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**ROLE AND FUNCTIONING OF
INDIAN COAST GUARD**

MINISTRY OF DEFENCE

**PUBLIC ACCOUNTS
COMMITTEE
2015-2016**

TWENTY-FIRST REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

TWENTY-FIRST REPORT
PUBLIC ACCOUNTS COMMITTEE
(2015-16)

(SIXTEENTH LOK SABHA)

ROLE AND FUNCTIONING OF
INDIAN COAST GUARD

MINISTRY OF DEFENCE

*Presented to Lok Sabha on 13 August, 2015
Laid in Rajya Sabha on 13 August, 2015*



LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16)	(iii)
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2014-15)	(v)
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2013-14)	(vii)
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2012-13)	(ix)
INTRODUCTION	(xi)

REPORT

PART I

CHAPTER I. Introductory	1
CHAPTER II. Planning and Financial Management Issues	5
CHAPTER III. Infrastructure, Assets and Manpower	23
CHAPTER IV. Coastal Patrolling and Security Functions and Constraints	43
CHAPTER V. Issues Concerning other Operational Roles	77

PART II

Observations/Recommendations	84
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ANNEXURES

I. List of Land Proposals for Acquisition for Coast Guard Stations..	102
II. List of Registered Refitting Yards	107
III. Glossary	108

APPENDICES

I. Minutes of the 7th sitting of the PAC (2013-14) held on 19th July, 2013	112
II. Minutes of the 10th sitting of the PAC (2014-15) held on 2nd December, 2014	115
III. Minutes of the 5th sitting of the PAC (2015-16) held on 11th August, 2015	118

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† Elected *w.e.f.* 3rd December, 2014 *vice* Shri Jayant Sinha who has been appointed as Minister *w.e.f.* 9th November, 2014.

†† Elected *w.e.f.* 3rd December, 2014 *vice* Dr. M. Thambidurai who has been chosen as Hon'ble Deputy Speaker, Lok Sabha and has since resigned from the membership of the Committee.

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* Elected *w.e.f.* 14th August, 2013 *vice* Dr. Girija Vyas appointed as Minister of Housing, Urban Development and Poverty Alleviation *w.e.f.* 17th June, 2013.

† Elected *w.e.f.* 3rd September, 2013 *vice* Dr. V. Maitreyan ceased to be a Member upon his retirement as a Member of Rajya Sabha *w.e.f.* 24th July, 2013.

†† Elected *w.e.f.* 3rd September, 2013 *vice* Dr. E.M. Sudarsana Natchiappan appointed as Minister of State for Commerce and Industry *w.e.f.* 17th June, 2013.

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22. Prof. Saif-ud-Din Soz

* Elected *w.e.f.* 6th December, 2012 *vice* Shri Sarvey Sathyanarayana appointed as Minister on 28th October, 2012.

† Elected *w.e.f.* 6 December, 2012 *vice* Dr. Shashi Tharoor appointed as Minister on 28th October, 2012.

INTRODUCTION

I, the Chairperson, Public Accounts Committee, having been authorised by the Committee, do present this Twenty-first Report (Sixteenth Lok Sabha) on "**Role and Functioning of Indian Coast Guard**" based on C&AG Report No. 7 of 2011-12 relating to Ministry of Defence.

2. The Report of Comptroller and Auditor General of India was laid on the Table of the House on 5th August, 2011.

3. The Public Accounts Committee (2012-13) took up the subject for detailed examination and report. The Committee took evidence of the representatives of the Ministry of Defence and the Indian Coast Guard on the subject at their sitting held on 19th July, 2013. The subject was subsequently carried forward by the successor Committees (2013-14 and 2014-15) for examination. The Public Accounts Committee (2014-15) took further evidence of the representatives of the Ministry of Defence and the Indian Coast Guard on the subject at their sitting held on 2nd December, 2014. As the examination could not be completed due to paucity of time, the PAC 2015-16 retained the subject to continue the examination and to submit a Report to Parliament based on evidence taken by the predecessor Committees. Accordingly, draft Report was prepared and placed before the Committee for their consideration. The Committee considered and adopted this draft Report at their sitting held on 11th August, 2015. The minutes of the Sittings are appended to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part-II of the Report.

5. The Committee thanked the predecessor Committees for taking oral evidence of the Ministry of Defence and the Indian Coast Guard and obtaining information on the subject.

6. The Committee would also like to express their thanks to the representatives of the Ministry of Defence and the Indian Coast Guard for tendering evidence before the Committees and furnishing the requisite information to the Committees in connection with the examination of the subject.

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;
11 August, 2015

20 Shrawana, 1937 (Saka)

PROF. K.V. THOMAS
Chairperson,
Public Accounts Committee.

REPORT

PART I

CHAPTER I

INTRODUCTORY

India with 7517 km long coast line is a major maritime nation with vital economic and security interests linked to the seas and a huge Exclusive Economic Zone of 2.01 million square kilometers. The need for setting up a Coast Guard arose directly as a result of the discussions at the 3rd Conference of the United Nations Convention on the Law of the Sea (UNCLOS) in the early 70's. The establishment of the Indian Coast Guard (ICG) as a new service was the result of an awareness that had been growing for some time in the Government of India for the requirement to enforce national laws in the waters under national jurisdiction and ensure safety of life and property at sea. It was also considered desirable that these law enforcement responsibilities be undertaken by a service suitably equipped and modeled on the Coast Guards of advanced nations like the United States of America, United Kingdom, etc, leaving the Indian Navy to exercise the fleet for its wartime role. A committee was, therefore, constituted in September, 1974 to study the problem of seaborne smuggling and the question of setting up a Coast Guard type of organization. At that time, UNCLOS had also gained momentum extending jurisdiction of coastal States upto 200 nautical miles (NM), *i.e.* the Exclusive Economic Zone (EEZ) for economic exploitation of maritime resources. The Maritime Zones of India (MZI) Act was passed on 25th August 1976. Under this Act, India claimed 2.01 million sq. km of sea area in which she would have exclusive rights for exploration and exploitation of resources, both living and non-living, at sea.

2. The ICG in its present shape was formally inaugurated on 18th August 1978 as an independent armed force of the Union with the enactment of the Coast Guard Act, 1978. The ICG is mandated to protect the maritime and other national interests of India in the Maritime Zones of India by way of providing protection to offshore and other structures, protection to fishermen and assisting in anti smuggling/piracy-operations, safeguarding the maritime interests and security of India, assisting vessels and fishermen in distress and protecting the maritime environment.

3. The Coast Guard Headquarters is located at New Delhi. The field functions are executed by the five Regional Headquarters located at Gandhinagar, Mumbai, Chennai, Kolkata and Port Blair. Under these Regional Headquarters -there are 12 District Headquarters, located along the coastal States of India. In addition, there are 41 ICG stations at strategic locations. To cater for deployment of aircraft for Search and Rescue and Maritime surveillance two air stations, five air enclaves and one independent squadron are interspersed at various locations along the coastline of India.

I. Organisational set-up

4. The ICG is headed by a Director General, an officer of the rank of Vice Admiral of the Indian Navy. The Director General is assisted by other officers who are responsible for different duties and responsibilities. The Director General, Indian Coast Guard (DGICG) exercises his command from Coast Guard Headquarters at New Delhi through Commander Coast Guard Regions (COMCG) West, East, North West and Andaman & Nicobar. The Regional Commanders exercise their command through District Commander (COMDIS), CG Stations and CG Air Stations. Most of the ships are under operational control of the COMCG's while some are also under the control of Air Enclave/District Commanders and ICG Stations.

II. Duties and functions

5. The ICG is mandated to protect by such measures as it thinks fit the maritime and other national interests of India in the maritime zones of India. Section 14 of Coast Guard Act, 1978 specifies the duties and functions of the service, mandating adoption of appropriate measures for inter alia the following main tasks:—

- (a) Ensuring the safety and protection of artificial Islands and offshore terminals, installations and other structures and devices in any maritime zone;
- (b) Providing protection and assistance to fishermen at sea while in distress;
- (c) Preservation and protection of marine environment;
- (d) Prevention and control of marine pollution;
- (e) Assisting the Customs and other authorities in anti-smuggling operations;
- (f) Enforcing the provisions of such enactments as are for the time being in force in the maritime zones; and
- (g) Such other matters including measures for the safety of life and property at sea and collecting of scientific data, as may be prescribed.

III. Audit Review

6. A Performance Audit of role and functioning of the ICG covering the period 2004-05 to 2009-10 was conducted by the C&AG of India between March, 2009 to September, 2009 and then from December, 2010 to February, 2011 through test check of the records of the Ministry of Defence, ICG Headquarters, field formations like Regional Headquarters, District Headquarters, Coast Guard Stations, air stations and air enclaves to assess the efficiency and effectiveness in performance of its assigned tasks, maintenance of force level, acquisitions, refit and repairs and sufficiency of manpower.

7. The gist of main findings of the Audit Review were as follows:—

- The 15-year Perspective Plan for 1985-2000 was prepared in 1987, subsequent Perspective Plans, *i.e.* 2002-17 and 2007-22, were not formally approved by Defence Acquisition Council (DAC);

- Finalisation of the Five Year Coast Guard Development Plans (ICGDP) took an inordinate amount of time with the Plans being approved much after the commencement of the relevant Plan period;
- Additional stations and enclaves have been planned and sanctioned in the Xth and XIth Five Year Plans;
- Only eight aviation units out of the 15 planned were activated, performing their roles with skeletal assets and by utilising the assets re-appropriated from other Aviation units;
- Non-achievement of planned acquisitions has resulted in the Coast Guard operating at considerably lower strength of ships and aircraft *vis-a-vis* its required strength;
- Refits executed by the Coast Guard during 2003-10 were not carried out according to prescribed norms for different type of refits and a number of refits were due;
- There was still a shortage of 46 and 42 per cent respectively of officers and enrolled personnel *vis-a-vis* the force levels envisaged for in the Perspective Plan;
- The responsibilities of the ICG, are to protect the national interests of India in the MZI, *i.e.* up to 200 NM and the force levels which ought to have been in place by the year 2000 have not been achieved even by 2010, by which time the security threats have increased manifold;
- Annual allotment norms for night flying task was never achieved, projecting shortfall of 32%;
- Issues of deployment and coordination between the ICG and the Navy in relation to patrolling on India — Sri Lanka International Boundary Line;
- Installation of static sensors even after a lapse of ten years;
- Legal limitations faced by the ICG in performing its mandate with regard to being able to take action to impound vessels, involved in -carrying out activities like unauthorised survey, data collection;
- No penal provisions for non-compliance by ships for mandatory reporting of PANS to ICG;
- No uniform system of registration and control and no regulatory/tracking system for monitoring their movements as well; and
- The ICG does not maintain a complete and comprehensive database of its operations; SAR, pollution control, anti-poaching operations etc.

8. Against the above backdrop, the Public Accounts Committee (2012-13) selected the subject as reported in the C&AG's Report No. 7 of 2011-12 for detailed examination and report. In the process, the Committee obtained Background Note,

Advance Information and some clarifications from the Ministry of Defence. However, that Committee could not complete examination of the subject further due to paucity of time. The Public Accounts Committee (2013-14) and the Public Accounts Committee (2014-15) reselected the subject and took oral evidence of the Defence Secretary, DGICG and other representatives of the Ministry on 19th July, 2013 and 2nd December, 2014 respectively and obtained information on the subject. Based on the information gathered, the Committee proceed with examination of the relevant issues in detail in the succeeding paragraphs.

CHAPTER II

PLANNING AND FINANCIAL MANAGEMENT ISSUES

I. Perspective Plans

9. In 1978, the ICG Development Plan 1978-1990 was prepared by the Coast Guard Advisory Board indicating the long-term requirements of the ICG based on its charters of duties. In 1987, the long-term Coast Guard Plan 1978-90 was reviewed and a 15-year Perspective Plan (1985-2000) was prepared. Audit scrutiny revealed that through the 15-year Perspective Plan for 1985-2000 was prepared in 1987, subsequent Perspective Plans, i.e. 2002-17 and 2007-22, were not formally approved by Defence Acquisition Council (DAC). Further, the Perspective Plan for the period 2012-27 was under formulation by ICG as of December, 2010.

10. In view of the above, the Committee desired to know about the Perspective Plans 2002-17 and 2007-22 which were not approved by the Defence Acquisition Council (DAC). The Ministry of Defence, at the first instance, explained that the Perspective Plan was a broad based long term roll-on plan for 15 years prepared with due consideration to maritime security scenario and perceived threats. The Perspective Plan incorporated three five year plans, christened as '*Development Plan*'. The first five year plan was normally firm and thus called '*Definitive Plan*'; the second five year plan is '*Indicative Plan*' and the third five year plan is called '*Vision Plan*'. Thus, the overall projection in a Perspective Plan is always indicative. The Perspective Plan is reviewed after completion of every 5 year plan period and prepared for the next 15 years. The Annual Acquisition Plan (AAP) is approved by the Defence Acquisition Council.

11. When the Committee highlighted the shortcomings and deficiencies that led to defective planning and execution of the Plans and sought to know action being taken to correct the same, the Defence Secretary submitted during oral evidence as under:—

"Sir, I would address it by giving some factual information and some assessments, both. Firstly, to address the issue of the plans, I would first admit that CAG has correctly brought out that the way the plans were being formulated and approved, left much to be desired. There is no doubt in that. We are trying to put systems, streamlining the systems. I should also add that which plans are to be made, when they should be made, there is a written down guideline in terms of defence procurement procedure which lays down not only for the three Services but also for the Coast Guard that perspective plans must be for such and such period, at five years' interval it must be made; the process must be initiated one year in advance etc. But, it was not being done the way it should have been done. There have been three

long-term perspective plans: 2002- 17, 2007-22 and 2012-27. So far as the Coast Guard in particular is concerned, 2012-27 would be the first plan which would receive approval of Defence Acquisition Council which is the same treatment as is given to the Navy, the Air Force or the Army. This was a lacuna. It has been plugged. I would only say that DAC realizes that Coast Guard would have the benefit of integration of their efforts with Navy, Air Force and Army. Therefore, it is going to be a much better thought out plan. After this 15 years plan we are supposed to have Five Year Plans which are duly approved for every five years period by Ministry of Finance. Sometimes there are delays in that. We admit that. But our effort is that before the Five Year Plan Period starts we should get approval well in time. The third set of plan that we make out is what is called an annual plan but it is actually a two-year plan and that is based on actual budget availability and the prioritisation which is done by the Coast Guard. This prioritisation is approved again in a meeting called Defence Procurement Board Meeting which is headed by me and where again the three services should present and therefore, what they are prioritising, again gets the benefit inputs from all three services. I would only submit that we have now tried to streamline these plan procedures and we would like to assure the Committee that this would be kept up in future."

12. The Committee pointed out that the Ministry of Defence was slack in according approval for long-term Perspective Plan such as Navy Perspective Plan for the period 2002-17 and 2007-22, to which, the Ministry, stated that Service Head Quarters (SHQs) did not forward their Long Term Perspective Plans individually to the Ministry for approval. The Long Term Integrated Perspective Plan (LTIPP) of the Armed Forces was compiled by HQIDS on receipt of inputs of individual SHQs and thereafter processed for approval of Ministry of Defence/Defence Acquisition Council.

13. When enquired whether their plans had been approved since then for Navy the Ministry replied as under:—

"The Long Term Integrated Planning Process was approved by DAC on 10 February, 2006. Promulgation of the Long Term Integrated Perspective Plan 2012-27 (LTIPP 2012-27) would be the culmination of this planning process. The Maritime Capability Perspective Plan (2012-27) of the Navy was forwarded as an input for compilation of the LTIPP (2012-27). The LTIPP (2012-27) had been approved on April 02, 2012 by the DAC."

14. The Committee sought the views of the Ministry of Defence on whether delay in the approval of Perspective Plans would jeopardize the organizational strategy and the security of the Nation. The Ministry informed that as the security scenario including the threat perceptions kept changing, the ICG kept updating its doctrines and strategies and accordingly the plans. While the five years' requirements could be predicted in a more '*definite*' manner, the requirements of remaining 10 years hence could only be spelt out as an '*indicative/visionary*' manner. The Service Headquarters at any given time had a 15 years long-term plan in place and

a formal approval to this document is not considered essential as it was only a 'vision' plan. Non-approval to the long-term perspective plans did not jeopardize the organizational strategy or security of the nation but it gave the ICG the freedom and wherewithal to refine and sharpen its plans and strategies periodically. The plan for immediate 5 years period was always approved by the Government.

15. The Ministry also apprised the Committee as under :—

"Approval of a five year plan is, in fact, only an 'approval in principle'. All proposals contained therein are required to be taken up for sanction separately thereafter. The Annual Acquisition Plan (AAP) is a sub-set of a five year plan. The broadly outlined capital acquisition proposals approved in a five year plan are spelt out in detail in the AAP and submitted for the expert scrutiny of the Defence Acquisition Council (DAC). Only on approval of the AAP can the proposals contained therein be progressed."

16. On being asked to elaborate further, the Ministry submitted as under :—

"Of the three five year plans contained in a 15 year Perspective Plan, only the first five year plan is 'definite' and processed as Development Plan co-terminous with the National Plan which has a financial commitment by the Govt. The second 5 year plan is only 'indicative', while the third 5 year plan is of a 'visionary' nature. This is because 15 years is a considerably long period to have any fixed strategy/plan in place. The external environment (i.e., maritime and coastal security) which is dynamic and the internal domestic situation (i.e., national policy and finance) need to be factored into all plans. Thus, course corrections are often necessitated by the ever-evolving doctrines and strategies which in turn are based on continuous assessment of threat perceptions. Therefore, after due deliberations and analysis, the Perspective Plan is re-cast at the end of the Development Plan period. The need for re-formulation of a Perspective Plan at the end of each Development Plan period is also necessary due to technological advances which dictate revisiting Staff Qualitative Requirements (SQRs) in respect of platforms, sensors and role-worthiness of future acquisitions."

17. Further, the Ministry stressed upon the fact that approval to the Perspective Plans was never construed as an obstruction to the ICG freedom and wherewithal to sharpen their plans and strategies. In fact, it had always been the endeavour of the Ministry to ensure continuity of vision and direction in the ICG's progress and capacity building. This was borne out by the fact that when the CGPP was re-formulated at the beginning of the next five year plan period, all the remaining proposals (slated for last 10 years of the earlier Perspective Plan) were re-examined and asset requirement re-prioritized and additional proposals, if any, considered catering for changes in the prevailing threat perception, external environment and charter of the service.

18. The Committee desired to know whether the Ministry's approval could provide a legal sanctity to the ICG to implement their plans and strategies, the

Ministry replied that it was because of the sanctity accorded to the ICG planning process that the continuity of proposals envisaged in the Perspective Plans was being maintained. However, it was brought out that there was no '*legal sanctity*' *per se* attached to the approval/non approval of a Plan. An approval to the Plan was only '*in-principle*' and all proposals had to be processed separately as per applicable procedures for formal sanction. The Ministry of Defence also acknowledged the advice of the C&AG and stated that corrective measures had been taken to approve the Perspective Plans of the ICG. The Committee were informed that the refinement in procedure wherein Coast Guard Perspective Plans are to be approved at the level of the Defence Acquisition Council (DAC) chaired by the Minister concerned will enable MoD to ascertain the views of all the Services and ensure holistic vetting of the Plans. The Annual Acquisition Plan (AAP) is approved by Defence Procurement Board (DPB) chaired by Defence Secretary in accordance with Defence Procurement Procedure (DPP). Accordingly, the latest CGPP (2012-27) submitted on the lines of the Services was reportedly approved by the DAC on 24 July, 2013.

19. On being asked why the LTPP 2002-17 and 2007-22 were not approved by the Defence Acquisition Council (DAC) irrespective of the Ministry's-statement that the overall projection in a Perspective Plan was always indicative, the Ministry stated that though the LTPP 2002-17 & 2007-22 were submitted to MoD, formal approvals were not accorded being '*indicative vision documents*' and considered internal to the Coast Guard.

II. Coast Guard Development Plans

(a) Delay in Approval of Plans

20. The 15-year Perspective Plan is implemented through separate Five Year Coast Guard Development Plans. Audit observed that finalisation of the Five Year Coast Guard Development Plans (ICGDP) took an inordinate amount of time with the Plans being approved much after the commencement of the relevant Plan period. The X Plan (2002-07), in particular, was approved only in 2005 when half the Plan period was already over. The delay in the approval of the plans by DAC is depicted in the table below:—

Plan	Plan Period	Dates of submission to the Ministry	Date of approval	Delay in, approval of plans from their commencement (in months)
IX	1997-02	September, 1996	November, 1998	19
X	2002-07	April, 2001	January, 2005	33
XI	2007-12	August, 2006	June, 2007	02
	(Original)			
	2007-12	September, 2009	May, 2010	
	(Revised)			

21. In the above context, the Committee sought to know the reasons for the long delay of 19 and 33 Months in approval of IX (1997-2002) and X (2002-07) Coast Guard Development Plans respectively. The Ministry replied that the Plans were examined by various authorities keeping the national goals and priorities before the Government. This process took time due to multi-layer scrutiny prior approval. The XII Plan (2012-17) was approved by the Defence Minister on 17 February, 2012 and by the Ministry of Finance on 11 June, 2012.

22. On being enquired whether the Ministry's stand that the delay in approval occurred due to multilayer scrutiny, not tantamount to a '*fait accompli*' response, the Ministry replied that Defence acquisitions being of high volume and extremely high financial outlays as also often global in nature, required multi-layer scrutiny to ascertain reasonability of price, meeting of SQRs and adherence to time schedules. Thus, stringent multi-layer scrutiny of both the Perspective and Development Plans remained a '*sine-qua-non*'. However, the Ministry also affirmed that over the years the system had significantly improved with respect to adherence to timelines. To illustrate, the XII Plan, CGDP (2012-17) was approved by the MoF on 11 June, 2012, the Annual Acquisition Plan (AAP) 2013-15 was approved by the DPB on 29 May, 2013 and the Coast Guard Perspective Plan (2012-27) was approved on 24 July, 2013 by the Defence Acquisition Council (DAC).

23. The Committee further desired to know whether the Ministry's above statement be considered a valid reason for delay in the approval of such important plans in view of the fact that every Perspective/Development/Annual plan of the Government is required to go through stringent scrutiny at various levels. In response, the Ministry submitted that stringent scrutiny at various levels was imperative. However, the same was not a valid reason for the delay in approval of Plans. There had been considerable improvement in the timelines, and corrective measures had been put in place to streamline the procedures for timely approval of Plans as per the advice of the C&AG and the PAC.

24. With regard to the position of the XI Plan (2007-12), the Ministry informed the Committee that the XI Plan (2007-12) was approved within three months of the commencement of the Plan period by Ministry of Finance i.e. in June, 2007, at the beginning of the plan period. The XII Plan (2012-17) had already been approved by the Defence Minister and was under consideration of Ministry of Finance.

25. The Ministry further stated that the Coast Guard Development Plan 2012-17(XII Plan) had been approved by the Ministry of Finance on 11 June, 2012 for an outlay of ₹ 16464 crore (Capital ₹ 10989 crore and Revenue ₹ 5475 crore). The major proposals/schemes of CGDP 2012-17 are as follows:—

- (a) Acquisition of 63 surface platforms (43 Ships & 20 Boats) and 36 Aircrafts (06 Multi Mission Maritime Aircrafts (MMMA) & 30 Helicopters);
- (b) Acquisition of 12.7 mm (290 Qty.) & 30 mm guns (74 Qty.);

- (c) District Headquarters at Port Blair & Puducherry;
- (d) Air Enclave at Mumbai (Maharashtra) & Trivandrum (Kerala);
- (e) Coast Guard Station at Dhamra in Odisha;
- (f) Up gradation of all existing stations to Class 'C' Station;
- (g) Coastal Surveillance Network Phase-II;
- (h) Establishing of Indian Coast Guard Academy;
- (i) Ship Repair and Maintenance facility at Ratnagiri, Beypore & Port Blair;
- (j) Coast Guard Store Depot at Porbandar, Kochi and Paradip;
- (k) Air Store Depot at Bhubaneshwar;
- (l) Coast Guard Air Inspection Station (CGAIS) Porbandar and Port Blair;
- (m) Air maintenance facility at Porbandar and Goa;
- (n) Dedicated berthing facilities at all major and upcoming ports;
- (o) Acquisition of deficient land;
- (p) Creation of Hoverports for Air Cushion Vehicles at various locations;
- (q) Other than married and married accommodation; and
- (r) Construction of hangars and link taxiway at all air units.

26. The Committee then enquired about timelines prescribed for the purpose. The Ministry apprised that the 15 year Perspective Plan and the Five Year Development Plan (co-terminous with the National Plan) were formulated a year in advance of every five year Plan- period. These Plans are ideally required to be approved by the beginning of the plan period. The AAP is required to be processed by 31 December of each year by the Services and to be approved in April of the following year by the DPB in accordance with DPP.

27. During oral evidence, the Committee wanted to know the latest status of the approval of the current plans, the Defence Secretary, stated as under:—

"Sir, these numbers and the years have been arrived at based on the financial plan which has been approved for us by the Finance Ministry."

28. The Committee desired to know what plan of action was being contemplated to completely eliminate delays in the approval of Development Plans, the Ministry apprised that the delay in approval of the Plans had almost been curtailed. The refinement of procedures and timelines without compromising on stringency of scrutiny was an ongoing process. At the same time, the Coast Guard Plans were being formulated with greater clarity and detail to enable easier appraisal by the MoD.

29. When the Committee sought to know whether the guidelines specifying timelines for various activities relating to preparation, finalization and approval of plans had been issued, the Ministry replied that the Chapter-I of Defence Procurement Procedure (DPP), 2013 stipulated that the Defence Services were required to formulate their Long Term Perspective Plan/Development Plan for approval of DAC and the AAP for approval by the Defence Procurement Board (DPB).

30. Further, the Committee enquired as to what specific action was taken/contemplated to timely achieve each proposal/scheme envisaged under the CGDP 2012-17, the Ministry stated that the ongoing Coast Guard Five Year Development Plan (2012-17) contained acquisition proposals for 93 capital assets comprising 37 ships, 20 boats and 36 aircrafts. All these proposals had been initiated within 18 months of commencement of the Plan period. These cases were at various stages of acquisition as follows:—

- (i) A contract for 18 boats signed in January, 2013;
- (ii) Request For Proposal (RFP) for 22 ships and 14 helicopters had been issued in July, 2012 and November, 2012 respectively and these had already reached the TEC stage; and
- (iii) Case for accord of AON initiated for 15 ships, 02 boats, 16 helicopters and 06 MMMA.

