

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3820
ANSWERED ON:27.04.2012
AUDIT OF INTELLIGENCE AGENCIES QUESTION
Sukur Shri Jadhav Baliram

Will the Minister of FINANCE be pleased to state:

- (a) whether the audit of intelligence agencies of the country is under the jurisdiction of the statutory auditor;
- (b) if so, the details thereof and the details of reports presented in this regard during the last three years and the current year;
- (c) whether the Government auditor has conducted audit of major technical intelligence agency, the National Technical Research Organization (NTRO) ; and
- (d) whether some discrepancies have been found in the said audit and if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

- (a) Yes. Sir.
- (b) Para. No. 6.6 pertaining to Intelligence Bureau printed in Union Government (Civil) Report No. 14 of 2008-09. The extract is enclosed.
- (c) Yes, Sir.
- (d) National Technical Research Organization (NTRO) is a secret organization. As per Rules 41 (2) (xxi) of Rule of Procedure and Conduct of Business in Lok Sabha the question is not to seek information which are in the nature secret.

Intelligence Bureau

6.6 Extra expenditure - Rs. 59.61 lakh

Delay in processing of the case by Intelligence Bureau for purchase of a plot for its office building in Varanasi resulted in extra expenditure of Rs. 59.61 lakh.

IBB purchased a plot measuring 1600 square metres for its office building at Varanasi from UPHDB9 in September 2006 at a total cost of Rs. 1.95 crore. Audit examination disclosed that the cost included an extra expenditure of Rs. 59.61 lakh as discussed below:

Despite the fact that the terms of allotment of UPHDB on 06 December 2004 indicated that the offer would be automatically cancelled if the payment was not made by 28 February 2005, the IB Headquarters did not even initiate the proposal by the due date. This led to cancellation of the offer by UPHDB.

UPHDB revived the offer of allotment of the same plot in February 2006 and their revised demand of Rs. 1.79 crore included interest of Rs. 30.64 lakh at 19 per cent from original due date of payment. The discount of 10 per cent for timely payment was also withdrawn by the UPHDB in the revised offer.

Although the due date of payment was 31 March 2006, IB took seven months to deposit the amount (September 2006) which resulted in payment of additional interest of Rs. 15.27 lakh and penalty of Rs. 0.43 lakh.

8 Intelligence Bureau
9 Uttar Pradesh Housing and Development Board

Report No. CA 14 of 2008-09

Thus, delayed processing of the proposal for procurement of plot led to avoidable expenditure of Rs. 59.61 lakh constituting 44 per cent of the cost as per the original offer. The avoidable extra expenditure consisted of interest of Rs. 45.91 lakh and forfeiture of discount of Rs. 13.27 lakh and penalty of Rs. 0.43 lakh.

The Ministry stated in December 2008 that sufficient funds were not available in the budget of IB to make the payment by 28 February

2005. It further stated that on receipt of offer from UPHDB for allotment of land, IB had asked CPWD¹⁰ for a certificate indicating area of land required for construction of office which was received in June 2005. It also stated that MHA and their IFD¹¹ had sought clarifications on the proposal which had to be re-examined and the proposal was finally approved by IFD only in August 2006.

The reply does not explain why additional allocation could not have been sought for at the first instance by IB from MHA as proposed by them later in February 2006 while seeking approval of the Ministry for purchase of land. Further their contention about the receipt of certificate indicating area of land from CPWD is to be viewed in the light of the fact that CPWD had furnished their report as early as in May 2003. There was no significant material change in the contents of the two reports of May 2003 and June 2005 furnished by the CPWD. The reply also underscores the need for better coordination among various units of the MHA for timely processing of such cases. The Ministry assured of making every effort to expedite the process in future (December 2008).

10 Central Public Works Department

11 Integrated Finance Division