

CHAPTER IX : MINISTRY OF HOME AFFAIRS

National Disaster Management Authority

9.1 Poor planning led to unfruitful expenditure

The action of the Ministry to set up National Disaster Response Academy by merging two existing institutions was in deviation to its earlier decision to establish the Academy on independent plot of land. As a result of poor planning, NDMA had incurred an additional expenditure of ₹ 2.48 crore on account of cost escalation. Further, the entire expenditure of ₹ 18.61 crore incurred on purchase of land has been rendered unfruitful.

National Disaster Response Force (NDRF) was formed in January 2006 as a specialist force with the capability to deal with all types of natural and man-made disasters. NDRF was raised by up-gradation and conversion of eight standard battalions of Central Armed Police forces¹ after enactment of Disaster Management Act in 2005. At present, the NDRF is operating with 10 battalions as two additional battalions were raised in October 2010.

With a view to have an apex NDRF academy of international standard where responders could be trained to meet all challenges related to any disaster, the National Disaster Management Authority (NDMA) decided (November 2007) to establish a National Disaster Response Academy at Nagpur, Maharashtra. This academy was to cater to the disaster management training requirements and also work as a resource institute for the neighbouring countries. A concept note in this regard was forwarded by NDRF to NDMA (August 2010), which was sent to the Ministry of Home Affairs (Ministry) in January 2011 for obtaining approval.

On a request made by NDMA in November 2007, the state government of Maharashtra allotted land measuring 62.03 hectares at Nagpur for setting up of the Academy in April 2011. Consequently, based on further correspondence between NDMA and the district authorities of Nagpur, the latter informed (July 2011) that the cost of land was ₹ 16.13 crore and directed NDMA to submit an affidavit indicating acceptance to the terms and conditions and willingness to pay the occupancy price for the land. Audit observed that delay in responding

¹ Two each from Border Security Force, Central Reserve Police Force, Indo-Tibetan Border Police and Central Industrial Security Force.

to the directions of district authorities by NDMA led to escalation of the cost of land to ₹ 18.61 crore in February 2012.

The concept note mooted by NDMA was not finalised in time and this contributed to enhancement of cost of land. The Ministry accorded in-principle approval for setting up of the Academy at Nagpur in July 2012. The additional payment of ₹ 2.48 crore could have been avoided had the approval process been concluded in 2011 itself.

During demarcation of the allotted land (January 2013), it came to notice that out of allotted land of 62.03 hectares, 34.03 hectares was under possession of other parties. The state authorities allotted the subsequent contiguous land in February 2014 for which demarcation fee of ₹ 42,000/- was paid by NDRF in March 2014. This further delayed the process of acquisition of land.

After the land acquisition in March 2014, NDMA mooted a proposal to the Ministry for establishment of the Academy at a cost of ₹ 95.17 crore.

The matter was deliberated in the Ministry. Subsequently, it was decided (May 2015) that there was no need to establish a separate National Disaster Response Academy and instead the existing facilities available at National Civil Defence College (NCDC) and National Fire Services College (NFSC) at Nagpur could be synergised with the proposed new Academy.

The Ministry subsequently approved (June 2015) creation of NDRF academy at Nagpur by merging NCDC and NFSC. Existing movable and immovable assets of these colleges were to be merged with the new institution called NDRF Academy.

On the issue of non-utilisation of acquired land being pointed out by audit, the Ministry stated (October 2015) that it had been proposed that after the establishment of NDRF Academy by merger of NFSC and NCDC, the land acquired for separate NDRF academy could be kept as reserve with the Ministry for future expansion and use of NDRF academy.

The reply of the Ministry does not address the core issue of delays involved at various stages in NDMA and Ministry in implementing the decision taken in 2007 which led to additional expenditure of ₹ 2.48 crore in acquisition of land and non-utilisation of the acquired land at a total cost of ₹ 18.61 crore for the

intended purpose. The proposed action to keep the acquired land as a reserve for future purposes is clearly a fait accompli.

9.2 Unfruitful expenditure

Ministry of Home Affairs decided to establish Central Academy for Police Training at Bhopal in March 2009. As the project encountered delays, the Ministry decided to construct pre-fabricated structures to conduct trainings. However, even this move proved injudicious as no training could be organized in these structures due to various reasons such as remote locality, lack of security arrangements etc. leading to unfruitful expenditure of ₹ 10.13 crore on their construction.

Under the 11th Five Year Plan, Ministry of Home Affairs approved (March 2009) establishment of a Central Academy for Police Training (CAPT) at Bhopal at an approved outlay of ₹ 47.14 crore. The Academy was to provide training to the trainers of the State Police Training Institutes and directly recruited Deputy Superintendents of police of States.

The State Government of Madhya Pradesh allotted (August 2009) 400 acres of land, free of cost, to Bureau of Police Research & Development (BPRD), MHA for setting up of CAPT.

Audit observed that the project which was envisaged to be implemented during the 11th five year plan (2007-12) was not taken up during 11th plan due to issues relating to encroachments, deficient road connectivity, inadequate electricity and resistance by villagers to demarcate the area in the proposed land.

The Ministry decided (October 2012) to revise the scope of work as the pre-revised estimates did not include adequate provisions for development of site, RCC framed structure, etc. As a result, the cost of setting up of CAPT was further revised to ₹ 281.00 crore by the Expenditure Finance Committee in October 2012 with the stipulated date of completion as March 2016. This was further extended to December 2016.