(b) Curtailment of Plans

31. The approved plan size for the Five Year Plans were 44, 44 and 43 per cent lower than what was proposed by the ICG for the IX, X and XI plan respectively. More specifically the IX, X and XI ICGDP capital outlays, as envisaged by the ICG, have all reportedly been curtailed by the Ministry of Defence on the grounds that the Plans were unrealistic and unachievable. In order to make the plans achievable, the items of expenditure needed to be prioritised to accommodate within the available finances. However, as per the Audit Report, this was not done. Each plan had a large number of carry-over schemes, thus clearly indicating a low capacity to expend allotted budgets. It was also observed that many of the proposals related to manpower and infrastructure were formulated without detailed justification. These lacunae also contributed to delay in approval of the plans by Ministry of Finance, as well as reduction in the approved plan size.

32. The Committee sought the Ministry's comments on the fact that the proposed outlay for IX, X and XI Plans was lowered by 44, 44 and 43 per cent respectively against the amount proposed by the ICG, thus being unrealistic and unachievable. Further, the Committee also desired to know measures proposed by the ICG to ensure that the Plans were realistic and achievable in future and receive approval in time. The Ministry explained that providing funds itself would not make any Plan achievable, as there were numerous other factors like stringent acquisition procedures, availability of number of competent firms, delays involved in execution

and lead-times/delays in fructification of projects. The aim was to obtain sanctions for various projects outlined in the Plan within the Plan period. It was emphasised that physical availability of assets may not be achievable within the same plan period. Realistic Plan was formulated incorporating achievable targets within the plan period. Periodical review of the progress was undertaken to achieve the projections in the Plan. As per the XI Plan (2007-12), the total outlay approved was ₹ 7930 crore and the expenditure by 19 March, 2012 was ₹ 7309 crore. Thus, the overall utilization was only 1.89 percent less than the approved outlay. The Committee were informed that less spending was primarily due to the fact that the issue of RFPs for acquisition of 26 ships was held up because of developing of a standard RFP format for shipbuilding as per Chapter III of DPP 2011; although Acceptance of Necessities (AON) had been given in January, 2011. The acquisition of 36 aircrafts could not be fructified due to various technical reasons. Had these proposals fructified, there could have been an additional requirement of 500 crore under '*Capital*', and the expenditure could have been higher than the planned outlay in XI Plan. The XII Plan (2012-17) which had been prepared keeping the growth rate well within the stipulations of the Government guidelines had statedly been approved by the Minister concerned.

33. While agreeing to the fact that approval of the Plan in time was essential for subsequently processing individual cases in an expeditious manner, the Ministry informed the Committee of the following improvements brought about in the system:—

"System improvements had been made and the approval to the XII Plan of Indian Coast Guard by Ministry of Defence on 17 February, 2012 and by the Ministry of Finance on 11 June, 2012 was demonstrative of the same. The ICG had formulated the XII Plan strictly within the guidelines on growth rate as stipulated for Capital and Revenue components. As per the approved guidelines of Ministry of Defence, a maximum of 15 percent growth on Capital and 6 percent on Revenue components were permitted. The ICG submitted the plan with average Capital growth of 13 percent and Revenue 6 percent. Since the Indian Coast Guard had demonstrated its growth commensurate to this trend and allocation, the Ministry of Defence recommended the same to Ministry of Finance. The Ministry of Finance had finally approved the Plan at the annual Capital growth rate of 10 percent and 6 percent for Capital and Revenue respectively. With the approval of the XII Plan in the beginning of the Plan, it was expected to achieve the targeted growth in force levels as envisaged."

34. On being enquired whether the Ministry agree that the curtailment of the proposed outlay by 44 percent each during the IX and X Plans and by 43 percent during XI Plan was indicative of unrealistic planning and projections, the Ministry replied that the Plan outlay proposed by the Service was rationalized by the MoD/MoF by re-prioritizing of the proposals and fund outlay calculation was based on Budget Estimate projection/allocation in the last fiscal of the previous Development

Plan period. This outlay was then approved as part of the Plan. Hence, it was not 'curtailment' of the proposed outlay but vetting that was carried out based on the likely budget allocation over the next five years. The approval of the Plan was only 'in-principle' as each proposal was required to be processed separately for formal approval as per laid down procedures. Therefore, the proposals *per se* contained in the Plan were not affected at all by the rationalisation of the outlay. The following was, however, the financial position of the ICG during the IX, X & XIII Plans (Capital & Revenue Outlay):—

(₹ in crore)

Financial Details					
Plan	Proposed Outlay	Approved Outlay	Budget Allocation	Actual Expenditure	Savings
IX (1997-2002)	3,277	1,850	1,773	1,733	117
X (2002-07)	7,745	4,317	3,233	2,952	1,365
XI (2007-12)	12,124	7,000 (revised to 7,930 in May 2010)	8,017	7,740	190

35. The Ministry also provided the ICG's Capital Expenditure during the last five years as under:—

(₹ in crore)

Year	Estimated	Allocation	Actual Expenditure
2009-10	1169.81	1100.00	907.28
2010-11	1200.19	1200.19	1200.79
2011-12	1600.00	1600.00	1575.38
2012-13	1690.00	1650.00	1564.71
2013-14	1385.00	1060.00	1070.22

36. Audit noted that in X Plan, 71 per cent of allocation was available for carryover schemes, while only 29 per cent of the allocation was available for new schemes for increasing the force levels. In this backdrop, the Committee sought to know steps taken/proposed to be taken so that adequate allocation was available to ICG for acquisition of new assets for increasing the force levels without compromising on the "on going replacement schemes" of old and vintage assets. The Ministry stated that in the XI Plan, 48% of the Capital Acquisition budget had been towards acquisition of new assets (excluding replacements) and same considered to be a very pragmatic planning considering that there was huge committed liabilities in the beginning of the Plan. In the XII Plan of the ICG,

58% of Capital Acquisition outlay was towards acquisition of new assets (excluding replacements) and same was again considered to be in the right direction to progressively fill the gap in force levels as required by the ICG.

37. On being asked by the Committee about measures taken/contemplated to bring in permanent systematic improvements for greater efficiency and effectiveness in the entire planning process so as to ensure that the projections were achievable and the ICG's preparedness was not adversely impacted, the Ministry replied as under:—

"The Plans are being formulated with greater clarity and systemic measures are in place to improve the timelines for multi-level scrutiny and approval. The processing of acquisition proposals has been prioritised with concerted efforts to initiate all cases at the beginning of Plan period. Moreover, the progress of Capital Acquisition proposals is periodically reviewed at CGHQ, MoD and DDP for timely accord of approval. The approved CGDP (2012-17) caters for acquisition of 57 surface platforms and 36 aircraft. As a result of the instituted measures, the following progress has been made:—

- (i) Contract for 18 surface platforms already concluded;
- (ii) Acquisition of 22 ships at TEC stage;
- (iii) Acquisition of 17 ships at AON stage;
- (iv) Acquisition of 14 helicopters at TEC stage; and
- (v) Acquisition of 22 aircraft at AON stage."

III. Annual Budget and Expenditure

38. The budget of the Coast Guard forms part of the grant of the Ministry of Defence. The amount provided for revenue and capital have been under the Major Head 2037 — 'Customs (Preventative and other functions — Coast Guard Organisation)' and 4047 — 'Capital Outlay of Fiscal Services, Customs (Coast Guard Organisation)' respectively. The budgetary allocation and expenditure there-against by the ICG during the years 2005-06 to 2009-10 is tabulated below:—

(₹ in crore)

Financial Year	Major Heads 2037 : Revenue 4047: Capital Outlay	Budget Provisions	Expenditure	Percentage of (-) savings/(+) excess against budget provisions
1	2	3	4	5
2005-06	2037	325.03	351.95	(+) 8.28
	4047	500.01	422.59	(-) 15.48
2006-07	2037	430.00	366.32	(-) 14.81
	4047	645.00	338.35	(-) 47.54
2007-08	2037	418.02	413.21	(-) 1.15

1	2	3	4	5
	4047	735.61	255.38	(-)65.28
2008-09	2037	520.17	520.71	(+)0.10
	4047	949.63	506.43	(-)46.67
2009-10	2037	604.37	621.10	(+)2.76
	4047	1300.42	908.05	(-)30.17

39. The above table brings out considerable savings ranging from 15.48 to 65.28 per cent over the years under the Capital head, thereby, indicating ICG's inability to spend the available provisions. Audit also noticed that there was a surge in Capital Expenditure in the month of March.

40. Pointing out that large savings of up to 65 per cent of the Capital budget and March rush of expenditure had been observed during the years, the Committee sought the Ministry's explanation. In reply, the Ministry stated that the Capital Acquisition process as per DPP involved various activities *viz.*, issue of RFP, receipt of tenders, TEC evaluation and acceptance of report, TOC evaluation and acceptance of report, Field Evaluation Trials, CNC, CCS approval, contract conclusion, etc. The cases were examined at various levels, as every stage demanded strict adherence to the guidelines of the DPP. The time line for these activities varied from TO+ 80 — TO+ 117 weeks in multivendor situation and TO+ 92 — TO + 137 weeks in case of resultant single vendor case. After the multi-level scrutiny at various levels in the Ministry of Defence and Ministry of Finance, the schemes invariably fructified only towards the end of fiscal. The total allocation Modified Approval (MA) under Capital budget during the XI plan (including 2011-12) was ₹4717 Cr and the expenditure incurred till 31 March, 2012 was ₹ 4470 crore, which translated to a saving of only ₹247 crore (*i.e.* 5 per cent).

41. The Committee noticed that in 2002-07, there was an outlay of ₹ 7745 crore and the approved amount was ₹ 4317 crore and the actual spent was much less *i.e.* 32 percent and thus, during oral evidence of the representatives of the Ministry, asked for the reason. To this, the Defence Secretary, deposed as under:—

"The entire thing arises from something which is called Raksha Mantri's operational directives. These directives are issued from time to time and this order gives the tasks to the forces as to how they should fight a war. For example, the task given to the Indian Army is that they should be prepared for punishing Pakistan but deterrence *vis-à-vis* China. This is the task given as per the Raksha Mantri's operational directives. Once this task is given, it is converted by the Services into what the capability requirements, and therefore, what are the things they should be procuring and training for. It is in this context that 15 year capability development plan is made by all services including Coast Guards. Currently, we are in the cycle of 2012-2027, a long term integrated perspective plan which is in position for all the Services. Thereafter, this is converted into Five Year Plan and then converted into Annual Plan which is essentially two year plan. Now, the problem with these

Plans is that the capability requirement *vis-a-vis* the budgetary allocation, there is a big gap."

42. He added:—

"I will give you last year's example. We had, if I remember the figures correctly, a Capital acquisition budget of about ₹ 60,000 to 65,000 crore. By February when the Parliament was meeting when they had to present the final estimates, about Rs. 15,000 crore were diverted from capital purchases to meet certain other requirements within the Ministry because we did not have enough money to pay for salaries, we did not have enough money to pay for petroleum products, etc. Therefore, my Capital Budget was suddenly cut. The net result was that actually the expenditures which we had committed we ended up doing in the subsequent year. Certain payments had to be delayed. So, this issue of what I need, what I get in the Budget and what I actually spent is something in which there are huge gaps at every stage. This is what creates big difficulties for the Ministry of Defence. How do we plan, what do we plan for is something which we have been raising with the Ministry of Finance. Unless this issue is resolved, we would continue to have difficulties."

IV. Inability to Achieve Targeted Acquisitions

43. Audit pointed out that failure to utilise Capital Allocations had resulted in the non-achievement of plans in terms of the physical acquisitions of ships and aircrafts during the three Plan periods (1997-02, 2002-07 and 2007-12) as seen in the table below:—

Plan	Procurement Process To Be Finalised	Procurement Process Actually Finalised	Deliveries To Be Made	Deliveries Actually made
	Ships + Aircraft	Ships + Aircraft	Ships + Aircraft	Ships+ Aircraft
1997-02 (IX Plan)	21+13	10+7	10+4	10+6
2002-07 (X Plan)	61+1	26+ Nil	Nil+Nil	Nil+Nil
2007-12 (XII Plan)	175+52	136+19	29+15	2+1

44. Audit noted that, in spite of the Ministry curtailing the projected requirement, the actual Capital Expenditure as a percentage of Capital outlay ranged between 82 per cent in the IX Plan and 53 per cent in the X Plan. This was due to:—

- delay in finalisation of procurement process and delayed signing of contracts;
- abnormally slow progress on the part of shipyards to construct the ships; and

- neutralisation of requirement of spares through revenue budget, cancellation of project, expiry of validity of approvals of the procurement process, delayed supply of spares and inconclusive trials, etc.

45. Audit also noted that procedural delays at all levels, *i.e.* CGHQ, MOD and MOF, have been responsible for non-utilisation of the budget. For example:—

- delayed conclusion of contract for Interceptor Boats worth ₹ 213 crore in March 2006 wherein the proposal was mooted as early as December 2001 for procurement;
- non-sanction of new schemes by the MOD. Thus, four Dornier Aircraft, five Forward Looking Infra Radar (FLIR) for Dornier and integration of ELTA Radars could not take place in the year 2007-08 and ₹ 70.47 crore had to be surrendered on this account; and
- slow progress of construction of ships by shipyards. Hence ₹ 120 crore was surrendered in 2008-09.

46. As could be seen from the above, in the X Plan, against procurement process to be finalized for 61 ships and 01 aircraft, there was not even a single delivery made in the five year period. The Committee sought comments from the Ministry in this regard, which *inter-alia* read as under:—

- (i) The Capital Acquisition process as per Defence Procurement Procedure (DPP) caters for undertaking various activities *viz.*, issue of RFP, receipt of tenders, TEC, evaluation and acceptance of TEC report, TOC evaluation and acceptance of TOC report, CNC, CCS approval, contract conclusion etc. The time line for these activities varies from TO + 80- TO +117 weeks in case of multi-vender cases and TO+ 92— TO+137 weeks in case of single vendor case.
- (ii) The cases are examined at various levels as every stage demands strict adherence to the guidelines of the DPP. Further, even after signing of contract, the timeline for delivery of the ship itself ranges from minimum 24-36 months for small ships to 36-42 months for larger ships. This is because ship building is a very complex process with high gestation period.
- (iii) Thus, induction of ships takes a period of 4-7 years from accord of AON. Thus, unlike procurement of items and equipment, capital acquisition/induction of ships and aircraft has a long gestation period and carry over to next plan period is at times unavoidable.
- (iv) It may be noted that out of 11 cases in X Plan, 08 cases for 46 surface platforms were processed to contract conclusion. 08 surface platforms were delivered during the Xth Plan. The induction of all these platforms was subsequently completed during the XIth Plan period.

- (v) The Xth Coast Guard Development Plan (2002-2007) envisaged procurement of 04 Dorniers and 01 Multi Role Surveillance Aircraft (MRSA). 02 Advance Light Helicopter (ALH) and 04 Chetak Helicopters earlier planned IXth plan (1997-2002) were shifted to the XIth CGDP (2007- 12) due to budgetary constraints. The aircraft inducted in Indian Coast Guard are as follows:—
- (a) IX plan - 08 Dorniers and 02 Chetak Helicopters
 - (b) X plan - 01 Dornier and 01 ALH
 - (c) XI plan - 04 Dorniers and 03 Chetak Helicopters
- (vi) AON for procurement of 06 Medium Range Surveillance Aircraft (renamed as Multi Mission Maritime Aircraft) was accorded on 11 August, 2006."

47. The Ministry further stated as under:—

- (a) The ship acquisition process involving planning, accord of Acceptance of Necessities (AON), processing till contract conclusion and physical materialization of assets are time taking and complex process. It is quite likely that though the cases are processed in a plan period, materialization may get shifted to next plan due to long gestation period for construction of ships/boats/aircraft. However, all out efforts were made to ensure contract conclusion of all pending cases of X Plan and progressing them towards asset materialization during XI Plan period.
- (b) Contract for 08 Interceptor Craft (carryover scheme of IX plan) was concluded with M/s Bristol Boats, Kochi, on 22 March 2004. All the crafts were delivered during the X Plan period.
- (c) Concrete measures have been taken by ICG to overcome the shortage of force levels. During the period 2009-2012, contracts for 12 acquisition proposals for 163 platforms were concluded. Subsequently, one more contract for 18 Interceptor Boats was concluded in January 2013. The construction of these platforms is in progress in various shipyards. Materialization of these assets would significantly reduce the overall shortage of force levels of Indian Coast Guard.

48. The Committee desired to know whether the onus lies with the Ministry of Defence or Indian Coast Guard and whether any official had been identified for this lapse, the Ministry stated that the acquisition and induction process involved participation of multiple agencies from Coast Guard Headquarters, Ministry of Defence, Ministry of Defence (F), MoF, CCS, DDP, Shipyards, OEM, Sub-contractors, etc. Despite stringent timelines and regular project monitoring, slippages occurred due to the complex nature of the project which was spread- to 4-7 years from initiation. The systematic process of coordination/management involved in such complex projects with large time period found to be inherent despite best of efforts.

49. The Committee wanted to know as to whose duty was it to ensure that all the activities leading to procurement were finished within a prescribed/definite timeline. The Ministry replied that the acquisition process of surface platforms and air assets consisted sharing of responsibility by multiple stakeholders for timely acquisition and delivery of the product. The project progress and budget expenditure are also monitored regularly at CGHQ as well as MoD, DDP and MoD (F).

50. Further, the Ministry stated that the Capital Procurement of assets including ships and aircraft followed stringent procedures and timelines as prescribed in Defence Procurement Procedure (DPP). The timely procurement of assets was a key objective of both ICG and the Ministry of Defence. However, the Ministry admitted that despite the best efforts, slippages did occur as the procurement related to complex projects with long gestation period and involved large number of stakeholders.

51. The Committee desired to know the immediate and long term planning by the Ministry/ICG to ensure procurement of ships, air-crafts etc; as planned and projected, to guard the coastline of the nation, irrespective of the rigmarole activities involved prior to such procurement. The Ministry stated as under:—

- (a) "The Development Plan (2012-17) and Long Term Perspective Plan (2012-27) have been drafted by the Indian Coast Guard forecasting the assets required to protect the nations interest in Maritime Zones of India. The yearly requirements are further covered under the two year AAP.
- (b) The ongoing Coast Guard Five Year Development Plan (2012-17) contains acquisition proposals for 93 capital assets comprising 37 ships, 20 boats and 36 aircraft. It may be noted that all these proposals have been initiated within 18 months of commencement of the Plan' period. These cases are at various stages of acquisition as follows:—
 - (i) A contract for 18 boats already signed in Jan. 13.
 - (ii) Request For Proposal (RFPs) for 22 ships and 14 helicopters has been issued in Jul. 12 and Nov. 12 respectively and these have already reached the TEC stage.
 - (iii) Case for accord of AON initiated for 15 ships, 02 boats, 16 helicopters and 06 MMMA.
- (c) The present force level of the service is 87 surface platforms (*i.e.*, 46 ships & 41 boats) & 60 aircraft despite concurrent decommissioning of 11 old surface platforms.
- (d) Currently, 113 surface platforms comprising 39 ships, 74 boats and 04 Dorniers are under construction in various shipyards and at M/s Hindustan Aeronautics Limited (HAL).

- (e) The delivery of the platforms under construction and those being processed will be in a phased manner during the XII and XIII Plan periods. Thus even after decommissioning of 23 old platforms, ICG shall achieve a force level of 150 platforms and 100 aircrafts by 2018. The envisaged level of 154 ships, 123 boats and 139 aircrafts is planned to be achieved by 2027."

52. While on one hand the Ministry stated that providing funds itself would not make any plan unachievable, on the other they intimated that 02 Advance Light Helicopters and 04 Chetak Helicopters planned to be obtained during the IX Plan (1997-02) were shifted to the X Plan (2002-07) due to budgetary constraints. On being enquired whether the above two statements are not mutually contradictory, the Ministry replied as under:—

- (a) "As per the IX Plan (1997-02) the following aircraft were planned to be inducted into the ICG.

Sl. No.	Aircraft	Qty	Cost (₹ in Cr)
(i)	MRSA	04	450
(ii)	Dornier	12	450
(iii)	ALH	06	195
(iv)	Chetak	Nil	Nil

- (b) The total capital outlay of the Coast Guard IX Plan (1997-02) was proposed at ₹ 2271 Cr, however, a sum of ₹ 1000 cr was approved by the Ministry which was further curtailed to ₹ 842 cr. Therefore, few proposed inductions during the IX Plan (1997-02) were shifted to the X Plan (2002-2007). However, 11 aircraft were inducted in the IX Plan, despite curtailing of funds.
- (c) In the instant case, the lack of availability of funds was a factor for not undertaking all the procurement cases during the IX plan period. However, it is also true that timely provision of funds alone would not guarantee achieving the targets in case of complex acquisitions like aircraft wherein the procurement process is spread over long periods. Thus, both the statements are not mutually contradictory.

53. The Ministry further replied that the ICG's Capital expenditure with respect to ongoing ship building projects had been in accordance with planned projections for capital fund outgo. The delays in deliveries and consequent less expenditure in some of the projects had been offset by matching expenditure accruing from projects which had progressed at a better pace. All ship building projects were presently being closely monitored by the ICG Overseeing Teams which were positioned at the ship building yards/sites as well as by the Project Management Teams at Coast Guard Headquarters. With the improvement in the manpower situation, the manpower resources had also been augmented in units undertaking overseeing/trials of ship

building projects. The progress of each project was also reviewed by the CGHQ and the MoD periodically. Besides judicious and close monitoring of the project, adequate penalties had been incorporated in the shipbuilding contracts for deviations in quality and timeline slippages beyond the contractual schedule.

54. The Committee pointed out that the Ministry/ICG were lax on the issues involving the national security and opined that such display of amateurish approach would compromise the preparedness of the ICG especially after the never forgettable lessons learnt from the 26/11 Mumbai terror attack. The Ministry explained that the MoD and ICG had adopted resolute measures post 26/11 for planning and achieving the targets essential for meeting the national security objectives. These definite steps had resulted in expeditious procurement and progressive realisation of major Capital Assets. This was also evident from the fact that ICG expended 96 percent of the allocated Capital outlay in the XI Plan period. The focus on the planning and procurement process was being relentlessly maintained by MoD/ICG in the current XII Plan period also so that the targeted force level and necessary assets were available to meet the designated ICG's charter of duties. Post 26/11, significant progress had taken place which was reflected in the following achievements till July 2013:—

- (a) Establishment of 02 RHs (North-West at Gandhi Nagar & North-East at Kolkata), 01 DHQ (Kavaratti) and 19 stations (Mundra, Veraval, Vadinar, Gandhinagar, Pipavav, Dahanu, Murud Janjira, Ratnagiri, Karwar, Androth, Minicoy, Karaikal, Krishnapatnam, Nizampatnam, Gopalpur, Kolkata, Mayabunder, Hutbay & Kamorta); and
- (b) Leasing of dedicated berths for ICG ships at Kakinada, Chennai, Veraval, Tuticorin and Paradip.

55. To a specific query as to how much of Capital outlay had been sanctioned by ICG from their Perspective and Development Plans for research and development of technologies which would augment the capabilities of the Indian Coast Guard, the Ministry stated that majority of the Capital acquisition cases of the ICG were being undertaken through Indian shipyards which possessed the capability to build these platforms. The development of latest technologies was a continuous process integrated as an inherent component for formulation of Perspective and Development Plans. As a result, the acquisition proposals for platforms and air assets in these Plans were drafted catering for fitment of state-of-the-art machinery, equipment and systems which in turn contributed to the augmentation of core capabilities of ICG. Therefore, separate Capital outlay had not been sanctioned by ICG in the Perspective and Development Plans for development of technologies.

56. On being enquired whether DPSUs, DRDO and other agencies were being involved in augmenting ICG capabilities, the Ministry replied that DPSUs and Indian private shipyards are involved in the procurement process for Capital acquisition and had progressively developed their capability for building the assets required

by the Indian Coast Guard. The Request for Proposals (RFP) for acquisition of ICG ships were sent to all the DPSUs so that they could participate fruitfully. At present construction of 6 Offshore Patrol Vehicles was taking place at M/s Goa Shipyard Limited. Further, an order for 16 Dornier aircraft was also placed with M/s HAL out of which 12 have been delivered already.

57. During evidence, the DG, ICG apprised the Committee about the naval and air strength of ICG as under:—

"... in 2008 we had 61 ships, 45 aircrafts. When I say ships, I mean ships of all types. These range from the larger ships to the smaller ships also. The present holding is 105 ships and 64 aircrafts. We are targeting a figure of 150 ships and about 100 aircrafts by 2020. It could be 2019 but we are targeting it around 2020."

58. Asked how many of these were aged/old, the DG, ICG submitted during evidence as under:—

"In so far as the age is concerned, it was highlighted that in 2008 at the time of review, the strength of the Coast Guard was 31 ships which had lived more than fifty per cent of their age and 30 ships which had less than fifty per cent of the age. So, we said that fifty per cent of the fleet is aged. 'Aged' is once again a relative concept. An average figure based on the international standards as well as the warship standards has been about 20 years for an offshore patrol vessel and about 15 years for an inshore patrol vessel or what we call the 'fast patrol vessel' which are 50 metres in length and the former one is about 100 metres in length. This is where we had stood in 2008. Today, the age of the fleet is that only ten per cent of the ships have spent more than fifty per cent of their life. So, it is a very young fleet."

59. Further, the Committee enquired whether the orders had been placed for the ships and aircrafts to be acquired. The DG, ICG deposed during evidence as under:—

"Yes, Sir. We have said that. It was mentioned that 105 ships is the holding and 85 ships are under construction. They are at various stages of construction with private as well as public shipyards. That process is already on."

CHAPTER III

INFRASTRUCTURE, ASSETS AND MANPOWER

I. Infrastructure

60. The ICG has been establishing shore stations, air stations and air enclaves as per its Perspective Plan 1985-2000. Even in the absence of any approved Perspective Plan thereafter, additional stations and enclaves have been planned and sanctioned in the X and XI Five Year Plans to augment ICG capability in effectively discharging its coastal security responsibilities. Additionally, the Ministry of Home Affairs had also sanctioned, in January 2005, three Coast Guard Stations for strengthening coastal security. However, Audit found that only 30 out of 42 stations sanctioned had been activated till December 2010. Post 26/11 incident, the Government sanctioned 14 new stations, of which 5 had been activated till December, 2010. Yet, Audit found that even the sanctioned/activated stations continue to function with infrastructure/fleet deficiencies. At least 16 Coast Guard stations did not have basic facilities like jetties for berthing vessels, fuelling facilities etc. In other cases, ICG stations did not have their own assets and were using hired vessels.

