



Confederation of Indian Industry



India's Emerging Security Landscape

Challenges and Opportunities



Knowledge Partner



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Foreword

Internal Security is one of the '**top priorities**' for the Government and its proposed measures to combat the challenges include creation of a national database, beefing up intelligence-gathering networks, ramping up staff at intelligence agencies, absorbing meritorious and retired intelligence officials in the system and tightening border, maritime security, among others.

In continuation of its commitment to work for the Indian Industry and for our Nation and to attract attention to foster the Internal Security (Homeland / Commercial / Industrial / Border / Cyber) and Fire Safety community in North India, **Confederation of Indian Industry (CII)** is organizing **Secure North 2014 - Conference and Display on Safety & Security** which is being to be held at CII Northern Region Headquarters, Sector 31 A, Chandigarh.

Secure North 2014 brings forth new solutions to the growing challenges of security regulations in North India. It aims to provide most advanced technological solutions for homeland, industrial and residential security relevant for the various stakeholders. The third edition of this initiative in this part of the region is expected to bring together diverse stakeholders from police, defence, industry, security experts, societal opinion makers, NGOs and the policy makers from the Central & State Governments.

The CII – Pinkerton theme paper on "**India's Emerging Security Landscape – Challenges and Opportunities**" will make an interesting read, as it analyzes threats to India's internal security, focuses on the state of preparedness of our policing resources and areas of possible partnership between public and private players in the security domain.

The event would display unique & latest technologies/solutions such as CCTV & DVRs, Disaster Management Solutions, Electronic Safes, Electronic Sirens, Theft Sensors, Fire Alarms, Smoke Detectors, Fire Fighting Systems, GPS & GIS, Portable Emergency Lighting Systems, Portable Hazmat Shower, Public Warning Systems, Hi-Tech Building Management Solutions, Rescue & Safety Tools/Kit, Protective Garments, Spy Cameras & other Accessories, Access Control Systems etc.

I hope that the deliberations not only reflect true voice of the industry, but also bring all stakeholders together to think alike and kick off a new campaign to create & establish roadmap for inclusive growth of the Security industry.

Best Wishes,

A handwritten signature in dark ink, appearing to be 'Gaurang Pandya', written in a cursive style.

Gaurang Pandya

Chairman, CII Secure North 2014 &
Managing Director, UTC Climate Controls & Security



Foreword

India faces two major internal security challenges in terms of Left Wing Extremism (LWE) and terrorism. Besides these the country faces “Contemporary Risks” from physical & cybercrimes, strikes, closures & labor unrest and economic frauds. They impact security of ordinary citizens and the society at large, besides adversely affecting economy of the country.

With the advent of high end technology and increasing reliance on IT in today’s world of globalization, criminals have adopted sophisticated and innovative means of committing high tech crimes. As such Law Enforcement and Intelligence Agencies need to keep pace with these developments, to effectively deal with this menace. Besides this the widening economic gap between rich and the poor in India, has also contributed to the rise in physical crimes, especially in the urban areas over the last decade.

The Government has initiated measures to curb the growing incidents of physical and cybercrime, enhance women safety as also to increase the operational effectiveness and efficiency of the security forces and intelligence agencies. Projects like the Crime and Criminal Tracking Network & Systems (CCTNS), National Intelligence Grid (NATGRID), National Critical Information Infrastructure Protection Centre (NCIIPC), National Skill Development Corporation (NSDC) initiative which includes up skilling the Private Security Sector (PSS), etc are under various stages of implementation.

Based on gap analysis of the dynamic landscape of internal security challenges and the capability of the Law Enforcement and Intelligence Agencies, there is a need to focus on building up the capability and capacity in terms of upgrading the equipment and technology being currently used by these agencies. At the same time this will require creation of requisite training infrastructure, for up skilling the police force, to be able to effectively deal with these challenges.

The paper attempts to focus on the “Contemporary Risks” pertaining to homeland security which need to be addressed and the opportunities that are available to the private sector to pitch in with their expertise. Certain areas for possible collaboration between the public and the private sector in terms of Public Private Partnership (PPP) projects have been identified, where all the stakeholders from the private sector can play a role in providing equipment, technology, infrastructure and training.

Best Wishes,

Sandeep Sudan, CFE
Country Director
Pinkerton

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
INTERNAL SECURITY CHALLENGES	3
Physical Crimes	3
<i>Kidnapping and Abduction</i>	3
<i>Human Trafficking Contraband Smuggling and Proliferation of Arms</i>	5
Strikes, Closures and Labor Unrest	12
Accidents and Safety	13
IT / Cyber Crime	16
Economic Frauds	18
<i>Occupational Frauds</i>	18
<i>Intellectual Property Rights – Violations</i>	21
<i>Money Laundering</i>	22
OPERATIONAL EFFICIENCY OF PUBLIC AND PRIVATE SECURITY AGENCIES	24
Overview of Public Security In India	24
Overview of Private Security In India	25
Structural, Modernization and Training Challenges	26
Initiatives Taken by Government	28
WAY FORWARD	30
Emerging Opportunities for Public Private Partnership a Viable Option	31
CONCLUSION	33



Executive Summary

The paper on “India’s Emerging Security Landscape – Challenges and Opportunities” is based on a comprehensive research and analysis of the available data & statistics of security threats that impact common citizens and the society at large on a macro level. It seeks to highlight how these threats adversely affect the economy in today’s era of globalization, when India opening up its doors to Foreign Direct Investment (FDI) and gaining its rightful place amongst the comity of developed nations.

India continues to face growing challenges to its internal security resulting from rising physical crime graph, cyber crimes, economic frauds etc. The security threat landscape in India gets further compounded with the ongoing Left Wing Extremism (LWE), terrorism and cross border developments. Also, with the advent of modern day high end technology the criminals continue to devise sophisticated and innovative means to perpetrate acts of terror and indulge in white collar crimes. The perpetrators also use element of surprise as an important part of their strategy to indulge in their nefarious activities.

The dynamic environment that thus surrounds the ever evolving security threats force our first responders on a reactive mode instead of a proactive one, while dealing with internal security challenges being faced by the nation.

Internal security rightfully remains a topic which is top of the mind recall and preferred for discussion both in the public domain and private sector, as any untoward incident that affects the society and public at large also has a corresponding and grave business and financial impact.

With the general elections behind us, there is a growing expectation from the Government to tackle emerging concerns on account of internal security. The Government on its part has been proactive in providing for indications pertaining to planned interactions with all the stake holders in addressing the internal security challenges which the country faces.

The present paper highlights the Indian Government’s increased focus on Homeland Security following the events of 26/11. The ongoing efforts in terms of establishing agencies such as National Intelligence Grid (NATGRID), National Investigation Agency (NIA), National Skill Development Corporation (NSDC) for up skilling the Private Security Sector (PSS) along with an array of other sectors and projects such as Crime and Criminal Tracking Network & Systems (CCTNS) find a mention in the paper to enable deliberations during the conference.

Opportunities in India’s Homeland Security market have been highlighted along with a possible future road map that proposes certain areas of collaboration between the government and the private sector through Public Private Partnership (PPP) for Homeland Security projects.



Internal Security Challenges

Introduction: The internal security challenges in the recent years have coerced India to deploy enormous quantum of resources. The growing and cumulative intricacy and dimensions of such challenges have brought to forefront not only the gravity of affairs but also the new trends in crimes and frauds. The present paper seeks to not only highlight such emerging issues but also discusses and provides insights into the possible impacts of such risks.

Physical Crimes

An analysis of the crimes committed over the last five years in India goes on to reflect as much diversity as exhibited by the country's socio-economic and demographic set-up.

The disquieting fact of consistent upward trends reflected by various crimes across the nation has been a large security debate and social concern across all sectors of the society and economy in recent times.

Crime	2008	2009	2010	2011	2012	2013
Assault on Women	40413	38711	40613	42968	45351	70739
Cheating	66579	72718	72718	87656	94203	107330
Dowry	8172	8383	8391	8618	8233	8083
Arson	9249	8736	8508	9064	11836	9357
Counterfeiting	2291	2935	2589	2307	2351	2349
Robbery	20522	22409	23393	24700	27343	31927
Theft	316761	324195	330312	340800	337407	372622
Riot	66018	62942	67517	68500	74633	72126
Dacoity	4530	4586	4358	4285	4314	4539
Kidnapping and abduction	30261	33860	38440	44664	47592	65461
Rape	21467	21397	22172	24206	24923	33707
Murder	32766	32369	33335	34305	34434	33201
Total	619029	633241	658627	692073	712620	811441

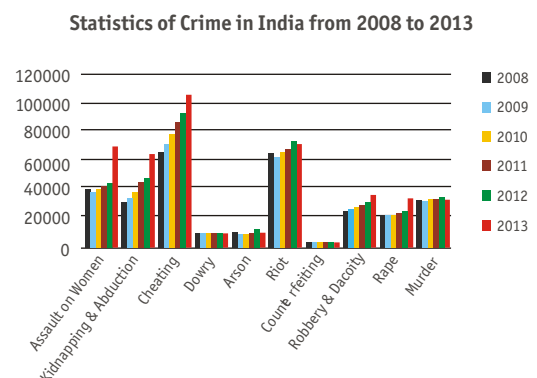


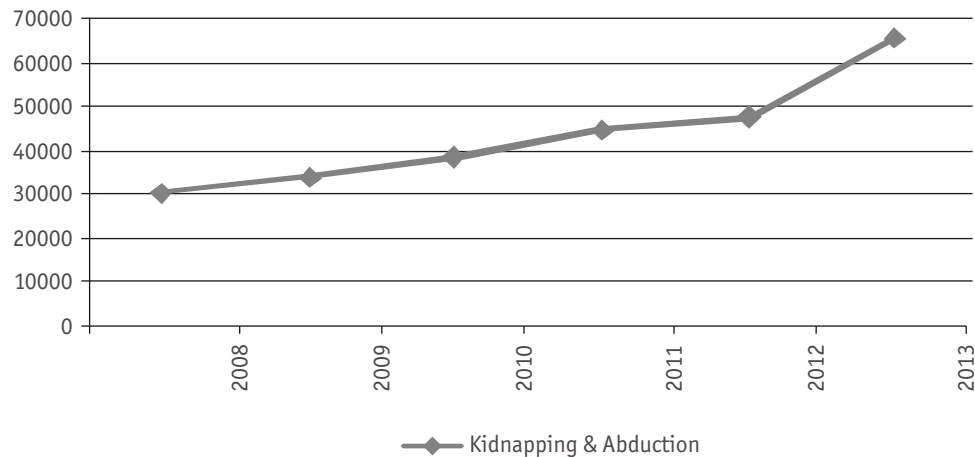
Figure 1: Shows the statistics of crime in India from 2008 - 2013

Kidnapping and Abduction

According to National Crime Research Bureau (NCRB) 44,664 cases of kidnapping and abduction were reported in India, in 2011, this number increased to 47,592 cases in 2012 and further rose to 65,461 cases in 2013, an increase of 46.6% when compared to 2011. Women and girls continue to increasingly become victims of kidnapping and abduction. The statistics of NCRB 2013 indicate a sharp and alarming increase of 163.8% from 13,296 cases in 2003 to 38,262 cases in 2012.¹ As per the latest submitted numbers before the Rajya Sabha, around 1,57,717 cases of kidnapping and abduction were reported across the country in last three years - clearing depicting the alarming upward trend.²

¹"Violent Crimes" (Chapter 3), NCRB Report 2013 (Link:<http://ncrb.nic.in/CD-CII2011/cii-2011/Chapter%203.pdf> ; Last Accessed On: July 30, 2014)

²"Kidnapping, abduction showing a rising trend: Government", Economic Times, July 30, 2014 (Link: <http://economictimes.indiatimes.com/news/politics-and-nation/kidnapping-abduction-showing-a-rising-trend-government/articleshow/39295817.cms>; Last Accessed On: July 30, 2014)



Source: NCRB 2013

Figure 2: Shows kidnapping & abduction in India 2008 - 2013 across board



Source: NCRB 2013

Figure 3: Shows top states for kidnapping & abduction cases in India

A close observation shows that crimes related to kidnapping & abduction, theft, cheating, assault on women, robbery and rape have been registering an increase year on year. The states that lead on these statistics include Uttar Pradesh, Tamil Nadu, Gujarat and Kerala.

