electricity bills and other miscellaneous/maintenance works, out of the amount sanctioned for raising of Regional Hubs.

The reply establishes the audit findings that the expenditure on activities unrelated to construction was incurred by NSG without prior approval of

[5] Chennai, Kolkata, Hyderabad and Mumbai

the Ministry, resulting in unauthorised expenditure of ₹ 2.15 crore. Further, post-facto approval in a routine manner, in fact, encourages the tendency to first commit the transgression and then seek its rectification. Anticipating essential expenses and providing for it will obviate need for such approvals *post-facto*.

Border Security Force

8.4 Deficient procurement planning leading to idling of equipment

Air Wing, Border Security Force procured 'Auxiliary Power Units' for use in two grounded helicopters. These components were procured before life extension of helicopters by the Manufacturer. Thus, BSF failed to ascertain future serviceability of the helicopters before concluding the procurement process leading to idling of components worth ₹ 1.41 crore for almost 20 months

In terms of the lifing policy of the MI-17 helicopters issued by the Air Headquarters, Indian Air Force (IAF), no extension is permissible on the retirement life of helicopters and components. If considered necessary, the matter is to be taken up with the Manufacturer for revision of retirement life of helicopters and components. The life extensions for helicopters are normally provided by the Original Equipment Manufacturer (OEM) after ascertaining technical validity of the machines and ensuring that components fitted in the helicopters are having sufficient residual life or fitted with new items.

Air Wing, Border Security Force (BSF) decided (March 2012) to retrieve the serviceability of its two MI-17 helicopters (registration no. Z-4102 and Z-4104) on AOG status[6] due to completion of hours/calendar life of airframe and major aggregates. Inspector General (Air), BSF accorded administrative approval (March 2012) for procurement of 10 spare parts including two Auxiliary Power Units (APUs). BSF sanctioned (October 2012) ₹ 1.41 crore for procurement of two APUs from M/s Motor Sich, JSC, Ukraine[7] being the OEM. BSF entered (November 2012) into an

[6] Aircraft Operationally Grounded

[7] APU is manufactured by the state of Ukrain which was once part of USSR. Procurement of other spares (manufactured by other integral parts of Russia) was not pursued further as life extension of Helicopters (Z-4102 & Z-4104) was not carried out.

agreement with OEM and released (February 2013) an amount of ₹ 1.34 crore (95 *per cent* of the agreed amount). The APUs were supplied in May 2013.

Audit examination disclosed that the BSF did not approach the IAF or the OEM for life extensions of these two helicopters before initiating the procurement of spare parts which was not in consonance with the lifing policy. Thus the BSF concluded the procurement process for the APUs even before ascertaining the technical viability and sustainability of the machines for future operations. As a result, the APUs procured at a price of ₹ 1.41 crore were rendered idle for almost 20 months while the helicopters continued to be on AOG status as of November 2014.

On this being pointed out by Audit, BSF, in its reply stated (September 2014 and November 2014) that life extension of helicopters (Z-4102 and Z-4104) could not happen through IAF. It further stated that the contract of APUs was finalised in the month of November 2012 and a decision was taken in the month of January 2013, to carry out life extension of Z-4101 and Z-4105 instead of Z-4102 and Z-4104. The initial demand of APUs for two helicopters Z-4102 and Z-4104 was maintained for Z-4101 and Z-4105 to avoid any further price escalation. The procured APUs would be utilised in other two helicopters (Z-4101 and Z-4105) which were presently flying with loaned APUs from Indian Air Force.

It also added that as no MI-17 helicopter would fly after 4 February 2015 until overhauled, these APUs could be given to IAF in lieu of APUs taken on loan. This arrangement would not only ensure utilisation of useful life of APUs but also result in saving to the exchequer.

The reply is not tenable on the following counts:

- The status of future serviceability of these helicopters (Z-4102 and Z-4104) remained highly uncertain owing to life extension issues throughout the procurement process; yet BSF went ahead and made the procurements.

- The contention that the procurements now made would be utilised for other two helicopters (Z-4101 and Z-4105) which were being operated by taking APUs on loan from IAF would appear to be a *fait accompli* rather than the result of a well-conceived plan.

Moreover, the life of these two helicopters was going to expire by February 2015 unless these underwent overhauls.