61. Audit also observed that while only 8 aviation units out of the planned 15 units were activated, 5 ICG Aviation units were running without any Government approved Unit Establishment (UE). Further, ICG air enclave at Port Blair did not have any hangar with the result that aircrafts are parked in the open resulting in their exposure to the vagaries of weather and resultant technical snags. Thus, infrastructure had not been established either in a timely manner or functioned without associated manpower/equipment. Besides, supporting systems had failed to deliver required functionality, thus, affecting the operational capabilities of the ICG. In the above context, the Committee desired to know the number of Coast Guard Stations activated as on date and by when the remaining Coast Guard Stations would be activated. The Ministry replied that as on 26/08/2013, 35 Coast Guard Stations were activated and efforts were being made to establish remaining 07 stations (Kolkata, Pipavav, Nizampatnam, Gopalpur, Frazerganj, Kamorta & Mayabunder) by 2012.

62. The Committee further enquired whether the ICG stations though sanctioned would always suffer from deficiencies. The Ministry replied that the manpower and infrastructure necessary to support the 35 stations established by the ICG were in place and positioning of requisite surface platforms at each station requires dedicated berthing and other allied facilities. The force levels envisaged at these stations were being positioned in a phased manner with the delivery of vessels from shipyards and availability of berthing through ports.

63. Replying further to the Committee's concerns over the deficiencies of the Coast Guard Stations in terms of infrastructure, adequate complement of vessels, etc., the Ministry submitted as under: —

"A number of the existing CG stations were functioning in hired buildings. The non-availability of land affects the infrastructure development for office/ accommodation. It was compounded further due to non-availability of berthing facilities. The State Government had been approached for allotment of land for development of infrastructure for Coast Guard Stations. The Ministry of Surface Transport and Airports Authority of India (AAI) had also been approached for allocation of berthing facilities and land/linked taxiway for basing of additional assets and establishment of sanctioned Coast Guard Air units. The Ministry of Defence periodically reviews the land acquisition and berthing proposals at various levels. The Hon'ble Raksha Mantri also undertakes regular review. As a result, a number of cases are at final stages of approval. In August 2011, the Hon'ble Raksha Mantri had written to the Hon'ble Minister of Shipping requesting him to personally monitor the berthing issues. Subsequently, the Ministry of Shipping at the level of Secretary, Shipping, took a special meeting in the month of July 2012 and the Chairman of all the major ports had been directed to earmark berthing space/ waterfront land for ICG Jetties. An all encompassing sanction for a station may not be practically feasible. This was because formation of stations, manpower, repair/fuel facilities, acquisition of ships, etc., involved different procedures. Accordingly, they were to be dealt separately. The manpower as per manning plan had been appointed in all afloat and ashore units and there were no limitations on operational commitment because of manpower issues. The details are highlighted in *Annexure-I*."

64. The Ministry further elaborated that the ICG as of December 2008 had a force level of 61 surface platforms (42 ships & 19 boats) and 45 aircrafts. The present force level is 87 surface platforms (46 ships & 41 boats) and 60 aircrafts, despite decommissioning of 11 old platforms. In addition, 113 surface platforms and 04 aircraft are under production. Thus, there would be no deficiency of platforms at any of the stations to discharge the designated roles. Though all ICG stations were initially established in hired/leased premises, firm proposals for land acquisition, infrastructure creation and berthing facilities were simultaneously taken up and were at various stages of fructification. This approach was adopted to overcome the long lead time involved in developing the infrastructure and in order to accord immediate attention to the gaps in coastal security and to have better co-ordination with various other stakeholders/agencies. This had enabled regular interaction with various stakeholders, patrols and surveillance being coordinated, timely sharing of intelligence being ensured, etc.

65. In this regard, the DG, ICG *inter-alia* deposed during oral evidence as under:—

".....today we have 41 out of 42 Stations in place, which are functional. Yes, 16 of them are operating at the moment from hired buildings because infrastructure for them does take time. Primarily, for the Coast Guard Stations ashore, the responsibility and requirement over there is the infrastructure, office space, manpower as well as certain communication linkages that are given to the particular unit. The work is mostly done by the ships that are based in different harbours and ports, which could be of different sizes, and accordingly they meet the requirements of going out to sea and meet the requirements or for coastal patrolling. There are inadequacies in terms of infrastructure at all these Stations, which have been formed recently, but it is intended to make good these deficiencies in a fixed timeframe."

66. The Committee wanted to know what prevented the Ministry from taking a holistic project view. The Ministry stated that a '*holistic project view*' would entail a correspondingly greater timeframe for approval. Moreover, such a sanction would necessarily constitute only an '*Approval-in-Principle*' because CFAs for various components such as acquisition of platforms, land, manpower, civil works, berthing facilities, etc., being different, separate formal sanctions for each component would be necessitated. Apart from this, even creation of various facilities would take considerable time. To obviate such delays, the ICG stations/shore facilities were initially set up in hired buildings, wherever required.

67. Further, the Committee enquired whether activated stations continued to function with infrastructure/fleet deficiencies and if so, what purpose would they serve. The Ministry stated that infrastructure deficiencies had been made good and creation of additional facilities was an ongoing process. The ICG presently has 113 surface platforms under construction at various shipyards. The phased induction of these platforms would address the fleet deficiencies. In the interim, ships/boats from adjoining Coast Guard stations were being deployed to maintain surveillance of the sensitive areas and in coastal jurisdiction of such stations.

68. In view of the above, the Committee sought the status of each of the 35 activated stations in terms of equipping them with adequate force level, infrastructure etc., the Ministry stated that the necessary manpower had been positioned at all the 35 stations. Of these, ICG infrastructure had been set up at 22 stations and 13 stations were functioning from hired/leased buildings. Land for creation of infrastructure at these stations had already been acquired. Manpower and infrastructure (own/leased/hired) was available at all the stations and the minimum required force level had already been positioned for undertaking assigned roles and responsibilities. However, the planned force levels envisaged at these stations were being positioned in a phased manner with the ongoing delivery of platforms from shipyards.

69. On being enquired as to how many ICG stations were planned, sanctioned and actually activated with adequate infrastructure during the last two decades, the Ministry replied that during the last two decades (since 1993), 28 ICG stations were planned and all of them had been sanctioned. Of these, 27 stations had been activated with essential platforms and infrastructure (own/hired/leased). Only one station at

Frazerganj (West Bengal) was to be set up for which suitable building was being identified for hiring.

Presently, the force level/platform of the ICG are as follows:—

- (i) CGHQ-01
- (ii) RHQ-05
- (iii) DHQ-14
- (iv) Ships - 106 (including IBs/ACVs)
- (v) Aircraft - 64
- (vi) Stations - 42
- (vii) Air Establishments - 09

70. Further concerned about strengthening ICG's infrastructure post 26/11 incident, the Committee sought to know whether special attention was paid in this regard as well as the achievement. The Ministry apprised that post 26/11 incident, sanctions for setting up of two Regional Headquarters, one District Headquarters and 20 Stations were accorded. Of these, Regional Headquarters (North-West) at Gandhinagar in Gujarat and Regional Headquarters (North-East) at Kolkata in West Bengal, a District Headquarters at Kavaratti (Lakshadweep Islands) and 19 Stations (Mundra, Veraval, Vadinar, Gandhinagar, Pipavav, Dahanu, Murud Janjira, Ratnagiri, Karwar, Androth, Minicoy, Karaikal, Krishnapatnam, Nizampatnam, Gopalpur, Kolkata, Mayabunder, Hutbay & Kamorta) had been established. The only remaining station at Frazerganj (West Bengal) was envisaged to be set up by end 2013.

71. The Committee further enquired whether the ICG with the present assets, manpower and infrastructure was prepared to meet any eventuality and was ready for any situation. The DG, ICG during oral evidence explained as under:—

"Sir, the Indian Coast Guard has come a long way since 2008. There has been accretion on all the fronts. What we require is certain amount of capability to show presence at sea and to meet the responsibilities which have been given to us, which is as per the mandate out at sea. For that, acquisition of platforms, both surface as well as aerial platforms, has been done. We are in a much healthier position today. As it was indicated, by the year 2020 we should have 150 ships and 100 aircrafts which are about 100 and 64 respectively now. This is a quantum jump in capability. Parallely, in order to support our vessels and our interaction with the coastal States, marine police, the Customs we have created 42 Coast Guard stations which has been highlighted"

72. He added:—

"We had 22 of them in 2008. Today, we have got 42 of them and this has given us presence in all the major coastal districts of coastal areas. In addition to

that, we have 14 districts headquarters, one each in all the 9 coastal States and 5 of them in Union Territories which have a coastal opening. So, this has enabled us to interact with the agencies which are also responsible at the State level to look after the coastal security. Now, that looks after the surveillance in the open ocean area, which is upto 200 miles in the exclusive economic zone. The third thing which has happened is that we have also now got a coastal radar chain or what I would call electronic surveillance. It is not only a system where radars are there, it has also got electro-optical devices, day-night cameras as well as communication sets. In this chain of 46 radar stations, 36 have been put on the coast mainland and 10 on the island territories—6 in Lakshadweep Group of Islands and 4 in Andaman Group of Islands. This has given us a good capability to ensure that close coast activities are monitored. Ultimately, whatever happens out at sea may come closer to the coast and this gives us a very good picture about what is happening in close region of our shores. Phase two of this programme includes 38 more radar stations which will come up and in addition to that we are integrating the vessel traffic management scheme of the Gulf of Khambat and Gulf of Kutch also and 8 mobile stations will also form part of this. The approval of CCS already exists for this."

73. He further stated:—

"The detailed site survey is being undertaken at the moment. We expect that by middle of the year, we should start work on the installation of the second phase of this coastal radar chain. So that looks after all three aspects. The fourth requirement which comes is the manpower. Parallely, we have had manpower augmentation over the last 7-8 years. Our training of officers and sailors is dependent on the Indian Navy. We train our sailors with the Indian Navy in Chilka, and the officers are trained in Northern Kerala in a place called Ezhimala. The capacity of our intake has doubled. Earlier, we used to have 50 to 60 officers per annum. Now, the training capacity of Navy has increased by 100 per cent which is about 130 officers per annum. Similarly, the sailors earlier used to be trained in Chilka were 350 per annum which has increased upto 700 per annum. This is the maximum capacity which Navy can accommodate because they have their own training also going on parallely. So, this would mean that the shortfalls which we had indicated, about 20 percent overall, on the manpower side—can be overcome in another 10 to 12 years, not less than that. But Government sanctions are coming. There is a quantum jump in the manpower. We have an average of about 23 to 25 percent increase in manpower over the last five years."

II. Assets

(a) Shortfall in Assets

74. Audit scrutiny revealed non-achievement of planned acquisitions resulting in the Coast Guard operating at considerably lower strength of ships and

aircraft *vis-a-vis* its required strength. Compared to the force levels of 122 vessels envisaged in the Perspective Plan for the period 1985-2000, the Indian Coast Guard, as on December 2010 possessed only 65 per cent of the required force level in terms of ships and vessels. With respect to the aviation arm, the corresponding figure was 48 per cent. The ICG had not processed the cases for acquisition of Deep Sea Patrol Vessels (DSPVs), Medium Patrol Vessel (MPVs) and Aerostats, even though they were envisaged in the Perspective Plan (1985-2000), till December 2010. Although new projects had been sanctioned during the XIth Plan and projects pertaining to previous Plans would be completed during this period, taking into account the planned decommissioning of ships, the Audit observed that it would be difficult for the ICG to achieve the Perspective Plan (1985-2000) force levels even by 2012 i.e. by the end of XIth Plan. The deficiency was estimated to the extent of 17 per cent and 45 per cent in respect of vessels and aircraft respectively.

75. In the above context, the Committee sought to know the requisite number of vessels and aircraft which the ICG would need to secure the coast and maritime interest of India at present. The Ministry replied as under:—

"Various means are utilized for surveillance of Maritime Zones of India. These not only include patrolling by surface and air assets but also use of shore based surveillance systems. Thus, a combination of patrol by vessels and aircraft supported by monitoring and surveillance system is used to ensure maritime security of sea areas. Further, a Chain of Static Sensors in the form of Coastal Surveillance Network is also being set up all around the coast including the Island territories to monitor maritime traffic. The ICG requires 150 ships/boats and 100 aircraft for securing the coast and maritime interests of India to reasonable levels. It is anticipated that this force level would be achieved by 2018. The fully desired level of 154 ships, 126 boats and 139 aircraft is planned to be achieved by 2027."

76. When enquired about steps taken by the Ministry to provide ICG with the requisite fleet strength of vessels and aircrafts, the Ministry apprised the Committee as under:—

"During the period of XIth Plan (2007-2012) the under mentioned acquisition cases were progressed to enhance the fleet strength of Indian Coast Guard:

- (i) Contracts for 11 proposals (157 platforms) at a cost of Rs. 4266 crore have been concluded and a contract for 06 OPVs at a cost of Rs. 1980 crore is being progressed for conclusion. Thus, during the XIth Plan period, contract for 12 proposals for 163 platforms at a cost of Rs. 6246 crore have been contracted. Coast Guard is currently progressing the acquisition proposals of 26 surface platforms *viz.*, 07 OPVs, 14 FPVs, 01 Training Ship and 04 Auxiliary Barges with a total estimated project cost of Rs. 3579 crore for contract conclusion. Similarly, contracts for acquisition of 16 Dornier at Rs. 1347 crore have been concluded and cases for 36 aircraft at an estimated project cost of Rs. 4230 crore is being progressed for acquisition.

- (ii) The acquisition drive initiated during the current plan period would ensure ICG achieving an envisaged force level of 150 ships/boats & 100 aircraft by 2018."

77. The Committee further asked as to what was the specific plan of action to achieve the targeted force level by 2018. To this, the Ministry submitted as under:—

"The plan of action for achieving the envisaged force levels of 150 ships/boats and 100 aircrafts has been based on the present strength of platforms, number of platforms earmarked for decommissioning, status of construction of ongoing projects in various shipyards and projections in the Coast Guard Development Plan 2012-17. The focus on capital acquisition since 2009 has resulted in signing of contracts for 128 surface platforms and 16 helicopters. The acquisition focus is also being sustained for expeditious processing of the cases in current Development Plan XII (2012-17) to achieve the targeted force levels by 2018. Further, monitoring and review mechanism for the progress of capital acquisition cases has also been strengthened to ensure adherence to the targets."

78. On being enquired whether the Ministry have already initiated the procurement process, the Ministry in their reply stated as under:—

"The procurement process to attain the envisaged target of 150 surface platforms and 100 aircraft had already been initiated by the ICG. These initiatives have resulted in signing of contracts for 128 surface platforms and 14 helicopters since 2009. All proposals pertaining to the acquisition of surface platforms and aircraft envisaged in the XII Plan have already been progressed of which 18 Surface platforms were contracted in January, 2013. The acquisition proposals for 22 surface platforms and 16 helicopters have already reached the Technical Evaluation stage. The balance acquisition cases for 15 surface platforms and 22 air assets are also being processed for conclusion of contract during the current Development Plan Period."

79. To a specific query as to whether the Coast Guard Development Plan 2012-17 caters to achieve the desired force level, the Ministry replied as under:—

"The Coast Guard Development Plan 2012-17 caters for 57 surface platforms and 36 air assets. The Coast Guard has a present strength of 87 surface platforms comprising 46 ships, 41 boats and 60 aircrafts. Moreover 113 surface platforms comprising 39 ships, 74 boats and 04 aircrafts are already under construction in various shipyards and with aircraft manufacturers. The acquisition cases of the Development Plan 2012-17 are at various stages of procurement and are likely to be concluded during the Development Plan Period. These measures are likely to result in achieving the envisaged force

level of 150 surface platforms and 100 aircraft by 2018. The broad schedule for attaining the desired targets are as follows:

	Year					
	2013	2014	2015	2016	2017	2018
Force Level						
Strength	87	85	95	107	123	139
Induction	12	18	13	18	18	16
Replacement	(-) 14	(-) 8	(-)1	(-) 2	(-) 2	(-)2
Platforms						
Net Strength	85	95	107	123	139	153
Platforms						
Aircraft	60	64	64	64	72	100

80. Apprising the present status of availability of ships with Coast Guard, the Defence Secretary deposed during evidence as under:—

"In 2008 when the audit was actually done, Coast Guard had just 61 ships which included bigger ships, smaller ships and different types of ships put together. As on date, we have about 105 ships. So, there has been a substantial jump in the number of ships. If we look at the aircraft's availability, we had 45 aircraft in 2008. This number has gone up to 64. I would also mention that what we are targeting is that by the year 2020, we should have about 150 ships as against 105 we have and 100 aircrafts as against 64 that we have today."

81. The Committee further desired to know about the long term planning to achieve the fully desired force level by 2027 and how did the Ministry proposed to accomplish the enhanced target, if any, that may arise by 2027. The Ministry stated as under:—

The Long Term Perspective Plan (2012-27) have been cast by the Indian Coast Guard with an aim to achieve the envisaged force level of 154 ships, 123 boats and 139 aircrafts by 2027. Accordingly, the targets for the three successive Five Year Development Plans from 2012 have also been framed. The acquisition process for realization of these assets has already been prioritized and is being executed as per the timeline. Thus, it is envisaged that the platforms already under construction and in acquisition pipeline would materialize during the XII and XIII Plan period. The Development Plans XIII and XIV would be further recast, if necessary, to cater for the slippages, if any, and the envisaged targets revised to achieve the desired force levels by 2027 to meet the maritime challenges at sea."

(b) Replacement of Vessels

82. Audit scrutiny revealed that ICG was functioning with ships which have outlived their prescribed life and were meant to be decommissioned but which have not been phased-out as replacements have not materialized. Almost half of the Advanced Offshore Patrol Vessels and 72 percent of the Fast Patrol Vessels are either on extended life or are already due for decommissioning. Besides, newly inducted vessels like AOPVs are operating with constraints or without required role equipment.

83. In the above context, the Committee sought to know the reasons for not providing the replacement of vintage assets like Advanced Offshore Patrol Vessels, Fast Patrol Vessels, etc. to the Coast Guard in a time bound manner. The Ministry stated that the AOPVs and FPVs in the Coast Guard were not the vintage types as they were inducted only in the Nineties and were not yet due for decommissioning. However, the OPVs and IPVs inducted in the Eighties had been decommissioned and replacements were being inducted progressively. Presently, 01 OPV & 39 FPVs were under construction at various Defence/Private shipyards, which included replacements for the already decommissioned ships and those likely to be decommissioned in the immediate future.

84. Further, the Committee enquired about the steps taken or proposed to be taken by the Ministry to provide the replacement of vintage assets to the ICG. The Ministry replied that utmost priority was accorded to replace the aged ships/platforms and modernize the Indian Coast Guard with fleet of ships with cutting edge technology and state-of-art equipment. Accordingly the ship acquisition cases of the XI Plan also catered for replacement of ships/boats. These projects had already been sanctioned and the ships were under construction with deliveries commencing 2011.

85. The Ministry further submitted that 02 Offshore Patrol Vessels and 07 Inshore Patrol Vessels were decommissioned in 2011. Replacement for 07 ships against these 09 ships had already been inducted. The percentage of ships on extended life had been steadily decreased due to induction of new platforms/replacements. The decommissioning schedule was only indicative and solely based upon the designed life of a ship. The material state of all ships of a class may not be the same at the end of their designed life. Some ships continued to be in a better condition mainly due to upgrades and pattern of exploitation over the years. Thus, prior decommissioning, a professional board assessed the material state of ships individually in accordance with guidelines/orders on the subject. Ships were thereafter decommissioned and disposed off only if the Board of Officers specifically recommended for decommission.

86. During evidence, the Committee enquired about the maintenance component of the assets and whether it was a long term or a short term agreement. Further, the Committee enquired about the maintenance cost and also whether a new ship could be bought in the maintenance cost. To this, the DG, ICG clarified as under:

"No, Sir. What happens is that the age of the fleet has reduced primarily for two reasons. Of course, maintenance becomes one small component of that.

But the older platforms have been decommissioned. We decommissioned about 21 ships in the last four, five years. We have commissioned about 30-35 ships. We do not have any pact with anybody. The repair of the ship is a periodic activity. The ship has got what we call 'refit cum operation cycle'. It is all off loaded. We float tenders. There are PSUs or private shipyards. They bid for it depending upon the L1. Before that, what we have done is that we have done a capacity assessment of various yards. PSUs which are making warships and ships, they already come in that domain. But there are a large number of private yards which have come up."

87. He added:—

"Our teams have done a capacity assessment of the capability of the yard whether they can undertake refit of warships. Can they take on the repairs? Based on that, as of today, we have got 18 total yards all across the country, private as well as public which are undertaking the refit of our ships. When our ships fall due for refit, six to eight months before that, a process is started where we float tenders. We give them the work package, what all is likely to take place during that refit. Whosoever is the L1, he gets the contract and thereafter the refit is outsourced to them. This is the process. It is an open tender business".

88. On being asked to provide information regarding decommissioning and induction of vessels in the Ministry submitted as under:—

Sl. No.	Class of Ships	Pre 26/11	Post 26/11
(i)	AOPV/OPVs	Nil	03
(ii)	FPVs/OPVs	04	15
(iii)	IBs	07	03

Year-wise Induction of vessels is as follows:

Year	Ships
2010	07
2011	04
2012	09
2013	19
2014	27

Inventory of vessels as on 2014 is as follows:

PCVs	02
AOPV/OPVs	15
FPVs/IPVs	32
ACVs	18
IBs	39
Total	106

89. The Committee also wanted to know the latest breakup figure of vessels across all classes of ships which were on extended life and whose extended life had expired. The Ministry stated that 05 OPV class of ships were on extended life during the period from 2018 to 2020; 01 FPV class of ship is on extended life up to 2014; 06 IBs are on extended life during the period from 2014 to 2016; 06 ACVs are on extended life during the period from 2020 to 2022. The decommissioning schedule of ICG ships is prepared on the basis of commissioning year and tentative designed life of the ship. In the past, the normal life (service life extension) of some the ships has been extended based on the material state and availability of replacement ships.

90. Apprising the present position of the replacement of vessels, the Defence Secretary deposed during oral evidence as under:—

"There is one more fact which I would like to submit before the hon. Committee that in 2008 when the C&AG had done its report, almost 50 per cent of the platforms, that were with the Coast Guard, had a residual life of 50 per cent or less. So, almost 50 per cent of the fleet was aged. As of today, with a larger fleet, our percentage of ships which have consumed 50 per cent or more of life is only 10 per cent. Therefore, as of today, we have a much younger fleet. We have decommissioned a very large number of vessels. We have inducted a large number of vessels. We have a very large number of vessels which are under order as of today. The same thing is true about the aircraft as well. Our preparedness levels are much higher."

III. Lapses in Refits

91. Each ship has an operational phase, which varies from 9 to 15 months depending on the class of ship. At the end of an operational phase, each ship is scheduled to undergo a refit at the dockyard. Basically ships undergo three types of refits, viz. Short Refit, Normal Refit and a Medium Refit. Audit scrutiny, however, revealed that the ICG did not have a repair yard of its own unlike the Indian Navy and had to depend upon 18 shipyards Defence Public Sector shipyards like Mazgon Dock Limited, Mumbai; Goa Shipyard, Goa; Hindustan Shipyard, Visakhapatnam; Cochin Shipyard, Kochi; Garden Reach Ship Builders and Engineers, Kolkata etc.

and some private shipyards like Krasney Mumbai, Homa Engineering Works, Mumbai, Wartsila Mumbai etc. The prescribed norms for carrying out different types of refits as per refit programme finalized by the Coast Guard (ICG05/93) were not followed. Out of total 257 refits due for Advance Offshore Patrol Vessels/ Offshore Patrol Vessels and Fast Patrol Vessels/Inshore Patrol Vessels between March, 2003 and December, 2010 only 107 could be undertaken indicating a shortfall of 58 per cent. The percentage shortfalls in undertaking refits according to a ship's class ranged from 48 to 88%. The refits also took more time ranging from 86 per cent to 127 per cent to complete.

92. In view of the above, the Committee wanted to know what steps had been taken by the Ministry for undertaking refits on vessels in timely manner and also sought to know how did the Ministry ensured the sea worthiness of the ICG vessels in view of such shortfalls. The Ministry replied that the refits were executed taking into consideration operational commitments and concerns of national security. The following measures had been taken for undertaking refits on vessels in timely manner:—

- (i) The decentralization of delegated financial powers to the regions had ensured effective monitoring of refits and better adherence to promulgated refit schedules;
- (ii) Efforts had been made to curtail delay involved in processing of cases at various stages;
- (iii) Availability of additional slip way/Infrastructure with private firms were being explored to facilitate timely dry docking of ICG ships and completion of various refit activities;
- (iv) Efforts were being made to register additional shipyards for undertaking refits;
- (v) MoU with DPSUs for undertaking refits was under active consideration;
- (vi) Upkeep and maintenance of the vessels was a continuous process and was adequately addressed by way of periodical routines and repairs, after due assessment by the ship staff/shore authority during the operational cycle of the vessel to ensure sea worthiness at all times; and
- (vii) The initiatives instituted in the ambit of DPM-2009 for ensuring timely and quality refit of ships were working fine. In the last one year, refit/ ERDD of 17 ships had been completed as per schedule. The refits had progressed as planned barring a few ships whose refits were delayed due to non availability of dry dock facility. Shortfall of dry docks in

the country was a known problem. Though, ICG put in best efforts to schedule refits in such a way that dry docking of CG ships was ensured through respective port trusts, but it was practically not possible always, owing to operational requirements of these organizations. ICG was also examining feasibility of having one each slipway/dry dock in each region to minimize the problem. Notwithstanding, more shipyards had been registered for undertaking refits. As on date, total 17 yards have been registered apart from 5 DPSUs/PSUs and case for registration of three private yards was under consideration.

93. When the Committee sought to know the latest information regarding refit management of the ICG's ships and vessels, the Ministry in their reply stated as under:—

“The refit management of ICG ships is undertaken in accordance with chapter 14 of DPM 2009. The 15 months operational cycle between the refits is being followed for the ships commissioned prior to 01 Jan, 2010. The operational cycle for the ships commissioned after 01 Jan, 2010 has been optimized as follows to derive maximum exploitation based upon the age and State-of-the-Art equipment fitted in these vessels:—

- (a) First and second operational cycle is to have duration of 24 months each.
- (b) Third and fourth operational cycle is to have duration of 18 months each.
- (c) Balance life of the ships to continue with 15 months operational cycle each.

It may also be stated that the refits of ICG fleet ships are scheduled on roll on basis every year for a period of 02 years taking into consideration the operational cycle and the date of completion of last refit.”