Studies and analysis of the causes of such a drastic level of increase can be primarily attributed to the dynamic interplay between the perceived government intervention to handle law and order situation, the dichotomy that exists in the socio economic backdrop of the perpetrators, politically backed motivation and the slack attitude of the judiciary delivering landmark judgments, amongst many other reasons.

Recently, Kiren Rijju, Minister of State for Home, while commenting on the responsibility of the State Governments for prevention of such crimes urged the law enforcement and legislative agencies to provide for enhanced focused attention towards rendering of justice and bringing down the numbers pertaining to such heinous incidents.



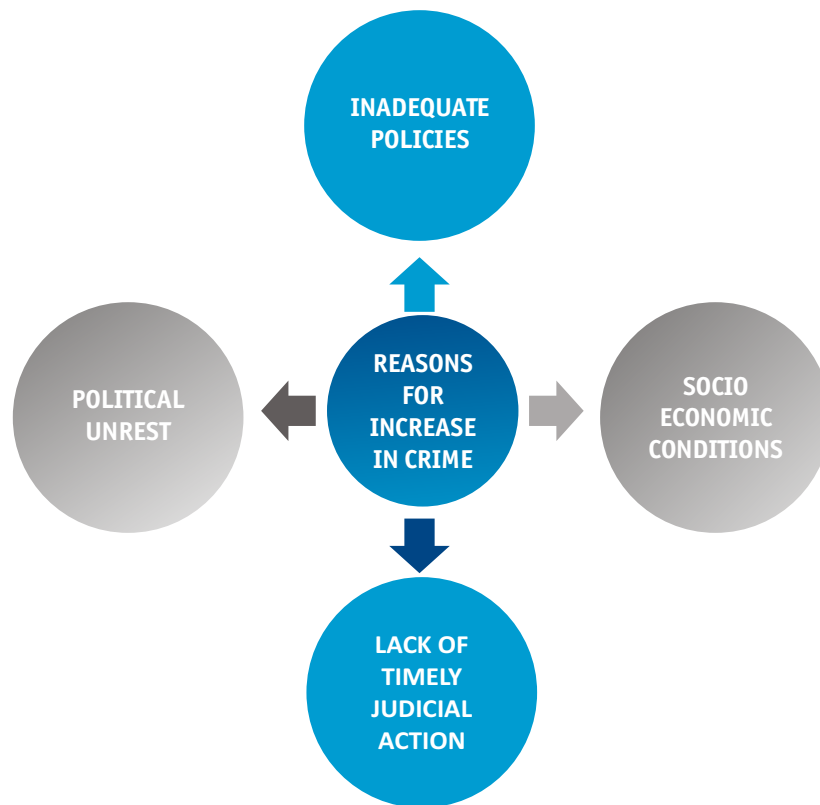


Figure 4: Shows reasons for increase in crime in India

Human Trafficking Contraband Smuggling and Proliferation of Arms

Human Trafficking

The Annual "Trafficking in Persons" report for 2014 as released by the US State Government states India to be the "Source, destination and transit for men, women and children subjected to forced labor and sex trafficking" with an approximate number of around 20 to 65 million of citizens being subject to trafficking.³ This is in line with the UNDP Human Development Report, 2014 that ranks India at 135 (out of the 162 countries covered)⁴ and the Global Slavery Index, 2013⁵ that rated India as the country with the largest number of people in modern slavery (including human trafficking).

³ "2014 Trafficking in Persons Report", US Department of State (Link: <http://www.state.gov/documents/organization/226846.pdf> ; Last Accessed On: July 30 2014)

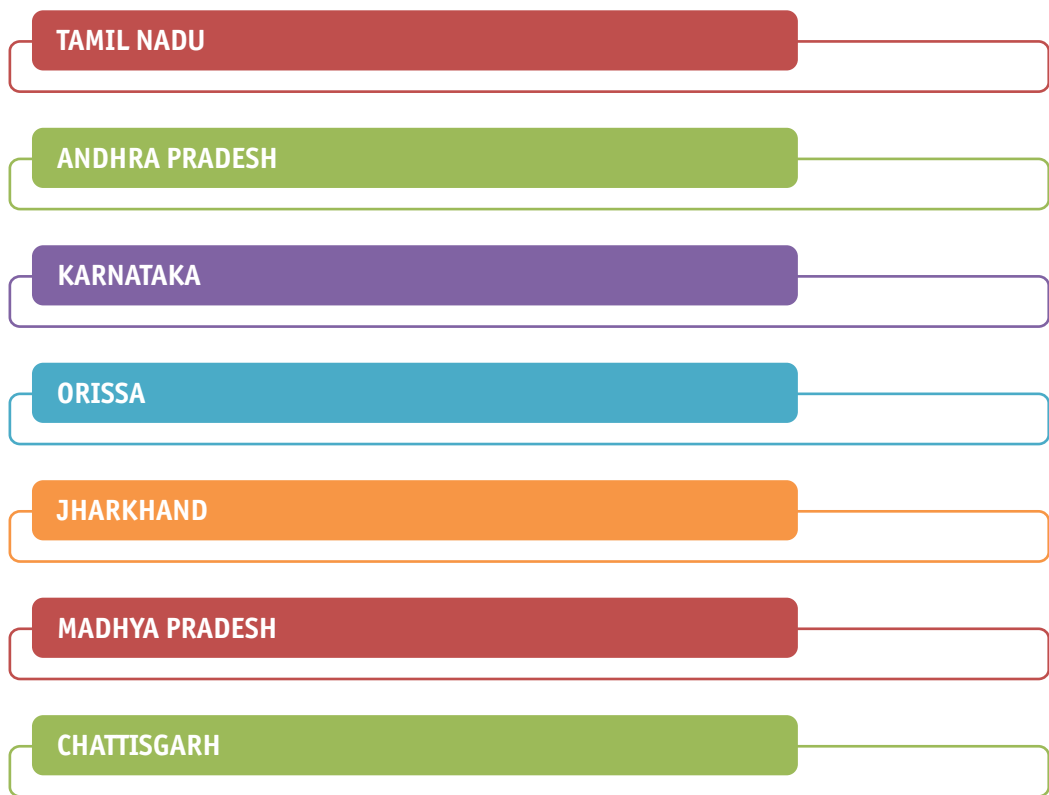
⁴ "2014 Human Development Report - Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience", UNDP (Link: <http://hdr.undp.org/en/2014-report> ; Last Accessed On: July 30, 2014)

⁵ "Global Slavery Index 2013" (Link: http://www.ungift.org/doc/knowledgehub/resource-centre/2013/GlobalSlaveryIndex_2013_Download_WEB1.pdf ; Last Accessed on: July 30, 2014)

⁶ "In India, Karnataka stands third in human trafficking", Times of India, November 5, 2013 (Link: <http://timesofindia.indiatimes.com/india/In-India-Karnataka-stands-third-in-human-trafficking/articleshow/25234883.cms> ; Last Accessed on: July 30, 2014)



As per the recorded statistics of the Indian Home Ministry for the period of 2009 – 2012, 90 % of human trafficking in India is intra-country, centered in the states of Tamil Nadu, Andhra Pradesh, Karnataka, Orissa, Jharkhand, Madhya Pradesh and Chhattisgarh. Trafficking of persons constitutes the third largest global organized crime (after drugs and arms trade) and continues to grow year on year. During the period of four years from 2009 to 2012, Tamil Nadu had 2,244 cases of human trafficking followed by Andhra Pradesh with 2,157 cases and Karnataka with 1,379 cases. Majority of the victims continue to be women and girls.



Source: Indian Home Ministry Records 2012

Figure 5: Shows the top seven major states affected by human trafficking from 2009 – 2012

As per the data published by the 2014 Trafficking in Persons, 90% of India's trafficking problem is internal and targeted at mostly the disadvantaged social strata of the society. Unfortunately the causes for human trafficking are spread across all strata and levels of the society. The lack of economic development across all sections of the society, the socio religious practices and the apathy prone attitude of law enforcement agencies, all these factors go on to contribute to the increasing problem of human trafficking.