- The decision to go ahead with the procurement process even after deciding in January 2013 to carry out the life extension of Z-4101 and Z-4105 instead of Z-4102 and Z-4104 as initially planned was imprudent as BSF could have taken corrective action of cancelling the procurement formalities even at that stage.
- The BSF did not undertake the procurement activities for APUs and other spare parts in a synchronized manner. This is evident from the fact that while the new APUs were procured in May 2013, the process for procuring other items was initiated in July 2013. The tenders were finally opened in December 2013 but the matter was not taken forward.
- While BSF took APUs on loan from IAF for its two helicopters in April 2013, the two APUs which were delivered in May 2013 continued to idle. The fact that these activities were being undertaken simultaneously was indicative of a deficient procurement process.
- The contention of the BSF that the new APUs can be given to IAF in lieu of APUs taken on loan is a poor rationalisation of an inappropriate decision which ultimately led to idling of expensive components.

Central Reserve Police Force

8.5 Extra expenditure

The failure of the Central Reserve Police Force to follow appropriate procedure for procurement of 120 Ambulances with standard fittings in a timely manner led to increase in procurement costs and consequent extra expenditure of ₹ 83.79 lakh.

Central Reserve Police Force (CRPF) submitted a proposal (June 2010) to the Ministry of Home Affairs (Ministry) for purchase of 133 four-stretcher ambulances along with fitting of air-conditioners and standard equipment. It was proposed to purchase the vehicles from M/s Tata Motors Ltd. (TML), being the Original Equipment Manufacturer (OEM). The total cost of ambulances with fabrication was estimated at ₹ 13.43 crore. The Ministry while according sanction of ₹ 14.38 crore (including taxes) for purchase of 120 nos. four-stretcher ambulances (₹ 10.82 crore) and fitting of AC with standard equipment (₹ 3.56 crore) to the proposal (May 2011), stipulated that purchase of ambulances may be made through DGS&D rate contract and fabrication be done through the OEM of the vehicle.

Accordingly, CRPF approached TML, which agreed (August 2011) to provide the vehicles and fittings at rates sanctioned by the Ministry as a one time special offer valid till September 2012 which was later extended to September 2013.

CRPF placed supply orders for ambulances and AC fitments alongwith other components in February 2012 and March 2012 respectively. As per the supply order, ambulances were to be delivered by 2 July 2012 or earlier. However, CRPF decided (March 2012) to cancel the supply order of AC fitting with equipment on the grounds that it was issued without completing the single tender formalities.

CRPF again issued a single tender enquiry to the same firm in April 2012 for fitting of AC and equipment on 120 ambulances. However, the firm in the meanwhile had increased the rates for carrying out the fittings by ₹ 45000 per vehicle (September 2012). Further, the rates of excise duty and VAT had also increased during the intervening period. The details of increase in costs are given in **Annex-XIX.**

CRPF made a revised proposal to the Ministry for approval cum expenditure sanction for procurement of fitting of AC and other standard equipment from TML in November 2012 at a revised cost of ₹ 4.54 crore (including VAT). The Ministry took one year to deliberate on this proposal and finally issued (November 2013) a revised sanction of ₹ 15.66 crore (₹ 11.12 crore for vehicles and ₹4.54 crore for fitments). The delivery of entire fleet of vehicles was completed as of November 2014. The payment of ₹ 14.13 crore (₹ 10.61 crore for 112 ambulances and ₹ 3.52 crore for AC fitting with standard equipment in

103 ambulances) had been made as of January 2015. Payments of bills in respect of remaining vehicles were under process.

Audit observed that the CRPF despite categorical approval of the Ministry cancelled the initial supply order and went in for avoidable re-tender on the plea that supply order was issued without going through the tender process, thus delaying the procurement process.

The CRPF stated (December 2014) that since rules did not permit placing supply order directly on the firm without initiating tender process, it had taken the right step in conformity with the existing rules.

Audit, however, observed that if single tender enquiry was to be followed, CRPF should have done so by agreeing and binding M/s TML with one time special offer (valid till 30 September 2012) being given by the firm.

Thus, inefficient handling of procurement and inept application of laid down rules resulted in repeated tendering and avoidable delay which in turn led to cost escalation of AC fitment charges and increased excise duty, VAT etc. Audit worked out avoidable extra expenditure of ₹ 83.79 lakh.