94. Further, the Committee enquired as to whether engaging the private sector shipyards for refits would ensure timely refits of the ICG vessels. The Ministry replied that at present, there were 15 private shipyards registered with ICG for undertaking refits. (*Annexure-II*). The registration of additional shipyards remained a priority and continuous efforts were being made in this direction.

95. Furthermore, the Ministry replied that the following steps were being followed to ensure timely completion of refits:—

- (a) ICG overseeing teams had been positioned for effective overseeing where refits were undertaken;

- (b) Liquidated Damages (LD) for the delayed completion of refits and the delay attributable to yards had been increased from 5 per cent to 10 per cent;
- (c) Advance procurement of critical spares required for the refit and provisioning of these spares on board respective ships to facilitate timely completion of refit;
- (d) Guidelines on offloading/monitoring of refits of CG ships had been formulated and promulgated to ensure timely commencement and completion of refits;
- (e) Periodic update on a quarterly basis for ships planned/scheduled for refits is monitored at CGHQ; and
- (f) The modalities of offloading the refit package of ICG ships on fixed tariff/agreement basis to DPSUs was under consideration and ICG, DPSUs and MoD (DDP) were involved in discussions.

96. The Committee felt that delay in the planned refits always resulted in the availability of suboptimal vessels which would in turn jeopardize effective operations and desired to know what measures were being taken/proposed to ensure timely refits of ICG vessels. The Ministry explained that the planned schedule of refits of ICG ships was invariably adhered to. The ships were maintained in optimal role worthy state and any defects occurring during the operational period were liquidated on priority. The delay in planned refits did not affect the performance of the ships adversely as adequate maintenance was undertaken during the operation cycle before commencement of refits. Thus, the ships remained in a role worthy state during the operational period and effective operations were not jeopardized in case of delays in planned refits. Notwithstanding this, various efforts were in hand to reduce delays in refit completion such as acquisition/creation of in-house repair infrastructure including dry docks, slipways, etc. to have adequate availability of ships for effective operations. In the recent past, five private refitting yards having captive ship repair facilities akin to DPSUs/PSUs had been identified and registered by ICG. Further, M/s Larsen & Toubro Shipyard, Kattupalli having own infrastructure and repair yard was also under active consideration for registration for refits of ICG ships. Upgradation of electronic infrastructure for repair of electronic equipment at BMU (CH) for meeting ICG ships requirements was undertaken along with periodical training of Service and civilian tradesmen.

97. Allaying the Committee's concerns regarding repairs and refit, the DG, ICG deposed during oral evidence, as under:—

“...about the failure of the Coast Guard in repairs and refit, the cost being almost hundred per cent. I am afraid it is not correct. The life span of a ship is large, as I said, 20-25 years. There are times when a major equipment upgrade takes place what we call the mid-life upgrade in which case the equipment is being changed on a very large scale because of obsolescence. Then, these

are times when the costs are high. But it is a conscious decision because technology which is available requires induction in tandem with the other developments which are going on at that time."

IV. Shortage of Manpower

98. The original manpower conceptualized for the ICG by the 'Kamath Plan' of 1977 envisaged manpower strength of 16,754 personnel (1925 Officers, 10,954 Enrolled Personnel and 3871 Civilian Personnel) by 1990. The targeted growth in terms of manpower could however not be achieved as anticipated. By 1990, the ICG strength was only 2942 personnel (440 Officers, 2049 Enrolled Personnel and 453 Civilian Personnel). While intake of personnel during the period 1980-2008 was largely limited to about 20 Officers and 250 EP per year resulting in the truncated growth of manpower in the Service, the service expansion was restricted and very few ships/stations were sanctioned during this period. Audit scrutiny revealed that the shortage of manpower in ICG as on 31 March, 2008 which stood, at 62 and 52 per cent of officers and enrolled personnel respectively of the envisaged force level of 1,925 Officers and 10,959 Enrolled Personnel in the Perspective Plan 1985-2000, improved as on 31 December, 2010. But, there was still a shortage of 46 and-42 per cent respectively of officers and enrolled personnel *vis-a-vis* the force levels envisaged for in the Perspective Plan. The Ministry later stated that a total of 5238 posts were sanctioned during the period between 2007 and 2014.

99. In view of the above, the Committee sought to know what measures had been taken to fill up the vacancies of officers and personnel in the ICG. The Ministry apprised that the following measures had been initiated to fill the vacancies at a faster rate:—

- (a) The recruitment/intake of 'Officers' had been increased from 30 to 65 per batch (130 per year) since 2009;
- (b) The recruitment/intake of 'Enrolled Personnel' had been increased from 200 to 350 per batch (700 per year) since 2009;
- (c) 'Special Recruitment Drive' was being carried out to fill the vacant 'reserved category' vacancies;
- (d) The training vacancies at Naval Training establishments had been increased by the Indian Navy for Coast Guard trainees;
- (e) Coast Guard Selection Board approved by the Government had started functioning *w.e.f.* June, 2010 for dedicated selection of Officers;
- (f) Nationwide publicity through print/electronic media was being given to enhance awareness and attract more talented youth towards Coast Guard;
- (g) Well spread out recruitment centers covering all parts of the country;

- (h) Introduction of Short Service Schemes in Officer cadre for General duty (Women) and Commercial Pilot License as Assistant Commandant (Pilot);
- (i) Increased promotion of outstanding Subordinate Officers to Assistant Commandant as Departmental Promotees; and
- (j) Application for Officer and Enrolled Personnel candidates were being received 'Online' resulting in considerable improvement in the intake of Officers and Enrolled Personnels.

100. On being enquired whether the Ministry had proposed to revise the strength of Officers and personnel for the ICG as suggested by plans, the Ministry replied that manpower accretion, in Indian Coast Guard, was as per the Coast Guard Development Plan (CGDP) approved by the Government which was drawn from the Coast Guard Perspective Plan (CGPP). Each case of manpower approved in the Coast Guard Development Plan, was individually processed for approval and formal sanction. Currently, the proposals for manpower sanction as per the revised 11th Plan had been processed with the Ministry of Defence for formal sanction.

101. Furthermore, the Ministry stated that the manpower status of Coast Guard as on 09/03/2015 was as follows:—

	Sanctioned	Borne
Officers	1994	1376
Enrolled Personnel	10274	8323
Civilian Staff	1674	1175
TOTAL	13942	10874

102. Replying to the Committee's observations on manpower shortage in Coast Guard, the DG, ICG *inter-alia* conceded during oral evidence that there was a shortage both in Officers and Enrolled Personnel.

103. He added as under:—

“As you are aware as regards induction of manpower, the Coast Guard is reasonably dependent on the Indian Navy. At the moment, the endeavour is to first meet the requirement of afloat units because that is more important for us. The sea-going units require certain manpower because of their continuous operation at sea, and thereafter, the shortages of the shore Stations. This is what is being looked at. We are first filling-up the vacancies of new units since the duty staff over there has to do a four-hour shift at sea, and thereafter take a four-hour break. This requirement is more pre-dominant and more pressing than the requirement ashore. But I assure the hon. Committee that no Station at the moment is grossly deficient. There could be a deficiency of 1 or 2 in terms of sailors or officers or EP, but by and large the Stations have

been commissioned only after the basic requirements of the Stations have been met".

104. The Ministry however, submitted that as per the planned induction, the existing shortage of Officers and Enrolled Personnel would be eliminated, as follows:—

Officers

Year	Vacancies as on 1st Jan <i>i.e.</i> first day of the calender year (As per available vacancies)	Likely annual intake of officers	Likely wastage (Superannuation+ VR & Others*)	Vacancies left as on 31st Dec <i>i.e.</i> end of the calendar year
2013	672	130	15(03 + 12)	557
2014	557	130	15 (03 + 12)	442
2015	442	130	17(05 + 12)	329
2016	329	130	27 (15 + 12)	226
2017	226	130	57(45 + 12)	153
2018	153	130	53 (41 + 12)	76
2019	76	130	67(55 + 12)	13
2020	13	130	35 (23 + 12)	-82

Enrolled Personnel

Year	Vacancies as on 1st Jan <i>i.e.</i> first day of the calender year (As per available vacancies)	Likely annual intake of Enrolled Personnel	Likely wastage (Superannuation+ VR & Others*)	Vacancies left as on 31st Dec <i>i.e.</i> end of the calendar year
2013	2437	700	161 (09 + 152)	1898
2014	1898	700	173 (21 + 152)	1371
2015	1371	700	174 (22 + 152)	845
2016	845	700	171 (19 + 152)	316
2017	316	700	195 (43 + 152)	-189

* Average attrition of last 08 years

105. The Committee further enquired about the Ministry's plan to augment the shortage of manpower across the rank and file of ICG, the Ministry stated that the ICG was recruiting Officers and Enrolled Personnel only in lowest rank *i.e.* Assistant Commandant for Officers and Naviks/Yantrik for Enrolled Personnel. The

vacancies at higher ranks were being filled only by promotion. The time period required for promotion to various ranks of Officers and Enrolled Personnel were furnished as follows:—

Officers

Sl. No.	Promotion to various ranks	Total length of service
(i)	Asst. Comdt. to Dy Comdt.	06 years
(ii)	Dy Comdt. to Comdt. (JG)	11 years
(iii)	Comdt. (JG) to Comdt.	15 years
(iv)	Comdt. to DIG	20 years
(v)	DIG to IG	24 years
(vi)	IG to ADG	31 years

Enrolled Personnel

Sl. No.	Promotion to various ranks	Total length of service
GD/DB		
(i)	Navik to U/Navik	5 1/2 years
(ii)	U/Navik to P/Navik	9 1/2 years
(iii)	P/Navik to Adhikari	12 1/2 years
(iv)	Adhikari to U/Adhikari	16 1/2 years
(v)	U/Adhikari to P/Adhikari	19 1/2 years
TECHNICAL		
(i)	Yantrik to U/Yantrik	2 years
(ii)	Uyantrik to P/Yantrik	4 years
(iii)	P/Yantrik to SE	7 years
(iv)	SE to USE	11 years
(v)	USE to PSE	14 years

V. Training

106. The Coast Guard did not have its own training infrastructure and hence, all basic training for Officers and Enrolled Personnel was provided by the Indian Navy at Naval Academy, Ezhimala and INS Chilka respectively. The Coast Guard related courses were, however, conducted in makeshift training centre at Kochi. In this context, the Ministry explained that the case for Coast Guard Academy was

being processed for sanction by Competent Financial Authority. The timeframe could be finalised after the Detailed Project Report. was finalised. The 'approval in principle' for establishing an Indian Coast Guard Academy at Azhikkal in Kerala was accorded by Ministry of Defence on 22 February, 2011. The ICG had taken over 164 acres of land from the State Government of Kerala at Azhikkal, Kannur District, Kerala on 24 February, 2011. Approval in principle of the CCS for establishing the ICG Academy at Azhikkal and for engaging consultancy services for preparation of Detailed Project Report had been accorded. The total cost was ₹ 661 crore including the RIC for provision of infrastructure at ₹ 610 crore, upfront lease cost of land (164 acres) at ₹ 19.85 crore and the indicative cost for manpower at ₹ 31.23 crore. The land had been taken over by the ICG upon sanction for an upfront lease cost of ₹ 19.85 crore for a period of 90 years.

107. The Ministry further apprised that academy would be capable of training 650 trainees at any given time and would have six schools—Search & Rescue School, School of Maritime & Coast Guard Law, Marine Environment School, Boarding Operations School, Command & Staff School and Technical & Management School. The total training and administrative staff envisaged was 588 personnel for the Academy. The Academy would have state-of-the-art facilities for specialised training on ICG specific professional subjects. The envisaged infrastructure at present stage was Administrative wing, Training Wing—06 Schools, Base Depot Ship, Simulators—Search and Rescue, Boarding Tactics, Weapon Handling, Pollution Response, Training facility—Watermanship, Hazardous Material (HAZMAT), Pollution Response/Survival Drill, Training Pool and Physical Training facilities, Central Library/Auditorium/Baffle Firing Range/MI Room/Training Shed/Parade Ground/Helipad and accommodation for Officers and other personnel. The Expected Timeframe for commissioning of the Academy was 2016.

108. Elaborating on the ICG Academy, the DG, ICG, deposed during oral evidence, as under:—

“In so far as the ICG academy is concerned, the timeframe of 2016 has been given. The tenders for this were floated, and the short-listed firm—after comparing the tenders—has been identified on 11 July. The contract is being awarded to M/s Meacon, and the timeframe given is about three years from now, and from beginning till the end the Coast Guard Academy is primarily going to look after the specialised training requirements of the ICG. The intention is that *ab-initio* training of the ICG Officers and Enrolled Personnel (EP) will continue to be with the Navy so that there is certain amount of interaction, since subsequently they are going to operate in the same maritime environment and that will be helpful. So, at this point of time, the shortage of manpower is being looked at by keeping maximum number of seats, which the Indian Navy can afford to give. The Naval Academy is also new, which at the moment is running at about 1,200 personnel. Out of this, 130 vacancies of officers have been given to the Coast Guard, that is, 65 per term and 320-350 per term for the EP at the Navy's Sailors Academy in Chilka in Odisha. There

have been shortages, but over the last three years we have made good a fair amount of shortages keeping the constraints of training in mind, and almost 300 officers as well as about 2,000 EP have been inducted. The shortages exist, but they have been relatively reduced and we expect this shortage not likely to be completed before 2020 or 2022."

CHAPTER IV

COASTAL PATROLLING AND SECURITY FUNCTIONS AND CONSTRAINTS

109. The responsibilities of the ICG are to protect the national interests of India in the Maritime Zones of India (MZI), *i.e.* up to 200 NM. Since the inception of the ICG in 1978, various new threats have emerged on the Indian Coasts moving coastal security a critical responsibility in addition to the mandated role of the ICG like Search and Rescue, pollution control etc. Audit scrutiny revealed that the Coast Guard is limited in its capabilities to effectively discharge its duties in the entire EEZ waters (up to 200 NM). On account of the deficiencies in ICG assets and infrastructure and shortages in manpower, force levels which ought to have been in place by the year 2000 have not been achieved even by 2010, by which time the security threats have increased manifold. Its operational effectiveness is also restricted on account of gaps in role equipment, for instance, even after ten years a chain of static sensors in the form of shore radar stations in areas of high sensitivity and high traffic density to provide continuous, gap free, automatic detection and tracking of targets has not been set up. ICG fulfils its responsibilities towards coastal and Exclusive Economic Zone security primarily by patrolling, on-board investigations and aerial surveillance. Operation SWAN and International Maritime Boundary Line (IMBL)/Exclusive Economic Zone (EEZ) patrolling by ships are two vital activities for ensuring the safety of the coasts.

I. Operation Swan post Mumbai Blasts (for Maharashtra & Gujarat)

110. Following the March, 1993 bomb blasts in Mumbai, the Government launched “Operation Swan” in April, 1993. It was a joint operation of the Indian Navy and the ICG aimed to prevent smuggling of arms/ammunition and other contraband and carry out intensive surveillance on high seas, maintain surveillance in the territorial waters and patrol the shallow waters near the shore along the Maharashtra and Gujarat coasts. The operation was to be conducted in three layers; an outer layer (50 NM and beyond) of surveillance using Dorniers and surface units of IN and ICG, intermediate layer using ships of IN and ICG and hired trawlers (between 25-50 NM) and the inner layer (up to 12 NM) through joint coastal patrolling by IN using hired trawlers with Customs and Police personnel. In the case of Gujarat, the ICG was also assigned the inner layer operation from February, 2006. Subsequently, the ICG had taken over duties of Operation Swan. Yet, inadequate depths, hazards in channel and lack of navigational facilities prevented operation of its units at certain locations. These operations were also lacking in effectiveness

as the manpower, operational assets and basic infrastructure were grossly inadequate for effective conduct of operations.

(a) Coastal Patrolling

111. The ICG had not been involved in the inner layer operations in Maharashtra till December 2010 due to manpower and resource constraints. Joint Coastal Patrolling (JCP) undertaken by Indian Navy in Maharashtra was discontinued by September, 2005 based on the decision of the Ministry of Home Affairs to establish coastal police stations to provide the coastal security and check smuggling of arms and ammunition. The coastal patrolling was, thereafter, left to the State Police and Customs, who had meager operational assets to handle the operation. Further, all naval detachments were replaced by three quick reaction teams, which were kept standby in case of any contingency. This created a void in undertaking the close coastal patrolling.

112. The Committee wanted to know whether adequate resources were available with the States' Police forces and Customs for conducting coastal patrolling. The Ministry replied that the resources in terms of vessels available for patrolling close to coast were inadequate with all the agencies including Navy, ICG, State Police and Customs. It was for this reason that joint patrolling was undertaken onboard using hired fishing trawlers.

113. The Ministry further submitted as under: —

“In Maharashtra, Operation Swan was started by deploying Naval detachments at six locations along the coast. These detachments undertook joint coastal patrolling, along with customs and State police. During the initial 12 years, over six lakh boats were checked, without any detection of arms /contraband. Post 2005, State Govt. agencies were specifically requested to provide intelligence assessment for continued patrolling. However, no specific assessment was received in this regard. As on date, three Quick Reaction Teams (QRTs) are being maintained at Mumbai, Murud and Ratnagiri. These QRTs are ready for quick mobilization to other locations based on intelligence input. Indian Navy is, therefore, still involved in Operation Swan in Maharashtra. Subsequent to the Cabinet Committee on Security (CCS) directives issued in February 2009 and completion of Coast Security Scheme (CSS Phase I), State marine police is also involved in inner layer patrolling. The outer and intermediate layer of coastal surveillance in Maharashtra by Indian Navy and Indian Coast Guard ships/aircraft is continuing, as envisaged.”

114. The Ministry also stated as under:—

- (a) The Joint Coastal Patrolling (JCP) was not discontinued at any point of time. Subsequent to Mumbai 26/11 incident the Joint Coastal Patrolling was subsumed into the new Coastal Security Initiatives (Introduced consequent to Cabinet Committee on Security directives

on Coastal Security of 16 February, 09) wherein Marine Police of coastal States were mandated the duties of Joint Coastal Patrolling.

- (b) There was no implication to coastal security as the Joint Coastal Patrolling was replaced by Marine Police patrol along the coast as per Cabinet Committee on Security directives on Coastal Security, whilst the Outer and Intermediate layers continues to be maintained by Indian Navy and Indian Coast Guard assets as hitherto.
- (c) Three Quick Reaction Teams (QRTs) were maintained one each at Mumbai, Murud and at Ratnagiri along Maharashtra coast and were ready to intervene on receipt of specific Int inputs. However, no specific inputs were provided to the Quick Reaction Teams from any agencies during the period.

115. On being asked what remedial action has been taken by the ICG/Ministry to overcome such situation, the Ministry stated as under:—

“Post 26/11, patrolling and surveillance of Exclusive Economic Zone (EEZ) and coastal areas have been enhanced. Coastal Police of States have also started patrolling of shallow waters by Ministry of Home Affairs (MHA) supplied boats/ hired boats. The Coast Guard is conducting regular exercises on Coastal Security in coordination with other central and State Government agencies *e.g.* the marine police, customs, Central Industrial Security Force (CISF), fisheries department, port authorities, State Police and Indian Navy.”

(b) Coastal Police Stations

116. Audit pointed out that by March, 2008, only 47 (10 in Gujarat and 12 in Maharashtra) out of 73 Coastal Police Stations had been set up in nine Coastal States and four Union Territories. By March 2009, this figure had increased to only 55 coastal police stations. The induction of the dedicated fleet of 204 boats for these coastal police stations was to commence from April 2009. However, by October, 2010, only 71 out of planned 73 Coastal Police Stations had been made operational.

117. Elaborating their position in this regard, the Ministry submitted that in the first phase of the coastal security scheme, 73 Coastal Police Stations and 204 boats sanctioned by the Government. The Ministry also stated that all 73 Coastal Police Stations have been made operational as on 30 September, 2010. On the directives of MHA, the nodal Ministry, the Coastal State Governments in consultation with the Coast Guard conducted a vulnerability and gap analysis to examine the additional requirement of Coastal Police Stations to ensure seamless coverage of the entire coastline. The main factors considered for the conduct of the study were:—

- (a) Length of the coast line;
- (b) Position of the existing and proposed marine police stations;
- (c) Density and distribution of fishing villages/landing points;

- (d) Infrastructure and equipment available with resource agencies;
- (e) Density of the Coastal population; and
- (f) Strategic location of each Coastal State.

Based on the study, a total of additional 131 Coastal Police Stations and 180 boats had been worked out for the second phase of Coastal Security Scheme *w.e.f.* 01 April, 2011.

118. On being asked what measures have been taken by the Ministry to expedite the operationalisation of the Coastal Police Stations, the Ministry replied as under:—

“Ministry of Home Affairs (MHA) is the nodal Ministry dealing with the setting up of the Coastal Police Stations.”

119. To a query as to whether has the Ministry have planned to set up more Coastal Police Stations to enhance the security of the Indian Coastline, the Ministry submitted as under:—

“Under Coastal Security Scheme Phase-II, implemented by Ministry of Home Affairs *w.e.f.* 01 April 2011, an additional 131 Coastal Police Stations are being set up.”

(c) Delay in Induction of Interceptor Boats (IBs)

120. Audit observed that 15 IBs were to be inducted by 2010 so that ICG could perform its enlarged role of coastal security *i.e.* surveillance of shallow waters under Operation Swan. The Government sanction for the same was obtained in April, 2005 but the contract could be signed only in March, 2009. Resultantly, these IBs were expected to be inducted by March, 2014 only.

121. When the Committee sought reasons for delay in the induction of IBs, the Ministry replied as under:—

“....that the acquisition of 15 Interceptor Boats as per indigenous ship building procedure under ‘nomination basis’ to M/s Goa Shipyard Limited, Goa was undertaken by the Ministry of Defence for expeditious materialization of assets. The acquisition process was dropped based on Commercial Negotiation Committee (CNC) recommendations due to higher quote from the nominated yard. The acquisition of 15 Interceptor Boats was subsequently processed under competitive bidding. The capital acquisition process as per Defence Procurement Procedures (DPP) provided undertaking various activities of Capital Acquisition *viz.*, issue of Request For Proposal (RFP), receipt of tenders, Technical Evaluation Committee (TEC) evaluation and acceptance of report, Tender Opening Committee (TOC) evaluation and acceptance of report, Commercial Negotiation Committee (CNC), Cabinet Committee on Security (CCS) approval, contract conclusion, etc. The time line for these activities varied from TO + 80- TO + 117 weeks in a situation of

multivendor and TO + 93 - TO + 137 in case of a single vendor. The time taken for contract conclusion was necessitated due to following nomination based acquisition initially and thereafter resorting to competitive bidding based acquisition to discover a reasonable price. There was no procedural delay in concluding the project and was pursued with high priority. The surveillance needs of the area based on the requirements had been met from within the available surface and air assets and the security needs had not been compromised.”

122. The Committee desired to know whether there was a capacity or capability evaluation in the selection of shipyards and the tendering process. To this, the DG, ICG, during oral evidence stated as under:—

“I mentioned during my earlier submission that capability and capacity assessment of the yard is done.”

123. Further, drawing attention to the Audit observation that the 15 Interceptor Boats (IBs) to be inducted in 2010 were delayed due to higher quote from M/s Goa Shipyard Limited, Goa and then subsequent process under competitive bidding, the Committee wanted to know the latest status of induction of Interceptor Boats due to be inducted in March, 2014. The Ministry replied that the contract for construction of 15 IBs by M/s Bharati Shipyard Ltd., Mumbai at a total cost of ₹ 281.232 crore was signed on 04 March, 2009. The first IB and fifteenth IBs were contractually due for delivery in September, 2010 and March, 2014 respectively. The Shipyard had, however, been able to deliver only one IB till date. The project had largely been delayed due to severe financial constraints experienced by the shipyard. In order to tide over the financial crisis, the shipyard had recently undergone corporate debt restructuring with assistance from a consortium of banks. Funds required for progress of the project were now being reallocated in a phased manner and the same was being closely monitored. All necessary actions for resurrection of the project were being undertaken by the Coast Guard Headquarters. It was expected that with the ongoing parallel production of IBs in the shipyard's facilities at Goa and New Mangalore, the Shipyard would be delivering two IBs in 2013-14 and subsequently deliver the remaining IBs each at contractual intervals of 03 months each.

124. On being enquired whether the order for the boats were placed in 2009, when did the company go bankrupt and when was this crisis noticed, whether in 2014? To this the DG, ICG replied as under:—

“The Company delivered the first ship and after that, the company ran into financial crisis.”

125. Supplementing him, the Defence Secretary deposed during evidence as under: —

“We will have to check up.”

126. Subsequently, the Ministry submitted as under:—

“M/s BSL has been taken over by M/s Edelweiss Asset Reconstruction

Company Limited (EARC) with an objective to revive the Shipyard. M/s EARC has now assumed the role of lead banker and has accorded first priority to ICG projects. Since taking over the debt of M/s BSL in June 14, M/s EARC has released 16.4 Crore towards 15 IBs project, of which 7.1 crore has been released for procurement of equipment/material primarily for Yard V-404 and the remaining amount to meet the issues related to salary, security, bank guarantee commissions and statutory liability, etc. The 1st IB of 15 IB project was delivered on 26.12.2012. M/s BSL has submitted the revised roadmap for delivery of remaining 14 vessels under the project, wherein in the first phase, the Shipyard intimates to pursue construction of eight IBs viz. Yards V-403 to V-410 and the remaining 06 IBs in the 2nd phase of construction. The impetus provided by all concerned has started showing some positive developments and the second IB (Yard V-404) is progressing satisfactorily for delivery in Jan.15. There is also a visible progress on the follow on ships.”

127. When the Committee sought to know that any action had been taken against the ship builder, the Ministry stated as under:—

“Maximum Liquidated Damage amounting to 5% of the Contract price for delay in delivery of the vessel as per the contractual provisions are being deducted from the Shipyard's account. In addition, the progress of the project is reviewed every month by the Coast Guard Refit and Production Team, Goa. The project is also being reviewed by MoD on quarterly basis under the chairmanship of JS & AM (MS).”

(d) State Marine Police

128. Apprising, the Committee about work allocation among different agencies in the new set up of coastal security, the Defence Secretary deposed during oral evidence as under:—

“Up to five nautical miles the responsibility rests with the Marine Police, which is controlled by the State Government. You may be aware that the Home Ministry has a fairly large scheme where on 100 per cent grant basis, they are making the boats available to the State Governments. These boats have come in fairly large number. Eighty-four boats have already been delivered to the Marine Police. So, that has to be added to the ability of the Coast Guard.”