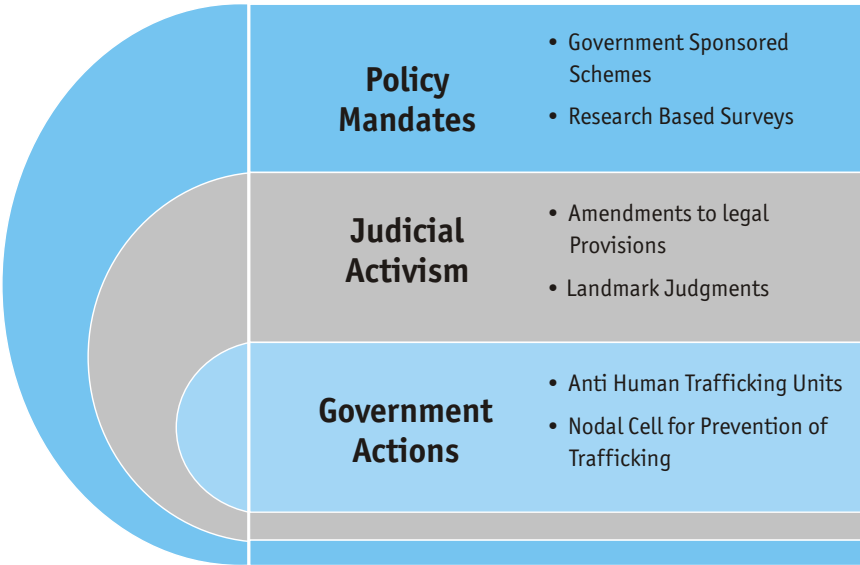


Figure 6: Shows overall initiatives taken towards curbing human trafficking

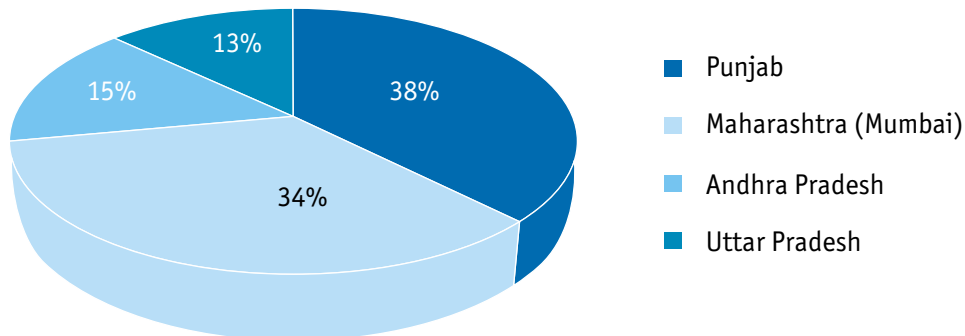
The increasing numbers and alarming trends in the last decade, has prompted the Indian Government to take steps to combat the problem. The steps envisaged are not only responsive in nature (by establishing Anti Human Trafficking Units under police department of various states) but also proactive (by setting up a Nodal Cell for Prevention of Trafficking under the Ministry of Home Affairs in 2009). The Government of India through legal provisions backed by the support of 21 states has laid down various through legal provisions, judgments and government sponsored schemes to combat and provide for a fitting response to the problem of human trafficking.⁷

Contraband Smuggling (Drug Trafficking)

Proximity to the largest production areas of heroin and hashish, popularly known as the Golden Triangle (the areas between Thailand, Myanmar & Laos) and the Golden Crescent (the areas around Afghanistan-Pakistan-Iran) have for long subjected the Indian border to the vulnerability of drug trafficking. This coupled with India being a favored location for the manufacture of various psychotropic and prescription drugs as demanded by both the domestic and international market has fueled drug trafficking to a new level in the recent times.

Narcotics Control Bureau (NCB) Annual Report 2012 on drugs seizure indicates that smuggling and consumption of synthetic drugs (containing a greater propensity to cause harm) such as cocaine, heroin, methamphetamine and mandrax as compared to natural drugs like ganja and hashish has reflected a consistent increase over the last few years.

⁷"Anti Human Trafficking - Country Assessment" UNDOC 2013 (Link: http://www.unodc.org/documents/southasia//reports/Human_Trafficking-10-05-13.pdf ; Last Accessed On: July 30, 2014)



Source: NCB Annual Report 2012

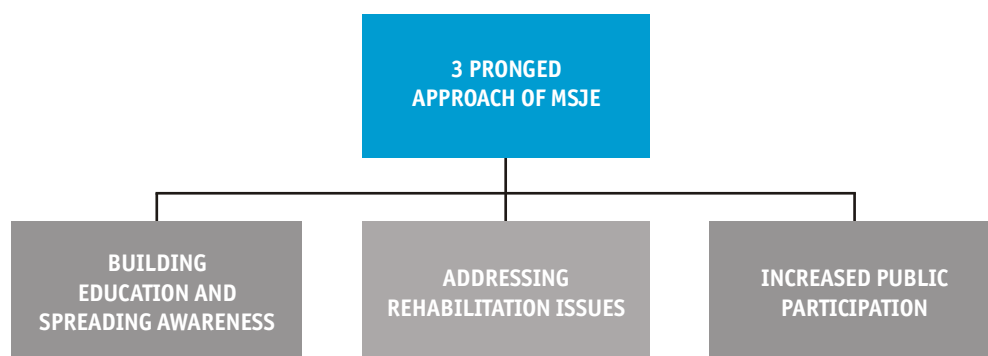
Figure 7: Shows Indian states reflecting the highest incidences of drug usage from 2008 – 2013

Analysis of trends across states has reflected two major causes that form the basis of availability of such drugs on the large – easy access across borders and usage for entertainment purposes amongst the growing population. These reasons are backed by the numbers that reflect Punjab and Maharashtra (Mumbai) being the states with the highest consumption of drugs in India for the reasons of physical proximity to production areas (Punjab) and widespread presence of the entertainment industry (Mumbai) as highlighted above. Other states of Andhra Pradesh and Uttar Pradesh have also reflected an increasing usage of cannabis and hashish as evident by the recent trend of growing seizure action across such states.

Various studies by the Government of India and as per the data backed by the UN Office of Drugs and Crime (UNODC) have clearly established the concern with regard to drug trafficking in India. However, it would be incorrect to ignore the various initiatives launched by the Government in recent times to combat the growing menace. While efforts have been launched locally by various state governments, the most prominent of all is the three pronged strategy drive launched by the Ministry of Social Justice and Empowerment (MSJE). The program consists of a holistic approach that seeks to combat the problem of drug trafficking by starting from the very basics (building awareness and spreading education), addressing rehabilitation (through counseling and various treatment programs) and increased public participation (promoting volunteer work).⁸

⁸ "2013 International Narcotics Control Strategy Report (INCSR)", Bureau of International Narcotics and Law Enforcement Affairs - US Department of State, March 5, 2013 (Link: <http://www.state.gov/j/inl/rls/nrcrpt/2013/vol1/204050.htm>; Last Accessed on: July 30, 2014)





Apart from the above the MSJE and the Indian National Consultative Committee on De-addiction and Rehabilitation have also initiated work on a national policy for prevention and control of drug abuse and rehabilitation of the affected population. This vision is being supported actively by the State Governments, who are actively launching treatment and counseling clinics and awareness raising centers to combat the growing problem of drug abuse. One of the apt examples of the same is the recent action taken by the Punjab Government in June 2014, to tackle the growing drug menace by announcing providence of medicines free of cost to drug addicts at 141 community health centers (CHC) across the state.⁹

Proliferation of Arms

India stands at a vulnerable position with respect to growing proliferation of small arms. This not only hints at severe implication towards public safety but also raises many concerns about the internal security controls of the country. As per the published data¹⁰ there are 40 million illegal small arms in circulation in India, despite possession of all such weapons (without a license) being strictly prohibited under the prevailing Arms Act, 1959. Sign postings in malls and restaurants prohibiting arms and ammunition are a constant reminder of the proliferation of arms in our cities.

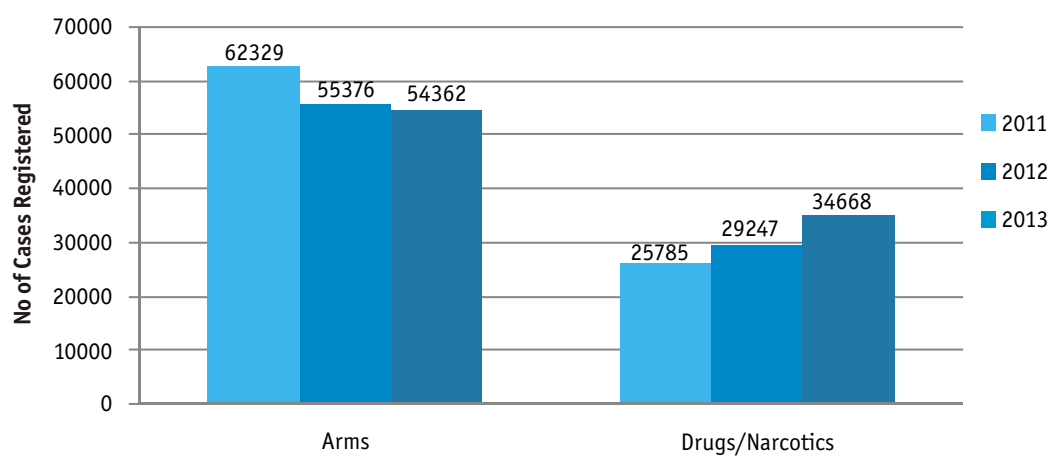
UP and the capital city of Delhi lead the arms race in India. Within UP too, Moradabad and Kanpur are the cities that in recent times have had the highest number of firearms (licensed and unlicensed) available. Owing to its proximity to Pakistan, that acts as a hub of arm manufacturing units, Punjab too figures high in the ranking of vulnerability when it comes to measuring of internal threat in India. To delve a little deeper, published investigative reports highlight that majority of the influx of arms to Delhi and NCR takes place through Bihar Madhya Pradesh and Uttar Pradesh. These weapons are reported to be manufactured in small units situated inside remote forests quite often not under the police scanner of any state jurisdiction. The early months of 2014 have witnessed actions conducted by Special Cell and Crime Branch of Delhi Police to bust several rackets involving gangs smuggling illegal weapons from Barwani, Dhar, Khandwa and Khargone districts of Madhya Pradesh and resulted in recovery of sophisticated arms as comparable as have been manufactured in state of the art ordinance factories.¹¹

⁹ <http://timesofindia.indiatimes.com/india/Punjab-to-provide-free-medicines-to-drug-addicts/articleshow/36787346.cms>

¹⁰ <http://world.time.com/2012/11/28/at-gunpoint-india-tackles-an-upsurge-in-illegal-arms/>

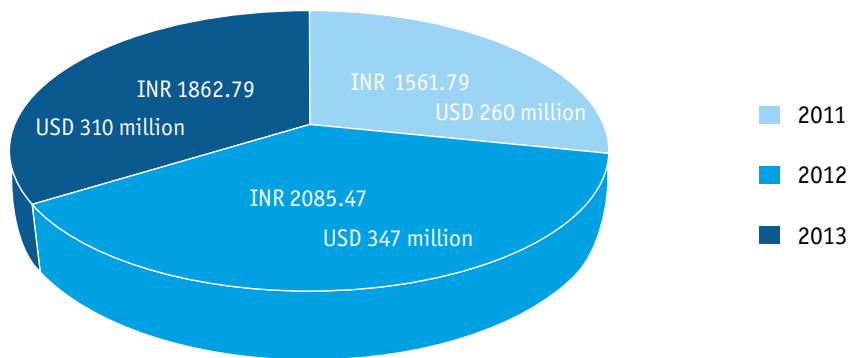
¹¹ <http://ibnlive.in.com/news/mp-border-districts-supplying-weapons-to-delhincr-gangs/453885-3-236.html>

Easy availability of cheap raw materials to manufacture such weapons locally have led to the set up of cottage industry in many states. These industries backed by political and police apathy or corrupt practices make access to armed weapons easy for perpetrators for a meager sum of money. Further, easy imports of weapons from the neighboring countries and lack of security at the borders makes proliferation of arms smooth and accessible.



