

CHAPTER II HOME DEPARTMENT

Modernisation and strengthening of Police force

Executive Summary

The 'Modernisation of Police Forces' is a Government of India scheme, aimed at enhancing efficiency and striking capability of State Police forces so as to be equipped to meet the challenges of internal security environment, extremist activities and law and order situation in the State. The main components of the scheme were mobility, weaponry, construction and procurement of equipment for communications and surveillance, forensic science laboratories, training, etc. The Performance Audit was conducted to assess the status of modernisation of Police Forces in the State which revealed the following.

Shortage of physical stock of weapons and live cartridges was noticed in the Special Armed Police Battalion, Thiruvananthapuram.

(Paragraph 2.10.3)

Anti-Maoists operations in the dense forests of Palakkad, Malappuram, Idukki and Wayanad suffered due to dependence of Police forces on analog communication equipment. GOK failed to make timely payment of spectrum charges and obtain licence from GOI for procuring Digital Mobile Radios.

(Paragraph 2.11.2)

In the Forensic Science Laboratories, Audit noticed delay in disposal of cases. During 2013-18, the pendency of cases increased to 9,265 including 1,755 (19 per cent) grave crimes cases charged under Sections 302, 307 and 376 of IPC, POCSO Act 2012 and SC and ST (Prevention of Atrocities) Act.

(Paragraph 2.13.1)

The Police Department violated MOPF scheme guidelines during 2013-18 which prohibited procurement of cars. Instead of making good the shortfall of vehicles in Police Stations, 15 per cent of the 269 Light Motor Vehicles procured by the Police Department were luxury cars which were deployed for use of high-level officers and non-operational units like CBCID.

(Paragraph 2.9.1)

The Police Department violated Stores Purchase Manual and CVC guidelines in the procurement of equipment.

(Paragraph 2.14)

State Police Chief (SPC) diverted ₹2.81 crore meant for construction of Upper Subordinate Staff Quarters, for construction of Villas for SPC/ADGPs.

(Paragraph 2.18.2)

2.1. Introduction

The scheme of Modernisation of Police Forces (MOPF) was launched (1969-70) by the Government of India to make the State police more efficient and effective by means of latest equipment, resources and technology. It was envisaged to reduce the dependence of the State on the army and central para military forces to meet the challenges to internal security and the law and order situation. The MOPF has four major components *viz.*, mobility, weaponry, construction and equipment for training, forensic science laboratories, communications & surveillance, etc. The MOPF Scheme was funded on sharing basis by Government of India (GOI) and Government of Kerala (GOK) in the ratio of 75:25 during 2005-12, which was revised to 60:40 for the period 2012-13 to 2016-17. The scheme was again extended in 2017 for a period of three years after making modifications⁴ and renaming it as “Assistance to State for Modernisation of Police”. The Scheme is slated to end in March 2020. The MOPF scheme guidelines specifically mention about meeting the deficiencies in various aspects in police administration as identified by the Bureau of Police Research and Development (BPR&D). The BPR&D norms are applicable to all the components of MOPF other than Weaponry, which is regulated by the Arming Policy for the State/Union Territory Police forces as issued by the Ministry of Home Affairs, Government of India in February 1995.

2.2. Organisational Setup

The Department is headed by Additional Chief Secretary (ACS), Home Department at the Government level and the Director General of Police (DGP) and State Police Chief (SPC) at the department level. For the purpose of maintaining law and order, the State has been divided into two Police zones each headed by an Additional Director General of Police (ADGP). Each zone has two ranges headed by an Inspector General of Police. There are 19 Police districts⁵ in the State of which five are Commissionerates. While the Thiruvananthapuram City and Kochi City Commissionerates are headed by District Police Chiefs of the rank of Deputy Inspector General of Police, the remaining police districts are headed by officers of the rank of Superintendent of Police. Each Police District has Police Stations and Police Posts as field units. The detailed organisational setup of the Kerala Police is shown as a chart in **Appendix 2.1**.

⁴ While GOI excluded the component ‘Construction’ from 2015-16, ‘Mobility’ component was excluded from the ambit of MOPF since 2017-18. The funding pattern continues to be 60:40 between GOI and GOK.

⁵ Area of jurisdiction falling under each of the five Revenue Districts (Thiruvananthapuram, Kollam, Ernakulam, Thrissur and Kozhikode) was divided into two for Administrative purpose as Rural Police District and City Police District.

2.3. Audit Objectives

The Performance audit was conducted to ascertain whether the:

- Modernisation plans were prepared realistically after careful assessment of requirements;
- Implementation of the scheme was effective and efficient in line with the scheme objectives; and
- Financial management was efficient and effective and funds of GOI and GOK were utilised optimally for the intended purposes.

2.4. Audit Criteria

The following audit criteria were adopted:

- MOPF scheme guidelines and Long-term Strategic Plan and Annual Action Plans approved by Ministry of Home Affairs (MHA);
- Norms/requirements specified by Bureau of Police Research & Development, MHA in respect of operational vehicles, weapons, equipment, buildings, manpower etc.;
- Kerala Stores Purchase Manual, Public Works Code and Manual, Financial and Treasury Codes;
- Orders, Circulars, etc., issued by GOK.

2.5. Audit Scope and Methodology

The Performance Audit covering the period 2013-18 was conducted between May 2018 and October 2018 by test-check of relevant records in the Government Secretariat, Police Headquarters, the Kerala Police Housing and Construction Corporation Ltd. (KPHCC) and the selected field offices. Audit also conducted Joint physical verification to assess the status of various components of schemes for modernisation of the police department. An Entry Conference was conducted on 25 April 2018 with the Additional Secretary, Home Department and Inspector General (IG), Police Headquarters during which the audit objectives, criteria and methodology for conduct of audit were discussed and agreed upon. An Exit Conference was conducted on 08 April 2019 with the Additional Chief Secretary, Home and Vigilance Department and the State Police Chief wherein the observations of Audit were discussed in detail. Response of Government has been suitably incorporated. Government has accepted all recommendations made by Audit.

Audit adopted a multi-stage sampling methodology for selection of 25 per cent of districts. While Thiruvananthapuram District was selected since the Home Department, Police Headquarters, State Crime Records Bureau, etc. were situated there, the Districts of Alappuzha, Kannur and Malappuram were selected using Simple Random Sampling without Replacement method. In the

second stage 25 per cent of offices of Dy. Superintendents/Assistant Commissioners of Police, Circle Inspectors/Inspectors and Police Stations⁶ were selected on risk based Judgmental Sampling. All the Women (3), Traffic (4), Coastal (8) and Railway (3) Police Stations in the selected districts were covered in Audit. Further, all the Armed Police Battalions (5), Forensic laboratories (2), Finger Print Bureaus (5) in selected districts and Offices belonging to Internal Security Branch, Special Branch and Intelligence Wing in the selected Districts were covered. The State Crime Records Bureau, Kerala State Forensic Laboratory, Kerala Police Academy at Thrissur, Police Training College at Thiruvananthapuram and Cyberdome, Thiruvananthapuram were also covered during the course of Audit.

2.6. Acknowledgement

Audit acknowledges the co-operation extended by Additional Chief Secretary (Home) and the State Police Chief in the conduct of the Performance Audit.

Audit Findings

2.7. Formulation of Modernisation plans – Strategic and Annual Action Plans

Paragraph 6.1 of the MOPF scheme guidelines issued (November 2010) by Government of India (GOI) recommended the preparation of a five-year strategic plan (2011-16) which would incorporate an equipment acquisition-perspective plan for five years. It was envisaged that the five-year strategic plan would identify and analyse gaps in various components under MOPF and in conjunction with the BPR&D norms arrive at a requirement for the State. It was also recommended that decentralised, evidence based, bottom up planning approach with adequate flexibility was to be adopted. An Annual Action Plan was to be prepared by GOK each year based on the five-year Strategic Plan. Audit observed that though the Police Department had formulated a draft Strategic Plan for 2011-16 and for 2017-21, there was no evidence on record to indicate that these were approved by GOK. In the absence of a final approved Strategic Plan, Audit could not examine whether the Annual Action Plans were in conformity with the long-term Strategic Plan. Audit observed that financial assistance under the Scheme was released by MHA despite non-formulation of a Strategic Plan by the State Government.

2.7.1. Formulation of Annual Action Plan

MOPF scheme guidelines require that the MHA would intimate the tentative annual allocations for the ensuing year to the States and invite proposals for Annual Action Plan (AAP) from the State Government. The State Governments

⁶ Thiruvananthapuram City: 6 out of 21 Police Stations; Thiruvananthapuram Rural: 11 out of 37 Police Stations; Alappuzha: 10 out of 31 Police Stations; Malappuram: 9 out of 34 Police Stations; Kannur: 13 out of 36 Police Stations.

would prepare the draft AAP proposals under the scheme and forward to MHA. It was clearly stipulated that the AAP should have been discussed and approved by the State Level Empowered Committee (SLEC)⁷ headed by the Chief Secretary before forwarding the same to MHA. Audit observed that the instructions of the MHA were not complied with in any of the years, as set forth in **Table 2.1**.

Table 2.1: Details of formulation of Annual Action Plan

Year	Date of MHA letter to GOK intimating Plan size	Target date for submission of AAP to MHA	Date of submission of AAP to MHA	Date of receipt of approval of AAP by MHA	Date of approval by SLEC	Date of issue of Administrative Sanction by GOK
1	2	3	4	5	6	7
2013-14	25.03.2013	15.04.2013	22.04.2013	27.09.2013	07.11.2013	13.12.2013
2014-15	11.03.2014	31.03.2014	25.04.2014	29.08.2014	06.11.2014	20.12.2014
2015-16	11.03.2015	31.03.2015	26.03.2015	24.07.2015	21.04.2015	19.11.2015
2016-17	10.03.2016	31.03.2016	08.04.2016	04.07.2016	23.11.2016	21.01.2017
2017-18	28.04.2017	22.05.2017	24.05.2017	28.08.2017	19.07.2017	24.10.2017

(Source: Details obtained from PHQ)

- Audit observed that the AAPs were forwarded to MHA without obtaining the approval of the SLEC. The SLEC was merely ratifying the proposals submitted by the SPC and approved by the MHA. Scrutiny of records of the Police Department did not indicate that inputs from lower formations were compiled for the purpose of preparing the AAPs. The concept of decentralised, evidence based, bottom up planning approach with adequate flexibility, as enunciated in the MOPF scheme guidelines, was not realised. GOK, while agreeing to the audit observation stated (March 2019) that the AAPs were forwarded to MHA without obtaining approval of SLEC due to paucity of time. Audit was informed that the SLEC has since been reconstituted with the Home Secretary as the Convenor instead of the Chief Secretary. It was stated that the process has been streamlined resulting in the AAP for 2019-20 being forwarded to MHA after obtaining approval of the SLEC.
- Annual Action Plans forwarded by the SPC to the MHA contained errors⁸, which necessitated revision of AAPs. The avoidable revision in AAPs coupled with delayed approval by the SLEC led to delay in release of Administrative Sanction and consequent failure to utilise the annual allocation within the financial year.

⁷ State Level Empowered Committee presided over by the Chief Secretary with the Additional Chief Secretary/Principal Secretary (Finance), Additional Chief Secretary/Principal Secretary (Home), Planning Commissioner and the DGP as Members constituted to sanction the Annual Action Plan.

⁸ Errors included failure to exhibit state share separately and inclusion of routine items and consumables which were not covered under the scheme (AAP 2013-14), proposal to include non-Ordnance Factory Board weapons against the eligible Ordnance Factory Board weapons (2014-15) and allotting 51.12 per cent fund for mobility component against the eligible 25 per cent (2015-16).