129. About the training of Marine Police Personnel, the Ministry stated that *ab-initio* training of Marine Police personnel by Coast Guard was started in August, 2006. The training was conducted at 10 Coast Guard District Headquarters corresponding to the Coastal States/UTs. As on June 2012, a total of 2480 police personnel had been imparted training by the Coast Guard. The training was given at ASI level and head constable and the level below. The training consisted of three weeks orientation module and one week of OJT module. The training module for boat operators/maintainers had also been finalized by DG (Shipping) through approved institution.

130. Highlighting the abilities of Marine Police, the Defence Secretary submitted during oral evidence as under:—

“In so far as the marine police and their ability to patrol is concerned, the results are mixed. Some States are able to do it well. Some States are asking the Ministry of Home Affairs for money. This is really the subject which is looked after by them. But, I know that there is a problem on that. We have taken this aspect up with MHA also. It is discussed in a number of coordination meetings. I admit that there is a problem, but I should hasten to add that whenever there is credible information of a threat, it is not just that Coast Guard and Navy which rush out, but the State police also go out. So, it is not as if money is a hindrance in the face of a threat.”

131. Audit scrutiny revealed that the boats provided to States' Marine Police were not fully efficient and also were not bullet proof. Highlighting this, the Committee desired to know the efforts in this regard. The Ministry stated that the boats supplied to Marine Police under Coastal Security Scheme (CSS) were manufactured by Defence PSUs per approved specifications. The same DPSUs were also manufacturing ships and boats for the Indian Navy and ICG.

132. However, during evidence, the Defence Secretary submitted in this regard as under: —

“As you have asked about the quality of boat, I will not be able to comment on it. I do not have personal knowledge on this. I will check up on that point.”

(e) Coast Guard Stations

133. Additionally, three Coast Guard Stations were required to take over the extra responsibilities of Operation Swan. Ministry of Defence/ICG sought Ministry of Home Affairs (MHA) funds for the same in October, 2002. Though the proposal was approved in January, 2005 Audit observed that none of the stations could be activated prior to 26/11. Of these, one station was activated in September 2010, the second station was commissioned in October, 2010 and the third is yet to be activated (as of December, 2010) as land identification and negotiation is still in progress.

134. In this context, the Committee specifically desired to know whether the Ministry were playing with the security of the country by taking the issue of serious concern so lightly. The Ministry apprised as under:—

“The cases for acquisition of land for establishment of three stations have been pursued with stringent timeline with the respective State Governments. However, there has been delay due to procedure involving the Defence Estates, State Revenue Dept. etc., for identification, sanction of the proposed land and physical taking over of the land, which generally takes 2-3 years time. Further, on taking over of the land, it requires a lead time of 4-5 years for formulation of Key Layout Plan (KLP), clearances from various authorities, project sanction by CFA, tendering procedures and construction of infrastructure by the MES. However, post 26/11, considering the urgency,

these stations have been activated in hired buildings (Murud Janjira on 30 September 10, Veraval on 02 October 10 and Dahanu on 05 January 12) notwithstanding the inadequacies in infrastructure availability. The land acquisition at these stations is in progress.”

135. The Ministry further stated as under:—

“The third Coast Guard Station (Indian Coast Guard Station Dahanu) has been commissioned on 22 March, 2012. It is only because of a sense of urgency that all these stations have been commissioned at hired premises. Other than in terms of ICG's own land/ infrastructure/facilities, these stations are equipped at par with other Coast Guard Stations.”

136. Observing that had the Ministry set up and activated Coast Guard Stations earlier, the terrorist attack on Mumbai on 26th November, 2008 would have been averted, the Committee sought the comments of the Ministry in this regard to this. The Ministry replied as under:—

“The stations are set up to provide administrative and logistic support to the frontline operational units. Irrespective of these stations being set-up, joint coastal patrol by Navy, Indian Coast Guard and Marine Police under ‘Operation Swan’ was already in place off the coast of Gujarat and Maharashtra with administrative/logistic support provided by the respective agencies.”

137. The Ministry further submitted as under:—

“Early setting up of stations enables faster logistics support to the frontline units and thus enhances the efficiency. It was not intended to state that there is no need for setting up of stations to enhance maritime/coastal security. Best possible efforts were made to establish the stations, even in the hired premises without waiting for creating its own infrastructure.”

138. Every ICG station increases the local presence of Indian Coast Guard in coastal areas and enhances the effectiveness of operations in following ways:—

- (i) Coordinating with relevant local agencies ashore.
- (ii) Collecting and disseminating intelligence from local Intelligence agencies.
- (iii) Undertake land based operations needed to support the operations at sea/air.
- (iv) Convey relevant local information as needed to units at sea/air.
- (v) Facilitate sustained operations by providing closest location for Operational Turn Round support.

139. To a specific query that even after the terrorist attack on Mumbai in 2008, why the Ministry is not serious enough to expeditiously activate the Coast Guard Stations, the Ministry stated as under:—

“Post 26/11, Govt. sanctioned additional 02 Regional Headquarters, 01 Distt. Headquarter & 20 stations. Of these, Regional Headquarters (North-West) at Gandhinagar, District Headquarters at Kavaratti in Lakshadweep & (Minicoy Island and 13 other stations have been established till date in record time of 03 years. 07 remaining stations (Kolkata, Pipavav, Nizampatnam, Gopalpur, Frazerganj, Kamorta and Mayabunder) are planned to be established in the current year (*i.e.* 2012).”

140. The Ministry further apprised as under:—

“All these stations are operating from hired premises. The land acquisition at these stations is in progress. ICG's own facilities and infrastructure will come up subsequently as per the following time-frame: —

- (a) Identification, sanction of the proposed land and physical taking over of the land takes 2-3 years.
- (b) On taking over, formulation of Key Layout Plan (KLP), clearance from various authorities, project sanction by Competent Financial Authority (CFA), tendering procedure and construction of infrastructure by the Military Engineering Services takes 4-5 years.

Equipments and personnel are in place and vessels are being positioned as per the Basing Plan 2011-14 and as per the availability of suitable berthing facilities.”

II. Overlapping of responsibility between the Marine Police and the Indian Coast Guard

141. When the Committee pointed out that there appeared to be variation in patrolling responsibilities in different States, the Ministry submitted as under:—

“The following areas of responsibility had been demarcated with respect to coastal security:

- (a) From the coast up to 05 nm to seawards – Marine Police;
- (b) From 05 nm to 12 nm from the coast – Indian Coast Guard; and
- (c) beyond 12 nm – Indian Navy.

These directives were applied uniformly for the entire coastline and all coastal States/Union Territories and were in various stages of implementation. Based on these directives on coastal security, marine police stations had been constructed all along the coast of India (CSS Phase I and II). These were manned by State Police personnel. Further, patrol boats (5 tonne and 12 tonne) had also been allocated to police stations for patrolling in territorial waters. Along with the allocation of patrol boats, necessary infrastructure (jetties and ashore support facilities) had also been provided under Coastal

Security Scheme. Additional Coast Guard Stations have also been set up. In the present scenario, the Marine Police jurisdiction extended up to 12 nm from the coastline. Marine Police patrolling was further augmented by Coast Guard assets in this zone.”

142. Elaborating on the Coastal Security Scheme, the Defence Secretary during oral evidence deposed as under:—

“As regards the coastal security, I would submit that it is not just the Coast Guard and Navy, but it is really a much larger subject where the role of MHA comes in; where the role of Fisheries comes in; and where the role of Customs comes in. So, there are a very large number of Departments, which are associated with it. Post 26/11, a mechanism has been set-up where under the Chairmanship of the Cabinet Secretary, there are regular/periodic meetings where all the Departments are brought together and they discuss and try to make their coordinated move forward. Therefore, our own preparedness in terms of coordinated activities is substantially better than it was earlier. Now, this structure that has been put in position includes not only the Central Government Ministries, but more importantly, the State Governments who are really the stakeholders. The Coast Guard and Navy have been doing regular exercises in conjunction with the State Governments as also in conjunction with all concerned agencies. Therefore, a certain system has been put in place. We have to continuously improve. We cannot say that we have reached a level, which is even today found to be extremely satisfactory by us. We feel that we still have a long way to go, but certainly we are much much better than what we were in 26/11 time.”

143. He added:—

“Five nautical miles is with the State Police. Up to 12 nautical miles is the territorial waters of the country, which is with the Coast Guard. In fact, Coast Guard, is supposed to guard the entire EEZ, but we are fairly far away from that. Up to 24 nautical miles is contiguous waters, which is supposed to be controlled for the purposes of customs, fiscal immigration and requirements or current requirements primarily by the Coast Guard. Up to 200 nautical miles is the EEZ. Now, this is the distribution and the present responsibility. Therefore, I would submit that we have to add on the assets not just of the Coast Guard but also of the Navy itself because the Exclusive Economic Zone is being patrolled by the Navy itself. We have to add the Marine Police assets; and we have to look at the Coast Guard assets. I would still say that it is insufficient in terms of just assets.”

144. Replying to a query from the Committee about separation of Coastal Police Wing from regular Police, the Defence Secretary submitted during evidence as under:—

“Absolutely. We have been promoting this suggestion. I appreciate what the hon. Member has said. As a matter of fact, today several States do have even

officers like the IG, Coastal Security. So, that is existing there. We have been trying to persuade all the State Governments that they must have a dedicated system because this is a specialised job. They have to go into the water. Even monitoring and policing is a specialised job which is different from the land job. We have been trying to persuade all the State Governments to get into this system.”

III. Coastal Security Scheme

145. The Ministry submitted that the Coastal Security Scheme was being implemented by the Ministry of Home Affairs in coordination with Coastal States/UTs in a phased manner as stated under:—

- (a) *Coastal Security Scheme (CSS Phase-I)*: Coastal Security Scheme Phase-I was approved by Cabinet Committee on Security in Jan. 2005 for implementation for a period of five years and the scheme completed on 31 March, 2011. Under CSS Phase-I, 73 Coastal police stations along with 204 (12 Tonne-120 & 05 Tonne-84) beats were provided. The implementation of Phase-I of CSS has been completed by all Coastal States and UTs in 2011. This Phase included setting up of 73 Coastal Police Stations, 204 boats for Coastal Police and associated gears vehicles.
- (b) *Coastal Security Scheme (CSS Phase-II)*: The scheme has been approved by the Government and its implementation has started w.e.f 1st April, 2011. The Coastal Security (Phase-II) Scheme envisages to carry forward the objectives specified in the Coastal Security Scheme (Phase-I), by way of providing additional infrastructural support to the coastal States/UTs for marine patrolling and with a view to supplement other coastal security initiatives undertaken by the Indian Navy and Indian Coast Guard. The scheme comprises 131 coastal police stations, equipped with 180 Interceptor Boats, 60 Jetties, 131 four wheelers and 242 Motor-Cycles.

146. The Ministry further stated that during the last review meeting held in 03 July, 2014, MHA intimated that the land for all 131 Coastal Police Stations had been identified, 114 had been acquired and construction started for 55. 85 Coastal Police Stations were in operation. 94 four-wheelers had been procured and procurement action for 225 Interceptor Boats (IBs) through global tender process had been initiated by MHA.

147. Replying to a related query, the Defence Secretary, deposed during oral evidence as under:—

“I would submit that when we started of after 2009, it did not exist. But as of today, I would like to say that we have improved very substantially in terms of coordination ability. There have been a very large number of exercises. I think the DG, Coast Guard would give the precise number. A very large

number of exercises have been done with the State Police, the Marine Police, the Coast Guard and the Navy; and these have been not just with one Marine Police. The exercise would be, may be, with two State Marine Police so that the usual problem of the Police Station jurisdiction etc., does not come in. The Fisheries people participate in that exercise; the Customs people participate in that exercises; and these exercises have been done over and over and over again since 2009. I think we have reached a reasonable level of maturity in those exercises. They are perfect, one cannot say. But we have a reasonable confidence in their ability to cooperate and coordinate their activities. But is that again sufficient? My answer would still be no. It is not sufficient for several reasons. The security just does not depend on the assets. Ultimately, the security of the coastline would depend on my intelligence inputs. Now, intelligence inputs come from several sources, as you know. But I do not think that we are still good enough in terms of intelligence to be able to handle all threats. We are getting inputs from the State Police; we are getting inputs from our own intelligence agencies at the Central Government level; and we are getting satellite intelligence.”

148. Supplementing the Defence Secretary, the DG, ICG, added as under:—

“Sir, ‘Operation Swan’ commenced after 1993 bombings at Mumbai. That was primarily oriented towards maritime defence, coastal defence of Gujarat and Maharashtra. That was jointly undertaken by the Navy and the Coast Guard. Subsequently, after the 26/11 happened, the Coastal Security Scheme subsumed ‘Operation Swan’. It was for the entire coast of India so that having dual operations was avoided. So, the Coastal Security Scheme subsumed ‘Operation Swan’, which was only for Gujarat and Maharashtra. That is what was being undertaken by the Navy and the Coast Guard. Subsequently, the Coast Guard was given the responsibility of only the Gujarat coast. Maharashtra coast is still with the Navy. This responsibility was shared between the two maritime forces because closer to the coast security was the requirement and that it was felt with the kind of assets, the boats which the Coast Guard had, will meet the requirement better because closer to the coast one required shallow water craft and ships.”

149. The Defence Secretary further, added as under:—

“On the issue of as to whether there was a gap in patrolling when Swan got discontinued, I would like to humbly submit that like Operation Swan there was an Operation Tasha also on Tamil Nadu coast side. These were specific operations. It is not as if their continuation or discontinuation has an impact on either coordination or patrolling. That did not happen. Only there is a specific name which has been given to a particular exercise. We just decided that we want to do the patrolling along the entire coast. So, there was never any gap at any stage in patrolling that is required. We are able to do patrolling for the security of the coast even while the operation might have got discontinued. I would like to assure that there was never a gap.”

150. He was supplemented by, the DG, ICG who stated as under:—

“It is not like that. The assets and the manpower situation at that point of time were different. We also had a parallel operation running in Tamil Nadu. It is called operation Tasha which was against the refugees and the persons who are crossing the coast and coming to this side. That was also one of the requirements. It was a shared responsibility. I did not say that it was discontinued.”

151. On being enquired about the reasons for difference in the actual participation by the Indian Navy and ICG from the envisaged/demarcated responsibilities for Operation Swan, the Ministry stated that there were only 02 maritime agencies — IN and ICG for patrolling in Area of Operation (AOR). The roles for both these agencies were clearly defined and both these agencies were operating in coordinated manner. However, due to limited resources and support infrastructure available with these two agencies, patrolling was undertaken based on threat perception in the sensitive areas. This deficiency had been addressed post 26/11. As per CCS directives promulgated on 16 February, 2009, clear cut directives existed for all stake holders *i.e.* IN, ICG and Marine Police. SOPs had been promulgated in consultation with all stake holders and duly vetted by respective State Governments for effective Coastal Security mechanism. These SOPs were being followed.

152. The Committee sought to know whether the Ministry had ensured that the entire coastline of India had been clearly delineated in terms of assignment of duties between the Indian Navy and the ICG. The Ministry, responded by explaining as under:—

“The role performed by Indian Navy and ICG were different; the Indian Navy was tasked with national security and overall maritime security which included coastal security and offshore security; the ICG was entrusted with peacetime maritime surveillance, Search and Rescue (SAR), Marine Oil Pollution Response, Anti-piracy, Anti-Smuggling and Policing roles. ICG had been additionally designated as the authority responsible for coastal security in territorial waters including areas to be patrolled by Coastal Police. Further, DGICG had been designated as Commander, Coastal Command and made responsible for overall coordination between Central and State agencies on all matters related to coastal security. Thus, the responsibilities and roles of ICG and Indian Navy had been clearly demarcated.”

153. About the training of Marine Police Personnel, the Ministry stated that *ab-initio* training of Marine Police personnel by Coast Guard was started in August 2006. The training was conducted at 10 Coast Guard District Headquarters corresponding to the Coastal States/UTs. As on June, 2012, a total of 2480 police personnel had been imparted training by the Coast Guard. The training was given at ASI level and head constable and below level. The training consisted of three weeks orientation module and one week of On the Job Training (OJT) module.

The training module for boat operators/maintainers had also been finalized by DG (Shipping) through approved institutions.

154. Highlighting the abilities of Marine Police, the Defence Secretary submitted during oral evidence, added. as under:—

“Insofar as the Marine Police and their ability to patrol is concerned, the results are mixed. Some States are able to do it well. Some States are asking the Ministry of Home Affairs for money. This is really the subject which is looked after by them. But, I know that there is a problem on that. We have taken this aspect up with MHA also. It is discussed in a number of coordination meetings. I admit that there is a problem, but I should hasten to add that whenever there is credible information of a threat, it is not just that Coast Guard and Navy which rush out, but the State police also go out. So, it is not as if money is a hindrance in the face of a threat.”

IV. International Maritime Boundary Line (IMBL)/Exclusive Economic Zone (EEZ) Patrolling — Maharashtra and Gujarat

155. Audit pointed out that as per ICG analysis (2002-07 Plan), the force requires 175 ships and 221 aircraft for effective patrolling of the EEZ, coastal and shallow waters. Against this, the ICG had only 68 ships/vessels and 45 aircraft as of January, 2008. Out of 28 ships/vessels available with ICG for patrolling of the entire West Coast, 16 ships/vessels, of all types, were based in the Maharashtra and Gujarat area. 10 ships in 2007 and 14 ships/vessels in 2008 and 2009 deployed in the Maharashtra and Gujarat area were responsible for Exclusive Economic Zone (EEZ)/ International Maritime Boundary Line (IMBL) patrolling. Audit focused on patrolling operations for the years 2007, 2008 and 2009 and found that ICG undertook 11,108 hours, 19,185 hours and 23,005 hours of patrolling off the coast of Gujarat/Maharashtra in 2007, 2008 and 2009 respectively. The patrolling carried out in 2008 was about 73 per cent more than that carried out in 2007, whereas, the patrolling done in 2009 was about 107 per cent more than the patrolling done in 2007. On an average, the ships deployed for coastal patrolling off Gujarat and Maharashtra coast, carried out 309 hours, 358 hours and 411 hours patrolling per quarter per ship in 2007, 2008 and 2009 respectively. Significant increase in patrolling, done in 2008 and 2009 as compared to in 2007, can lead to only either of the two conclusions:—

- (i) Though ICG was capable of undertaking more hours of patrolling, yet it planned and carried out fewer hours of patrolling; or
- (ii) The significant increase in patrolling in later years was unsustainable leading to over stretching of personnel and vessels.

156. In view of the above, the Committee wanted to know whether the Ministry had set any norms for adopting the patrolling hours annually. The Ministry stated that the surveillance and patrol in any area depended on the risk assessment and threat perception. Further, these parameters may also vary according to time, season, weather and other prevalent situations. Thus, imposing a fixed number of patrolling hours as the minimum achievable target was not practical.

157. Further, the Ministry replied that as ICG was responsible for surveillance for the entire coast of India, patrolling necessities were undertaken by clearly balancing the operational compulsions with the state of assets of the ship and aircraft. Further, the ICG took into account available intelligence to draw risk matrix of an area and accordingly undertake patrolling and surveillance.

V. Boarding Operations

158. Identification of vessels at sea to identify friend or foe is an important task. An ideal system of identification of vessels/crew at sea would involve all vessels being fitted with standard communication system, able to communicate with Indian Coast Guard ships, a database of fishing boats and a uniform paint scheme for vessels. However, such a system has not yet fully evolved in India. As a result, the only way for the ICG to conclusively identify anyone on-board a vessel at sea is to board and investigate it. Audit undertook the scrutiny of 147 Letter of Proceedings (LoPs) and it was noticed that not a single boarding operation was indicated in 96 cases, *i.e.* 64 per cent LOPs. Nine LOPs depicted only one boarding operation against the prescribed limit of four boarding operations per ship per quarter. For the year 2008, ICG conducted only 188 boarding operations in the first three quarters of 2008. This figure showed a quantum leap in the last quarter of 2008 when 255 boarding operations were carried out between October and December. Of these 255 boarding operations, 116 (45.49 per cent) boarding operations were carried out in the month of December, 2008, *i.e.* after 26/11 terrorist attack. In the quarter ending December, 2009, ICG undertook 357 boarding operations off Gujarat/Maharashtra coast representing an increase of 40 per cent over the boarding operations carried out in the quarter ending December, 2008. The number of boarding operations carried out by ICG off Gujarat/Maharashtra coast in 2009 suggests that ICG was capable of undertaking more boarding operations. Till such time the constraints in identification of vessels are resolved, intensity of boarding operations was the only deterrence for coastal security. However, such intensity was witnessed only after the 26/11 incident.

159. An analysis of quarterwise boarding operations during the years 2007, 2008 and 2009 in Maharashtra and Gujarat area revealed that two boarding operations (QE June, 2007) and 357 boarding operations (QE December 2009) were carried out. The Committee enquired as to what led to such wide variations in conduct of boarding operations. The Ministry submitted that the data of boarding operation had been taken by the auditors from the Letter of Proceedings (LoPs). However, the LoPs usually did not include the details about boarding operations undertaken by the ships, the details of which were maintained in individual ship's Boarding Record Book. Hence, non reflection of boarding operations in LoPs may not be construed as such operations not being conducted by ships. The details of the boarding

operations that had been compiled from Boarding Record Books of ICG ships, for 2010-11 were as follows:—

Q. E.	Gujarat	Maharashtra
March, 2010	1344	265
June, 2010	532	149
September, 2010	150	55
December, 2010	1334	350
March, 2011	1109	154
June, 2011	868	72
September, 2011	329	190
December, 2011	1952	91

160. The Ministry further stated that the details of the boarding operations undertaken by the ship were forwarded to relevant authorities separately. The information included in the Coast Guard Book of Regulations (Ship Operating Standards) pertained to the exercises of boarding operations to be undertaken every quarter by ICG ships. Thus, these exercises were part of the training and the records related to such evolutions were maintained separately. The details of the boarding operations undertaken by a ship were reported periodically to the relevant authorities and records of the database were also maintained by respective Regional Headquarters and Coast Guard Headquarters.

VI. Night Flying

161. Surveillance and patrolling between 5.00 p.m. and 5 a.m. is a vital task for ICG. However, Audit had observed that though annual allotment norms were adhered to, the night flying task was never achieved by any 15 of the squadrons during the last six years (2005-2010). The average shortfall was 32 per cent despite the fact that the night flying percentage was reduced to 20 per cent of the Annual Flying Task (AFT) in case of helicopters and 25 per cent in case of Dorniers in 2006-07.

162. In view of the above, the Committee desired to know whether the night flying task had been achieved by the ICG. To this, the Ministry stated that the night flying task had significantly improved in 2011. Indian Coast Guard had achieved a total of 83.20 per cent of Night Flying Task including for the units based at Porbandar, (*i.e.* shortfall on Night Flying task had reduced from 32 per cent to 17 per cent) during 2011. Coast Guard Air Enclave, Porbandar in North-West Region operating from Porbandar airfield had one Dornier Squadron and one Advanced Light Helicopter Squadron. These aviation units based at Porbandar could not achieve the Night Flying Task in view of non availability of Night Flying facilities at Porbandar airfield. 850 Squadron (Coast Guard) of Advanced Light Helicopter and Porbandar Dornier Flight owing to these reasons had been able to achieve

only 39.84 per cent and 38.51 per cent of Night Flying task. A case was being progressed with Airport Authority of India (AAI) to enhance operating hours of Porbandar airfield.

163. The Ministry further stated that upgradation of sensor fit on the existing fleet of 24 Dornier aircraft. Of these upgradation on 09 aircraft was under process had already completed. This had greatly enhanced the night surveillance capability. The shortage of aircrew had been one of the factor for non-achievement of allotted night flying task. Impetus had been accorded towards induction of pilots through recruitment of Commercial Pilot License holders and enhanced training to overcome aircrew shortages. Limited night flying operations were planned for Chetak Helicopter, as it was not Instrument Flight Rules (IFR) certified and cleared to fly at night under special Visual Flight Rules (VFR) with a discernible horizon. Defense Acquisition Council (DAC) had accorded Acceptance of Necessity (AON) for 16 Light Helicopters and 14 Twin Engine Helicopters for the ICG. A case for Dry Lease of 08 Twin Engine Helicopters was also being progressed to fill the capability gap till permanent assets were inducted. These new helicopters would be capable for night flying operations under IFR.

164. The Committee expressed the concern that the night flying task from Coast Guard Air Enclave, Porbandar in Northwest region could not be achieved due to non availability of airfield and desired to know the latest position with regard to the case being progressed with AAI for enhancing the operating hours at Porbandar airfield and the steps being taken to address the shortfall. The Ministry replied that AAI had agreed to extend the airfield operating time by another six hours every day at Porbandar airfield on cost sharing basis. The extended operating hours at Porbandar were being utilised by the ICG for enhanced aircraft operations including night flying task. The dedicated efforts and impetus by the aviation units had resulted in successfully neutralising the shortfall in Night Flying task during 2012-13. As a result, 104 per cent of Night Flying task (*i.e.* a gain of 4 per cent) against stipulation promulgated had been achieved.

VII. Co-ordination between Indian Navy and Indian Coast Guard

165. Audit Scrutiny revealed that there were instances of lack of consensus on certain issues between the Navy and Coast Guard. These are discussed in the paragraphs below:—

- The Indian Navy (IN) has developed the Maritime Domain Awareness (MDA) software to collate information from all available sources to present a comprehensive picture of the maritime situation. In order to make the MDA data more comprehensive, IN approached ICG in 2006 to share Indian (Maritime) Search and Rescue (INDSAR) data maintained by the ICG which captures information on the movement of foreign flagged merchant vessels in the Indian Search and Rescue Region (SRR). However, ICG refused online access to the INDSAR plot to Navy on the ground that the INDSAR data was a voluntary

report by merchant ships and that online access to INDSAR might not be prudent considering the delicate security scenario.

- Indian Coast Guard in September, 2006 brought out that while all sailing orders issued to ICG ships and air tasks to ICG aircraft were always informed to the Navy, the movement of Naval ships and aircraft in the area where ICG units were deployed was not intimated to ICG. This resulted in duplication of efforts, as both Navy and Coast Guard patrolled the same area at the same time.
- There have been command and control issues in coastal patrolling in Andaman and Nicobar Islands, as Headquarters Andaman and Nicobar Command (HQ ANC), Unified Tri Services Command, issued instructions to ICG not to undertake certain Search and Rescue (SAR) operations, a statutory function of ICG. Also, there was wastage of time in liaison with ANC for issuing sailing orders to ICG ships, non-provision of fuel to ICG aircrafts resulting in cancellation of air sorties, non-availability of ANC airfield for ICG operations, non-clearance of ICG aircraft sorties and convening of intelligence meetings by HQ ANC disregarding the lead role assigned to ICG by Government.