Source: NCRB 2013

Figure 8: Shows cases registered under Special and Local Laws (SLL) in India



Source: NCRB 2013

Figure 9: Shows graphical representation of value of smuggled commodities seized in India from 2011-13

The growing incidents of crime has brought to light the much needed change in legislative policies by the Government. This move is not only to make possession of illegal weapons difficult but also to provide deterrence to procurement and manufacture of all such firearms. Further, the same is being backed by judicial and public private partnerships to make the nation a safe habitat.



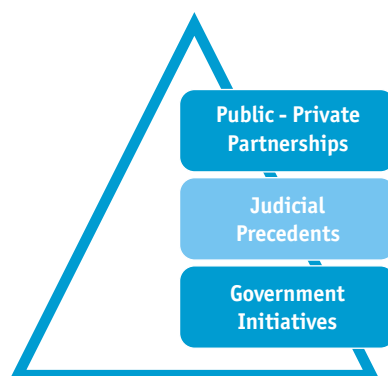


Figure 10: Shows overall steps initiated to combat drug smuggling

As a part of the initiatives to combat proliferation of arms and also to keep a tab on the number of licenses issued by the Government, the Ministry of Home Affairs (MHA) in collaboration with the National Informatics Centre (NIC) has proposed for a National Database of Armed License (NDAL). The said proposal aims to provide arms license holders with a smart card that is in turn to be linked to a central database of arms licenses being compiled by MHA. To begin with, NIC has already implemented an Arms License Issuance System for the state of Punjab and plans to extend it to the southern states of Karnataka, Kerela and Tamil Nadu soon.¹²

In recent times, the judiciary too has taken note of the growing problem of proliferation of arms by laying down stringent judicial precedents pertaining to possession of illegal weapons. In a 2012 landmark judgment, the Supreme Court bench consisting of Justice K S Radhakrishnan and Justice Dipak Mishra, while dealing with the issue of illegal possession of arms noted in clear words that¹³,

“We are sorry to note the law enforcing agencies and to certain extent the courts in the country always treat the crimes lightly without noticing the havoc they can create to the ordinary peace loving citizens of this country and to the national security and the integrity and the unity of this nation ... Proliferation of arms and ammunition, whether licensed or not, in the country disrupts the social order and development, vitiates law-and-order situation, directly contributes towards lethality of violent acts which needs to be curbed”

The above efforts are also being adequately backed by the socially motivated citizens who are eager to combat this insurgency by setting up Control Arms Foundation of India (CAFI) that are "committed to finding solutions to ending ongoing armed violence caused by Small Arms, Light Weapons and Improvised Electronic Device (SALWIED) proliferation that is going on within the region". CAFI, founded in 2004 by a group of citizens, is a registered society that is open for membership to similarly aligned and motivated citizens of the country.¹⁴

¹² "India developing national database of arms licences", Future Government Magazine, August 27, 2013 (Link: <http://www.futuregov.in/articles/2013/aug/27/india-developing-national-database-arms-licenses/> ; Last Accessed on: July 30, 2014)

¹³ "Illegal Possession of Arms to Be Dealt With Sternly: SC", Outlook India, August 30, 2012 (Link: <http://www.outlookindia.com/news/article/Illegal-Possession-of-Arms-to-Be-Dealt-With-Sternly-SC/773692> ; Last Accessed On: July 30, 2014)

¹⁴ Control Arms Foundation of India (Link: <http://www.cafi-online.org/about-us.php> ; Last Accessed On: July 30, 2014)

Strikes, Closures and Labor Unrest

Strikes have been graded as a major risk that affects the business environment in India. The prime reason for strikes being recognized as a top risk is frequent disruption of business of multinational companies. The labor markets have undergone tremendous change over the last three decades. With the strength of trade unions declining, the collective bargaining power has been on the shrinkage. This has led to closures and the recent years have also witnessed increasing number of labor unrests. As per the India Labor and Employment Report 2014, the majority of the unrest has been noticed in new manufacturing units that have in recent times posed considerable challenge for industrial peace and have also been attributed as a major detriment for growth in all such sectors.¹⁵

For a country that is striving to be an economic super power, wastage of a large number of working days owing to a strike results in not only loss of productivity but also amounts to huge economic losses. The reasons behind such strikes are multi fold and can range from an internally motivated disturbance to a politically motivated cause spread across the industry.

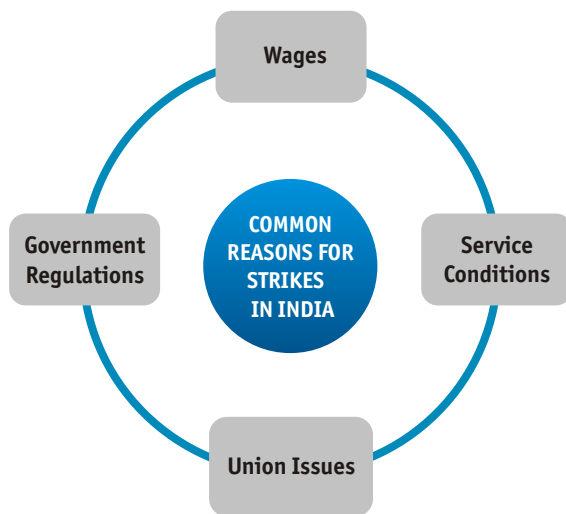


Figure 11: Shows common reasons for strikes in India

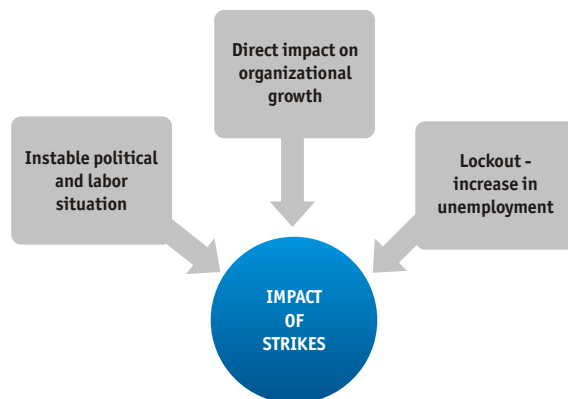
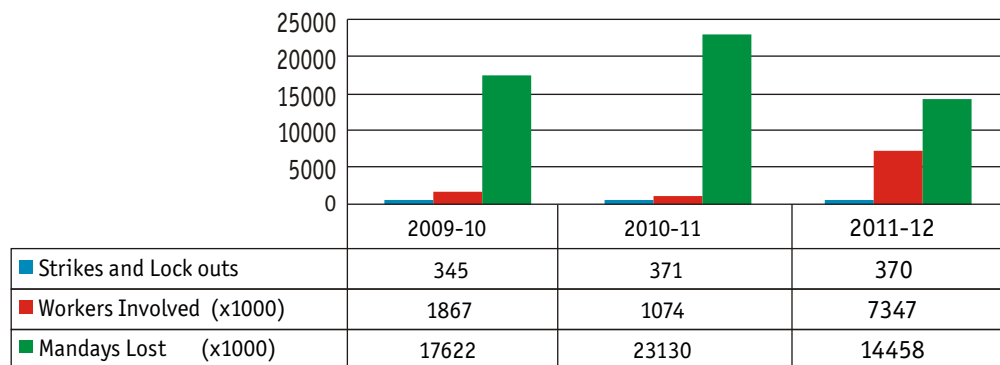


Figure 12: Shows impact of strikes, closures & labor unrest

¹⁵ "India Labour and Employment Report 2014", Institute of Human Development, Academic Foundation, Published by New Delhi & Institute for Human Development, New Delhi, 2014 Edition, ISBN 978-93-327-0120-5



An analysis of the incidents of strikes, closures and unrest does indicate that often they result in civic disturbance and violence. Also, the direct fallout of these incidents is the threat of increased financial loss to Indian and foreign companies operating in India and more importantly the reputational loss due to adverse media coverage affecting the business prospects and overall security perception of the region.



Source: Labour Bureau

Figure 13: Shows the statistics of strikes & lockouts in India from 2009 - 2012

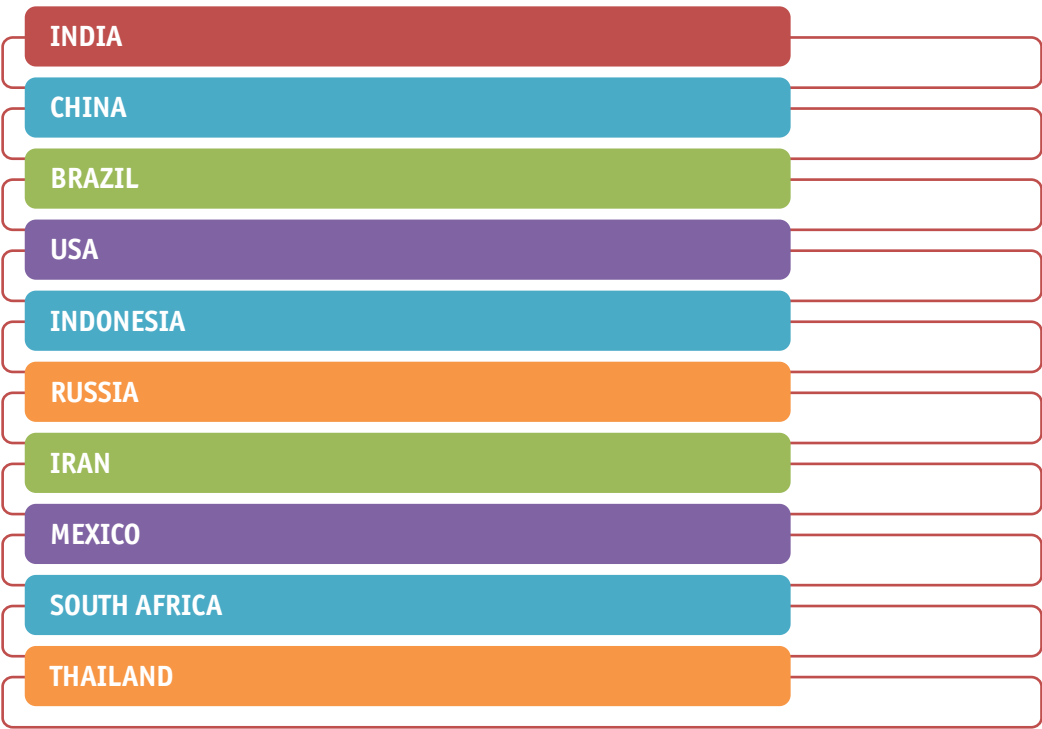
With respect to combating the issue of strikes, the major onus lies on the Government with the responsibility to bring about legislative changes. Keeping the same in mind amendments have been proposed in recent times to the governing labor legislation of India, namely, Industrial Disputes Act, 1947, and seeks to regulate working hours, wages, establishment of dispute resolution machinery and other arenas that have been of concern to the working class in the past years.