Audit observed that the project did not pick up adequate momentum and the physical progress had reached up to only 20 *per cent* and ₹ 76.75 crore had been released by the Ministry as of June 2015. As of December 2015 a sum of ₹ 72.96 crore had been incurred on the Project. Thus, the Ministry was not in a position to complete the project within the stipulated time frame.

Meanwhile, in November 2010, the Ministry was informed by BPRD that construction of permanent structure would take time since many issues were to be resolved and therefore, the training could be started at an early date by constructing Pre-Fabricated structures (PFs). The Home Minister also directed that adherence of time lines should not be breached and the training should start by April 2011.

Following this, in January 2011, BPRD sent a proposal to the Ministry for construction of PFs costing ₹ 7.60 crore. The Ministry approved the proposal (June 2011) for construction of 91 PFs at a cost of ₹ 7.60 crore through CPWD. As per the timelines given by CPWD, the work of construction of PFs was to be completed within seven weeks after receipt of approvals.

However, the work was completed only in September 2013 at a revised cost of ₹ 10.13 crore. Audit observed that 90 PFs were constructed and handed over to CAPT, Bhopal between October 2013 and June 2014. The ex-post facto approval of ₹ 2.50 crore was accorded in February 2014.

Audit also observed that no training was organized in these PFs due to remote location of the Academy, non-availability of approach road, lack of security arrangements and non-induction of permanent faculty and supporting staff. Out of 90 PFs, 20 were used for administrative purposes, eight by CPWD for monitoring of construction activities and 62 were not in use/locked as of June 2015.

Meanwhile, CAPT was established (September 2011) in the premises of Jawaharlal Nehru Police Academy, Sagar, Madhya Pradesh. It was shifted to another accommodation of the State Government in Bhopal in March 2012. CAPT conducted 30 training programmes with 511 participants and incurred expenditure of ₹ 42.47 lakh on arrangements of these trainings during 2012-13 to 2014-15.

The Ministry attributed (January 2016) the delay in completion of project to CPWD. It further stated that the Academy was not able to conduct training programmes in PF huts due to delay in handing over of these huts by CPWD, lack of security arrangements and shortage of manpower.

The reply may be viewed in the light of the fact that even after all the PF huts were handed over by CPWD by June 2014 these could not be put to the intended use. Thus, while the envisaged objective of establishing a central

academy remained unfulfilled, even the move to construct PFs to counter delays in meeting the training requirements proved injudicious, despite time and cost overruns. This ultimately led to unfruitful expenditure of ₹ 10.13 crore on their construction.

Air wing, Border Security Force

9.3 Non-levy of liquidated damages

Border Security Force (BSF) placed (March 2009) supply order with Hindustan Aeronautics Limited (HAL) for supply of eight Helicopters. The delivery was to be made in two lots up to March 2011. Any delay attributable to the supplier attracted levy of liquidated damages. HAL supplied the eighth helicopter after a delay of 19 months. However, BSF failed to levy liquidated damages of ₹ 2.18 crore in accordance with the terms of agreement.

Ministry of Home Affairs conveyed (March 2009) sanction to the Border Security Force (BSF) for procurement of eight Dhruv Helicopters from M/s Hindustan Aeronautics Limited (HAL) at a total cost of ₹ 413.30 crore. The procurement was governed by an agreement entered into (March 2009) between the Ministry and HAL.

As per the agreement, the delivery of Helicopters was to be made in two lots. The first lot of four helicopters was to be delivered by March 2010 and the second lot by March 2011.

The agreement further provided that in the event of delay in delivery of stores by the seller, the buyer reserved the right to impose liquidated damages @ 0.5 per cent of the contract price of the delayed/undelivered stores for every month of delay or part thereof, subject to a maximum of 5 per cent of the contract price of delayed stores. No liquidated damages was leviable in case of delay caused due to any action or inaction of the buyer as also due to Force Majeure situations.

HAL delivered three Helicopters of first lot by October 2009 and the fourth Helicopter in May 2010, after a delay of 37 days. BSF, at the instance of the Ministry, imposed liquidated damages of ₹ 25.95 lakh for the delay.

Audit observed that HAL delivered three Helicopters of the second lot in October 2010, i.e. within the stipulated time frame, while it delivered the fourth Helicopter in October 2012, after a delay of 19 months².

² Delay of 19 months (from April 2011 to October 2012)

BSF made payment of ₹ 12.89 crore, after adjusting advance payments of ₹ 37.13 crore, to HAL towards delivery of eighth Helicopter in December 2012. However, it did not levy liquidated damages for the delays. We further observed that HAL did not approach BSF for extension of the delivery period indicating that the delay was on the part of the seller. Failure of BSF to invoke provisions of the agreement led to non-levy of liquidated damages of ₹ 2.18 crore³

After the issue was raised in Audit, MHA issued instructions to BSF, Air Wing in November 2015 to initiate action for liquidated damages as per the provision contained in MoU. Subsequently BSF, Air Wing took up the matter with HAL for imposition of LD of ₹ 2.18 crore as pointed out by Audit.

However, Ministry's formal reply to the para was awaited as of January 2016.

³ LD was leviable @ 0.5 per cent of the contract price (₹ 43.68 crore for each helicopter without taxes) subject to a maximum of 5 per cent of the contract price (5 per cent of ₹ 43.68 crore = ₹ 2.18 crore)