- Audit scrutiny also revealed that consequent to low utilisation in the Scheme year, the items in approved AAPs were carried over and implemented in subsequent years (**Appendix 2.2**). Expenditure on items for implementation in AAP for the year 2013-14 was continuing even in the year 2018-19. The intention behind formulation of Annual Plans was thus defeated. GOK, while agreeing with the audit observation stated that the delay in expending funds could also be attributed to bidding processes not finding adequate bidders due to paucity of vendors in Kerala leading to single tendering and resultant delays. However, the fact remains that the timely modernisation of police forces as envisaged under the MOPF scheme was not attained.

2.8. Financial Management

Efficient planning and prudent financial management are essential for successful implementation of programmes and achievement of intended objectives. The MHA fixes the Annual Plan size and informs GOK for preparation of Annual Action Plan. Funds are released in two or three instalments, directly to States, through electronic transfer. For procurement of weapons sourced from the Ordnance Factory Board (OFB), which are fully funded by GOI, the allocated funds are released directly by GOI to the Ordnance Factory Board under intimation to the State Government. During 2013-18, financial assistance for implementation of the Scheme was shared between GOI and GOK in the ratio of 60:40. Funds released by GOI/GOK during 2013-18 for implementation of MOPF, expenditure incurred and funds remaining unspent were as under.

Table 2.2: Details of funds allocated, received and utilised for MOPF during the period 2013-18

(₹ in lakh)				
Year	Total allocation in AAP	GOI/GOK funds available	Expenditure incurred	Unspent amount
2013-14	9371.00	1870.90*	1870.52	0.38
2014-15	7998.00	5270.68	4364.53	906.15
2015-16	2990.00	1514.59	1509.13	5.46
2016-17	2989.00	3501.00	3452.55	48.45
2017-18	3943.00	7100.18	7048.34	51.84
Total	27291.00	19257.35	18245.07	1012.28

* Additionally in 2013-14, ₹329 lakh was wrongly released by GOI directly to KPHCC for purchase of equipment. The amount remained unspent with KPHCC until it was transferred to PHQ in April 2017. The PHQ expended ₹217 lakh on procurement of equipment in 2017-18.

(Source: Detailed appropriation accounts, Release orders of GOI to OFB and Statements of expenditure on Weaponry furnished by PHQ)

2.8.1. Maintenance of separate account for the scheme

Paragraph 10 of the MOPF scheme guidelines requires the State Police Headquarters (PHQ) and the Kerala Police Housing and Construction

Corporation Ltd. (KPHCC) to follow cash basis⁹ of accounting and maintain books of accounts on double entry bookkeeping principles. Standard books of accounts (Cash Book, Journal, Ledger, etc.) were to be maintained as per the accounting standards of the Institute of Chartered Accountants of India. Monthly Financial Reports were to be prepared and Quarterly Financial Reports based on these were to be submitted to MHA.

Audit observed that the PHQ did not maintain separate accounts for the Scheme. Monthly/Quarterly Financial Reports were also not prepared and forwarded to the MHA, as required under the MOPF scheme guidelines. A scrutiny of the Contingent Bill Register revealed that expenditure on all activities undertaken by PHQ including that of MOPF was routed through the Register and it was not possible to segregate the items of expenditure into scheme expenditure and otherwise. In the absence of separate accounts, the authenticity of the figures recorded as receipts and expenditure under the Scheme, by the PHQ, could not be verified.

During the Exit Conference (April 2019), the Home Secretary accepted the audit observation and directed the PHQ to maintain separate accounts in respect of implementation of the scheme of MOPF in the State.

2.8.2. Failure to remit income from auction of vehicles into the Scheme account

MOPF scheme guidelines stipulates that ownership of equipment procured by the States for installation and use at various peripheral units does not rest with the PHQ even though it maintains physical control of the fixed assets by way of maintenance of a fixed assets register. Paragraph 10 of the MOPF scheme guidelines also requires the Police Department to maintain separate books of account of the scheme on double entry bookkeeping principles. Thus, the income accruing from the sale of such assets should be booked as receipts under the Scheme accounts and not credited into the Consolidated fund of the State.

Audit noticed that in violation of MOPF scheme guidelines, ₹8.07 crore received by the Police Department on auction of 1,172 condemned vehicles purchased under MOPF, was wrongly credited into the Consolidated fund of the State instead of Scheme accounts.

This resulted in short accounting of receipts under MOPF to the extent of ₹8.07 crore. GOK assured (March 2019) to take effective remedial measures, as suggested by Audit. Audit observed that had the amount been booked under the Scheme accounts during 2013-18, it could have been utilised for the procurement of at least 128 vehicles¹⁰ which could have reduced the shortfall in the number of vehicles deployed at the Police Station level, pointed out in paragraph 2.9 of this Report.

⁹ Under cash basis of accounting, revenue is recorded when cash is received from customers and expenses are recorded when cash is paid to suppliers and employees.

¹⁰ Like Mahindra Bolero

2.9. Mobility

Mobility is measured in terms of the ability of the police force to move quickly to an incident site. Police mobility is directly linked to police performance. Quick response, in real time to law and order situations helps to preserve the precious lives of people, protect public and private property besides being a reliable indicator of police performance.

BPR&D prescribed scales for various types of operational vehicles such as heavy/medium/light vehicles and motor cycles required for police stations, district armed reserve and armed police battalions as shown below.

Table 2.3: BPR&D norms for vehicles

Type of vehicle	Armed Battalions	District Police Lines	Police Stations
Heavy	29	7	-
Medium	8	17	-
Light	13	14	2
Motor cycles	5	7	3

(Source: BPR&D norms)

Audit observed that the BPR&D Guidelines which prescribe the same number of vehicles uniformly across all States could only be indicative and not made mandatory since the area of operation of every Police Station across different States would vary, necessitating more/less vehicles than those stipulated under the Guidelines. However, Audit examined the availability of vehicles against BPR&D norms, in the police stations in all the 19 Police Districts in the State. Out of 481 local Police Stations, five Police Stations (1.03 *per cent*) did not have any Light Motor Vehicle (LMV) and 193 Police Stations (40.12 *per cent*) were provided with only one LMV each. Further, in respect of two-wheelers, 24 Police Stations (4.98 *per cent*) did not have any two-wheelers and 245 Police Stations (50.94 *per cent*) had less than three two-wheelers.

In the case of nine battalions of Kerala Police, the total number of two-wheelers and LMVs available were more¹¹ than the number prescribed in BPR&D norms and there was no shortage of two-wheelers and LMVs in any of the Battalions. The Police Department has not categorised other vehicles like Buses, Lorries, etc., as Heavy Motor Vehicles (HMV) or medium vehicles. Hence when the total number of Buses, Lorries, etc. are taken together, there are only 168 vehicles available against the required number of 333 HMVs and medium vehicles as per BPR&D norms. Thus there is a shortage of 165 vehicles in the category of HMVs and medium vehicles.

The objective of providing adequate mobility to the Police forces in the State is yet to be achieved. Shortage of vehicles could adversely affect the mobility of Police especially their patrolling functions in the field, which could impact law and order maintenance in the State.

¹¹ Two-wheelers: 54 available against requirement of 49 and LMV: 159 available against a requirement of 117.

2.9.1. Procurement of inadmissible vehicles

The MOPF scheme guidelines only allowed for procurement of vehicles like jeeps, motor cycles and medium/heavy vehicles for deployment at the Police Stations and Outposts. Procurement of cars is not admissible under the scheme. BPR&D stipulated availability of two LMVs in each Police Station. Altogether there were 3,748 LMVs with the Police Department as on 01 January 2018, of which 790 were deployed in Police Stations (against the requirement of 1,042), thus, indicating a shortfall of 24 *per cent*. Audit noticed that 64 of the 269 LMVs (24 *per cent*) procured during the period 2013-18 were procured for the use of non-operational units and high-level officers in violation of the MOPF scheme guidelines. Moreover, 41 (15 *per cent* of 269 LMVs) of the 64 vehicles procured were either cars or luxury vehicles such as Toyota Crysta, Innova, Maruti Ciaz, Maruti Ertiga, Swift Dzire, etc., which were not eligible for procurement under MOPF scheme. Audit observed that while eight of the 64 vehicles were allotted to the vehicle pool at PHQ or to high-level officers, 19 vehicles were allotted to non-operational units like Crime Branch Criminal Investigation Department (CBCID) and 25 vehicles like Bolero SLE 2WD and Tata Sumo Gold were transferred to Vigilance department, which is not covered under the scope of the MOPF scheme.

The action of the police department in procuring luxury vehicles for use of its officers instead of the permissible vehicles was in violation of the MOPF scheme guidelines and therefore, may affect the operational efficiency of the Department. Audit observes that instead of procuring 41 luxury vehicles, the Police Department could have procured at least 46 Bolero's at the same price. Together with the 23 vehicles irregularly allotted to non-operational units, these 69 vehicles would have sufficed to meet the requirement of the five Police Stations that did not have any LMV and 57 of the 193 Police Stations which were provided with only one LMV (referred to in paragraph 2.9). The operational efficiency of these Police Stations could certainly have been enhanced.

GOK stated (April 2019) that cars, SUVs and sedans were used by Police forces in India and abroad for overt and covert operations. It was stated that due to the allocation of additional funds under the State Modernisation of Police Department Scheme and dropping of mobility component generally from MOPF, vehicles of various categories were to be procured as per the Department's requirements.

The reply is not tenable since the MOPF scheme guidelines did not provide for procurement of cars during 2013-18.

2.9.2. Failure to equip Police force with Mobile Command and Control Vehicles

Approval was accorded by MHA in the AAPs for 2012-13 and 2013-14 for procurement of Mobile Command and Control Vehicles equipped with Hi-tech communication and negotiation facilities. Audit observed that vehicles such as

Toyota Fortuner/Innova were purchased without insisting upon the suppliers to install additional equipment as specified in the supply order. The Police forces were denied advantages envisaged from procurement of these vehicles, as shown below.

2.9.2.1. Procurement of Toyota Fortuner as Mobile Command and Control Vehicle

The approved AAP for 2012-13 of the MOPF included purchase of a Mobile Command and Control Vehicle for ₹30 lakhs. It was envisaged to use the Mobile Command and Control Vehicle 'in hostage situations and also for mobile control stations in serious law and order situations requiring long drawn deployment of manpower'. A technical committee constituted by the Police Department recommended (June 2013) to purchase a specially modified 'Fortuner' from M/s. Toyota Kirloskar Motors Ltd. Supply Order was issued on 24 July 2013 based on the Proforma Invoice submitted by the firm on 06 May 2013 and 15 July 2013 for supply of vehicle at ₹21.61 lakh and modification charges of vehicle ₹8.62 lakh respectively. Payment of ₹21.61 lakh towards cost of vehicle was sanctioned vide order dated 10 October 2013.

Audit observed that the Police Department envisaged modification of the Toyota Fortuner vehicle with the installation of ten items including a 10.1-inch Tablet with docking station, Wi-Fi board, USB TV card, software for video conferencing, cameras with inbuilt battery, etc. Audit scrutiny of the proceedings of the Verification Board constituted for the verification of quality of equipment installed on the Toyota Fortuner revealed that the Vendor did not install five of the 10 components required by the Police Department. The Board also found another component viz. 'Siren' to be unsatisfactory. Audit noticed that the vendor intimated the SPC (May 2014) its inability to undertake modification of the vehicle and waived any claim towards charges against modification already undertaken. The partly modified vehicle was taken to stock and payment of ₹21.61 lakh towards cost of vehicle was made to the Vendor. Audit observed that the selection of the Supplier/vehicle to serve as a Mobile Command and Control Vehicle without issuing tenders and ensuring capability of the supplier to modify the vehicle to achieve desired objectives, was in violation of extant CVC guidelines as discussed under paragraph 2.14 of this Report. Audit observed further that the Toyota Fortuner which does not qualify as a Mobile Command and Control Vehicle was allotted (September 2013) to PHQ for use of the SPC.