Accidents and Safety

Road Fatalities

India accounts for about 10% road accident fatalities worldwide and is ranked at number one in terms of number of deaths due to road accidents. According to the World Health Organization (WHO), the death rate per 100,000 populations with regards to road traffic accidents has increased from 16.8 in 2009 to 18.9 in 2013.

As per the data published by the National Crime Records Bureau and the Global Status Report on Road Safety (2013), India tops the list of the top 10 countries with the highest number of road fatalities.



Source: Global Status Report on Road Safety 2013

Figure 14: Shows list of top 10 countries for road accidents for 2013

Maharashtra, Tamil Nadu, Madhya Pradesh, Karnataka and Andhra Pradesh account for the highest number of road accidents in recent years. On a further micro level the top cities within India account to be Mumbai, Delhi, Bangalore, Indore, Bhopal, Hyderabad and Pune.



Figure 15: Shows top five accident prone Indian states for 2013

Poor driving skills, condition of roads & vehicles and general disregard for traffic rules are some of the factors responsible for road accidents in India. In order to combat the growing problem of road accidents, the Government has the option for a two-fold strategy that not



only involves implementation of stricter laws pertaining to the top five risk factors of speed violations, drunken driving, safety violations, underage driving and child restraints, but also opts for awareness campaigns through citizen initiatives.

Fire

As per the report published by the NCRB, the period of 2008 to 2012 recorded for a total of 6700 deaths and around 947 cases of injury in cases of accidents caused by fire in India.¹⁶ The top states prone to fire accidents are noted to be Andhra Pradesh, Gujarat and Maharashtra - with the three of them accounting for more than 50% of the death toll. Further, on at micro level the top cities accounting for such accidents were listed to be Mumbai, Delhi, Hyderabad, Ahmadabad, Vijaywada and Rajkot.



Source: NCRB 2013

Figure 16: Shows top three fire accident prone Indian states for 2013

The major causes for fire accidents in the country are almost all related to structural anomalies - short circuit, inadequate maintenance of electrical supply systems, over load of electrical supply, malfunction of devices and unsupervised alterations to structures. The Indian Government has sought to implement major public awareness programs, backed by legislative enforcements in order to combat the dangerous rise in fire accidents. Few of the legislative initiatives includes tabling and enactment of Fire Force Bill, Fire Services Bill, Fire Prevention and Safety Act for fire safety of buildings, Discipline Code for Fire Services, Model Rules for provision of Fire Fighting Equipment under the Factories Act, review of existing Legislation (such as the Petroleum Act, the Cinematograph Act, the Factories Act, etc), capacity building of the fire personnel, awareness programmes and delinking the state fire service administration from the control of the Police.¹⁷

¹⁶ "Rise in serious fire accidents in 2013", The Hindu, February 12, 2014
(Link: <http://www.thehindu.com/news/cities/Hyderabad/rise-in-serious-fire-accidents-in-2013/article5678293.ece>; Last Accessed On: July 31, 2014)

¹⁷ "Fire Disasters", SAARC report (Link: <http://saarc-sdmc.nic.in/pdf/fire.pdf>; Last Accessed On: July 31, 2014)



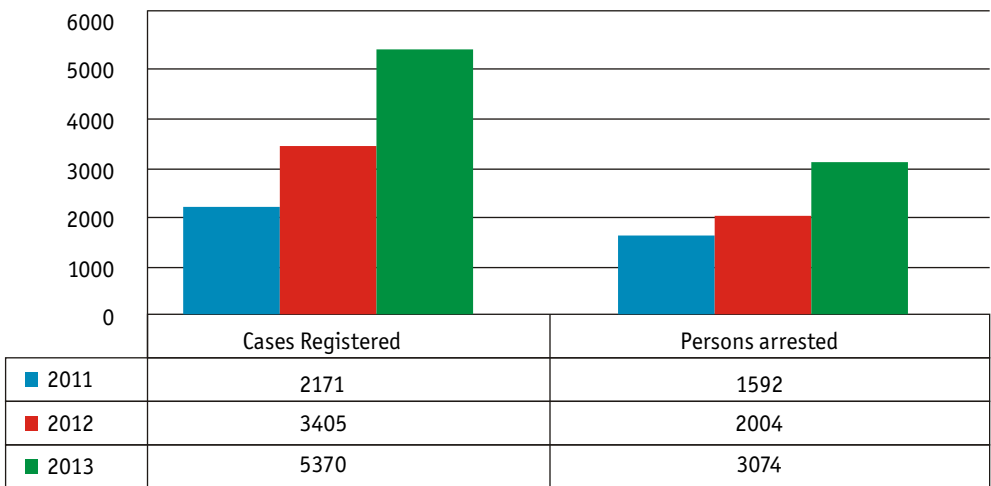
Structural Accidents

The preceding years have seen a sharp rise in the incidents of structural accidents. With maintenance of old buildings not given proper attention by the government and the rising trends in the real estate sector to compromise on the quality of materials used, a melange of reasons have backed the rise in the number of structural accidents in the country.

IT / Cyber Crime

The increased reliance in everyday communication and commercial activity over the internet has resulted in a corresponding increase in the threat of cybercrimes targeting citizens, businesses and governments at a rapidly growing rate. The scale of cybercriminal activities represents a considerable challenge to law enforcement agencies and the total cost of cyber crime to society is witnessing a quantum jump year on year.

As per NCRB 2013 Report a total of 5370 cases were registered under IT Act and IPC during the year 2013 as compared to 3,074 cases during the previous year (2012), thus showing an increase of 57.7% in 2013 over 2012.



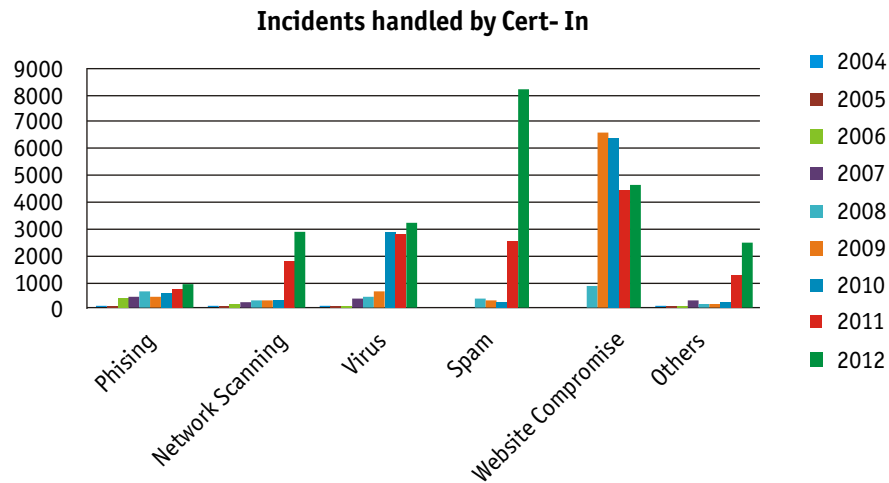
Source: NCRB 2013

Figure 17: Shows statistics of IT Crimes registered in India under IT Act (2008) & Indian Penal Code

As per Indian Computer Emergency Response Team (Cert-In) which is Indian Government's nodal agency dealing with cyber security threats and responding to computer security incidents as and when they occur, a total number of 22,060 security incidents were handled in 2012 as compared to 13,301 security incidents in 2011 thus showing a year on year increase of 65.8%.¹⁸

¹⁸ <http://www.cert-in.org.in/>

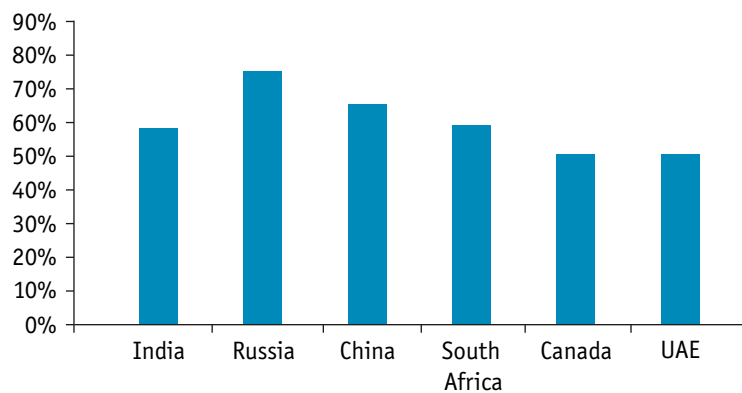




Source: Cert-In 2012 Annual Report

Figure 18: Shows year wise summary of security incidents handled by Cert-In

As per 2013 Norton Report, 50% of online adults in the world have been victims of cybercrime in the past year, i.e. one million adults become cybercrime victims every day which is about 12 victims per second¹⁹. The report includes India amongst the world's top six countries for ransom ware, identity thefts and phishing incidents. 65% of cyber threats in India are targeted attacks at victims. The other countries include Russia (85%), China (77%), South Africa (73%), Canada (68%) and UAE (71%).



Source: 2013 Norton Report

Figure 19: Shows top six countries globally facing cyber threats

Worldwide, governments, police departments and intelligence agencies have reacted with initiatives to curb cross border cyber threats. In India, police has established special cybercrime units and the government has also set up cyber forensic labs across the country.

¹⁹ "<http://securityaffairs.co/wordpress/18475/cyber-crime/2013-norton-report.html>

Government of India unveiled the National Cyber Security Policy 2013 on 2nd of July 2013. The policy aims at protecting information and information infrastructure in cyberspace, building capabilities to prevent and respond to cyber threat, reducing vulnerabilities and minimizing damage from cyber incidents through a combination of institutional structures, people, processes, technology and cooperation. The holistic coverage attempted by the Government through such a policy is expected to deliver in the right direction when dealing with the present threat spectrum of cyber crime.