166. The need for greater co-ordination between ICG and Indian Navy had also been recommended by the Parliamentary Standing Committee on Defence (2008-09), Fourteenth Lok Sabha, in its 36th Report presented to the Parliament in February, 2009.

167. In view of the above, the Committee wanted to know had the Ministry now addressed the issue comprehensively and what was the outcome in this regard. The Ministry replied as under:—

“Adequate synergy existed between Indian Navy and ICG. The role performed by Indian Navy and Indian Coast Guard were different. However, a close coordination was maintained towards the responsibilities related to the maritime and coastal security. Indian Coast Guard regularly undertook coordinated exercises and operations with the Indian Navy (IN) and jointly manned the Joint Operations Centers established to coordinate Coastal Security. A few of the examples indicating close synergy and coordination between Indian Navy and ICG were:

- (a) ICG units regularly participated in all major exercises conducted by Indian Navy e.g. TROPEX, DGX etc. Further, Indian Navy ships also participated in the National Search and Rescue Exercise and National Pollution Response Exercise conducted by ICG;
- (b) The ICG conducted coastal security exercises in various states in which a close coordination was maintained with Indian Navy along with participation of Indian Navy units. Further, during joint coastal security operations, both Indian Navy and ICG coordinated tasking of assets and operational synergy;

- (c) A coordinated operation code named “Operation Island Watch” was launched from 13 December, 2010 to 10 June, 2011 by ICG and Indian Navy for preventing/suppressing piracy off Lakshadweep Islands. The operation included enhanced surveillance and patrol by surface and air units. In four different ICG — Indian Navy coordinated anti-piracy incidents off Lakshadweep and Minicoy, a total of 121 pirates were apprehended and 71 hostages rescued. The operation was recommended post monsoon on 20 October, 2011;
- (d) The sharing of information between Indian Navy and ICG was undertaken at operational as well as apex level. The Indian Coast Guard had agreed to provide feed of the Coastal Surveillance Network (CSN) being set up by ICG to the NC31 network being set up by Indian Navy. This would ensure seamless sharing of information among the two organisations;
- (e) Both services undertook mutual sharing of resources. These not only included infrastructure (jetties, docking facilities, etc.) but also operational resources. Recently, the ICG Advanced Light Helicopter was ferried by an Indian Naval ship from Kochi to Maldives and back;
- (f) A number of officers had been deputed from ICG to Indian Navy and *vice-versa* which improved jointmanship between the two organizations; and
- (g) ICG personnel were trained at the Naval training institutions along with Indian Navy personnel both at *ab-initio* level as well as in specialist courses.

168. Elaborating further, the Ministry stated that ICG and Indian Navy were two maritime Services operating in the same domain under the Ministry of Defence. Although, the primary tasks of the two Services were different, however, there were many commonalities in operations and administrative set up of both the Services. Various instruments had been formulated for coordination between the two Services at the apex and field level. The NAVGUARD meeting at Apex level was conducted between NHQ and CGHQ to ensure that inter-service issues were resolved expeditiously. In addition, the IN-CG Working Group level meeting was held periodically to coordinate and resolve all functional issues. Similar meetings were held at the Command/Region level (COM NAVGUARD) for addressing local issues and for improving field level coordination. The coordinated Coastal Security exercises involving ICG, IN and other agencies were conducted twice a year for each coastal State. The existing SOPs on coastal security clearly defined the responsibility of each Service thus, paving the way for smooth coordination of coastal security exercises. So far, 84 such exercises had been conducted since 2009. The coordination between IN and ICG on offshore security was achieved through Offshore Security Coordination Committee (OSCC) and Regional Contingency Committee (RCC) meetings.

169. In this regard, the Defence Secretary during oral evidence deposed as under:—

“There is a scheme.—which is being undertaken twice every year—where we have coastal security exercises with all stakeholders. In these exercise, besides the Navy and the Coast Guard, the Marine Police, Customs, Fisheries and Environmental agencies all come on board. This exercise is done twice a year for each coastal State. Now, we have started having integrated exercises, which' includes two coastal States, and the exercise lasts for about 36-48 hours. This also gives us an opportunity to interact with each other and to get to know the deficiencies. The briefing and de-briefing of this exercise is held at the level of Chief Secretaries of each State.”

170. He further added:—

“Twice in a year, coastal security exercises are undertaken where all stakeholders, police, fisheries, ports, including VA/VPs are involved in that. It is planned and executed after consulting everybody, when the convenience of everybody is got, because the participation must be 100 per cent. This exercise lasts for 36 hours to 48 hours. We earlier used to have exercise with each State Government. But now we have tried to club two adjoining coastal States together so that we can get more value out of that exercise. We are in the third year of this exercise. The results of these exercise have told us where the gap exists. We also simulate attacks on our ports in important positions and important assets of us, which are along the coastline just to see the preparedness state. So, there is enough work in this. We are continuously improvising and learning lessons and then applying them in the next exercise. We are learning lessons and then applying them in the next exercise. As it was mentioned, we have done 100-plus exercises and operations this year.”

VIII. Non Installation of Static Sensors

171. The Group of Ministers (GoM) on the National Security System had recommended in February, 2001 setting up a chain of static sensors in the form of shore radar stations in areas of high sensitivity and high traffic density to provide continuous, gap free, automatic detection and tracking of targets providing a reliable tactical situation display. The chain would be an effective tool against illegal activities like smuggling of contrabands, arms and ammunitions, illegal fishing, etc. Audit observed that static sensors were yet to be installed, leading to gaps in detection and tracking of targets, with its consequential security implications.

172. In the above context, the Committee sought to know the present status of installation of static sensors on the coasts and when were these sensors likely to be made operational. The Ministry *inter-alia* stated as under:—

- The entire project, including the islands was required to be completed by March, 2013. Work at 34 out of the 36 sites on the mainland has been completed and connectivity has been established between the

Remote Radar Stations. Remote Operating Stations, Regional Operating Centres and Control Centre at New Delhi. Work at the balance sites is also in progress. However, the implementation has got slightly delayed due to the following reasons:

- All the balance locations are far flung islands with limited accessibility.
- Limited habitability and connectivity for the project team to complete the job.
- Issues of environmental clearances in Islands of A&N.
- Notwithstanding, all out efforts are being made to complete the pending works. The EDC for the pending works is as follows:
 - Sagar Island along with RoS (Haldia): 15 May, 2013
 - Kanhoji Angre :15 May, 2013
 - A&N (East Island, Car Nicobar, Little Andaman & RoC Port Blair)
 - L&M (Kalpeni, Andhrot & Kiltan): 30 April, 2013
 - L&M (Minicoy, Agatti & Suhelipar): 30 October, 2013
- This network is being progressively dovetailed in the day to day operational matrix of the ICG in sectors, where it has already been operationalised; and
- The sensor data generated from this network is proving to be an useful resource in maintaining surveillance up to 25 Nautical Miles (NM) radius of the radar Stations.

173. Subsequently, the Ministry submitted that the contract for establishment of Phase-I of the “Chain of Static Sensors” project was concluded with M/s BEL on 08 September, 2011 at a cost of 601.77 crore. Contractually, the project of 46 radar stations was required to be implemented on the mainland and the island territories by September, 2012 and March, 2013 respectively. Till date, 34 out of the 36 Radar Stations on the mainland had been activated and linked to the respective Remote Operating Stations (ROs) and Remote Operating Centres(ROCs) manned by the ICG. In addition, 09 out of the 10 ROs and all three ROCs on the mainland had been activated and were fully operational. The establishment of the remaining two Radar Stations at Sagar Island and Kanhoji Angre was under progress by M/s BEL and was likely to be completed by 30 September, 2013. The establishment of Radar Station at six sites in the Lakshadweep group of Island was also under progress and was likely to be commissioned by 30 October, 2013. The progress of the implementation of the project at the four sites in the A&N Islands, [viz. Narcondam Island, East Island, Little Andaman Island (Sandy Point) and Car Nicobar Island (Keating Point)] had been hindered due to the requirement of Forest, Wildlife and CRZ clearances sought by the office of Principal Chief Controller of Forest, Port Blair.

174. However, as on 9th March, 2015, none of these Radar Stations had been established/commissioned as revealed by the Ministry in a subsequent note.

175. In this regard, the DG, ICG apprised the Committee during evidence as under:—

“As I was mentioning, the coastal security chain, the coastal radar chains of 36 radars are almost ready. They are along the coast. Except for two of them, 34 are in place. At the moment, setting to work of the system is going on because these radar stations are linked through the leased line which will subsequently be changed to fibre-optic cables. By October, we expect this to be in place so that we can monitor the movement of all the units, ships and boats which are operating close to the coast. This also has a provision of electro-optical device which can also verify our contact with radar once it is within the visual range. However, in this case, there are certain limitations of technology because the radar operates in that regime of “x” ray and sometimes 'S' band. The ranges are not beyond the range of 21 or 22 miles which roughly translates into 35 kms. That should be the inner layer requirement of surveillance.”

176. Highlighting the limitation of the coastal radar chain, the Defence Secretary, stated during oral evidence as under:—

“We have set up the coastal radar chain. But each of these agencies has a very strict limitation. Let me specifically mention about the coastal radar chain limitations. It is a very good thing. On a good clear day, it can see a long distance. But then, on a day that the sea is choppy or the weather is not good, my visibility may be limited to, may be a kilometre or even less than that. Therefore, there would be times when the systems would work well and there would be times when the systems would not work well. So, that is one great lacuna on the surveillance side.”

IX. Legal Constraints and Lack of Empowerment of ICG

177. The Audit Report had pointed out that the Maritime Zones of India are governed under the Umbrella Act of Exclusive Economic Zone (EEZ), Other Maritime Zones Act 1976 (80 of 1976) and the Maritime Zones of India (Regulation of Fishing by Foreign Fishing Vessels) Act 1981. These Acts also stipulate the jurisdictional issues. While an amendment (issued in 1984) to MZI Act 1981 empowered ICG to enforce its provisions, the Ministry of External Affairs (MEA) remain the nodal Ministry for the MZI Act, 1976. The Act contains provisions for taking action against vessels which are found engaged in unauthorised survey, data collection etc. Prosecution of offenders can be launched only after obtaining the approval of MEA. This points to the legal limitations faced by the ICG in performing its mandate with regard to being able to take action to impound vessels, involved in carrying out activities like unauthorised survey, data collection detrimental to national interest.

178. In view of the above, the Committee wanted to know whether the Ministry had considered the suggestions of the ICG and IN to overcome legal and operational constraints being faced by the ICG. The Ministry stated that the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 also referred to as MZI Act, 1976, was a legislation enacted to lay down the limits of the various Maritime Zones of India including the sovereign and other exclusive rights in these zones. Under the Maritime Zones of India (Regulation of Fishing by Foreign Vessels) Act, 1981 in Chapter-III relating to 'Powers of Search and Seizure' the relevant Section 9 itself delegated the powers to all Coast Guard Officers. These powers *vide* Gazette Notification No. SO 835(E) dated 02 June, 1982 had been also delegated to the Officers of Indian Navy. There were no legal or operational constraints enforcing the provisions of this Act. The provisions with respect to initiating action for any violation committed by Indian registered fishing vessels were contained in the concerned coastal States' fisheries legislations. These were enforced by the State Fisheries Department officials and not by the CG which enforced Central Government legislations in furtherance of its mandated charter of duties as decided by the Government of India.

179. Replying to a query in this regard, the DG, ICG, stated during oral evidence as under:—

“In so far as the MZI Act of 1976 is concerned, it does not confer powers to the ICG or IN to stop, board arrest or seize a vessel violating the act. This is a limitation, and this has been taken up with the MEA for amending the act since the moment it has not yet been provided. Nonetheless, in the other two cases, there is the Marime (Regulating and Management Act) 2009, fisheries, which is in the draft form and it has not yet been ratified and finalised. The MZI Act 1981 provides powers to arrest poachers, when foreign fishing boats are involved.”

180. Throwing more light on the issue, the Ministry elaborated that the Maritime Zones of India (MZI) Act, 1976 is an umbrella act of the Ministry of External Affairs (MEA) which described the limits of maritime zones. The Act also provided a general legal framework specifying the nature, scope and extent of India's rights, jurisdiction and control to various maritime zones. However, with regard to MZI Act, 1976, presently no Government agency had legal authority/empowerment to enforce the provisions of the MZI Act, 1976. An amendment to the Act was proposed so as to introduce a new section (*i.e.* Sec-14 A), which gave definition of an authorised Officer and powers to enforce the provisions of the Act. However, the proposal had not been accepted by MEA on the ground that this proposal was too broad in scope and was not in conformity with the relevant provisions of UN Convention on the Law of the Seas (UNCLOS) and other relevant instruments. The MZI Act, 1981 dealt with the regulation of fishing by foreign vessels in MZI. There was no operational difficulty in enforcing the provisions of MZI Act, 1981.

181. Providing the latest status of the MZI Act, 1976, the Ministry further stated as under:—

“After earlier reservations by MEA, the proposal for empowering ICG and IN under MZI Act, 1976 was deliberated by MoD and resubmitted to MEA in Dec., 2013 for consideration of its decision. MEA, after detailed study has referred the matter to National Security Council Secretariat (NSCS) in August, 2014, recommending for setting up of inter-ministerial group to work upon amending Indian legislations to address the issue.”

182. Audit also observed that there are no laws for regulating Indian deep sea fishing vessels in the Indian EEZ beyond territorial waters. In the absence of necessary Regulations, ICG is not in a position to monitor the activities of Deep Sea fishing vessels. A draft bill regulating fishing by all vessels under Maritime Fisheries (Regulation and Management) Act has also been proposed by the ICG in 2009.

183. The Ministry stated that having laid the foundation for the Indian near shore fishing policies through the State governments, the Ministry of Agriculture (MoA) had been paying due attention in the past decades to the development of deep sea fishery in the country. The MoA established following regimes for deep sea fishing policy since 1981:—

(a)	Charter Policy	1981
(b)	Revised Charter Policy	1986
(c)	Joint Venture	1991
(d)	Test Fishing	1991
(e)	Letter of Permission	2004

184. The Ministry further stated that foreign fishing vessels operated under “license” and “permit” system under the MZI Rules 1982 till 2001. However, due to opposition from the fishing community, the Government appointed a review committee and on its recommendations the licensed fishing policy came to an end. This resulted in promulgation of the new Deep Sea Fishing Policy by the MoA that had provided for operation of deep sea fishing vessel under “Letter of Permission” (LoP) since 2004. The policy had facilitated greater inflow of foreign exchange through export of fish caught by these vessels. The ICG earlier had the MZI Act 1981 to regulate the operations of foreign fishing vessels in the FEZ. The LoP vessels, however, were registered in India and presently there was no legislation governing their operation except the MoA administrative guidelines, which did not prescribe any punitive actions in case of violations of the conditions prescribed in the LoP.

185. Enquired about the current status of the Draft Marine Fisheries (Regulation and Management) Act, 2009 and whether the Ministry had recommended levy of appropriate financial and non-financial penalties for territorial waters by deep shipping vessels, the Ministry submitted that the Ministry of Agriculture, the

Nodal Ministry, had intimated that presently the Marine Fisheries (Regulation and Management) Bill, 2009 was still at draft stage.

X. Identification of Ships

186. The International Ship and Port Security (ISPS) Code came into force internationally with effect from 1st July, 2004. Internationally, the control and compliance measures of ISPS are under their Coast Guards. However, in India, the Ministry of Shipping nominated the Director General of Shipping [DG(S)], to implement the new requirements as provided in the ISPS Code. Accordingly, DG (S) issued a circular in November, 2005 advising all ships to provide 'Pre-Arrival Notification of Security' (PANS) to respective port authorities at least twenty four hours prior to arrival of ship. Though, Coast Guard was the most suited to deal with the issue, till February, 2009 it was kept out of the ambit of ISPS compliance, as the DG Shipping rather belatedly in February, 2009 (after 26/11 Mumbai attacks) instructed ship masters, ship owners, managers and operators to submit PANS to ICG. As on March, 2010 many ports were still not ISPS compliant. As regards submission of PANS to ICG by ships arriving in Indian waters, it was seen that 'even as on May, 2010 all ships entering Indian ports are not providing reports to ICG. Further, ICG stated that any omission by ships could not be ascertained. Audit also noticed that there were no penal provisions for non compliance by ships. DG(S) informed in March, 2010 that instructions for mandatory reporting of PANS to ICG were in the process of being notified in the Gazette of India. However, the penal provisions had not been notified in the Gazette of May, 2011.

187. In view of the above, the Committee desired to know when would Indian ports be ISPS compliant and whether DG (S) had notified in the Gazette of India, the penal provisions for the ships which did not provide PANS to the Indian ports, the Ministry stated that the issues related to ISPS Code were addressed by the DG (Shipping)/Ministry of Shipping. Presently, all major ports and some minor ports were ISPS compliant. Further, Director General (Shipping) had promulgated circular regarding the submission of PANS by all ships visiting Indian ports 96 hours in advance, to the port, Indian Coast Guard and Indian Navy. However, no penal provisions had been notified for non-compliance. The issue regarding consideration of penal provisions for non compliance of PANS by ships had been taken up by Indian Coast Guard with Director General (Shipping) in various bilateral interactions.

XI. Tracking of Ships

188. AIS (Automatic Identification System) is a maritime navigation safety communications system standardised by the International Telecommunication Union (ITU) and adopted by the International Maritime Organisation (IMO) that provides vessel information, including the vessels' identity, type, position, course, speed, navigational status and other safety-related information automatically to appropriately equipped shore station, other ships, and aircrafts. After the DG (S) issued circulars in 2009 that vessels between 100 and 300 Gross Tonnage operating within the coastal waters of India and all Indian fishing vessels operating in Indian

EEZ and above 20 metres in length be fitted with on-board AIS of an approved type, ICG was entrusted with the enforcement of compliance of this requirement in case of deep sea fishing vessels operating under the LOP scheme. In the case of other fishing vessels, which are more than 20 meters in length, the regulatory roles were to be enforced by the State Fisheries Department and other concerned authorities. This requirement was to be complied within a period of three months from the date of issue of the circular and, in case of non compliance the vessels were liable to be detained for investigation purpose. Audit observed that 53 vessels having LOPs were operating in Indian EEZ and all these vessels were fitted with AIS equipment, whereas, only 86 per cent of Fishing Vessels of 20m or more in length had been fitted with the AIS till March, 2011 despite repeated circulars being issued by DG (S). Further, DG (S) had not notified penal provisions in case of non compliance.

189. During oral evidence, the Defence Secretary on the tracking of ships as under: —

“So far as technology for tracking the boats is concerned, technology definitely exists. There is no doubt about it. The issue is that it would require a great amount of effort and money, more importantly money because every single boat which may be a small fishing boat is to be put with an identity tag. That is one part of it. The more important concern there is this. Does it give me the returns on security that I am seeking, which is much more important? Now, still our feeling is that such tracking device can always be hijacked by some other person and, therefore, while I would know that the boat is coming, I will get all the signals but it may still not add to my security line. Therefore, till now while we have done some pilot projects, it has been done because we wanted to very seriously try out the concept but we are still not satisfied that the expenditure and returns on the expenditure are commensurate with each other.”

190. Supplementing the Defence Secretary's replies, the DG, ICG added:—

“From the very beginning it seems that there has been a tiered control over things. The fishermen are very much vulnerable because of what has happened in the past. So, the procedures of laning each harbour, which is used by them, the landing points, the boat operating points from where they operate and issue of identity card to the individual fisherman is controlled by the fisheries department. In addition to that, the proposal is also to give them RFID card for the boat. That means, each boat will be tagged. But then the system of tracking the boat is possible only if they come through a particular designated lane. That is also underway. In addition to that, as per the IMO, only boats which are above 20 mtrs and 300 tons, are supposed to have Automatic Identification System, which is satellite based. So, there is a system in place, wherein on the radar display, which is being done as part of the Coastal Security Scheme, the indication comes that there is a boat with a specific MMSI number. The trial of that system is going on. So, each boat would be monitored. At the moment, it is planned to be completed by 30th of October, 2013.

However, in so far as the RFID cards for the individuals are concerned, that process has got a little delayed, primarily because along with that the fishermen ID card, they have also got the Aadhaar Card. They have been enrolled to National Population Register also. What happened is that the card reader, which was being made, was meant to read only one type of card. As the numbers of cards used by individuals in India have increased, there is a requirement of a card reader which can read multiple cards so that the same card reader may read at multiple cards. That is where we are at the moment. We expect this to be completed soon.”

191. He also stated:—

“Most of the boats carry the GPS. The arrangement, which has been looked at—it has been completed to some extent though not fully—is that in respect of boats of sub 20 m. These boats are also to be equipped with a suitable transponder or the MSS terminal. MSS is a maritime terminal with satellite linkages, which is akin to SMS kind of format that is applicable to units at sea where short messages can be exchanged and at the same time the identification of the units is available to us. Each unit is given a specific code, which indicates to the Control Station ashore as to which is the unit there, and thereafter the linkages could be established as to whether it is a friend or a foe for identity verification.”

XII. Registration of Fishing Vessels

192. The unorganised fishing sector deploys a total of around three lakh vessels. Registration of different types of boats, including small fishing boats and dhows, etc. is mandatory under Merchant Shipping Act, 1958 as well as under various existing State/UT Marine Fisheries Act and the ICG only advises State Governments regarding the mechanism for identifying fishing boats, landing centres, etc. While, it is not feasible to check each and every fishing boat especially during dark hours, rough sea and, extreme weather due to vastness of the sea and the limited capabilities of the sensors fitted with the ICG ship/aircraft on patrol, Audit observed that there is no uniform system of registration and control as well. Further, these ships have no regulatory/tracking system for monitoring their movements. ICG in its reply stated (November 2010) that it was in the process of developing software to create/develop, a database of licensed fishermen, registered Indian fishing boats, colour code and license for fishing in any stipulated area.

193. In the above context, the Committee enquired whether the identified fishing boats had been registered under Merchant Shipping Act and if not what were the reasons therefor. The Ministry replied that there were 1,99,141 boats as per

Central Marine Fisheries Census 2010. As per the Ministry of Agriculture records, 1,81,874 boats were registered under MS Act as detailed below:—

(As on 27.06.2013)

Name of State	Total Application Entered			
	Motorized non Mechanical	Motorized Mechanical	Non-Motorized	Total
Goa	0	2041	372	2413
Odisha	4482	1728	4204	10414
Andaman and Nicobar Islands	1788	95	1536	3419
Kerala	23993	3725	1794	29512
Daman & Diu	275	1300	0	1575
Karnataka	6154	3077	6589	15820
Puducherry	1234	724	1224	3182
Tamil Nadu	23973	5620	5017	34610
Maharashtra	0	16085	6911	22996
West Bengal	3527	1555	4441	9523
Andhra Pradesh	10747	1647	13231	25625
Gujarat	9290	12157	89	21536
Lakshadweep	1048	2	199	1249
Total	89511	49756	45607	181874

194. During oral evidence, the Defence Secretary explained the Ministry's position as under:—

“Now we have these two lakh boat; and just about anybody can go and come as and when he pleases. I have no system of monitoring it although the fishermen's Identity Cards are being issued under the auspices of the Ministry of Agriculture by the State Government. That process is on. I think they have issued, by now, about 1,70,000 Identity Cards. But given the Identity Cards, you would appreciate, does not guarantee anything. The boats have no identification method. For example, what is the origin of that boat and so on? Now, it is really beyond the human capacity of any border guarding force to look at every boat every day and find out whether there is a risk or there is no risk. Therefore, technology, the intelligence availability and the way our

sea is being utilised by the Indian people, all of them become an impediment in some ways to becoming perfect in detection of the threat. We can always increase our surveillance. When we receive a threat or a credible information, we would immediately increase our patrolling in the waters; the Navy would pitch in; and the Marine Police would come in. But that itself may not prove to be always enough. Therefore, if you ask me a very specific question that ‘Can 26/11 be repeated?’ Can a boat get in without being detected? Within the confine of this room, Sir, my answer would still be yes. We apprehend that. We have to improve. We have to improve much more. Therefore, what I feel is that other than the assets, there is a whole lot of work, which needs to be done by the Coast Guard to be able to achieve that level. I think we are fairly long way off from that position.”

XIII. Crossing of IMBL by Indian Fishermen

195. Often, Indian fishermen transgress into foreign waters lured by a better fish catch and are escorted back by the ICG in order to avoid their apprehension by the authorities of neighbouring countries. On many occasions ICG ships reported that Indian fishing boats are operating across the Indo-Pak International Maritime Boundary Line (IMBL) on Gujarat sea board. Further, ICG ships had observed that such vessels many times did not display registration numbers, name and other details of their fishing boats prominently in the place as specified in the Fishing Act. However, the ICG is not empowered to take penal action against such vessels and the MOD, in April, 2008 had written to the Ministry of Agriculture (MOA) to take up the matter with the Government of Gujarat and other coastal State Governments for taking suitable deterrent action to prevent Indian fishermen from crossing the IMBL.

196. In this regard the Ministry stated that the ICG maintained patrol by ships with integral helicopters along the notional Indo-Pak IMBL to prevent transgressing and inadvertent movement of Indian fishing boats to Pakistani waters. Hovercrafts and highspeed interceptor boats were utilized for shallow water and close coast patrol. In addition, ICG aircraft also carried out coordinated surveillance with ships in area to prevent poaching, smuggling, piracy and illegal immigration off Indo-Pak provisional IMBL. The ICG maintained sustained liaison with Pakistan MSA through a communication link under the Memorandum of Understanding (MoU) signed on 03 October, 2005. The MoU had been renewed for next five years w.e.f. 16 March, 2011.

197. Replying to a related query, the Director General, Coast Guard deposed during oral evidence, as under:—

“It was also highlighted that we undertake very regular community interaction programmes with all the States wherever there are fishing villages or fishing

hamlets. Till date almost 2000-plus programmes have taken place. On an average, about 35 to 40 interaction programmes per month with various fishing villages and hamlets take place to advise them on issues of safety and security; that they need to carry life jackets and also we advise them on certain maritime laws which they need to follow so that they do not come to grief. These programmes have been in force since 2009 and the intention is to advise them. Most of the Coast Guard representatives who go there go after interaction with the Fisheries Directorate of the States. So, that support is also available.”