During the Exit Conference, the SPC (April 2019) while admitting the inability of the vehicle to function as a Mobile Command and Control Vehicle assured that the vehicle would be converted with additional fitments very shortly. GOK stated (April 2019) that the vehicle would be fully modified as initially envisaged in the next three months and put to use. GOK also assured that while modifying the vehicle, all codal formalities would be followed and the vehicle would be fully utilised for State-wide operations as a Command and Control vehicle.

2.9.2.2. Procurement of two Toyota Innova cars as Mobile Command and Control Medium Vehicle with Hi-tech Communication and Negotiation Facilities

As in the approved AAP for 2012-13, the AAP for 2013-14 of the MOPF also included purchase of a ‘Mobile Command and Control Medium Vehicle with Hi-tech Communication and Negotiation Facilities’ for ₹30 lakhs. A Technical Committee constituted for identification of suitable vehicle recommended (April 2014) Toyota Innova 2.5G (M) Diesel vehicle as best suited to serve the purpose. Supply Order was placed (May 2014) with M/s. Toyota Kirloskar Motors Ltd. for the supply of two Toyota Innova 2.5 G (M) diesel cars at a cost of ₹21.21 lakh (DGS&D rate). The supply order also specified that additional requirements like proper navigation, control and command facilities, head light and tail light glass protection, etc., would be done by the supplier, free of cost. Even though the vendor supplied the vehicles without any of the additional fittings, the vehicles were accepted by the Police Department, taken to stock and payment made.

Of the two Toyota Innova cars procured, one was allotted to Kozhikode City for the use of Additional Director General of Police (ADGP), North Zone and the other one was allotted to PHQ. The stated purpose to use the vehicles as Mobile Command and Control Medium Vehicle with Hi-tech Communication and Negotiation Facilities was thus, not met.

The SPC, during the Exit Conference (April 2019) admitted the inability of the vehicles to function as a Mobile Command and Control Vehicles and assured that the vehicles would be converted with additional fitments very shortly. However, GOK stated (April 2019) that only a few modifications could be done by the Vendor while some were to be done at the Department level and some by other vendors who are specialised. GOK further stated that a wholesome tender was therefore not in the interest of the Department and cannot be easily done.

The reply of Government is not tenable in view of the fact that Supply Order was placed by the SPC requiring the Vendor to supply additional equipment and effect modifications to the vehicles, free of cost. Therefore, it was incumbent upon the SPC to ensure that the Vendor was capable of effecting the proposed modifications before award of the work. Audit observes that if the objective was to indeed procure Mobile Command and Control Vehicles, the SPC should have complied with CVC guidelines requiring procuring organisations to first invite Expressions of Interest and finalise specifications based on technical discussions/presentations with experienced manufacturers/suppliers in a transparent manner before issuing tender. Audit is of the view that the fact that CVC guidelines were not complied with, the vehicles were accepted from the Vendor without any of the additional fittings and were deployed with officers rather than at Police Stations indicates that the vehicles were procured by the Police Department, not for deployment at the Police Station level, but for use of its senior officers. These vehicles were labelled as ‘Command and Control

Vehicles' in the AAP, only to circumvent the MOPF scheme guidelines which did not approve procurement of Cars¹² under the scheme.

2.9.2.3. Unauthorised purchase of Bullet Resistant vehicles for VIPs/VVIPs and persistent violation of MOPF scheme guidelines by State Police Chief

The MOPF Scheme Book 2010, issued by the MHA, which governs the procurement, accounting and audit arrangements for MOPF clearly stipulates that procurement of vehicles for VIP security is absolutely inadmissible under the Scheme. The Stores Purchase Manual of Kerala also provided for resorting to open tenders (invitation to tender by public advertisement), as a general rule, in cases of procurement of items costing above ₹10 lakh. It also provided for adopting limited tender system instead of the open tender system if there were sufficient reasons to decide that it was not in the public interest to call for tenders by advertisement.

The AAP 2016-17 allocated ₹1.26 crore to the Police Department for procurement of two Bullet Resistant vehicles. Administrative Sanction was accorded (January 2017) by GOK for purchase of two bullet resistant vehicles for ₹1.26 crore to ensure security of VIPs, VVIPs and Z+ category visitors to the State. The Administrative Sanction was accorded by GOK subject to the condition that the relevant provisions contained in the Store Purchase Manual/Open tender shall be strictly followed in all cases of purchases/software development.

Audit observed that the SPC, without calling for open tender as required under the Stores Purchase Manual, constituted a Technical Committee which evaluated (July 2017) vehicles from three manufacturers¹³ and recommended the purchase of Mitsubishi Pajero from M/s. Hindustan Motors Finance Corporation Ltd., at a price of ₹55.02 lakh. Subsequently, the Department placed (August 2017) supply order with M/s. Hindustan Motors Finance Corporation Ltd. for two bullet resistant vehicles without inviting tenders at a total cost of ₹1.10 crore. On the same day, the Department, citing security concerns as a reason for not tendering, requested GOK to ratify its action of having placed supply order without following tender procedure. Advance payment of ₹33 lakh (30 per cent of the cost of the vehicles) was also made (September 2017) to the supplier by the Department without awaiting ratification from GOK. GOK, in April 2018, declined to ratify the action of the SPC of placing the supply orders with M/s. Hindustan Motors Finance Corporation Ltd. and the sanction of the advance payment of ₹33 lakh to the firm. The vehicles were received (June 2018) by the Police Department. Audit was informed by the Police Department (June 2018) that the balance amount of ₹77 lakh was yet to be released to the supplier.

¹² The MOPF scheme guidelines only permitted procurement of vehicles like jeeps, medium/heavy vehicles under the Scheme.

¹³ M/s. Tata Motors Ltd., M/s. Mahindra & Mahindra and M/s. Hindustan Motors Finance Corporation Ltd.

Audit observed that the SPC in procuring the Bullet Resistant Vehicles, violated MOPF scheme guidelines which prohibited procurement of vehicles for VIP/VVIP security utilising MOPF funds. More seriously, Audit observed that the SPC was persistently and knowingly violating the MOPF scheme guidelines in view of the fact that an earlier Concurrent Evaluation of the MOPF Scheme in Kerala, conducted by the MHA in September 2014 had pointed out that similar vehicles purchased earlier under MOPF and deployed for VVIP security purposes were against MOPF scheme guidelines. Further, the action of the SPC in placing the supply order and releasing the advance amount without inviting tenders was in violation of extant norms.

During the Exit Conference (April 2019), the SPC stated that procurement of these vehicles was made considering their non-availability in the State and that in view of security issues, he was not in favour of open tender system. GOK stated (May 2019) that the department was reviewing the deployment of these vehicles. Audit was informed that considering the audit observations, bullet resistant vehicles purchased under these schemes would maximally be used for general security related purposes, at the field police level. GOK also justified resorting to limited tender since the Stores Purchase Manual authorised such purchases in instances where there were sufficient reasons for holding that it was not in public interest to call for tenders by advertisement. It was stated that the department was fully convinced of the fact that open tender mode of procurement for bullet proof vehicles was not advisable and desirable from a security point of view.

The reply of GOK justifying its failure to effect the procurement under open tender through advertisement is not tenable in view of the fact that Administrative Sanction was accorded by GOK to the SPC for effecting procurement under the Stores Purchase Manual/Open Tender. As also mandated by the Stores Purchase Manual, the SPC should have recorded sufficient reasons to decide that it was not in the public interest to call for tenders by advertisement before resorting to limited tender. These conditions were not complied with by the SPC. It was noticed that even the procedure for limited tender¹⁴ was not followed. The SPC neither followed open tender system nor limited tender system. The entire procurement process was thus vitiated. Audit observed that the SPC had as early as in April 2017, obtained the specifications and Proforma Invoice from the suppliers of 'Mitsubishi Pajero Sport' much before the meeting of the Technical Committee in July 2017, clearly indicating that the vehicle had been identified for purchase and that there was no intention to procure the vehicle under Open Tender or even Limited Tender. Prior sanction of GOK was also not sought for by the SPC before making advance payment of ₹33 lakh to the supplier in September 2017. Citing security considerations as a reason for not resorting to open tender is also not acceptable since various police forces across the country like Orissa and Bihar have resorted to open tender for making

¹⁴ Procedures for making procurements under limited tender stipulate that while wide publicity need not be given, identified suppliers/manufacturers may be intimated and tender documents may be supplied to them free of cost. The suppliers/manufacturers have to submit sealed bids which are to be opened on the specified date as in open tender system.

similar procurement. Thus, the procurement of the Bullet Resistant Vehicles was unauthorised and was effected in complete violation of the conditions stipulated in the Stores Purchase Manual.

The objective of providing increased mobility to the police forces as envisaged by GOI under the MOPF scheme would have been achieved had the Police Department procured bullet proof/mine proof vehicles for deployment in Naxalite infested areas rather than acquire bullet proof cars for VIP security.

Recommendation 2.1: GOK may ensure that mobility of the police force is ensured by addressing the shortfall in vehicles. Procurement of vehicles for non-operational purposes and circumvention of MOPF scheme guidelines in the purchase of operational vehicles must be avoided.

2.10. Weaponry

Under the MOPF Scheme, the Ordnance Factory Board (OFB) under GOI was the sole manufacturer/supplier of arms and ammunitions to the Police/Armed forces in the country. It was envisaged that GOI funds for the arms and ammunition identified and manufactured by the OFB and approved in the AAP would be released directly by the MHA to the OFB. The States were to collect the weapons and ammunition from the OFB factories on receipt of intimation from OFB.

2.10.1. Budgetary Provision

The allocation and utilisation of funds for procurement of weaponry during 2013-18 is given below.

Table 2.4: Allocation and utilisation of funds for procurement of weaponry during 2013-18

(₹ in lakh)

Year	Annual Action Plan		Amount available for utilisation		Amount utilised		Unspent amount	
	GOI	GOK	GOI	GOK	GOI	GOK	GOI	GOK
2013-14	273.00	0.00	144.00	0.00	143.62	0.00	0.38	0.00
2013-14 Supplementary Plan	70.00	0.00	70.00	0.00	68.80	0.00	1.20	0.00
2014-15	215.00	0.00	187.00	0.00	0.00	0.00	187.00	0.00
2015-16	201.00	0.00	204.16	0.00	198.70	0.00	5.46	0.00
2016-17	201.00	104.00	201.00	104.00	172.78	0.00	28.22	104.00
2017-18	220.00	104.00	220.00	104.00	177.57	23.40	42.43	80.60
Total	1180.00	208.00	1026.16	208.00	761.47	23.40	264.69	184.60

(Source: Annual Action Plan and details obtained from PHQ)

Audit noticed short release of GOI assistance in 2013-14 and lapse of fund during 2014-15. It was seen that during 2013-14, GOK failed to adhere to directions of a GOI constituted High Power Committee to submit revised AAP by including such weapons, which were in the production range of the OFB. Instead, the revised AAP of GOK again included weapons, which were not in the production line of OFB. Consequently, GOI released only ₹1.44 crore to

OFB which related to weapons in the production line of OFB. On receipt of a revised list of required weapons from GOK, GOI advised GOK (November 2014) to forward the list, duly approved by the SLEC, directly to OFB. Audit observed that GOK forwarded the revised list only in January/February 2015. Subsequently, MHA informed GOK (February 2016) that funds allocated during 2013-14 for MOPF scheme had already been exhausted long back and that it was not possible to allow funds for more weapons at that stage. Similarly, in 2014-15, though ₹1.87 crore was released by GOI to OFB in favour of GOK, no weaponry was issued to GOK for the reason that weapons which were not in the production line of OFB were demanded by GOK. The unutilised amount of GOK retained by OFB as suspense was subsequently utilised by OFB to set off the deficit in fund released by GOI during the year and was thus denied to GOK.