Figure 20: Shows facets of National Cyber Security Policy 2013

Economic Frauds

Occupational Frauds

The growing exposure to economic investments has also witnessed a fall out when it comes to assessing the number of occupational frauds on the rise in India. A global survey by the Association of Certified Fraud Examiners (ACFE), clearly highlights USA as the leader in occupational frauds followed closely by India and China.²⁰

²⁰ "Report to the Nations on Occupational Fraud and Abuse - 2014 Global Fraud Study", ACFE (Link: <http://www.acfe.com/rtnn/docs/2014-report-to-nations.pdf> ; Last Accessed On: July 31, 2014)



Report to the Nations on Occupational Fraud and Abuse : 2014 Global Fraud Study				
Typical organization loses 5% of revenues each year to fraud. If applied to the 2013 estimated Gross World Product, this translates to a potential projected global fraud loss of nearly USD 3.7 trillion	The median loss caused by the frauds was USD 145,000. Additionally, 22% of the cases involved losses of at least USD 1 million	Occupational frauds can be classified into three primary categories: asset misappropriations (occurring in 85% of the cases, - least costly, causing a median loss of USD 130,000), corruption (falls middle in terms of both frequency (37% of cases) and median loss (USD 200,000)) and financial statement fraud (9% of cases involved financial statement fraud - greatest financial impact, with a median loss of USD 1 million)	Tips are consistently and by far the most common detection method. Over 40% of all cases were detected by a tip — more than twice the rate of any other detection method. Employees accounted for nearly half of all tips that led to the discovery of fraud	Organizations with hotlines were much more likely to catch fraud by a tip, which is the most effective way to detect fraud. These organizations also experienced frauds that were 41% less costly, and they detected frauds 50% more quickly

Source: ACFE

Figure 21: Shows summary of key findings - 2014 global fraud study conducted by ACFE

Further, India has witnessed an increase in the number of scams that have surfaced both in public and private sectors in the past decade. The study by Central Bureau of Investigation (CBI) indicates that in the years 2010 to 2013, commercial banks were impacted by cases of fraud involving an amount of INR 29,910 crore (USD 4.98 billion). Of this amount, public sector banks commutatively were defrauded by INR 22,743 crore (USD 3.79 billion) due to cheating and forgery. Also the findings of the Reserve Bank of India (RBI) support the fact fraudulent documentation, multiple funding, over-valuation, non-existence of collaterals and siphoning off.



funds are some of the areas in which banks have witnessed major incidents of fraud.²¹ Some of the major losses in the scams which hit the headlines are as below:

Ser. No.	Scam	Year	Value in INR (Cr)
1	Sharda group chit fund scam	2013	20,000 (USD 3.3 billion)
2	Chopper scam	2013	3,600 (USD 600 million)
3	Coal block allocation scam	2012	185,591 (USD 30.93 billion)
4	UP - National Rural Health Mission (NRHM) scam	2012	10,000 (USD 1.66 billion)
5	Tatra truck scam	2011	750 (USD 125 million)
6	Antrix devas deal	2010	200,000 (USD 33.33 billion)
7	2G scam	2010	176,000 (USD 29.33 billion)
8	CWG scam	2010	8,000 (USD 1.33 billion)

Figure 22: Shows list of major scams in last five years in India

Also, in the Indian scenario Non Performing Assets (NPA's) have seen a steady increase in the last few years and can be considered to be one of the main cause of deterioration of capital, liquidity and profitability. The last two years have reflected a steep rise in the figures pertaining to NPA. As per the latest published figures industry reports of 2014 around 36 banks have reported gross NPA's of INR 2,34,000 crore (USD 3.9 billion) as compared to a similarly placed previous year's figure of INR 1,71,800 crore (USD 2.86 billion)²². As per the recently published data of RBI, the top 30 NPAs of state-owned banks account for 40.2 % of their gross bad loans.²³

With regard to the increasing rise in NPAs, RBI in its "Report on Trend and Progress of Banking in India" has clearly highlighted lapses pertaining to inadequate credit appraisal processes of Banks, that has added to the woes. Reports pertaining to reckless lending to infrastructure, power sectors and extension of facilities backed by political pressures have also been highlighted as one of the major reasons for increase in bad borrowings.

In recent times industry mandates are proposed to be put in place in order to not only reduce the large exposure of bad debts that exist within the Banking portfolio today, but also to provide for stringent regulations and recommendations for future lending. Such recommendations include putting up a National Asset Management Company (NAMCO), enhanced internal diligence controls for Banks and also increased operational controls of the lender organization in the borrower organization.

²¹ <http://www.thestatesman.net/news/54438-cbi-chief-for-united-fight-to-tackle-corporate-fraud.html>

²² "Work cut out for new govt with 36% rise in bank NPAs", Indian Express, May 24, 2014 (Link: <http://indianexpress.com/article/business/business-others/work-cut-out-for-new-govt-with-36-rise-in-bank-npas/99/> ; last accessed on July 18, 2014)

²³ "Finmin plans to form company to take over bad loans", Business Today, June 2, 2014 (Link: <http://businesstoday.intoday.in/story/finmin-plans-to-form-company-to-take-over-bad-loans/1/206921.html> ; last accessed on July 18, 2014)



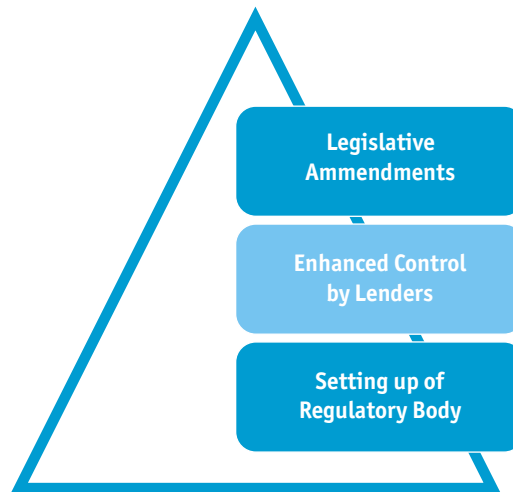


Figure 23: Shows enhanced controls to combat NPA in India

Intellectual Property Rights – Violations

Intellectual Property Rights (IPR) violations remain amongst the top risks that affect business prospects in India. India's record in protecting copyrights, patents and other intellectual property is not considered of the desired standards. In the recent 2014 edition of the Special 301 Report, the Office of the US Trade Representative has India on the Special 301 Priority Watch List that includes 10 countries who reflect "growing concerns over the environment for the protection and enforcement of Intellectual Property Rights (IPR)". As per the preceding reports of the same genre, India alongside countries like China, Russia, Pakistan have been on the said Priority Watch List for the past several years, showing little signs of improvement on the alert arenas.

The IPR violations of India cover not only issues pertaining to hacking, phishing, identity thefts, malware attacks etc., but also include coverage of issues around counterfeiting and anti piracy across manufacturing and media industry, respectively.

According to a study carried out by **Confederation of Indian Industry (CII)**, it is estimated that the FMCG sector loses approximately 15% of its revenue to counterfeit goods with several top brands losing up to 30% of their business due to IP violations. The lack of effective laws, low levels of public awareness and the disparity in the income levels are the major causes for the rising IPR violations in India. The Indian government has taken initiatives by strengthening of laws, setting stringent judicial precedents and giving more power to the enforcement agencies – However, awareness at large needs to be more effectively implemented to combat this problem at its roots.

Money Laundering



Figure 24: Shows measures for prevention of money laundering

Money laundering in the recent times has emerged as one of the most significant at par with other trans-national crimes (including terrorism) in the recent times. The 2014 report published by the Financial Action Task Force (FATF), considered as one of the most authentic source of money laundering risk has ranked at 34.²⁴ The FATF report has also been quoted by the Reserve Bank of India in recent times to reflect the increased vulnerability to money laundering activities.

Prior to 2003, AML India was not governed by a dedicated legislation. Through an array of legislations namely that extended to domains of Income Tax, Narcotic Drug regulations and even under the criminal codes matters of money laundering was sought to be addressed. However looking into the increasing alarms pertaining to AML, the Prevention of Money Laundering Act, 2002 (PMLA) was enacted (and as amended in 2011) and all financial institutions, banks etc. including RBI, SEBI and IRDA were placed under its jurisdiction.

Keeping in mind the requirements laid down under the PMLA and the increasing trends of money laundering, an independent body (as headed by the Finance Minister and reporting directly to the Economic Intelligence Council (EIC)) called the Financial Intelligence Unit (FIU - IND) was set up. The main aim behind setting up this body is to make it responsible for receiving processing, analysing and disseminating information related to suspicious financial transactions.

²⁴ "At No. 34 on FATF list, India ranks alongside neighbours on combating illicit money", Indian Express, March 17, 2014 (Link: <http://indianexpress.com/article/business/business-others/at-no-34-on-fatf-list-india-ranks-alongside-neighbours-on-combating-illicit-money/> ; Last Accessed On: JULY 31, 2014)



Apart from the above, the RBI Know Your Customer (KYC) Norms/AML Measures and Combating of Financial Terrorism as published in 2012²⁵ talks about setting up a Risk Management Framework to combat AML by every financial institution with single view of risk factors for enhanced investigations and customer understanding. In recent times the RBI has been very clear in its mandate that banks have to develop suitable mechanisms for enhanced monitoring of accounts suspected to have terrorist links and make suitable reports to the FIU on a priority basis to collect, collate and analyse financial information.

In July 2013, RBI fined 22 banks for flouting anti-money laundering norms and KYC guidelines and issued cautionary letters to seven other banks, after a media report highlighted lapses in those processes. The growing anomalies and stringent look out by the regulators has also led the Banks to rethink their internal strategies with respect to technological upgrades and internal policy changes. Banks now want to leverage modern tools such as using analysing real-time data to predict possible frauds or illegal activities in the wake of scandals and stricter policies from the RBI and based on strong feedback from the investor community.²⁶

Various reports have highlighted how cases of financial crimes including money laundering have almost doubled when trend analysis is done for 2013 vis-a-vis the previous years. This coupled with growing media reports clearly display that concerns of such financial crimes are growing and need immediate attention.

²⁵ "Master Circular on Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Measures/Combating of Financing of Terrorism (CFT) / Obligations of banks under Prevention of Money Laundering Act (PMLA), 2002", July 2, 2012 (Link: http://rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=7367 ; Last Accessed On: July 31, 2014)

²⁶ "KYC norms: RBI fines 22 banks", Indian Express, July 16, 2013 (Link: <http://archive.indianexpress.com/news/kyc-norms-rbi-fines-22-banks/1142193/> ; Last Accessed on: July 31, 2014)



Operational Efficiency of Public and Private Security Agencies

Overview of Public Security in India

Under the Constitution of India, the responsibility of public order and security has been allocated to the states. The latest published numbers indicate approximate strength of 1.73 million police personnel (to includes both civil and armed police of the states) present in India²⁷ as against the authorized strength of approximate 2.24 million (shortage of 22.8%). It is only in the recent times that the growing insurgencies with respect to terrorism and naxalism that has prompted the center to take note of the said issue. The establishment of the modern police organization in India to aid public safety dates back to 1857 when the said regime was backed by a set of legislations that followed to back up the criminal justice system - The Indian Police Act, 1861, the Indian Penal Code, 1861, the Criminal Procedure Code 1861 and the Indian Evidence Act, 1878.

Under the Indian framework the Central Government has formed a number of police organizations that are control by Ministry of Home Affairs. These can be broadly divided into two groups - the Central Armed Police Forces (CAPF) and the Central Police organizations (CPO).