198. The Ministry further informed that in 2011, 80 Indian fishing boats along with 295 fishermen were apprehended by Pakistan Maritime Security Agency (PMSA) for fishing in Pakistani waters. Further, 5933 Indian fishing boats which ventured into Pakistani waters were shepherded back to Indian waters by Indian Coast Guard ships to a specific query as to what action had been taken by the Ministry of Agriculture on request from the Ministry of Defence to prevent Indian fishermen from crossing the IMBL, the Ministry of Defence replied that the Ministry of Agriculture, referring to the reports of Indian Coast Guard, had requested the Government of Gujarat *vide* letter 29012/4/96- Fy (Ind) Vol. IV dated 6 April, 2011 and 18 May, 2011 to counsel and sensitize the fishermen of the dangers involved in crossing International Maritime Boundary Line (IMBL) and action be taken against the defaulters. ICG was undertaking following action to prevent Indian fishermen from crossing the IMBL:—

- (a) *Patrolling near IMBL* — ICG ships were regularly deployed for patrol in areas near IMBL. Indian fishing boats found operating near IMBL are shepherded towards Indian waters by ICG ships on patrol to prevent IMBL violation.
- (b) *Community Interaction* — ICG regularly conducted community interaction programme to educate and create awareness amongst fishermen fraternity on issues such as safety and security at sea. Particular emphasis was given to the perils of IMBL violation while conducting community interaction programme for fishermen from Gujarat and Tamil Nadu. The details of community interaction programme conducted by ICG are as follows:

Years	Tamil Nadu	Gujarat
2010	184	62
2011	123	76
2012	103	87

In addition, the Governments of Gujarat and Tamil Nadu had also issued orders penalizing fishermen who crossed the IMBL.

The Government of Gujarat had issued an Order No. GUJ.FISH./DA.RA.YA./10-11/4821 dated 18 March, 2011 imposing the following:

Sl. No.	Offence	Penalty
(a)	Carrying out fishing activities in of restricted area near International Maritime Boundary Line (IMBL).	Immediate cancellation of license without any notice.
(b)	Report from Indian Coast Guard regarding crossing IMBL/carrying out fishing activities in "No Fishing Zone".	Immediate Cancellation of fishing license under section (C)(7)(9) of Gujarat Fisheries Act, 2003.
(c)	Apprehension of fishing boat by Pakistani authorities.	Immediate cancellation of license and registration view National Security.

The Government of Tamil Nadu had imposed penalties/fines on Indian fishing boats for crossing IMBL as per the TN Government order No. 113 dated 10 July, 2000 as follows:

Sl. No.	Offence	Penalty
(a)	Crossing IMBL 1st time	₹ 1000
(b)	Crossing IMBL 2nd time	₹ 2500
(c)	Crossing IMBL 3rd time	₹ 5000
(d)	Crossing IMBL 4th time	Suspension of fishing for One week
(e)	Crossing IMBL 5th time	Cancellation of license

The Government of Puducherry had issued an order G.O.MS.No. 09/FY dated 13 July, 2013:

Sl. No.	Offence	Penalty
(i)	For crossing the IMBL for the 1st time	₹ 5,000/- as penalty and suspension of all kinds of financial and other benefits extended by the Government till such penalty is paid.
(ii)	For crossing the IMBL for the 2nd time	₹ 10,000/- as penalty and suspension of all kinds of financial and other benefits extended by the Government till such penalty is paid.
(iii)	For crossing the IMBL for the 3rd	Revocation of registration of fishing craft and its license.

time

199. Replying to the Committee's query about fishing boats crossing territorial waters, the DG, ICG replied during oral evidence as under: —

“Sir, there is no ban on fishing boats going beyond territorial waters. They can go beyond territorial waters, and there is no problem. We do not stop them from going, but then they have their own capability and size constraints. However, we do advise them and stop them when they are crossing the international boundary between India and Pakistan. ICG ships also shepherd Indian boats operating close to IMBL towards our waters. Yes sir, not sometimes but it is very often because the fishing grounds are better that side. So, that is being done.”

200. The Committee wanted to know whether the ICG was providing satellite tracking and location services for locating fish and not crossing the IMBL, the DG, ICG stated as under:—

“All the fishermen, with motorised boats today by and large carry the GPS with them. They have a system of knowing whether they are in our waters or in waters outside the international maritime borders. There is general awareness as to which are the areas which are meant for fishing where they carry out fishing depending upon the type of vessels. We have three types of vessels which are going to see — the trawlers which are motorised, the mechanised smaller variety vessels, and of course traditional fishing boats which sometimes use outboard motor and sometimes use sails.”

201. He added:—

“Sir, satellite is providing the information and that information is actually transient information which is available to them depending on the season. There are seasonal variations of fish catch. But the fishermen are by and large aware. Today they are generally aware as to in which areas they can get fish. In some cases they do transgress the borders and they are sometimes apprehended by the neighbouring nation. Directly we do not inform them. We do give them the security briefing during our community interaction programmes. We have done over 3,000 of them. We do inform the fishermen about the safety and security, all the safety measures they need to take when they are out at sea as well as various inputs on security aspects also. We treat the fishermen as our eyes and ears in the maritime domain. On 26/11, certainly there was 8 security breach in a sense. It was not only the boat. Even if we had identified all our boats, it was the crew of the boat which had been killed and thereafter the perpetrators of the crime did come to Mumbai. Both these aspects have now been looked at very seriously over the last four, five years. We have registered all the fishing boats. About 1,99,000 mechanised boats are registered as on June 14. In addition to that, a concerted drive was taken for having the fishermen identity cards issued which is also now linked

to the Aadhaar Card. Each fisherman has been given an identity card which facilitates not only identification of all the crew on board a particular boat, but also these cards are linked to certain subsidies which State Governments are providing them in terms of diesel and other subsidy which is given by different State Governments.”

202. When, the Committee enquired about registration of fishermen, the DG, ICG during oral evidence stated as under:—

“The State Government is doing that because fisheries is a State Subject. We ensure that once we encounter them, as was highlighted, during boarding operations we do check the validity of these identity cards, whether their registration papers are valid or not. If we find them not in order, then we do report back to the States.”

203. On being enquired about the measures taken for displaying registration numbers, name and other details of Indian fishing boats in compliance with the Fishing Act, the Ministry replied that the Ministry of Agriculture *vide* letter no. 21005/2/2003-Fy(Ind) dated 13 February, 2012 had informed that previously, registration of fishing vessels was done by the Coastal States/Union Territories under their respective Marine Fisheries Regulation Act (MFRA). However, States like Karnataka and Gujarat were registering under the Merchant Shipping Act (MSA). As per the statistical data available, a total of 2,43,939 fishing vessels comprising 1,07,448 traditional boats, 76,748 motorized and 59,743 Mechanized boats were engaged in fishing. In the aftermath of Mumbai terrorist attack on 26 November, 2008, a decision had been taken by the Government to have a uniform registration of all types of fishing vessels irrespective of their size and tonnage. This registration was done under the Maritime Security (MS) Act and the Coastal State Fishing Departments had been empowered for registration. The format for uniform registration of fishing vessels by the States/Union Territories had been finalised and notified on 24 June, 2009 by Ministry of Shipping. The online registration system generated Registration Certificate with allocation of a registration number. The registration number generated/allocated under the new registration regime was marked/painted at appropriate place/font/style by the respective States/Union Territories Fisheries Departments.

204. When the Committee inquired about the rapport between the ICG and the local fishermen community, the DG, ICG, during oral evidence stated as under:—

“In so far as communicating with the local fishermen and the local population is concerned, we have, post 26/11, earlier it was not a formalised interaction of this level, regular meetings at all levels. We have what we call the subsidiary multi agency centres. This is for intelligence sharing. We have the multi agency centres for the intelligence sharing at the higher level. These groups meet with all the stakeholders, the IB, local police, etc. So, that discussion takes place at different levels. I would say that we very firmly believe that our fishermen are very important to us because any activity which takes place

within the territorial waters of the coastal belt, up to 12-15 miles from our coast, is the domain where two lakh plus of our fishermen operate. They are the ones who give us the first information on what is going wrong there. For example, an unknown boat or a different boat or different people is/are coming in their way. They will be the first ones who inform us. We value their inputs to a very large extent. So, we have community interaction programmes. We have done almost 3000-plus community interaction programmes. It is an ongoing exercise in which we send our teams to speak the local language, interact with the fishermen in their villages and hamlets. We also send our team to go and talk to them and share information with them. We tell them about the safety and security because we are also the group which is the first responder insofar as their security at sea is concerned. If they have a search and rescue requirement, if the engine of their boat breaks down, or somebody has fallen over-board, the first response is from us. So, that is where we send the interceptor boats to quickly pick up whatever is possible to be done.”

205. He added:—

“As soon as the information reaches us, we do it. On an average, we have saved one life every two days since the time the Coast Guard has come into being for the last 38 years. That is the response for that. We know that our fishermen are very important to us. That is why this community interaction programme is on which is ongoing. We have also distributed what we call the distress alert transmitter. This is a satellite-based communication facility with switches to interact through our INSAT satellite to indicate the position, whether an engine failure has taken place, or a man has fallen over board or the boat has got some defect or it is a situation of the boat sinking or like that kind. We have been using this. The fishermen had requested and demanded that some sort of a subsidy need to be given. That is attended to by the Ministry of Fisheries. 2000 of the equipment have been distributed to various States. This is produced by ISRO. So, this is another initiative where we want to bring our fishermen on board. They can understand that we are equally concerned about their safety at sea. During this time, the Coastal Police Stations are very actively participating in this exercise which is conducted on certain mutually agreed standard operating procedures.”

CHAPTER V

ISSUES CONCERNING OTHER OPERATIONAL ROLES

206. Audit noted that the Indian Coast Guard did not maintain a complete and comprehensive database of its operations, search and rescue, pollution control, anti-poaching operations etc., ICG could not furnish information to them about the number of cases where the missions were not successful or could not be carried out due to inadequacy of resources or other constraints. Audit noticed that figures submitted by Regional Headquarters (RHQs) and the ICGHQ did not tally in many cases. It was also found that LOPs submitted by the ships were not complete, and there was no communication from the RHQ/ICGHQ to the ships about this deficiency.

I. Search and Rescue

207. Audit found that Coast Guard Head quarters had furnished inflated figures as indicated in the following table:—

Achievements	CGHQ figures	Combined figures of 3 Regional Headquarters
No. of boats/crew apprehended during Anti-smuggling operation	19 vessels, 86 crew (Nil during 2005 and 2007)	-
No. of foreign fishing vessels/crew apprehended	204 vessels 1489 crew	110 vessels 778 crew
Pollution response operation in India/foreign	15	27
No. of SAR missions/sorties Life saved including Medical	433 1135	844 -
Evacuation cases	2926 + 67	2187 + 69

208. ICG Headquarters stated, in July 2009, that figures given by them may be taken as correct. However, the reasons for discrepancy in the data were not furnished. Since the Headquarters figures should be based on the data given by Regional Headquarters, it cannot be regarded as inaccurate.

209. Audit noticed that ICGHQ had not fixed any parameters for assessing the performance of the ICG in respect of its charter of duties. ICG stated that it was an Armed Force of the Union, therefore it neither functioned as a profit-oriented nor achievement-oriented service. Hence, no targets had been fixed for such function or charter of duties.

210. The Ministry explained that as the national agency for co-ordinating maritime search and rescue in the Indian Search and Rescue Region (ISRR), the Coast Guard had formulated the National Maritime Search and Rescue (M-SAR)

Plan in 2003 and having defined the measures to be adopted by the participating agencies, co-ordinating the use of their resources, when required, in responding to search and rescue incidents at sea. The ICG operated an indigenously developed, Indian (Maritime) Search and Rescue (INDSAR) computerised ship reporting system since February 1, 2003. INDSAR was voluntary, and toll-free. It assisted the Coast Guard in diverting the most suitable participating ship to the scene of distress, and keeps track of any ship that may be overdue and needed urgent assistance. The ICG had established and operated round the clock, a chain of Maritime Rescue Co-ordination Centres (MRCCs) and Sub-centres (MRSCs) along the coastline in fulfilment of its obligation under the International Maritime Organisation SAR Convention, 1979 ratified in 2001. These MRCCs and MRSCs facilitated receipt and co-ordination of response to distress alerts under the Global Maritime Distress and Safety System (GMDSS). Apart from manning GMDSS equipment, trained ICG personnel also manned the National Maritime SAR emergency number '1554' at each station on a round the clock basis. To bring about enhanced awareness of the safety issues amongst the seafarers, the ICG published a bi-annual newsletter "Safe Waters". Through its nationwide community interaction programmes, the ICG reached out to lakhs of fishermen each year, educating them on the need and use of essential lifesaving equipment. The ICG had liaised extensively with the ISRO and distributed 1,753 low cost distress alert transmitters free of cost to the fishermen through community interaction programs across India. To appreciate the efforts put by fishermen towards the M-SAR, the 'Coast Guard M-SAR Award for Fishermen', had been instituted from 2010.

211. Enquired as to why the Ministry had failed to maintain a database of operations where the missions were unsuccessful or could not be carried out due to inadequate resources, the Ministry stated that the ICG initiated prompt response to all the Search and Rescue (SAR) cases reported. As Search and Rescue was a humanitarian mission, continued efforts were made by the Search and Rescue Mission Coordinator to ensure successful culmination of Search and Rescue missions. However, all Search and Rescue missions undertaken may not always be successful due to inadequate initial reports/information. On few occasions, SAR missions were terminated on receipt of the information about their safe return. The comprehensive Search and Rescue data bank was being maintained at Coast Guard Headquarters by the NMSAR Secretariat.

212. The Committee asked a specific query as to why the figures/data of RHQs and CGHQ did not tally *vis-a-vis* the actual operations carried out and wanted to know what steps had been taken for reconciliation of the data to improve data quality since the management decision was dependent on data. The Ministry submitted that the ICG had instituted software for recording all operational data to obviate the mismatch of figures. Further, the archive data had also been reconciled and circulated to all units.

213. The Committee wanted to know the reasons as to why the CGHQ had furnished inflated figures but the Ministry did not respond to the query raised by the Committee.

II. Environment Protection

214. As per the Coast Guard Act 1978, it is the duty of the ICG to take such measures as are necessary to preserve and protect the maritime environment and to prevent and control marine pollution. A large number of vessels are sent to Alang, Gujarat; Mumbai and Kolkata for ship-breaking. In Alang, the main destination, about 300-350 vessels are imported every year with the total quantity of scrap being approximately 3 to 3.5 million tons. A considerable risk is associated with such vessels due to carriage of toxic substances on-board and jettisoning of such substances in Indian waters prior to arrival. The vessels proceeding for ship breaking yards notify the Director General (DG) Shipping under the Government of India and are cleared by DG Shipping and other concerned authorities.

215. Audit noted that no legislation existed for mandatory reporting by ports or ships to ICG regarding ships proceeding to ship-breaking yards so that the ICG could take necessary preventive measures to avoid environmental pollution. ICG pointed out that it was imperative to know the arrival details of all vessels so that ICG could investigate such vessels. DG Shipping, on its part, stated that the requirement of providing pre-arrival information (PANS) to ICG extended to all ships arriving at ISPS compliant port facility. However, Alang was not an ISPS compliant port although DG Shipping had already initiated the process of implementing the provisions of ISPS at Alang. Once Alang became an ISPS compliant port, the requirement of PANS would follow. Thus, ICG was unable at present to prevent marine pollution by pre-empting possible dumping of toxic substances in the absence of specific information about arrival of ships to breaking yards.

216. The Ministry stated that the strategic role of the ICG with respect to marine environment protection was its chartered function under the Coast Guard Act, 1978 and the other functions empowered by other Acts created by various Ministries to enforce those acts in the maritime zones of India. The powers and responsibilities vested with ICG with respect to marine environment protection security are as follows:—

- Coast Guard Act, 1978
- Merchant Shipping Act Sections 69, 356(G), 356(J), 356(K)
- Maritime Zones of India Act, 1976
- Allocation of Business Rules (ABR)

III. Pollution Control

217. Protection of marine environment is a statutory duty of the ICG. ICG has established three pollution response centres at Mumbai, Chennai and Port Blair and also at an environmentally sensitive location at Vadinar for dedicated pollution response activities to counter pollution from oil spills, chemical and other hazardous substances. These centres also train ICG personnel in pollution response. These centres are equipped with pollution response equipment and staffed with trained personnel.

218. Audit found that the Coast Guard's pollution control activities have been hampered by the absence of dedicated boats for the purpose. The ICG has, since 1997, initiated the procurement process for three Pollution Control Vessels (PCVs). Though DAC gave approval in June 2000, regulatory violations in the acquisition procedure and other lapses (framing technical requirements during technical evaluation of bids rather than indicating them in the RFP, acceptance of an engine other than the initially preferred choice, adoption of different criteria for evaluation of FE component in the bids, the past performance of the vendor not taken into account) by Ministry of Defence, led to delay in the finalization of the contract, which was signed in March, 2004. Poor selection of vendor and other issues have contributed to delay in delivery of the vessels and even the first vessel, though scheduled for commissioning in September, 2006 was delivered only in October, 2010. Remaining two dedicated pollution control vessels had not been delivered by December, 2010.

219. Pointing out that protection of marine environment was entrusted to the ICG and the pollution taking place on the entire Indian Coast was due to the ships washing their holds and tarballs onto the shores especially in Goa, the Committee wanted to know if the ICG had been able to locate the discharging ships which were also affecting tourism. The DG, ICG, deposed during oral evidence as under:—

“Yes sir, this is a cause of concern. It is also a fact that during the months of May to about July or August, these tarballs appear with the unfailing regularity on the coast of Goa especially destroying or are affecting the tourism in that area. We have done analysis on this and now the further analysis is being done by the NIO. It has been ascertained that the ships today do not wash their holds or the area where they carry fuel in such open sea. Nonetheless, the off-shore area production has started. What has been concluded is that in the off-shore region on the west coast of India, there is certain amount of oil which is being oozed out through the pipelines etc. which is prior to the onset of monsoon and around the time of monsoon, this is slowly getting washed away on to the beaches and that is where, it is getting converted into tarballs. We have other oil fields where this is likely to have come here. The regulations are so stringent that no ship can wash its holds or the areas where they carry oil. There are stringent regulations. The system does not permit. That is what, we have concluded. Nonetheless, the study is still being undertaken by the National Institute of Oceanography which is at the moment undertaking that issue. This was also highlighted to the hon. RM soon after he took over and from our side, we have concluded this based on the analysis over last 15 to 20 years. But further studies are also being undertaken by NIO.”

220. Adding to the above, the Defence Secretary stated as under:—

"It is actually the subject-matter of Ministry of Shipping. When oil spill takes place, then they have to become the first responder and immediately take action. What happens in this tarballs type of situation is that we do not even see that oil spill. It has more to do with regulation of the ships themselves

through our own mechanism. We should be monitoring the ships which come near the Indian shore to ensure that they do not discharge any pollutants or anything which would be actually regulated in actual practice by Ministry of Shipping. When oil spill takes place, the first responder would always be the coast guard."

221. Addressing the Committee's concern regarding problems in having co-ordination with various agencies, the Defence Secretary submitted as under:—

"Sir, there are two committees, which are functioning from the Defence Ministry point of view. First Committee is at the Cabinet Secretary level, which has all the Ministries concerned in position, including the Defence Ministry. That Committee meets very regularly. There are some specific targets which have been fixed and specific works have been assigned. The problems are discussed on a very regular basis and the progress is monitored. It is a regular meeting. The second meeting is held at the level of Raksha Mantri (Defence Minister) himself, where again all the concerned stakeholders are present. There again the entire thing is reviewed. But, in RM meetings much more focus is towards what the Defence Ministry sees as the requirement. So, these two meetings are held on a very regular basis. They have been going on after the 2009 incident."

222. The Committee sought to know whether the State Governments participated in the meetings, the Defence Secretary, during oral evidence, replied as under:—

"In the Cabinet Secretary meeting through video conferencing everybody is present."

223. The Ministry explained the efforts taken in this regard as under:—

- (i) separate web page on the ICG website has been created in coordination with the Directorate of IT for uploading the information related to NOSDCP and Marine Environment;
- (ii) The Coast Guard Environment Award for Ports and Oil Handling Agencies category has been instituted *w.e.f.* May 2009;
- (iii) Coast Guard has established three pollution response centers at Mumbai, Chennai and Port Blair and also at environmentally sensitive location at Vadinar;
- (iv) Coast Guard has issued national guidelines for the use of oil spill dispersants which are tested and certified by National Institute of Oceanography (NIO);
- (v) Coast Guard is the focal agency for India in the South Asia Cooperative for Regional Cooperation for Environment Protection (SACEP) which envisages mutual cross border assistance and movement of equipment and personnel to respond to oil spills in the seas across the region;

- (vi) The Coast Guard has inducted one dedicated Pollution Control Vessel for addressing large scale pollution response for oil spills in the Indian EEZ and also providing assistance to other countries in the region on 09 October, 2010. The second pollution response vessel commissioned in July 2012 and third vessel is under construction and will be inducted in due course; and
- (vii) The Coast Guard publishes a biannual newsletter 'Blue Waters' which deals with environment related issues to create awareness to the readers.

224. Replying to the Committee's concerns on disaster management, the Director General, CG deposed during oral evidence as under:—

"Sir, as you rightly brought out the issue of disaster management, there is National Oil Spill Disaster Management Committee and I am also the Chairman of this Committee. There are certain levels of facilities which have been created in the country. Primarily, all the ports, which deal with ships which carry oil, are supposed to have a tier-I facility which should be capable of handling any oil spill up to 700 tonnes. For handling 700 tonnes to 10,000 tonnes, it is the responsibility of tier-II facility. That is also with us. For handling anything beyond 10,000 tonnes, at the moment, the capability is not existing in the country and it is supposed to be outsourced from either Singapore or Dubai where these larger oil spill organisations exist."

225. When the Committee sought to know as to how did the ICG plan to carry out its marine environment protection role when only one of the three pollution control vessel had been delivered, the Ministry replied that the Coast Guard had based its ships and aircraft at various locations along the coastline. ICG Pollution Response Team (PRT) was functioning at Mumbai, Chennai, and Port Blair. Oil spill response inventories were maintained by the ICG at these PRTs and other strategic locations in India. ICG Ship Samudra Prahari was commissioned into service in the year 2010 and served as a dedicated pollution response vessel. The COI focused largely on establishing capability for offshore and ocean oil spill response since the ports and oil handling agencies were responsible for cleanup in their specified areas. As per the National Oil Spill Disaster Contingency Plan (NOS-DCP), the contingency planning and preparedness of all stakeholders was reviewed periodically by the ICG. Based on the risk analysis, the ICG maintained the oil spill inventories at various locations to respond to any marine oil spill incident.

226. Further, the Committee desired to know the delivery time of the remaining PCVs to be inducted. The Ministry replied that the second and third PCVs were likely to be inducted in service in June 2012 and December 2012 respectively. The 2nd PCV built by M/s ABG Shipyard, Surat was inducted into the Indian Coast Guard on 11 July 2012. The construction of 3rd PCV had been delayed and the shipyard was being expedited to deliver the ship in the current Fiscal.

227. Elaborating on the issue of PCVs, the DG, ICG submitted during oral evidence, as under:—

"In so far as the PCVs are concerned, two PCVs have already been commissioned, and the third PCV is expected to be commissioned by the end of this year. It is in the final stage of construction, and the last amount of work is being done. We expect another 5-6 months before she is handed over to the Indian Coast Guard so that this capability will be available with us. In addition, all the OPVs of the ICG have oil pollution and fire-fighting capability. Actually, oil pollution and fire fighting is not a single agency's work as it requires coordination from a large number of agencies. The Coast Guard will have to certainly be the leader in terms of it, but we have also directed all the ports to handle it. We will supplement the capacity available with whatever is there with the ports as such."

228. On being enquired whether the number of PCVs were adequate for dealing with the mandate of ICG on maritime environment protection, the Ministry replied that the oil spill incident of MV MSC Chitra in August 2010 and the MV-Rak Carrier in August 2011 had indicated that unless comprehensive oil pollution preparedness was put in place by all the stakeholders, the response measures through Indian Coast Guard efforts alone would not suffice. Any large oil spill would incur mobilization of large number of vessels and manpower, equipment for salvage of oil, legal support for claims, which could be achieved only by pooling the resources or alternatively, the clean-up operations undertaken by Oil Spill Response Organisation (OSRO), who provide all such services at the expense of the polluter. It was submitted that with the institution of functional duties in the NOSDCP, positioning of PR inventory at various sensitive locations by Indian Coast Guard, ports & other stakeholders, the ICG would be able to respond to oil spill incidents.

229. In a subsequent Note, the Ministry while highlighting the latest status regarding the 3rd PCV, stated as under:—

"The delivery of this PCV has been delayed, as M/s ABG Shipyard is facing financial crunch. In order to tide over the financial crunch, the Shipyard has undergone Corporate Debt Restructuring (CDR). The Shipyard has intimated during last Quarterly Acquisition Progress Review Meeting (QAPRM) held on 13 Nov 14 at MoD, that the flow of funds for the project has now commenced and the ship is likely to be delivered by June 2015."

PART II

OBSERVATIONS/RECOMMENDATIONS

1. *Introduction:* The Indian Coast Guard (ICG) came into being as an independent armed force of the Union on 18th August, 1978 under the Ministry of Defence in tune with the United Nations Convention on the Law of the Sea (UNCLOS). With the passage of time particularly in the aftermath of 26/11 terrorist attack on the Indian West Coast, various new threats have emerged on the Indian Coasts making coastal security a critical responsibility. The ICG is responsible for the protection of maritime and other national interests of India in the Maritime Zones of India by way of providing protection to offshore and other structures, protection to fishermen and assisting in anti smuggling/ piracy operations, safeguarding the maritime interests and security of India, assisting vessels and fisherman in distress and protecting the maritime environment. The operations of ICG are carried out from its Headquarters at New Delhi; five Regional Headquarters at Gandhinagar, Mumbai, Chennai, Kolkata and Port Blair; twelve District Headquarters under the Regional Headquarters and forty-one Coast Guard Stations. A Performance Audit of role and functioning of the ICG covering the period 2004-05 to 2009-10 was conducted by the C&AG of India between March, 2009 to September, 2009 and then from December, 2010 to February, 2011 through test check of the records of the Ministry of Defence, ICG Headquarters, field formations like Regional Headquarters, District Headquarters, Coast Guard Stations, air stations and air enclaves to assess the efficiency and effectiveness in performance of its assigned tasks, maintenance of force level, acquisitions, refits and repairs and sufficiency of manpower. The Audit scrutiny centered around broadly on areas such as (i) Planning and Financial Management; (ii) Infrastructure, Assets and Logistics; (iii) Patrolling and Security Issues; and (iv) Other Operational Roles. The Performance Audit highlighted various shortcomings/lapses the functioning of the ICG viz, delay in/non-approval of 15 year Perspective Plans and 5 year Coast Guard Development Plans, huge shortfall in utilisation of sanctioned funds, inadequate/lack of infrastructural facility, lack of coordination between the Indian Navy (IN) and the ICG, non-achievement of planned acquisitions, defective acquisition procedure, inadequate force level, shortage of manpower and equipment, shortfalls in decommissioning and replacement of obsolete vessels, huge number of outstanding refits, legal limitation faced by the Indian Coast Guard, etc. The examination of the subject further by the PAC also brought out various shortcomings. These and other relevant issues have been dealt with in the succeeding paragraphs.