GOK admitted (March 2019) that it included certain items¹⁵ in the AAP which were non-OFB ones hoping that MHA would assist positively in the procurement of these weapons. The fact, however, remains that MHA had allocated ₹1.87 crore to the State during 2014-15 to procure modern weapons from OFB. The GOK placed an order for weapons which were not in the production line of OFB. As a result of which the State was unable to utilise ₹1.87 crore, allocated for its modernisation but also lost the opportunity to procure modern weapons like 5.56 mm INSAS rifles, Tear Gas Guns and Multi shell launchers from the OFB during 2014-15.

During the Exit Conference, the SPC, while agreeing with the audit observation, assured that the shortfall in funds which occurred in the past would be compensated in future.

2.10.2. Shortfall in availability of modern weaponry and consequent deployment of obsolete weapons

The Arming Policy for State/UT Police Forces issued by MHA (February 1995) revised the scale of weaponry for the State/UT police forces after reckoning the then authorised weapons *viz.*, .303 rifles, .410 Musket, .38/.45 revolver and the Thompson Machine Carbine (TMC) as obsolete. MHA was of the view that all these weapons were to be replaced in a phased manner. However, keeping in view the constraint of availability of conventional and modern weaponry from indigenous sources, MHA recommended a judicious mix of both, for use in varying situations. It recommended that the basic weapon for Civil Police Force should be .303/7.62 mm (BA) rifle and 7.62 mm (SLR) for State Armed Police.

Audit examined (September 2018) the status of availability of modern weaponry and noticed that the Department has only 11,446 modern weapons¹⁶ for Police Constables, Civil Police Officers, Sr. Civil Police Officers and Havildars against the requirement of 41,064 resulting in a deficit of 29,618 weapons (**Appendix 2.3**).

¹⁵ MP5 A3 SMG, Glock 19 Pistols, 7.62mm AK series rifles

¹⁶ 7.62 mm SLR and INSAS rifles

Thus, as on September 2018, 29,690 Civil Police Officers and Senior Civil Police Officers (erstwhile Constable/Head Constable) were supplied with the outdated weapons. In the Armed Police Battalions also, 3,203 numbers of now obsolete .303 Rifle and 2,639 numbers of 7.62mm Bolt Action Rifle (BAR) were in use.

Audit observed that the police department failed to receive modern weapons like 530 Nos. 5.56 mm INSAS rifles, 160 Nos. Tear Gas Guns and 10 Nos. Multi shell launchers from the OFB during 2014-15 due to laxity of the police department and resultant lapse of GOI allocation of ₹1.87 crore during the year, as pointed out in paragraph 2.10.1 of this report. The shortfall in modern weapons in the police department could have been reduced to that extent.

2.10.3. Shortage of physical stock of weapons and live cartridges in Special Armed Police Battalion, Thiruvananthapuram

The steps to be taken by the Police Department on security, maintenance, cleaning and repairs of arms and ammunition was detailed in an Executive directive issued by the DGP in February 2004. The directions included instructions to officers who were in charge of arms and ammunition to check the arms and ammunitions in their charge at least once a week and make an entry in the register maintained for the purpose, regarding the correctness of arms and ammunitions kept in the Store. It was also instructed that the Company Commander/Circle Inspector should conduct surprise physical verification of stocks of Arms and Ammunition once a month and make a record of it in the register maintained for the purpose. The Superintendent of Police/Commandant should check the arms and ammunition once in every six months and ensure the correctness. Senior police officers visiting the camps/police stations were also to physically verify the arms and ammunitions in stock, the quantity received, issued, etc., and incorporate the same in their Inspection Reports.

Audit noticed that the Stock Register and related records of arms and ammunitions in the Special Armed Police Battalion, Thiruvananthapuram (SAPB), were not properly maintained. The entries in the Stock Registers had many over writings, use of white correction fluid and striking off of entries etc. The entries and corrections were not properly authenticated. Audit could not find any evidence of conduct of periodical physical verification by higher officers from the records available at SAPB. Audit, therefore, conducted (16 October 2018) a test-check including joint physical verification in the SAPB, to assess whether the physical stock of arms and ammunitions agreed with the stock registers and whether the system of accounting of arms and ammunitions was robust and reliable. The joint verification conducted by Audit in the Bell-of-Arms of SAPB along with the Assistant Commandant revealed shortage of 25 Nos. of 5.56 mm INSAS rifles and 12,061 live cartridges, as shown in **Table 2.5**.

Table 2.5: Shortfall in stock of test-checked weapons and ammunition

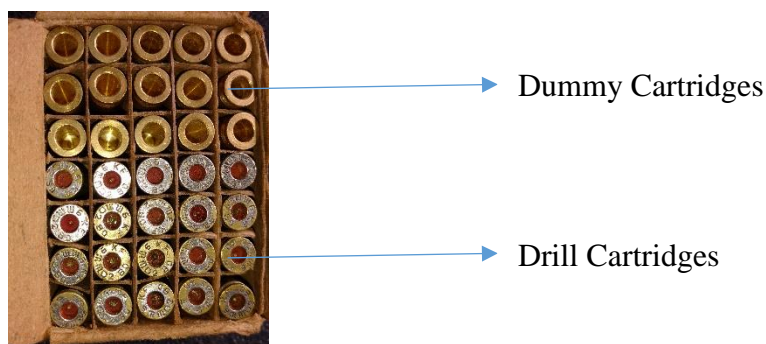
Sl. No.	Item	Stock to be available as per records on 16 October 2018	Quantity physically available in the store	Shortfall
1	5.56 mm INSAS rifles	69	44	25
2	5.56 mm Cartridge INSAS	14323	12488	1835
3	7.62 MM A7 Cartridge for AK 47	14025	12447	1578
4	7.62 mm M80 bullets for Self Loading Rifles	66285	57887	8398
5	9 mm Drill Cartridge	285	35	250
Shortfall in 5.56 mm INSAS rifles				25
Shortfall in live cartridges				12061

(Source: Physical verification report and stock registers of SAPB)

Audit observed from the following instances that the Police Department was aware of the shortage in ammunition and attempted to cover up the shortfall instead of identifying and taking action against the culprits responsible for the loss of ammunition.

2.10.3.1. Irregular replacement of missing 9 mm Drill Cartridges with Dummy Cartridges

Audit noticed that the shortage of 250 Nos. 9 mm Drill Cartridges was sought to be covered up by replacing the same with 250 Nos. of dummy cartridges¹⁷. There was no document on record to show how these dummy cartridges came into the possession of the SAPB and how these were taken into stock. The Commandant, SAPB offered no explanation to Audit on how the 250 unauthorised dummy cartridges came into their possession.



Picture 2.1: Ammunition box showing dummy cartridges replacing drill cartridges.

2.10.3.2. Lax investigation and attempt to cover up an earlier shortage of 7.62 mm M80 bullets for Self Loading Rifles by an Investigation Board constituted in September 2015

Audit noticed, that shortage of 7.62 mm bullets was known as early as on 14 September 2015 when the Officer Commanding, B Company of SAPB reported a shortage of 200 Nos. 7.62 mm bullets which were allotted for the conduct of Long Range Firing at Kerala Police Academy, Thrissur. A Board, constituted by the Commandant, SAPB (19 September 2015) to conduct verification of all

¹⁷ Hollow metallic items made of brass and similar in shape and size to 9 mm Drill Cartridges.

ammunitions in SAPB, reported shortage of an additional 200 Nos. 7.62mm bullets in another box that was to contain 600 bullets. However, the Board justified the shortage by observing that since the ammunition was being supplied from the Police Chief Stores, Thiruvananthapuram, the stock was recorded based on the specification denoted on the sealed boxes. Since periodical inspection of the stock of ammunition was also conducted without opening the sealed box, it was concluded that the shortage must have occurred while the bullets were packed at the OFB for dispatching to the Police Chief Stores. The Board reported no other discrepancies in stock.

However, the Police Chief Stores contradicted the conclusions arrived at by the Board constituted by the Commandant, SAPB and intimated the SPC (June 2016) that the two boxes having the lot numbers/years specified by the Board, were neither received by them from any of the Ordnance factories nor issued by them to SAPB. Based on this report, the SPC ordered (August 2016) the Additional Director General of Police (Armed Police Battalion) to conduct a comprehensive verification of stock of 7.62 mm M80 SLR rounds. Accordingly, a new Board verified (October 2016) the stock of 7.62 mm M80 SLR rounds which revealed that the second box which was packed on 12 July 1999, contained rounds manufactured in subsequent years from 2000 to 2014, indicating deliberate tampering of the box. The Board reported (January 2017) shortage in stock of 7,433 Nos. 7.62 mm rounds in SAPB, as of November 2016. Audit observed that the Police Department failed to act upon the report of the Board and trace the missing ammunition or fix responsibility on the officials who committed the serious offence of fraudulent re-packing of rounds. Meanwhile, as seen in **Table 2.5**, the shortage of 7.62 mm rounds had increased to 8,398 as on 16 October 2018.

GOK stated (March 2019) that the matter of the shortfall in ammunition has been taken very seriously and that a Preliminary Enquiry has been ordered, to be conducted by the Crime Branch. Audit was informed that responsibility would be fixed and that if any criminal misconduct was detected, due action would be taken as per the Code of Criminal Procedure to register a crime case, if warranted. Audit was also informed that the 25 missing rifles reported by Audit were issued to Armed Reserve (AR) Camp, Thiruvananthapuram in February 2011, under proper acknowledgement and that the errors shown in maintenance of records/receipts have been found and sorted out. To verify the claim of reconciliation of physical stock of weapons with the stock register, Audit obtained the verification report from the Deputy Inspector General (Armed Police Battalion) (DIG (APB)) detailing the body numbers of all 660 rifles stated to have been received from the Police Chief Stores as also their distribution to various units under permanent transfer. Scrutiny of records at the AR Camp Thiruvananthapuram revealed that the 25 rifles stated to have been issued by the SAPB were neither entered as Receipts in the Stock Register nor in the records maintained by the Armoury Inspector at the AR Camp. Audit also noticed further discrepancies in the verification report of the DIG (APB) (**Appendix 2.4**). Audit is, therefore, unable to obtain assurance that all arms with the Kerala Police have been properly accounted for and that there is no loss

of arms. GOK admitted (April 2019) negligence in the proper maintenance of records and stated that it has been decided to conduct a full scale audit of the arms and ammunitions across the State in all units, to be completed in the next four to six months. Audit observes that the issue of loss of arms and ammunition is a serious issue, with implications on State security and needs to be urgently addressed.

Recommendation 2.2: *In view of the serious security implications, Government may take urgent steps to trace the missing cartridges and rule out loss of rifles. Similar stock taking of arms and ammunition may be undertaken in all Battalions and Police Stations, including Police Chief Stores immediately.*

2.11. Police Telecommunication

The Kerala Police Telecommunication Unit is responsible for providing and maintaining the telecommunication network of the Department. The Department is currently using analog communication equipment.

2.11.1. Status of modernisation of Police Communication System

The status of utilisation of funds available under MOPF for acquisition of modern communication equipment for the Police force, as on 30 November 2018 was poor, as shown in **Table 2.6**.