Central Armed Police Forces (CAPF)	Central Police Organisation (CPO)
Assam Rifles (AR)	Intelligence Bureau (IB)
Border Security Force (BSF)	Central Bureau of Investigation (CBI)
Central Industrial Security Force (CISF)	Bureau of Police Research & Development (BPRD)
Central Reserve Police Force (CRPF)	National Crime Records Bureau (NCRB)
Indo Tibetan Border Police (ITBP)	National Investigation Agency (NIA)
National Security Guard (NSG)	Sardar Vallabhbhai Patel National Police Academy, (SVPNPA), Hyderabad
Sashastra Seema Bal (SSB)	North Eastern Police Academy (NEPA), Shillong
	National Institute of Criminology & Forensic Science (NICFS)

Figure 25: Shows composition of CAPF's and CPO's

Central Armed Police Forces (CAPF)

Central Armed Police Forces (CAPF) is responsible to guard international borders and are normally deployed ahead of army formations during peace time and during war are made responsible for rear area security. They can also be requisitioned by the State Governments on an as required basis for maintaining law and order and for disaster management.

²⁷ NCRB – Crime in India 2013 Compendium p. 167



The CAPF comprises of seven different forces across the country, namely Assam Rifles (AR), Border Security Force (BSF), Central Industrial Security Force (CISF), Central Reserve Police Force (CRPF), including Rapid Action Force (RAF), Indo-Tibetan Border Police (ITBP), National Security Guard (NSG) and Sashastra Seema Bal (SSB). Apart from the other CAPF, Central Indian Security Force (CISF) provides security cover for all Airports and installations of strategic importance within the country.

Central Police Organizations (CPO)

The CPO includes organizations like the Intelligence Bureau (IB), Central Bureau of Investigation (CBI), Bureau of Police Research and Development (BPR&D), National Crime Records Bureau (NCRB), National Investigative Agency (NIA), Sardar Vallabhbhai Patel National Police Academy (SVPNPA), North Eastern Police Academy (NEPA) and National Institute of Criminology and Forensic Science (NICFS). These organizations deal with gathering intelligence, act as think tank for the Government, investigate terror related crime, teach criminology & forensic science and provide training to the rank and file.

Overview of Private Security in India

One of the repercussions of the 26/11 Mumbai terror attack was the sudden growth in the number of the Indian private security industry. At present as per published records, the number of country's private security personnel stand at approximately 7 million as against the total number of approximately 1.73 million police personnel – and the demand is still on the rise.²⁸ Fueled by growing urbanization (including the widespread growth of real estate), increasing vulnerability to terror attacks and shortage of police officers - the private security industry in recent times has seen a booming and profitable growth.

Foreign investment through the Foreign Direct Investment (FDI) route is allowed for the private security industry with 49% allowance provided under the applicable FDI policy. This has indeed proved to be lucrative and beneficial for emerging opportunities in the public private partnership domains and to usher in cutting edge expertise into the Indian industrial tapestry.

At present in the Indian context, Private Security Agencies Regulation Act (PSARA) of 2005 is the only applicable regulation for the private security agencies. Though, the objective behind the implementation of the Act stands tall, the implementation for the same is riddled with gaps especially in terms of meeting the training parameters of the private security guards.

The increasing importance for the industry has clearly caused an unbalance in the demand-supply curve of the requirement for security man force. There is an urgent need for strict implementation of PSARA which will ensure that the private security industry is able to offset to a certain extent the manpower deficiency of the police force. To bridge the skill gap the

²⁸ http://www.outlookbusiness.com/article_v3.aspx?artid=284716

central government has set up the National Skill Development Corporation (NSDC); aiming to up-skill 150 million people by 2022 (across an array of sectors). The Security Sector Skill Development Council (SSSDC) has been set up as part of NSDC to up-skill the Private Security Sector (PSS).²⁹

Structural, Modernization and Training Challenges

Across the globe, policing and allied protection is governed by a set of key principles that require the Police to provide for enhanced priority to serving the needs of private individuals and groups, respect human rights, be accountable to law and constantly strive to enhance their professional skills and mandates.

The recent times in India has however faced challenges when it comes to modernization and skill enhancement of the Police force to meet the above mentioned best standard practices.



Figure 26: Shows structural, modernization and training challenges faced by police

Major Challenges in Enhancement of Police Skills

- **Low Police to Population Ratio:** As per the published data of NCRB, India has one of the lowest Police to population ratio in the world standing at 141 police personnel per one lakh population.³⁰ The lack of adequate deployment has in the recent times resulted in positioning of inadequate cover during critical assignments and thereby raised concerns pertaining to effective policing.

²⁹ <http://pib.nic.in/newsite/erelease.aspx?relid=64862>

³⁰ NCRB – Crime in India 2013 Compendium p. 168



- **Police Reforms:** Twice in the recent past the Supreme Court of India has intervened highlighting the importance of immediate implementation of Police Reforms.³¹ The said reforms have been proposed to increase the efficiency and effectiveness of the Police force across the country.

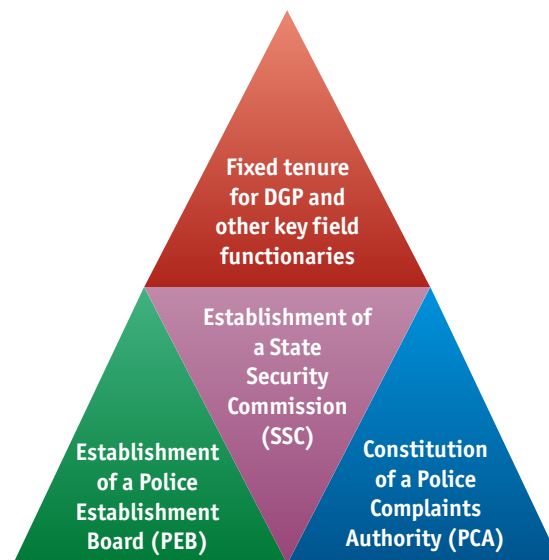


Figure 27: Shows major recommendations for police reforms

- **Budgetary Challenges:** The present structure of budgetary allocation needs to be relooked as the same does not permit of any additional raise of CAPF components or spending towards skill up gradation and modernization.
- **Lack of Integration:** At present the enforcement structure existing in India works in silos thereby resulting in wastage of synergy and resources. A cohesive working structure amongst the CAPF, CPO and the Police functions would ensure optimum utilization of resources and effective mitigation strategies.
- **Lack of In Service Training.** The lack of in service training for the police personnel in the country backed by inadequate availability of training facilities continues to be a challenge, and has in the recent past caused a lot of dissonance and directly impacts the operational performance. Sparse opportunities of training (once in 10-15 years for a mere 2 week schedule) and lack of budgetary allocation for such training purposes approximately 1- 2 % of the total police budget adds fuel to the cause of dismal training scenario of the enforcement officers in the country.

³¹ http://www.outlookbusiness.com/article_v3.aspx?artid=284716



- **Delay in Procurement and Project Execution:** Procurement and project execution have evolved to be a major hurdle for signing up for any new technology. The delay in the entire conceptualization to implementation process, backed by lengthy and ambiguous Government policies leads to wastage of revenue, resources and misutilization of time.

Initiatives Taken by Government

Government’s stance has given the needed impetus for active management and fine tuning of policies and regulations related to internal security. The role of private sector is valuable as the enabler of providing cost effective and integrated security solutions. Some of the initiatives taken towards strengthening Homeland Security by the Government include:



Figure 28: Shows the snapshot of initiatives taken by the government

Ministry of Home Affairs has been working on creating the necessary infrastructure to support the law enforcement agencies. This includes modernization programs for providing better equipment and training to the security forces deployed on Internal Security tasks, creation of a comprehensive centralized intelligence database in the form of the National Intelligence Grid (NATGRID), setting up of the Crime and Criminal Tracking Network and Systems (CCTNS), National Skill Development Corporation (NSDC) initiative which includes upskilling the Private Security Sector (PSS) and other such initiatives.



Opportunities in Indian Homeland Security Market

India offers a large potential for private sector players looking to leverage the opportunities apparent in homeland security sector on account of the following factors:

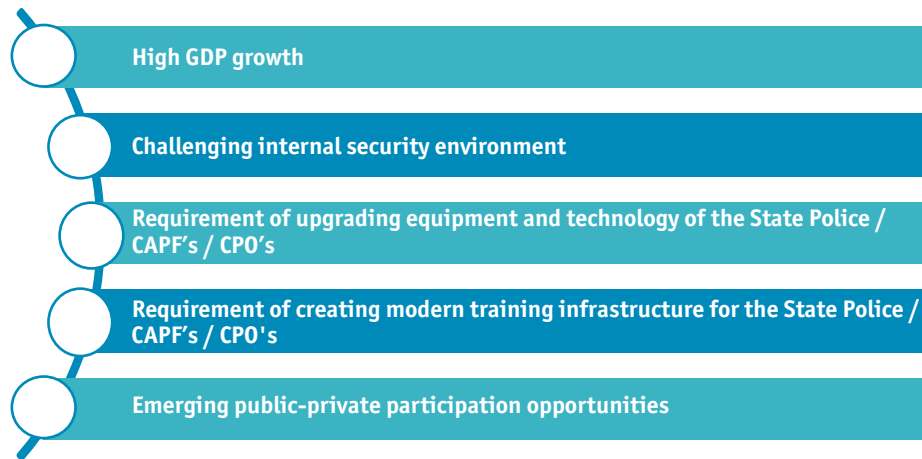


Figure 29: Shows factors for opportunities in Indian homeland security market

India's homeland security market presently sees imports of up to 70% from US, UK, Germany, Taiwan, Japan, China and Israel. It is anticipated that the Indian Homeland Security market opportunity (centre and state combined) which currently stand at approx USD 18 billion will expand to USD 22 billion per year by 2017. The Indian homeland security market is stated to be growing at 35 % each year against the average global figure of 7 %. The growth represents a significant opportunity for private sector and Original Equipment Manufacturers (OEM's), System Integrators (SI's) to participate in.

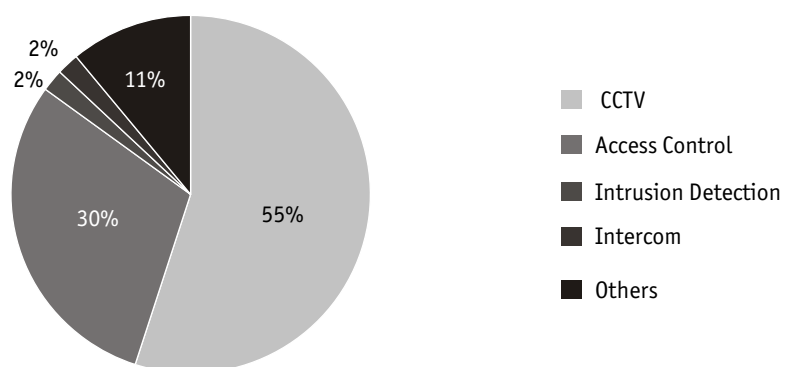


Figure 30: Shows the percentage demand of security equipment for homeland security

India's economic development is expected to lead to creation of critical infrastructure such as roads, railways, ports, airports, power plants, mass transportation, smart & secure cities, etc. Protection of these assets is important to ensure sustainable economic development of the country.