Table 2.6: Status of procurement of telecommunication equipment

(₹ in crore)

Scheme Year	AAP Allocation	Utilisation	No. of communication equipment proposed for procurement	No. of communication equipment procured as on November 2018
2013-14	5.09	3.93	15	2
2014-15	4.34	1.22	13	4
2015-16	NIL	NIL	0	0
2016-17	5.01	2.78	8	1
2017-18	4.04	0.39	7	2
TOTAL	18.48	8.32	43	9

(Source: Annual Action Plan and details obtained from PHQ)

Thus, during 2013-18, against the allocation of ₹18.48 crore for procurement of 43 items of communication equipment, only ₹8.32 crore was expended for the procurement of nine items (21 per cent) of communication equipment. The expenditure of ₹8.32 crore included diversion of ₹3.75 crore (AAP 2013-14) meant for procurement of Digital Mobile Radio¹⁸ (DMR) in three districts, for payment of pending spectrum dues to GOI. Thus, actual expenditure on procurement of telecommunication equipment was only ₹4.57 crore.

¹⁸ Digital Mobile Radio is a digital two-way radio standard offered by European Telecommunications Standards Institute (ETSI) for global use. It is an open standard designed primarily to replace the aging analogue standards with double the channel capacity, providing cost optimised, secure and reliable communications for professional mobile users.

GOK cited delays in finalising tenders as a reason to justify failure to effect procurements within the year. The reply of GOK is not acceptable in view of the fact that only two of the 15 items proposed in AAP 2013-14 and four of the 13 items proposed in AAP 2014-15 were procured as of November 2018.

2.11.2. Non-implementation of Digital Communication system and its impact on fighting Naxal/Maoist threats in the State

Based on the request of the Kerala Police, the Vikram Sarabhai Space Centre (VSSC) conducted (September 2012) a study and recommended changeover to DMR system for major cities initially and to subsequently extend throughout Kerala, in a phased manner. The recommendation for conversion was made since Digital radios support better quality of audio communications over a wider coverage area and encrypted communications over multiple cross-patches without degradation of voice quality. The details of allocations made in AAPs during 2011-18 for procurement of DMRs are given in **Table 2.7**.

Table 2.7: Allocation of funds for Digital Mobile Radio

		(₹ in crore)
Annual Action Plan	Item proposed	Amount allocated
2011-12	Implementation of Digital Mobile Radio in Kochi city	4.00
2012-13	Digital Mobile Radio in one district	1.22
2013-14	Digital Mobile Radio in three districts	3.75
2014-15	Digital Mobile Radio and Digital Handheld Radio	0.30
2015-16	No proposal	-
2016-17	No proposal	-
2017-18	Digital Mobile Radio	1.83
TOTAL		11.10

(Source: Annual Action plan)

Audit noticed that despite providing financial resources, the Kerala Police is yet to phase out Analog two-way radio systems for replacement with digital equipment (November 2018). It was seen that GOI had issued orders (April 2004) levying spectrum charges (Licence fee and Royalty) from all wireless users with effect from 01 June 2004. GOI also informed (November 2008) that fresh assignment of frequencies/issue of licences including import licences would not be considered till the time spectrum charges were paid in full. The spectrum charges include royalty charges for frequency allocation and licence fee for equipment. Audit noticed that as of December 2017, Police Department owed ₹43.07 crore to GOI in respect of late fees on spectrum charges after making payment of ₹14.03 crore towards spectrum charges.

Audit noticed that GOI had clearly stipulated (March 2012) that no radio frequency would be assigned, reserved or blocked unless an applicant paid, in advance, all applicable licence fees, etc. It was noticed that despite setting aside ₹5.22 crore during 2011-13 for acquisition of DMR, the procurement could not be effected since vendors of the equipment expressed their inability to import the communication equipment without a valid licence obtained by the Police Department. Similar proposals made in the subsequent years, for purchase of DMR, could not also be effected due to failure of the Police Department to make

payments towards spectrum charges and obtain licences from GOI. Audit observed that the SPC, while seeking DMR equipment for countering Left Wing Extremism (LWE) in the State, had informed GOK (February 2016 and March 2016) that anti-Maoists operations in the dense forests of Palakkad, Malappuram, Idukki and Wayanad were suffering due to communication issues. The failure of GOK to make timely payment of spectrum charges and obtain licence from GOI and the resultant inability of the police department to procure DMR equipment adversely impacted upon the ability of the police department to counter LWE in the State.

GOK while admitting (May 2019) the delay in implementation of the DMR project stated that the tender for implementation of DMR project has been successfully finalised for one district and until its implementation across the State, the analog mode of communication would be the mainstay.

However, the fact remains that delay in payment of spectrum charges had led to delay in implementation of Digital Communication System with resultant adverse impact on countering LWE activities in the State.

Recommendation 2.3: GOK must, on priority, take up with GOI, the issue of grant of spectrum licence so that ageing analogue communication devices may be replaced with digital devices which would also help to more effectively tackle Naxal/Maoist threats.

2.12. Policing the virtual world - Cyberdome

Apart from the regular maintenance of law and order, the Police Department is also responsible for the enforcement of law in the Cyber World. Recognising the need to tackle the increasing number of cybercrimes and newer sophisticated cyber threats on the Internet, GOK accorded (August 2014) Administrative Sanction to a proposal of the SPC for the establishment of a Hi-Tech Centre for cyber security and innovations in Kerala named “Cyberdome”.

Audit examined the functioning of the Cyberdome which is headed by a Police Officer in the rank of Inspector General. The Cyberdome is currently manned by 16 police personnel drawn from other wings of the police department. Besides, services of about 600 experts in cyber security and 20 organisations are also availed by the Police Department on a need basis.

Audit observed that the Cyberdome was effective in the discharge of its responsibilities. The Cyberdome, till date (January 2019) had monitored and reported for further action, 120 data breaches, about 50 online frauds, 50 online sexual violence, 10 women safety issues, about five instances of child abuse/pornography, 25 instances of terrorist activities, and about seven instances of ransomware. The activities of Cyberdome in preventing online frauds through testing for vulnerabilities in banking applications is praise worthy. Audit was informed that Cyberdome detected vulnerabilities in four out of 10 banking applications tested. Consequently, the RBI and National Payment Corporation of India directed these banks to withdraw the applications and

recommended implementation of multi-factor authentication process to prevent frauds.

The various other activities of Cyberdome including conduct of Child Safety awareness program for students, parents and teachers, developing and rolling out Applications on creating traffic awareness and cyber security in students and conduct of workshops for Police Cyber training throughout the State have all helped to earn Cyberdome the ISO 27001:2013 Certification for Law Enforcement Units, which is commendable.

2.13. Modernisation of Forensic Science Laboratories

The Forensic Science Laboratory (FSL) wing of the Kerala Police consists of the Kerala State Forensic Science Laboratory at Thiruvananthapuram and three Regional Forensic Science Laboratories at Thrissur, Kannur and Kochi. All 19 Police Districts in the State have a District Mobile Forensic Unit. The proper functioning of these laboratories is vital for the police department since it involves examination of scene of crimes and collection of evidence which assists the investigators to crack crimes. Details of allocation of fund for FSL in AAP and its utilisation are given in **Appendix 2.5**.

Audit observed that though the Police Department included 53 items of equipment in the AAP for procurement under MOPF during the period 2013-14 to 2017-18, 30 items were yet to be procured (November 2018), including seven items identified for procurement as early as in 2013-14.

GOK stated (March 2019) that expenditure on equipment for forensic laboratories has since increased to 46.08 *per cent* as of March 2019.

2.13.1. Delay in disposal of cases

Scrutiny of records at State FSL, Thiruvananthapuram revealed that 9,265 cases, received from various Courts, were pending disposal as of 31 March 2018 as shown below.

Table 2.8: Status of disposal of cases

Year	Pending at the beginning of the year	Receipts during the year	Total	Disposal during the year	Pending at the end of the year
2013-14	3914	4014	7928	3373	4555
2014-15	4555	4308	8863	3172	5691
2015-16	5691	4781	10472	3025	7447
2016-17	7447	5760	13207	4457	8750
2017-18	8750	6170	14920	5655	9265
Total		25033		19682	

(Source: Details obtained from State Forensic Science Laboratory)

Audit noticed that 3,914 cases in which material objects were received by the FSL from Courts for examination, were pending disposal at the beginning of the year 2013-14. During the period 2013-18, of the 25,033 new cases received for examination, the examination of 19,682 cases was completed. However,

since the rate of disposal of cases was lower than the number of cases newly referred, the pendency of cases increased to 9,265 at the end of 2017-18.

Audit analysed the nature of pending cases at State FSL Thiruvananthapuram and noticed that the pending cases also included grave crimes cases charged under Sections 302, 307 and 376 of IPC, POCSO Act 2012 and SC and ST (Prevention of atrocities) Act (**Appendix 2.6**).

Audit observed shortfall in staff in the State FSL including its regional laboratories at Thrissur, Kannur and Kochi and 19 District Mobile Units. The status of staff strength in these institutions as on 01 April 2013 and 31 March 2018 is shown in **Table 2.9**.

Table 2.9: Shortage of manpower in Forensic Science Laboratories

Name of Post	As on 01 April 2013			As on 31 March 2018		
	Sanctioned strength	Existing strength	Vacant posts	Sanctioned strength	Existing strength	Vacant posts
Assistant Director	19	17	2	23	19	4
Scientific Officer	45	28	17	57	40	17

(Source: State Forensic Science Laboratory, Thiruvananthapuram)

It is evident from the table above that in respect of technical staff, which are the key posts for operating the FSLs, the vacancy was 26 per cent as on 31 March 2018.

The posts of two Assistant Directors have been vacant since the last 12 years. The 17 vacancies of Scientific Officers were existing for a period ranging from 2 months to more than three years, as on 01 April 2013. One vacancy of Scientific Officer, which arose in June 2011 has not been filled up, till date (December 2018). The existence of vacancies for long periods was one of the main reasons for the pendency of 9,265 cases as on 31 March 2018.

The Department cited inadequate number of experts for examination of cases as a main reason for the pendency of cases apart from volume of samples received per case and the time consuming nature of examination procedures.

During the Exit Conference (April 2019), ACS stated that additional posts have already been sanctioned which would hopefully enhance the pace of disposal of cases.

Recommendation 2.4: GOK may ensure the utilisation of unspent funds to ensure procurement of much needed equipment for strengthening the forensic science laboratories. The vacancy position may also be addressed to ensure speedy disposal of cases.

2.14. Violation of Stores Purchase Manual and CVC guidelines in procurement of equipment

The cardinal principle of public procurement is that materials/services of the specified quality are procured at the most competitive prices and in a fair, just and transparent manner. Towards this end, the Central Vigilance Commission (CVC) while prescribing guidelines (February 2011) for procurement of

equipment/plant which are complex in nature, opined that it would be prudent for procuring organisations that may not possess full knowledge of the various technical solutions available in the market to invite Expressions of Interest (EOI) and proceed to finalise specifications based on technical discussions/presentations with experienced manufacturers/suppliers in a transparent manner. The CVC emphasised that care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Once technical specifications are finalised, the second stage of tendering could consist of calling for techno commercial bids as per the usual tendering system.

GOK issued orders (July 2000) designating seven¹⁹ Public Sector Undertakings as Total Solution Providers (TSP) to assist Government Departments in the preparation of their Information Technology Action Plan and also to render technical assistance to Departments including Software and Hardware procurement and training of staff. The various tasks that were to be carried out through the TSPs and specific rates for carrying out each identified task were earlier specified by GOK in February 2000. Thus, while the Departments could avail services of TSPs for preparation of their IT Plan, specifications, preparation of tender documents, technical evaluation of bids, training etc., the Departments themselves were to discharge activities like publishing of tenders, financial evaluation of bids and selection of supplier. Audit observed that contrary to these instructions and in violation of CVC norms, the Police Department entrusted procurement of various equipment on turnkey basis²⁰ to the TSP, Keltron.

To better understand the procurement process, Audit also examined the records available with Keltron to determine whether the procurement process was transparent and in line with the orders issued by the CVC from time to time. Audit observed that contrary to the reasons²¹ adduced by the SPC to GOK justifying award of work to Keltron, in at least four instances, there was clear nexus between officers of the Police Department, Vendors and the TSP Keltron in fixation of prices resulting in pecuniary loss to the scheme, as shown below.

2.14.1. Procurement of vehicle mounted GPS based communication system

The SPC issued work order (10 March 2015) to Keltron for procurement of 53 'Panasonic Rugged 7' tablet with Wi-Fi and 3G sim slot – FZ B2' along with Docking Station and chargers at a cost of ₹55.66 lakh (excluding ₹20 lakh for

¹⁹ National Informatics Centre Services Inc., Electronics Research and Development Centre, Institute of Human Resources Development for Electronics, Centre for Development of Imaging Technology, Keltron, LBS Centre for Science and Technology and Institute of Management in Government.

²⁰ Product or service that is designed, supplied, built, or installed fully complete and ready to operate. The term implies that the end user just has to turn a key and start using the product or service.

²¹ The SPC, in a letter to GOK (March 2015) justified the award of work to Keltron, citing reasons such as non-availability of IT experts in the Police Department, seeking and obtaining expert advice when procuring some off beat gadgets/items, etc. The capability of Keltron to provide total solution including survey, assessment of requirement, technical assessment, procurement, installation, integration, training, maintenance and upgradation were also cited as reasons for award of work to them.

purchase of 16 IR/IP cameras). However, even before issue of the work order, Keltron issued an e-tender notification on 28 February 2015 for the supply and installation of the equipment.

The recommendations of the CVC that care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders was not complied with by Keltron when it specified its requirement as ‘Panasonic Rugged 7’ tablet with Wi-Fi and 3G sim slot – FZ B2’. By specifying the brand name and model in the tender, Keltron effectively excluded other suppliers from submitting their bids. Even when one supplier M/s. Pantel Technologies (M/s. Pantel) informed Keltron of their inability to participate in the tender since their brand and model were different, Keltron, neither responded to the mail nor effected amendments to the specifications. The tender was tailored to ensure that the work was awarded only to M/s. Panasonic India Pvt. Ltd. (M/s. Panasonic).

Audit observed from the records of Keltron that in anticipation of the work order from the Kerala Police, Keltron was in correspondence with M/s. Panasonic for procurement of Panasonic Toughpad FZ-B2. A letter from Keltron to M/s. Panasonic (13 February 2015) revealed that Keltron even indicated the target price of procurement to be quoted by M/s. Panasonic. It informed M/s. Panasonic that *“The target price we are looking at is given below so that we can get a contribution of 5.60 per cent by adding 6 per cent to the actual input price from Panasonic. By adding KVAT as five per cent for FZ-B2 and 14.50 per cent for other two items, we can sell it at ₹1,00,000 per unit”*. This clearly reveals that the price was fixed by M/s. Panasonic in consultation with Keltron. Contents of an e-mail sent (13 February 2015) by Keltron to M/s. Panasonic before issue of tender stating that *“The testing of the new Tablet is in progress. Now it is being taken to Mr. Loknath Behra IPS along with the Docking Station. Regarding the price quoted by you, Mr. Loknath Behra is expecting an End User Price (EUP) with tax below ₹ one lakh. Otherwise he will not purchase the same. So please rework your price keeping our margin percentage intact”* clearly indicates vitiation of the tender process and collusion between Keltron, M/s. Panasonic and the Police Department in procurement of the equipment.

GOK stated (March 2019 and May 2019) that Keltron had evaluated products of two other vendors before selection of M/s. Panasonic. Audit was informed that the Panasonic Touch Book was a world class product and the said model was the best of the available models in the country at that point of time with back up maintenance support. It was stated that just because the Police Department preferred a good quality and world class product, it was quite inappropriate and unfair to suggest that there existed a nexus among the department, TSP and Original Equipment Manufacturer.

The reply of GOK is not tenable in view of the fact that the Department violated procurement guidelines stipulated by the Stores Purchase Manual as also the guidelines issued by the CVC regarding ensuring transparency in procurement and providing equitable opportunities to prospective bidders. The contention of

GOK that Keltron had evaluated products of two other vendors before selection of M/s. Panasonic is also not acceptable in the absence of evidence to establish that the selection of M/s. Panasonic was effected following a transparent procedure, after inviting EOI from vendors of various brands for comparison and determination of the end product selected. Scrutiny of the various e-mail correspondence between Keltron and M/s. Panasonic prior to the issue of e-tender dated 28 February 2015 clearly indicated that M/s. Panasonic was assured of the Order. Besides, the fact that Keltron issued an e-tender notification on 28 February 2015 for the supply and installation of 'Panasonic Rugged 7" tablet with Wi-Fi and 3G sim slot – FZ B2' when it was already in touch with M/s. Panasonic and field testing of the product was ongoing in February 2015, clearly indicates that the e-tender notification was a sham.

The pricing of the product was also managed by Keltron in consultation with the Vendor in such a way that Keltron would still receive their margin percentage while ensuring that the end price of the product would be acceptable to the Police Department. The contention of GOK that there was only consultation between the various parties and not collusion, is not borne out by facts as stated in the paragraph which clearly indicates nexus between the parties and resultant violation of the prescribed guidelines on procurement.

2.14.2. Procurement of Voice Logger system

The Police Department informed Keltron (January 2015) of an allocation of ₹90 lakh for procurement of 30 Voice Loggers (₹ three lakh per unit) and requested Keltron to submit a techno-commercial proposal for supply of the same. Keltron submitted (March 2015) a proposal to the police department agreeing to supply five units at a unit price of ₹3.07 lakh. The Police Department accepted the offer of Keltron at a negotiated price of ₹ three lakh per unit. Subsequently, the Police Department issued (April 2015) work order to Keltron for supply of 10 Units of Voice Logger at a cost of ₹30 lakh. The product was supplied and Invoice for ₹30 lakh was submitted to the Police Department on 31 August 2015. The work of installation was completed and Keltron issued a completion certificate to the Police Department on 16 January 2016. Payment of ₹30 lakh to Keltron was effected in September 2016.

Audit examined the records maintained by Keltron to assess whether the Voice Loggers were procured at the most competitive price and in a transparent manner. It was seen that consequent to receipt of request for techno commercial proposal from the Police Department, Keltron obtained quotations (27 February 2015) from M/s. Third Entity Security Solutions Pvt. Ltd. for supply of 30 Nos. of eight-port Voice Loggers at a unit cost of ₹2.60 lakh. A revised proposal was also seen obtained by Keltron from them for supply of Voice Loggers at a unit price of ₹2.07 lakh. It was based on these proposals that Keltron submitted (March 2015) its proposal for supply of 30 Nos. of Voice Loggers for ₹3.07 lakh per unit.

Audit noticed from the records of Keltron that the ADGP (Modernisation) had passed on to Keltron (09 March 2015), an e-mail enclosing a commercial proposal received by him (07 March 2015) from M/s. Law Abiding Technologies (LAT), New Delhi quoting a unit price of ₹1.72 lakh excluding tax for an 8-channel Voice Logger. Keltron was also informed (09 March 2015) that their quoted rates were higher than normal market rate, which was unacceptable.

Audit observed that Keltron then obtained a commercial proposal from M/s. LAT for supply of one to five units of 16-channel Voice Loggers including One-year warranty at a unit cost of ₹2.40 lakh excluding taxes. Accordingly, Keltron submitted a revised proposal to the Police Department agreeing to supply Voice Loggers at ₹3.07 lakh per unit. The Police Department accepted the offer of Keltron at a negotiated price of ₹3 lakh per unit and issued (March 2015) work order to Keltron for 10 units for ₹30 lakh. The supplies were effected (January 2016) and payment made in September 2016.

Audit observed that subsequent to receiving the commercial proposal of M/s. LAT from the ADGP (Modernisation), Keltron dumped the initial vendor identified for the supply of the Voice Loggers viz., M/s. Third Entity Security Solutions Pvt. Ltd. It commenced negotiation with M/s. LAT and finalised terms with them. Keltron made no efforts to obtain competitive rates from other Vendors including the initial vendor M/s. Third Entity Security Solutions Pvt. Ltd. before finalising the deal with M/s. LAT. It was seen that Keltron supplied the Voice Loggers to the police department at a rate which was exactly equal to the allocation available with the department and which was informed to them. The conditions in the Stores Purchase Manual/CVC guidelines that public procurements should be made only through open/limited tender system for ensuring transparency and affording equitable opportunities to all bidders were violated. Despite Keltron not complying with the condition stipulated in the work order that payment would be effected only if it certified its compliance to all codal formalities, Audit observed that the SPC wrongly confirmed (May 2016) to GOK that Keltron had fulfilled the condition. Collusion between the ADGP (Modernisation), M/s. LAT and Keltron in procuring the Voice Loggers without complying with the various stipulations mandated by the CVC for public procurement, vitiated the procurement process.

GOK stated (May 2019) that Keltron would be directed to refund the excess profit gained by them over and above its eligible approved TSP charges failing which deduction would be made from its due payments. Audit was informed that the decision not to tender the product was clearly documented in the file and it was so decided considering the confidentiality and secrecy of the equipment, being a surveillance equipment. The reply is not tenable in view of the fact that Audit did not come across any such noting in the file. In fact, in a letter (09 March 2015) to Keltron, the SPC informed Keltron that “*unless a reasonable solution at a reasonable rate is offered, PHQ will be forced to go for limited tender for its purchase considering the secrecy and confidentiality of the system*”. Interestingly, the letter to Keltron was issued on the same day

the commercial proposal received by the ADGP (Modernisation) from M/s. LAT was forwarded to Keltron. The fact that the SPC persisted with effecting the procurement through Keltron despite being aware that the procurement should have been effected through limited tender and the rates offered by Keltron were high, indicates questionable motives and utter lack of transparency in the process.

2.14.3. Procurement of vehicle mounted X-Ray baggage inspection system

The AAP for 2014-15 allocated ₹1.95 crore to the Police Department for procurement of two vehicle mounted X-Ray Baggage Inspection systems. GOK also accorded Administrative Sanction for the purchase in December 2014. Accordingly, the SPC invited (March 2015) online bids from reputed manufacturers/authorised dealers for the supply, installation and commissioning of vehicle mounted X-Ray baggage inspection system. Meanwhile, the SPC purchased (May 2015) two Force Traveller 20 Seater vehicles for ₹17.18 lakh under DGS&D rate contract for mounting the X-Ray baggage system.

The tender issued for the procurement of the X-Ray baggage system was cancelled (April 2015) citing the reason that only one valid bid (M/s. ECIL-RAPISCAN Ltd.) was received. Tender was again issued (June 2015) for the purchase of the X-Ray baggage system. The financial bids of all four firms (including M/s. ECIL-RAPISCAN Ltd., Hyderabad) were not opened for the reason that the firms did not produce original vehicle mounted scanners before the technical evaluation committee. The SPC again invited online bids (February 2016) for the procurement of the X-Ray baggage system and the single tender received (M/s. ECIL-RAPISCAN Ltd.) was not accepted citing insufficient number of bidders.

Audit noticed that the SPC then informed Keltron (January 2017) about the availability of ₹1.95 crore for the procurement of two Vehicle Mounted X-Ray Baggage System and inability to effect the procurement since the tenderers failed to physically demonstrate their product to the Technical Evaluation Committee. The offer of Keltron (February 2017) to supply and install the two Vehicle Mounted X-Ray Baggage Systems for ₹1.40 crore subject to the condition that the vehicles were to be sent to M/s. ECIL-RAPISCAN Ltd., Hyderabad by the Department at its own cost for two months for fabrication works, was accepted (March 2017) by the Police Department. Agreement was executed (March 2017) with period of completion fixed as four months. The vehicles were supplied by Keltron in August 2018.