Way Forward

Providing a safe and secure environment is an essential component for sustained economic growth in public and private sectors. Role of technology is ever increasing and has to be factored in the overall management of security. Technology now forms a valuable third leg of People and Process components of any holistic security management solution.

Setting up an Internal Security Command (ISC) at the State Level. An ISC can be set up at the State level to deal with the internal security challenges, in which all the first responder agencies dealing with law enforcement, intelligence, fire, medical and the State Disaster Management Authority (SDMA) can be co-opted. As this will ensure that the resources to seek situational awareness and to respond are managed under a single agency. This will help in better coordination, synergy of effort, swift response and optimum utilization of resources.

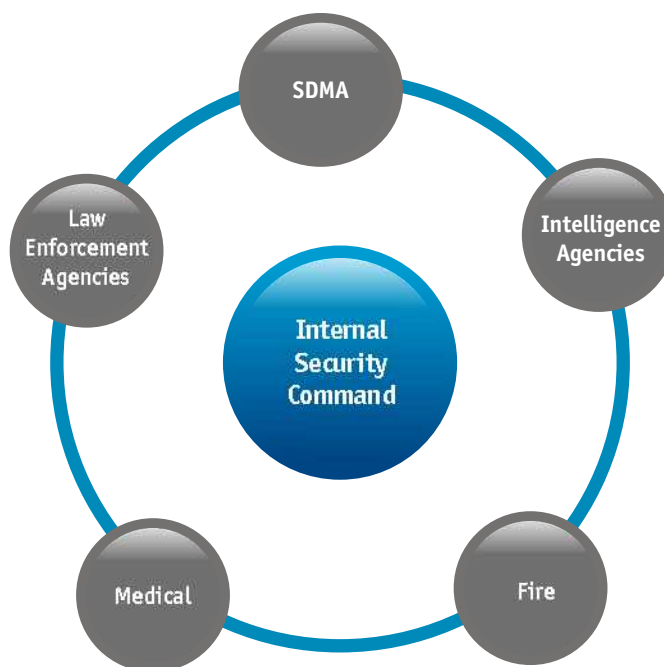


Figure 31: Shows suggested organization structure for Internal Security Command (ISC)

- Mapping and Integration of Resources:** While we have a plethora of central and state forces spread across every region dealing with internal security challenges, however there is no coordination at the apex level in case a need arises for urgent deployment to handle high scale security challenges. While 26/11 is one example handling civic disturbances and few other situations can be counted as well. As such in case all the resources are mapped and their control/mobilization can be managed through a better structure both at the centre and state level the same will result in a swift and an effective response, to deal with such untoward situations of a higher magnitude.



Emerging Opportunities for Public Private Partnership a Viable Option

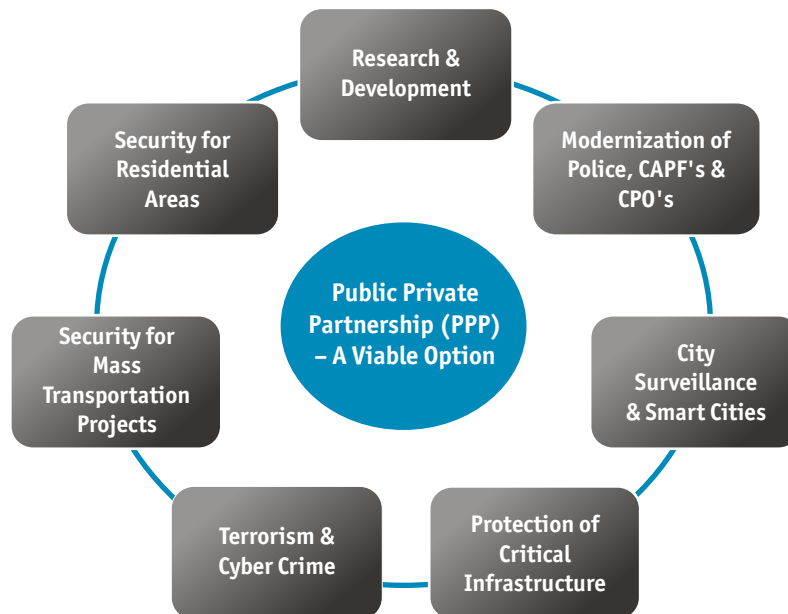


Figure 32: Shows areas of Public Private Partnership (PPP)

- **Research & Development:** R&D has been identified as another area which can be jointly developed as a public private partnership venture. Both the government and private sector make huge investments in this area. The common areas for R&D could be related to technology for security equipment, navigation systems, vehicle technology, cyber forensics, etc.
- **Modernization of Police, CAPF's and CPO's:** Police modernization has been a focus area for strengthening the Homeland Security apparatus of the country. There is a need for creating modern training infrastructure, acquisition of better weapons, technology and other facets of police modernization like using IT to enable inter-connectivity of police databases of different states. With the help of analytical tools, predictive pattern analysis can help in preventing untoward incidents. Subject Matter Experts (SMEs) from the private sector are available to build the required infrastructure by providing the requisite equipment, technology, and training.
- **City Surveillance and Smart Cities:** The needed technology and funding is available with the private sector which can aid the government in enhancing urban security through specific focus on city surveillance and smart cities projects.
- **Protection of Critical Infrastructure:** Protection of critical infrastructure assets in the country require a dedicated focus in terms of special equipment, trained manpower and coordinated intelligence gathering about any potential threats. The critical infrastructure protection will need joint coordination and sharing of resources between the government and the private sector. The main area of focus would be the intelligence



Confederation of Indian Industry

analysis which is needed to transform information into actionable intelligence, crisis management and emergency response planning and providing industry specific recommendations for protecting critical national infrastructure.

- **Terrorism and Cyber Crime:** Intelligence gathering and leveraging the collected information adequately to pre-empt any terrorist or cybercrime activity is central to the efforts targeted towards Homeland Security of the country. The effort can be coordinated and managed through modern communication and analytical tools and technologies that are available with the private sector.
- **Security for Mass Transportation Projects:** The Private Security Sector (PSS) can also train and provide the requisite manpower and technology for providing security cover for mass transportation projects e.g. Metro.
- **Security for Residential Areas:** The Private Security Sector (PSS) can work closely with the Resident Welfare Associations (RWA's) and the local Police to enhance the security for their respective areas by placing vehicle based Quick Reaction Teams (QRT's), to provide an immediate response in case of any untoward incident, till the time Police is able to react.



Conclusion

With the changing landscape of internal security which is very dynamic and adversely impacts the security and economy of the country, we need to think through an effective strategy to deal with all the issues in a holistic manner. With the advent of high end technology we are seeing a paradigm shift in the nature and types of crimes which are being committed today, especially the ones pertaining to cyber space. Accordingly the Law Enforcement and Intelligence Agencies need to cope up to these challenges by undertaking capability and capacity building where the private sector can play a major role in supporting these agencies.



Abbreviations

ACFE	Association of Certified Fraud Examiners
AML	Anti Money Laundering
ASIS	American Society for Industrial Security
ATM	Automated Teller Machine
BSF	Border Security Force
CAFI	Control Arms Foundation of India
CAGR	Compound Annual Growth Rate
CCTNS	Crime and Criminal Tracking Network and Systems
CCTV	Closed Circuit Television
CHC	Community Health Centers
CII	Confederation of Indian Industry
CISF	Central Industrial Security Force
CMAA	Customs Mutual Assistance Agreement
CPO	Central Police Organizations
CRPF	Central Reserve Police Force
EIC	Economic Intelligence Council
FDI	Foreign Direct Investment
FIU	Financial Intelligence Unit
FMCG	Fast Moving Consumer Goods
GOI	Government of India
INR	Indian Rupee
IPR	Intellectual Property Rights
IP	Internet Protocol
IPC	Indian Penal Code
IT	Information Technology
ITBP	Indo-Tibetan Border Police
KYC	Know Your Customer
MHA	Ministry of Home Affairs
NATGRID	National Intelligence Grid
NCRB	National Crime Records Bureau
NDAL	National Database of Armed License



Abbreviations

NIA	National Investigation Agency
NIC	National Informatics Centre
NSDC	National Skill Development Corporation
MSJE	Ministry of Social Justice and Empowerment
NSG	National Security Guards
OEM	Original Equipment Manufacturer
QRT	Quick Response Team
R&D	Research and Development
RBI	Reserve Bank of India
RWA	Resident Welfare Association
SALWIED	Small Arms, Light Weapons and Improvised Electronic Device
SI	System Integrator
SME	Subject Matter Expert
SSB	Sashastra Seema Bal
UNODC	UN Office of Drugs and Crime
USD	United States Dollar



Pinkerton is the industry's leading provider of risk management services and solutions for organizations throughout the world.

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Pinkerton offers national and global organizations a vast selection of reliable risk management services and solutions, including: Investigations; Protective Services; Crisis Management & Emergency Services; Employment Screening; Security Management & Consulting; Intelligence & Information Services; and Brand Protection & Intellectual Property.

Pinkerton traces its roots to 1850 when Allan Pinkerton founded The Pinkerton National Detective Agency. Throughout its rich history, Pinkerton created forerunner to the Secret Service, hired the country's first woman detective, and has remained the industry leader in developing innovative security and risk management solutions for national and international corporations.

With employees and offices around the world, Pinkerton has the resources to provide reliable and scalable protection for clients and their assets around the globe.

Our Values – Our values create the foundation of our corporate culture. They help shape our behavior and create measurable expectations for clients, employees and stakeholders. Our key values can be summarized in three words: Integrity, Vigilance and Excellence.

Integrity – The overriding principles of our firm are honesty and ethical conduct. To uphold our reputation for reliability and accuracy, Pinkerton places utmost importance on integrity. It has allowed us to sustain our commitment throughout our 163 year history.

Vigilance – Unparalleled protection requires the tenacity to continually see, hear, evaluate and analyze...over and over. The vigilance instilled in the Pinkerton culture means that our agents, analysts and consultants offer clients a level of attentiveness and alertness that – we believe – cannot be equaled by anyone.

Excellence – It's crucial to get the job done and get it done right. This is how we earn the privilege of retaining our long-term client relationships.

Garry Singh

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has over 7200 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 100,000 enterprises from around 242 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

The CII theme of 'Accelerating Growth, Creating Employment' for 2014-15 aims to strengthen a growth process that meets the aspirations of today's India. During the year, CII will specially focus on economic growth, education, skill development, manufacturing, investments, ease of doing business, export competitiveness, legal and regulatory architecture, labour law reforms and entrepreneurship as growth enablers.

With 64 offices, including 9 Centres of Excellence, in India, and 7 overseas offices in Australia, China, Egypt, France, Singapore, UK, and USA, as well as institutional partnerships with 312 counterpart organizations in 106 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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