Audit observed irregularities in the procurement process undertaken by the SPC. Clause 10 of the online tender documents clearly emphasised that 'In the event of the firms not able to show live demonstration, they need to convince the Technical Evaluation Committee about such inability and resort to documentary/power point presentation with original product brochures/CDs/scale models/videos/slide shows etc.to the utmost satisfaction of the Technical Evaluation Committee'. The Technical Evaluation Committee reported (August

2015) that ‘None of the firms produced original Vehicle Mounted Scanner. They produced only brochures and made Power Point presentations. It is submitted that without attending the live demonstration of the equipment, capability to supply vehicle mounted scanner of a firm cannot be assessed effectively on the basis of the information gathered through power point presentation alone’.

Audit observed that the insistence of the Technical Evaluation Committee on live demonstration of the equipment even though the tender documents provided for Power point presentations/original product brochures/CDs, etc., was irregular. Audit noticed that the tenderers included M/s. ECIL-RAPISCAN Ltd., a GOI Joint Venture (ISO 9001-2008 Certified Company) whose bid was rejected thrice by the SPC on the ground of being a single bidder (twice) and making power point presentation to the Technical Evaluation Committee instead of live demonstration (once). Interestingly, no evidence was available on record to show that Keltron had made power point presentation/live demonstration before award of work to them on nomination basis. The irregular rejection of tenders by the technical committee led to award of work to Keltron. Audit observed that it was from the same vendor M/s. ECIL-RAPISCAN Ltd. that Keltron procured and installed the equipment for delivery to the Police Department.

Since the financial bid of M/s. ECIL-RAPISCAN Ltd. was not opened, Audit could not assess loss suffered by the Police Department on account of getting the work executed through Keltron instead of directly through M/s. ECIL-RAPISCAN Ltd. However, based on these facts, the conclusion can certainly be drawn that the award of work to Keltron by the SPC on nomination basis was injudicious and questionable.

During the Exit Conference (April 2019), the SPC stated that though the initial quote by Keltron was ₹140 lakh for the two systems, the Department calculated the charges for Keltron based on Government directions with respect to TSPs and agreed to pay only about ₹70 lakh for the equipment, including the cost of the system and charges of Keltron. GOK stated (May 2019) that it had taken note of the cost escalation in this regard and taken remedial measures. GOK justified the action of the Technical Evaluation Committee of insisting on live demonstrations stating that none of the firms which participated in the tender had previously undertaken similar work. The reply is not correct since an examination of the records of Keltron revealed that M/s. ECIL-RAPISCAN Ltd. had developed an Advanced Self Contained Mobile Scanning System with the trade name “ECIL Rapiscan (Rapiscan RAP 620 XR) Vehicle Mounted XBIS Baggage Screening System” which was available for sale. Besides, the minutes of the Technical Evaluation Committee revealed that M/s. ECIL-RAPISCAN Ltd. was willing to give live demonstration at Hyderabad.

2.14.4. Procurement of security equipment for Sabarimala

GOK accorded Administrative Sanction (January 2017) for the purchase of 30 pieces of security equipment for Sabarimala for ₹11.36 crore. The SPC sought (July 2017) from Keltron, a Detailed Project Report after intimating the unit cost and total cost of the 30 pieces of security equipment. It was seen that Keltron submitted (July 2017) a Techno-Commercial Proposal to the Police Department with price schedule for 28 items amounting to ₹8.23 crore, with their unit costs exactly matching what was intimated by the department.

The Police Department constituted (August 2017) a five member Technical cum Financial Evaluation Committee (Committee) for effecting the purchase with the IG, Thiruvananthapuram Range, as the Chairman. The committee reported on 22 August 2017 that though the equipment proposed by Keltron were suitable, the prices quoted were two to three times more than the average market price. Keltron clarified (September 2017) that most of the equipment quoted were of high quality and of reputed makes and that 'since the offer was to be submitted without exceeding the budgeted amount, the margins were adjusted in a few products to make up the negative margin in other products'. Audit observed that the Committee accepted the clarifications furnished by Keltron for quoting higher prices and recommended to the SPC to effect the procurement from Keltron. Consequently, supply order was issued (11 October 2017) to Keltron for the supply of five types of security equipment at the rates quoted by them with date of supply on or before 31 October 2017. Keltron supplied three items towards the end of Sabarimala festival season and was paid ₹2.67 crore on 23 March 2018.

Audit observed that the acceptance by the Committee of the explanation offered by Keltron for charging the police department two to three times the market price was wrong and in violation of the provisions contained in the CVC guidelines which required the public procurement to be effected on the basis of most competitive rates, arrived at, through a transparent tendering procedure. The action of the SPC in accepting the recommendations of the Committee and awarding the work to Keltron without complying with CVC guidelines resulted in loss of at least ₹1.50 crore, as shown in **Table 2.10**.

Table 2.10: Details of equipment procured

(₹ in lakh)

Name of equipment	Quantity (Nos.)	Payment to Keltron	Market rate determined by Committee	Excess amount paid
Multi Zone DFMD ²²	19	122.84	57.00	65.84
DSMD ²³ Mine Sweeper	10	39.79	30.00	9.79
NLJD ²⁴	3	104.49	30.00	74.49
TOTAL		267.12	117.00	150.12

(Source: Details obtained from PHQ)

²² Door Frame Metal Detector

²³ Deep Search Metal Detector

²⁴ Non-Linear Junction Detector

GOK stated (March 2019) that the Police Department sought assistance from Keltron as a TSP since financial release was obtained late in September 2017 and Sabarimala season was to commence in mid-November. GOK also referred to a High Court order which ordered to dispense with tenders for procuring some equipment for Sabarimala. GOK also informed (May 2019) that the Police Department had invited tenders for five of the 30 items specified by Audit and that there were insufficient bidders for supply of four items. Audit was also informed that the rates will be verified by a Committee consisting of representatives of Devaswom Board, Police and a third party and if it was found that M/s. Keltron had taken more funds than the actual, action would be taken to obtain refund of such funds

The justification cited by GOK that since funds were received towards the end of September 2017, there was hardly a month and half left for procurement, installation and commissioning of the security equipment, is not acceptable since scrutiny of records revealed that Keltron was requested to submit Detailed Project Report as early as in July 2017. Audit observed that the SPC could have initiated tender procedure and effected the procurement instead of seeking a DPR from Keltron in July 2017. There was enough time for the SPC to effect the procurement through a tendering process. Audit also observed that the High Court order referred to by GOK was with reference to procurement of 15 Nos. infrared cameras only and did not order for all future purchases for Sabarimala to be executed without any tendering process.

Recommendation 2.5: GOK must ensure that the Police Department resorts to transparent procurement processes by adhering to provisions of the Stores Purchase Manual and guidelines of the Central Vigilance Commission.

2.15. Unfruitful expenditure on Automated Challan Generator

GOK accorded (September 2010) Administrative Sanction for the purchase and installation of 550 Automated Challan Generators (ACG) with printer for ₹74.25 lakh under MOPF Scheme 2010-11. The equipment was supposed to record traffic violations and related offences. It was envisaged that the system would possess features like identifying previous offences committed by the individual while on the field, creating and maintaining a digital database of traffic violators and the ability to issue a challan on the spot. The ACGs were to be linked to the database of the Motor Vehicles Department (MVD).

A vendor, M/s. MobMe Solutions Pvt. Ltd., Cochin was selected through tender and 270 ACGs procured (October 2011) at a cost of ₹73.61 lakh²⁵.

Audit observed that even though the ACGs were supplied by the vendor in October 2011 and taken to stock, integration of the ACGs server with the database of the MVD was completed only in February 2014. During this delay in integrating the server with the database of the MVD, the batteries of the

²⁵ This included cost of equipment, server, application software, module software, installation and training besides cost of GPRS and print rolls.

ACGs were damaged. A proposal (February 2014) of the vendor to replace the batteries at a cost of ₹5.70 lakh is yet to be acted upon by the Police Department (November, 2018).

The inordinate delay on the part of the Department to integrate the MVD database with the ACG server and laxity in ensuring proper maintenance of the equipment resulted in inability of the Police Department to derive the intended benefits of ACGs. The amount of ₹73.61 lakh spent on the scheme remains unfruitful.

GOK stated (March 2019) that inordinate delay occurred in preparing the digital database which led to the devices lying idle for about two and a half years which caused damages to the batteries of the 232 devices. It was stated that the inability to implement the project in time was solely due to unexpected delay for which the police department cannot be blamed.

The reply of GOK is not correct in view of the fact that the vendor had completed the MVD integration and successfully demonstrated the same at the State Crime Records Bureau office on 11 February 2014. The reply is silent on the reasons for not replacing the batteries. Audit observed that the recommendation (July 2016) of the Director, Training, Police Training Headquarters for replacement of the batteries to make the system operational has not been complied with (November 2018). The remarks of the Director, Training that no efforts were made to make the system operational or to resolve any issues in the successful implementation of the system clearly highlights the failure of the Police Department in this regard.

2.16. Procurement of Mobile Digital Investigation Assistance Platform for Grave Crime Investigation

Procurement of 35 'Mobile Digital Investigation Assistance Platform for Grave Crime Investigation' was approved in the AAP for the year 2012-13 at a cost of ₹2.70 crore. However, procurement commenced only in 2013-14.

The Department procured (October 2013) 40 Tata Sumo Gold EX (BS III) vehicles at a cost of ₹2.41 crore. An amount of ₹5.47 lakh was also sanctioned for the registration, insurance and cess charges of the 40 vehicles. Further, the Department procured (December 2013) 40 i-Pads for ₹20.79 lakh as part of the procurement.

Audit noticed that none of the vehicles were fitted with the tablets. The tablets were distributed to high-level officers and the vehicles were distributed to various units/officers other than Police Stations. Audit observed that the Department merely procured 40 vehicles and i-Pads under the guise of Mobile Digital Investigation Assistance Platform for Grave Crime Investigation

GOK justified (March 2019) the procurement of i-Pads by stating that these were procured with the intention to enable senior officers to capture the photographic evidence during their visits to scene of crimes, etc., besides giving them the benefit of e-governance projects.

The reply is not tenable in view of the fact that the 40 vehicles and 40 i-pads needed to be integrated for achieving the objective of the Mobile Digital Investigation Assistance Platform for Grave Crime Investigation, which was not done. The distribution of i-Pads to higher level officers without integrating them with the vehicles defeated the very objective of the Mobile Digital Platform.

2.17. Irregularities in implementation of e-beat system

GOK accorded (July 2012) Administrative Sanction for introducing an electronic beat system (e-beat) in Police stations under seven police districts in the State at an outlay of ₹1.88 crore²⁶. It was envisaged that the e-beat system would help to monitor the movement of policemen in their jurisdictions as part of performing beat duties by electronic means and help to create digitised map of the pattern of movement and time taken for more effective policing. Consequent to conclusion of tendering process, the work of supply of Reader, RFID Card, application software, installation and GPRS charges was awarded (December 2012) to M/s. Wifinity Technology Pvt. Ltd., Bangalore (Vendor) at a total cost of ₹1.88 crore. GOK also accorded (March 2013) financial sanction for payment of the amount from that year's budget provision.

From the minutes of a meeting (January 2014) of the Verification Board (Board) constituted for verification of e-beat, it was revealed that the firm supplied the items to the Police Chief Stores on 19 December 2013. The Board, after ensuring that the items supplied, fulfilled all the specifications mentioned in the supply order, recommended acceptance of the e-beat system.

However, detailed audit scrutiny revealed that the vendor submitted two invoices, both dated 21 March 2013 for ₹1.50 crore and ₹0.38 crore respectively indicating supply of the items. It was also revealed that the Chief Store Keeper had certified on 25 March 2013 that the items mentioned in the invoice were received in good condition. Payment of ₹1.88 crore was also made to the Contractor on the same date.

The certification by the Chief Store Keeper on 25 March 2013 of the receipt of the equipment when the equipment was actually received after nine months was irregular. Audit observed that the action of the Police Department in making payment of ₹1.88 crore to the Vendor on 25 March 2013 even though equipment was received only on 19 December 2013 was in violation of stores purchase norms and financial propriety.

It is seen that a committee to examine the issues related to default in supply of e-beat to Kerala Police, recommended (January 2015) to issue a legal notice to the Vendor and initiate steps to blacklist the vendor. However, no action was seen taken to fix responsibility within the Police Department for its failure to adhere to the provisions of Stores Purchase Manual.

²⁶ ₹1.50 crore from the XIIIth Finance Commission Award and ₹0.38 crore from State Plan fund MOPD.

GOK agreed (March 2019) that financial rules and codal formalities were violated. Audit was informed that the SPC had since ordered an enquiry to fix responsibility and to suggest action against officers responsible for the lapses.

2.18. Construction

The Kerala Police Housing and Construction Corporation Ltd. (KPHCC) is the agency entrusted with the civil and electrical works for police infrastructure and housing. The observations of Audit on the construction activities of KPHCC is given below.

2.18.1. Construction of residential and non-residential buildings under MOPF

The MOPF scheme provided for construction of residential accommodation for Lower subordinate (Constables and Head Constables) and Upper subordinate (Sub Inspectors and Additional Sub Inspectors) staff and construction of non-residential buildings like Police Stations, Outposts, District Police Office, Barracks, Police lines, Kennels, Firing range, Administrative blocks, etc. Funds received from GOI for police construction activities were transferred to KPHCC for execution of the works. The details of funds received and activities undertaken during 2013-18 are given below.

Table 2.11: Allocation and utilisation of funds for construction

(₹ in crore)

Year	GOI Share Received	GOK Share Received	Total Receipts	Amount Expended	Unspent balance with KPHCC
2013-14	29.94	14.85	44.79	20.56	24.24
2014-15	24.32	16.37	40.69	2.70	37.98
2015-16	-	-	-	-	-
2016-17	-	-	-	-	-
2017-18	1.30	-	1.30	-	1.30
Total	55.56	31.22	86.78	23.26	63.52

(Source: Details obtained from PHQ and KPHCC)

Thus, ₹63.52 crore (73.20 per cent) remained unutilised with KPHCC as on March 2018. Audit examined the physical status of works undertaken by KPHCC during 2013-18, under MOPF and was as shown in **Table 2.12**.

Table 2.12: Physical status of works undertaken by KPHCC during 2013-18 as on 30 September 2018

Year	Residential			Non-residential		
	Units undertaken	Units Completed	Units remaining incomplete	Units undertaken	Units Completed	Units remaining incomplete
2013-14	85	55	30	116	100	16
2014-15	64	2	62	43	6	37
2015-16	Nil	Nil	Nil	Nil	Nil	Nil
2016-17	Nil	Nil	Nil	Nil	Nil	Nil
2017-18	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	149	57	92	159	106	53

(Source: Details obtained from PHQ and KPHCC)

Audit observed that 145 (47 per cent) of the 308 works entrusted to KPHCC were yet to be completed. Scrutiny revealed that KPHCC was yet to tender (September 2018) for 31 works entrusted to it by the Police Department. It was seen that these works remained untendered due to reasons like delay in identifying and finalising site for construction, failure of Police Department to provide hindrance free sites for construction, site unsuitable for construction, delay in transferring funds to KPHCC, etc. (**Appendix 2.7**).

GOK stated (March 2019) that KPHCC did not have a permanent Architect or Structural Engineer and all such works were outsourced, which leads to delay. It was also stated that 18 works were taken back by PHQ as KPHCC could not complete them on time.

The fact remains that entrustment of works to an inefficient organisation like KPHCC resulted in 47 per cent of construction works under MOPF scheme remaining incomplete.

2.18.2. Irregular construction of Villas for SPC and ADGPs by utilising funds allotted for Upper Subordinate Staff Quarters

Under the MOPF scheme ₹4.35 crore was earmarked in AAP 2013-14 under State share for construction of 30 Upper Subordinate Quarters (USQ). KPHCC was entrusted with the work of construction of these 30 USQs at Thiruvananthapuram and orders were issued (September 2015) to transfer funds to KPHCC. Funds were provided to the Police Department through Supplementary Demand for Grants in May 2017²⁷.

Scrutiny of records at PHQ, Thiruvananthapuram revealed that M/s. Habitat Technology Group was directed to submit design proposal for construction of Bungalows for DGP and ADGPs, in a meeting held with SPC on 04 November 2017. Accordingly, the Police Department obtained (November 2017) an estimate for ₹3.66 crore from M/s. Habitat Technology Group for the construction of a Villa and Camp House for SPC and four Villas for senior officers at the very same site identified for construction of USQ. Based on the estimate obtained, the work was awarded and ₹1.83 crore released (February, March and June 2018) to the firm as advance. Revised work order was issued (June 2018) for ₹4.33 crore for construction of one Villa each for DGP and two ADGPs including site development. A further advance of ₹0.98 crore was also paid (August 2018) to the firm.

Audit observed that the Finance Department, GOK intimated (June 2018) SPC that it has sought clarification from the Home Department on the diversion of funds without Government approval. SPC replied to GOK (July 2018) that though funds of ₹4.33 crore were sanctioned under MOPF for construction of 30 USQs, the said amount would suffice for construction of only five quarters for higher officers in the Department and requested SLEC to ratify the activity. Audit observed that the justification offered by SPC to GOK for the

²⁷ Due to non-receipt of Ways and Means clearance, funds could not be utilised/deposited with KPHCC by Police Department till 2017-18.

unauthorised diversion of funds is unacceptable, as the Scheme Book for MOPF issued by GOI clearly specified that SI and ASI staff fall under Upper Subordinate category thereby ruling out irregular availing of benefits under the scheme by officers of higher cadre like SPC and ADGPs.

Similar instance of diversion of funds which appeared in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2006 was discussed (August 2008) by the PAC. The PAC had observed that it was upset over the act of the Department in diverting funds assigned for the construction of USQs and LSQs at Kerala Police Academy towards building Senior Officers Quarters, etc. The PAC, while stating that such diversion from the approved action plan resulted in denial of family accommodation to the subordinate officers had also issued a strong warning to the Police Department not to repeat any such deeds under any circumstances in future.

Audit observed that action of the Police Department in ignoring the warning of the PAC and repeating the same irregularity is indicative of showing disrespect to the Legislature besides being a blatant violation of MOPF scheme guidelines.

GOK stated (April 2019) that the decision to construct residential quarters for Senior officers was taken for the following reasons *viz.*, 1) the funds were lying unutilised since 2013-14 and the GOK was unable to forward utilisation certificate; 2) need of the senior officers to have official residences from the security and professional point of view; and 3) the outlay for 30 USQs in MOPF scheme 2013-14 pertains to State share of the scheme. It was also stated that GOK had additionally contributed ₹1.50 crore for completing this project.

The reply is not tenable since there is no provision in the MOPF scheme guidelines for construction of villas for higher ranked police officers by diversion of MOPF funds (including State share of funds) meant for construction of Upper Subordinate Staff Quarters. The contention of GOK that State share of fund was utilised for the diversion is also not acceptable since the State share also forms part of the overall fund available under MOPF and is subject to the MOPF scheme guidelines. The deliberate violation of MOPF scheme guidelines as also the failure to heed the warning issued by the PAC earlier not to repeat such diversions is indicative of the Police Department's contempt towards the legislative processes and reports of constitutional bodies like the C&AG.

2.18.3. Fortification of outposts in vulnerable areas

GOK sanctioned (November 2013) ₹3.25 crore to strengthen 16 police stations vulnerable to Maoist attacks in the northern districts of Kerala. The works included construction of compound walls with better strength and height, steel fencing and barricades and providing necessary lighting system to the Police Stations. While fortification works in respect of 15 Police Stations were completed, improvements to the Thirunelli Police Station in Wayanad district could not be undertaken since rates quoted by Contractors for the works were very high.

Sanction was also sought (December 2015) from GOK for the construction of fencing to Areacode camp of the Kerala Anti-Terrorist Squad (KATS) for ₹75 lakh based on an estimate obtained (August 2015) from the KPHCC. Later, the Police Department changed (August 2017) the work to construction of compound wall. Administrative Sanction was also accorded by GOK (November 2017) for construction of compound wall. However, due to non-receipt of Ways and Means clearance from GOK the funds could not be utilised. It was only later in May 2017 the funds were allotted and Police Department permitted to utilise the funds. Police Department transferred (January 2018) ₹60 lakh to KPHCC. Audit observed that due to delay in grant of permission for utilisation of funds, the camp which reportedly (December 2015) faces encroachments and security threats from Maoists, continues to function without a compound wall for its protection.

GOK stated (March 2019) that Wayanad district has acute shortage of Contractors and that negotiations were being undertaken with Contractors for reduction in quoted rate and the issues would be resolved soon. Audit was also informed that work on compound wall for Areacode camp was being undertaken by KPHCC.

2.19. Manpower

As on 01 January 2018, as against the sanctioned post of 40,500²⁸, there were 33,461 police personnel deployed in the State. Out of which, 20,869 police personnel were posted across 521 Police Stations which had a sanctioned strength of 25,089 (83 *per cent*). Against the sanctioned strength of 15,411, similar civil police personnel deployed in other police offices like Special Branch, District Crime Records Bureau, Police Telecommunications, CBCID, were 12,592 (82 *per cent*).

Information furnished by the SPC indicated that the available manpower in the Police Department had been fully accounted by their deployment to Police Stations and other police offices in the State.

2.20. Conclusion

Police Stations and Armed Police Battalions in the State did not have the full complement of vehicles as required under BPR&D norms. The objective of improving mobility of the Police force was not fully achieved. Instead of addressing the shortfall, the Police Department procured inadmissible vehicles under the Scheme. Rather than procuring bullet resistant vehicles for deployment in operational areas like Naxalite infested areas, the Police Department procured bullet resistant vehicles for VIP security which was not admissible under the MOPF scheme. High-end luxury cars were procured in the guise of Mobile Command and Control Vehicles.

²⁸ Circle Inspector to Constable

Audit observed a deficit of weapons in the Police Department. The insistence of the Police Department on procurement of weapons which were not in the production line of the Ordnance Factory Board resulted in loss of GOI assistance of ₹1.87 crore and resultant inability to acquire weapons to that extent during 2014-15. Audit also noticed ammunitions missing in the Special Armed Police Battalion, Thiruvananthapuram which has implications on internal security.

Failure of the police department to make payment of spectrum charges resulted in inability to obtain licences from GOI for procurement of Digital Mobile Radios. Anti-Maoist operations in the dense forests of Palakkad, Malappuram, Idukki and Wayanad admittedly suffered for want of DMR. Shortage of staff led to pendency of cases in the Forensic Science Laboratories. Violation of Stores Purchase Manual and CVC guidelines was noticed in the procurement of equipment. Audit observed nexus between officers of the Police Department, Vendors and Keltron in fixation of prices. The Police Department ignored MOPF guidelines and earlier strictures of the PAC and constructed Villas for the SPC and two ADGPs by diverting funds meant for the construction of Upper Subordinate Quarters.