2. *Defective Planning:* The Committee are dismayed that though planning is the backbone of good governance and is particularly crucial for the matters

concerning national security, same was not done with the requisite promptitude in the administration of the ICG. Despondently, the ICG was operating with the 15 years Perspective Plan for 1985-2000 prepared in 1987 as subsequent perspective plans for the period 2002-17 and 2007-22 were not approved by the Defence Acquisition Council (DAC) of the Government, which is chaired by the Minister concerned. It was only in July, 2013, that the Coast Guard Perspective Plan (2012-27) was approved by the DAC. Similarly, finalisation of 5 year Coast Guard Development Plan also suffered inordinate delay especially in the cases of 9th and 10th Five Year Plans, which received approval after a delay of 19 and 33 months respectively. The Ministry of Defence submitted that the delay was mainly attributable to multilayer scrutiny by various authorities in the Ministry of Defence (Finance) and the Ministry of Finance especially in the matters of high volume defence acquisitions, to ascertain reasonability of price, meeting of Services Qualitative Requirements and adherence to time schedules. No doubt over the years the system has somewhat improved with respect to adherence to timelines, however, the Ministry is still found to be struggling to completely eliminate delays even in the approval of 5 year Coast Guard Development Plans as was evident from the fact that proposals for acquisition of 93 capital assets comprising 37 ships, 20 boats and 36 aircrafts for the ongoing Five Year Development Plan (2012-17) were initiated after the commencement of the plan period itself. Thus, the Committee cannot but conclude that the ICG Long Term Perspective Plans as well as the Five Year Development Plans were not only poorly formulated with little regard for practicality and funding but were poorly implemented too. Resultantly, plan targets and achievements have been less than optimal. For instance, during the period under review *i.e.* 9th and 10th Plans, the ICG could not achieve even 50 percent of its targets despite funds being available. This does not augur well for the organisation responsible for ensuring maritime and coastal security of the Country. The Committee, therefore, would like to emphasize that the ICG should formulate their future 15 year perspective Plans earnestly with greater clarity and the Government should accord in-principle approval to the same without undue delay so as to leave scope for requisite time for the processing of each proposal in the Plan. Further, the ICG need to submit realistic and achievable projections in Annual and Five Year Plans and must review the progress in achievement of Plans to ensure time-bound acquisition. Pursuant to the Committee's examination, the Ministry have brought in certain systematic improvements in the procedures *e.g.* advance planning, appointing a nodal agency as well as nodal officer for Plan fructification etc. The Committee expect that the Ministry would continue in their efforts to revisit their level of preparedness to match the changed needs of maritime security of the Country and bring in a fail-safe system to formulate and implement both the Long Term and Five Year term plans for ICG.

3. Curtailment of Plans and Annual Budget and Expenditure: The Committee are concerned to note that the ICG could not propose and finalize realistic plan sizes and annual budgets which lead to curtailment of plans and huge savings. Against the proposed outlay of ₹ 3,277 crore, ₹ 7,745 crore and ₹ 12,124 crore for 9th 3 10th and 11th Plans respectively, the approved provisions

were ₹ 1,850 crore, ₹ 4,317 crore and ₹ 7,000 crore (revised to ₹ 7,930 crore in May, 2010) respectively. Thus, the Ministry of Defence drastically lowered the outlays proposed by the ICG for 9th, 10th and 11th Plans by 44, 44 and 43 percent respectively thereby indicating that the ICG planning and budget estimations were either unrealistic and unachievable or not justified properly. Even, the entire approved outlay was not released during 9th and 10th Plans as an amount of ₹ 1,773 crore and ₹ 3,233 crore was allocated respectively against the approved outlay for these plans. It was because of 26/11 Mumbai terror attack that the 11th Plan saw some improvement in the budgetary allocation. Surprisingly even the allocated amount could not be utilised as there were savings of ₹ 117 crore, ₹ 1,365 crore and ₹ 190 crore during 9th 10th and 11th plans respectively. Further, the Committee find that there was savings of upto 65 percent of the Capital budget and March rush of expenditure during the years 2005-06 to 2009-10. The Committee's scrutiny has revealed that the major causes for these curtailments/lapses were delay in defence acquisitions, lacunae in projections, failure to submit high priority items of expenditure and the Ministry of Finance's decision to prune the average growth rate of the Plans submitted by the ICG and the Ministry of Defence. All these facts prove beyond doubt that the planning and budgetary exercise in the ICG had been flawed. This underlines the need for serious introspection to prepare realistic and achievable targets. The Committee desire that the ICG should introspect these lapses, overhaul their planning and budgeting mechanism and prioritise their items of expenditure to accommodate those within available finance so as to make the plans achievable. To simplify the matters in this regard, the Committee note the Audit's suggestion that the Ministry of Defence should take up the matter with the Ministry of Finance (Department of Expenditure) for opening of Major Heads of Revenue and Capital for the ICG expenditure under the Ministry of Defence instead of under 'Customs'. They desire to be apprised of the views of the Ministries of Finance as well as Defence on the matter.

4. Inability to achieve targeted acquisitions: In spite of the Ministry curtailing the projected requirement, the actual Capital expenditure as a percentage of capital outlay ranged between 82 per cent in the 9th Plan and 53 per cent in the 10th Plan. This resulted in the non-achievement as well as shifting of Plans in terms of the physical acquisitions of ships and aircrafts. For an instance, in the 10th Plan, acquisition of 2 Advance Light Helicopters and 4 Chetak helicopters was carried forward from the 9th Plan. Besides, against procurement process to be finalised for 61 ships and 1 aircraft, there was not even a single delivery made in the Five Year Plan period. In the 11th Plan, only 2 ships and 1 aircraft were actually delivered against procurement process to be finalised for 175 ships and 52 aircrafts. The reasons cited for these failures were procedural delays in finalisation of procurement process at all levels *i.e.* Coast Guard Headquarters (CGHQ), Ministry of Defence and Ministry of Finance, delayed signing of contracts, abnormally slow progress on the part of shipyards to construct the ships, neutralisation of requirement of spares through revenue budget, cancellation of projects, non-sanction of new schemes by the Ministry of Defence, expiry of validity of approvals of the

procurement process, delayed supply of spares and inconclusive trials etc. which are typical of this country's defence acquisitions under the Defence Procurement Policies. The Ministry of Defence claimed that despite stringent timelines and regular project monitoring, slippages occurred due to the complex nature of the projects which was spread to 4-7 years from initiation especially for ship and aircraft acquisitions. When asked, the Ministry did not identify any official for delays and lapses. The Committee are utterly disappointed at such cumbersome Defence Procurement Procedure, which will eventually lead to failure of any defence plan thereby compromising the Country's defence preparedness to tackle the very sensitive security issues. During evidence the Defence Secretary admitted that the present strength of 105 ships and 64 aircraft in ICG may not be adequate for infallible security. Still the Committee feel that under the current scenario, the ICG's plan of having a fleet of 150 ships and 100 aircrafts by the year 2018 seems to be a distant dream. The Committee, therefore, recommend the Ministry of Defence to analyse threadbare the hindrances affecting defence procurements, put in place quicker replacement in case a company fails to deliver order well in time, infuse novel ideas in the system and overhaul the country's Defence Procurement Procedure further so that all the targeted acquisition are timely achieved and the Country's defence preparedness is maintained at its peak level. The Committee would desire to have a detailed note from the Ministry on the status of all acquisitions for ICG during the current Five Year Plan, which at the time of oral evidence, were under the process.

5. Inadequate Infrastructure: The Committee find that the ICG was severely constrained due lack of adequate infrastructural facilities. Only 30 out of 42 Coast Guard Stations sanctioned before 26/11 had been activated till December, 2010. Post 26/11, the Government sanctioned 14 new stations in a span of 18 months between June, 2009 and November, 2010. However, as of December, 2010, only 5 such stations were activated. Unfortunately, even the sanctioned/activated stations continued to function with deficient manpower/infrastructural/fleet. At least 16 Coast Guard Stations did not have basic facilities like jetties for berthing vessels, hangar, fuelling facilities etc. In other cases, the ICG Stations did not have their own assets and were using hired vessels. Similarly, only 8 aviation units out of the 15 planned ones were activated and 5 such units were running without any Government approved Unit Establishment. It is thus obvious that the ICG infrastructure had either not been established either in a timely manner or functioned without the requisite associated manpower/equipment. Besides, supporting systems had failed to deliver the required functionality, thus, affecting the operational capabilities of the ICG. The Committee have also been informed that the non-availability of land affects the infrastructure development for office/accommodation and that it was compounded further due to non-availability of berthing facilities. As informed by the Ministry, there has been long pending problems in land acquisition for Coast Guard Stations infrastructure in almost all the coastal States/UTs like Kerala, West Bengal, Chennai, Gujarat, Andaman & Nicobar Islands, Puducherry, etc. In a particular case of Kamorta in Andaman & Nicobar Islands, this has been pending since 1993. This calls for urgent action on the part of the Ministry in dealing with the issue. The Committee wonder how the

Ministry of Defence could not convince upon the State Governments and the Ministry of Surface Transport and Highways, the Ministry of Shipping and the Airports Authority of India for timely allocation of land and berthing facilities for such a vital purpose as Coast Guard Stations. The Committee would urge the Ministry of Defence to take up the matter at the highest level so that coordinated efforts are taken timely for not only expediting acquisition of land for Coast Guard Stations but also for achieving optimum utilisation of these Stations. For this, the Committee desire that planning, sanction and establishment of ICG stations and aviation units should be carried out in a highly professional manner on a mission mode and it should be ensured that stations are activated with the envisaged manpower and other infrastructure to ensure that activated stations do not suffer from limitations. Meanwhile, they desire to be apprised of the status of the scheduled ICG station Frazerganj, West Bengal which was due in end, 2013.

6. Infrastructural addition after 26/11: The Committee note that post 26/11 incident, sanctions for setting up of two Regional Headquarters, One District Headquarters and 20 Stations were accorded. This has been supplemented by electronic surveillance in the forms of coastal radar chain, electro-optical devices, day-night cameras as well as communication sets. In addition, second phase of the coastal radar chain with 38 more radar stations and 8 mobile stations is being implemented. Parallely, there had been manpower augmentation over the last 7-8 years with 100 per cent increase in the intake of Officers and Sailors. The Committee appreciate these steps, which are in the right direction, but would like the Ministry to look further in today's first changing threat perception and security scenario to ensure that the ICG remains fully prepared and equipped at all times to meet any eventuality. They hope that the pace would be maintained in the coming years to realise the plan of ICG being equipped with 150 ships and 100 aircrafts by the year 2018. They desire to be apprised of the position till June, 2015.

7. Shortfall in assets: The Committee are concerned that there had been huge shortfall in the assets of the ICG due to non-achievement of planned acquisitions resulting in the Coast Guard operating at considerably lower strength of ships and aircraft *vis-a-vis* its required strength. Compared to the force levels of 122 vessels envisaged in the Perspective Plan for the period 1985-2000, the ICG as on December, 2010, possessed only 65 per cent of the required force level in terms of ships and vessels. With respect to the aviation arm, the corresponding figure was 48 per cent. Further, the ICG had not processed till December, 2010 the cases for acquisition of Deep Sea Patrol Vessels (DSPVs), Medium Patrol Vessels (MPVs) and Aerostats even though they were envisaged in the Perspective Plan (1985-2000). In the Committee's view these are serious lapses on the part of the ICG and the Ministry of Defence. In this regard, the Committee have been informed during evidence that the ICG at present has 105 ships and 64 aircrafts but requires 150 ships/boats and 100 aircrafts for securing the coastal and maritime interests of India to reasonable levels which would be achieved by 2018- 2020. The Committee have been further informed that the fully desired level of 154 ships, 126 boats

and 139 aircrafts was planned to be achieved by 2027 and the Ministry had concluded a series of contracts in this direction. The acquisition focus was also being sustained for expeditious processing of the cases in the current Development Plan (2012-17) to achieve the targeted force levels by 2018. Besides, monitoring and review mechanism for the progress of Capital acquisition cases had also been strengthened to ensure adherence to the targets. However, given the Indian Coast Guard's track record marked by delays and deficiencies and lapses and shortcomings, the Committee are skeptical of achieving the desired force levels by the scheduled dates. The Committee, therefore, would like the Ministry of Defence to enhance the level of coordination with the ICG and other organisations concerned, act in unison in a more responsible manner and overhaul the extant procedure so that the requisite assets are acquired as per the time line.

8. Replacement of Vessels: The Committee are perturbed that replacement of ageing vessels in the ICG had been extremely tardy with the result that ICG was functioning with ships which have outlived their prescribed life and were meant to be decommissioned but could not be phased out as replacements have not materialised. Audit found that 72 per cent of Fast Patrol Vessels (FPVs)/Inshore Patrol Vessels (IPVs) and 47 percent of Advanced Offshore Patrol Vessels (AOPVs)/Offshore Patrol Vessels (OPVs) and 37 per cent of Interceptor Boats (IBs) were either on extended life or their extended life had also expired. In this regard, the Committee have been informed that 18 vessels comprising 5 Offshore Patrol Vessels, 1 Fast Patrol Vessel, 6 Interceptor Boats, 6 Air Cushion Vessels are on extended service life which is based on their material state and the availability of replacement ships. The Committee note that the decommissioning schedule of ICG ships is prepared on the basis of commissioning year and tentative designed life of the ship. This is an area of great concern since it takes quite a long time to build a ship in the country and at present only 1 Offshore Patrol Vessel and 39 Fast Patrol Vessels are under construction at various Government/private shipyards for replacing the decommissioned/likely to be decommissioned ships. Thus, as an armed force having sizeable proportion of ageing equipment, the ICG cannot be said to be operating optimally thereby adversely impacting operational preparedness. The Committee feel that while refits and maintenance may keep a vessel seaworthy, due to ageing, the vessel may not remain role worthy and they, therefore, desire that faster inductions are the only way to improve the age profile of the vessels. The Committee would like the Ministry to take concerted efforts in these matters. They are, however, pleased to note that with continued efforts, now the percentage of ICG ships, which are on their extended life, has come down due to induction of new platforms/replacements and that the current percentage of ships, which have consumed 50 per cent or more of their service life, is 10 per cent only. The Committee would like the Ministry to continue to give upmost priority to replacement of the aged ships and modernise the ICG with a fleet of ships with cutting edge technology and state-of-the art equipment.

9. Lapses in refits: The Committee are unhappy to learn that the ICG which does not have its own repair yard like the Navy, has not been able to ensure adherence to its prescribed norms for carrying out different types of refits of Coast Guard ships by 18 public sector and private sector shipyards where the refits are carried out. Consequently, refits to be undertaken periodically were not undertaken duly on time and the time taken for completing the refits was much longer than the prescribed time. During 2003 to 2010, out of 257 refits due for AOPVs/OPVs and FPV/IPV only 107 could be undertaken indicating a shortfall of 58 percent and the time taken for various refits was 86 per cent to 127 per cent more than the benchmarked timelines. Since, a vessel which is not refitted when due, cannot be said to be fully role worthy and when vessels spend more time undergoing refit, they are not available for operations, ICG operated its vessels with sub-optimal state of preparedness. This definitely jeopardises effective operations of the Coast Guard. The Committee have been informed that various efforts have been made to reduce delays in refits and ensure timely completion of refits such as positioning of the Indian Coast Guard overseeing teams for monitoring refits, enhancement of liquidated damages from 5 per cent to 10 per cent, timely supply of spares besides acquisition/creation of in-house repair infrastructure including dry docks, slipways and arrangements with additional shipyards. While these initiatives are efforts in the right direction, the Committee find that most of the DPSUs are grossly underutilized. Besides, the Committee have been informed during their study visit to Kochi that the Cochin Shipyard, which operates under the Ministry of Shipping, routinely gets orders from abroad for shipbuilding, repair and refits. It is, therefore, questionable as to why a Government PSU, which has the capability to cater to foreign clients, should not be utilised for delivering orders from the ICG. In this scenario, the Committee cannot accept the pronounced lapses in repairing/refits of ICG ships, which could have been avoided had the full capacity of the concerned DPSUs utilised optimally with more orders for repairing/refits from the ICG. The Committee, therefore, recommend the Ministry to assess and verify the existing capacity of the DPSUs as well as the 15 registered Refitting Yards and galvanise their arrangements with them for ensuring timely repair/refits of ICG ships for more effective deployment of vessels for operational duties. The Committee would like to be apprised of the precise action taken in this regard.

10. Shortage of Manpower: Despite efforts made by the Indian Coast Guard, there was still a shortage of 46 per cent and 42 per cent respectively of officers and enrolled personnel as of December, 2010 *vis-a-vis* the force levels of 1,925 officers and 10,959 enrolled personnel envisaged for the perspective plan 1985- 2000. The Committee have been informed that various measures have been taken to fill up the vacancies *viz*, increase in intake of officers and enrolled personnel since 2009, Special Recruitment Drives for reserved category vacancies, media publicity to attract more youth, increasing the number of recruitment centres, introduction of Short Service Schemes, increased promotional avenues, online recruitment procedure etc. Even then, as on 9th March, 2015, there was a total shortage of 3,068 officers and enrolled personnel in the ICG. The Ministry, reportedly plans to fill up the existing

shortage of Officers by 2020 and that of enrolled personnel by 2017. The Committee view this as too long a period. The Committee feel that shortage of manpower in the ICG is a serious lapse which will ultimately cripple the country's marine security amidst mounting seaborne security threats, smuggling and piracy. They feel that staffing needs to keep pace with the acquisition plans of ICG. Besides, the Committee are unable to see any reason for shortage of manpower when there are lakhs of qualified and unemployed youth available in the country. From the submission of the Ministry, they note that 5,238 posts were sanctioned for ICG between 2007-2014 and desire to know exactly how many personnel have been actually inducted in ICG as on date. The Committee, also urge the Ministry to continue taking concerted efforts and innovative methods to fill up the vacancies in the ICG without further loss of time.

11. Inadequate Training Infrastructure: The Committee find that the ICG did not have its own training infrastructure and all basic trainings for its officers and enrolled personnel were provided by the Indian Navy in a makeshift training centre at Kochi. Such an arrangement of training is bound to compromise the standard and quality of training provided to the Indian Coast Guard personnels. The Committee were informed that ICG Academy at Azhikkal, Kerala, which was approved in February, 2011 is in the process of being established. Capable of training 650 men at any given time, this academy will primarily look after the specialised training requirements of the ICG. The Committee feel that this should have been conceptualised at the time of establishing the ICG itself. Considering the importance of providing cutting edge training to a force responsible for securing the country's maritime interest and security, the Committee would like the Ministry of Defence to provide training to the Indian Coast Guard personnels at the regular training centres of the Indian Navy and also emulate the training regime of the Coast Guard of the major maritime nations of the world. They would like to be apprised of the progress in the establishment of the ICG Academy in the last 4 years, as well as desire that the academy must be commissioned in the scheduled year *i.e.* 2016.

12. Failure of Operation Swan: The Committee note that following the Marc-h, 1993 serial blasts in Mumbai, the Government launched in April, 1993 Operation Swan, a joining operation of the India Navy and the ICG aimed to prevent smuggling of arms/ammunition and other contraband and carry out intensive surveillance on high seas, maintain surveillance in the territorial waters and patrol the shallow waters near the shore along the Maharashtra and Gujarat Coast. Unfortunately, this operation was not conducted in right earnest as the Coast Guard had not been involved in the inner layer operations in Maharashtra till December, 2010 due to manpower and resource constraints. Joint Coastal Patrolling undertaken by the Indian Navy in Maharashtra was discontinued by September, 2005 based on the decision of the Ministry of Home Affairs to establish coastal police stations to provide the coastal security and check smuggling of arms and ammunition. The coastal patrolling was thereafter left to the State Marine Police and

Customs, which had meagre operational assets to handle the operation. Further, all naval detachments were replaced by 3 quick reaction terms, which were kept stand by in case of any contingency. This created a void in undertaking close coastal patrolling. Further, by March, 2008, only 47 out of 73 coastal police stations had been set up by the Ministry of Home Affairs in nine coastal States and four Union Territories. Even the type of trainings for Marine Police personnels and boats provided to the State Marine Police by the Ministry of Home Affairs were found to be substandard. Besides, though the proposal for establishing additional three Coast Guard Stations was approved in January, 2005 to take over the extra responsibilities of Operation Swan, none of these stations could be activated prior to 26/11. In all, the attitude and approach of those at the helm of affairs for securing the country's maritime interest and security especially in the Ministry of Home Affairs were lackadaisical and irresponsible resulting in the overall failure of Operation Swan. The Audit Report revealed that these limitations in Gujarat were also highlighted by HQ, Coast Guard (W) in as early as March, 2008 to ICG (HQ). The Committee are shocked at the apathy of ICG (HQ) on this matter and would desire that the matter should be probed to fix responsibility on the Officers, who were manning ICGHQ at that point of time. They feel that had Operation Swan been conducted successfully and intense coastal patrolling sustained, an incident like 26/11 terror attack on Mumbai could have been avoided. Ironically, even after this colossal marine security failure, the attitude and approach of the Ministry of Defence remained unchanged when they claimed that "*joint coastal patrolling was not discontinued at any point of time*". This is erroneous since the decision of the Indian Navy to discontinue the Joint Coastal Patrolling was based on the decision of the Ministry of Home Affairs in the year 2005 itself to establish Coastal Police Stations and these police stations came into existence much later, thereby negating the Ministry's claim. The Committee, therefore, feel that the Ministry of Home Affairs and the ICG owe an explanation to the Committee for 26/11. The Committee would like to know whether the enquiry undertaken post 26/11 fixed accountability for the grave lapses on the officials of the Ministry of Home Affairs and the ICG. They are of the firm opinion that, the Ministry of Defence and the Ministry of Home Affairs need to work together in close co-ordination to face terror threats *via* sea/air/land routes. The Committee also desire that duties and responsibilities of all the Ministries/Departments and forces concerned with the Country's coastal security must be clearly demarcated so as to ensure effective co-ordination amongst them. They would like to know as to how many Coastal Police Stations have been actually established under the Coastal Security Scheme, Phase-II, out of the envisaged 131 such stations, since April, 2011, till date.

13. *Wrongful selection of manufacturing shipyard*: The Committee find that though Government sanction for 15 Interceptor Boats (IBs) was obtained in April, 2005, the contract was signed only in March, 2009, at a cost of 281.232 crore with scheduled induction by March, 2014 due to financial problems being faced by the shipbuilder. However, the designated supplier, i.e. Goa Shipyard Limited could deliver only one IB till date. The Committee failed to elicit any response

from the Ministry during their oral evidence when it was questioned as to why the contract was not given to some other shipyard instead of continuing with the company which failed to honour their commitment, and went bankrupt. Later, however, in their written submissions, the Ministry shared the revival of the IB project and some positive developments on this front with the Committee. Nonetheless, the Committee feel that this is an instance of wrongful selection of a manufacturing shipyard. Since failure of the shipyards to provide vessels within the stipulated time creates problems for the ICG as in the case of 15 Interceptor Boats, the Ministry of Defence need to be extra careful in choosing a particular shipyard for placing orders for shipbuilding and monitor the progress of delivery. This should be done in a prudent manner keeping in view all the variables that may determine the ongoing market scenario wherein the contracts may be awarded to competent and financially sound shipyards which can deliver the order with due priority and provide the necessary assets on stipulated time.

14. *Overlapping responsibility between Marine Police and the Indian Coast Guard:* The Committee note that the responsibility for coastal patrolling had been demarcated amongst Marine Police (from the coast up to 05 nautical miles to seawards); ICG [(from 05 nautical miles to 12 nautical miles from the Coast); and Indian Navy (beyond 12 nautical miles)]. However, the Committee have been informed that in the present scenario, the Marine Police jurisdiction actually extended up to 12 nautical miles from the coastline. This causes overlapping of responsibility between the Marine Police and the Indian Coast Guard and will make difficult to fix responsibility for any untoward incident. The Committee desire that clear cut roles and responsibilities should be assigned to Marine Police and the ICG in such a situation so that there is co-ordinated efforts between the two could be ensured and any blame game is avoided. Since monitoring and policing by Marine Police is a specialised job which is different from its land job, the Committee would also urge for separation of Coast Police Wing from regular Police in all States/UTs at the earliest. The Committee would like the Ministry of Defence to take up the matter actively with the Ministry of Home Affairs on this front.

15. *Coastal Security Scheme:* The Committee find that Coastal Security Scheme Phase-I was approved by the Cabinet Committee on Security in January, 2005 and the Scheme got completed on 31 March, 2011. This phase included setting up of 73 Coastal Police Stations and acquisition of 204 boats. Subsequently, Phase-II of the Scheme had been implemented *w.e.f.* 1st April, 2011 and it envisaged to provide additional infrastructural support to the coastal States/UTs for marine patrolling with a view to supplement other coastal security initiatives undertaken by the Indian Navy and the ICG. It targets establishment of 131 Coastal Police Stations and induction of 180 Interceptor Boats, 60 jetties, 131 four wheelers and 242 motor cycles. However as of, 3rd July, 2014, only 85 Coastal Police Stations were in operation, 94 four wheelers had been procured and process for procuring 225 Interceptor Boats had been initiated by the Ministry of Home Affairs. This is rather a lethargic response of the Ministry of Home Affairs especially after 26/11 which marred the Phase-I

of the Scheme. Such a knee jerk response also does not tally with the Ministry of Defence's claim that securing preparedness had improved very substantially in terms of co-ordination ability post 26/11. The Committee, therefore, feel that there is an immediate need to remove constraints in terms of infrastructure, ICG's own vessels and equipment that are limiting the ICG's effectiveness in patrolling. In view of increasing threat perception, the Committee also desire that planned coastal security measures such as coastal security scheme as approved by the Government, should not be allowed to be diluted. For this, an institutionalised system needs to be put in place within the Ministry of Defence to monitor periodically, the efficacy and continuity of coastal security measures.

16. Boarding Operations and Night Flying Tasks: ICG identify vessels as friend or foe largely by boarding and investigating it. However, against the prescribed limit of 4 boarding operations per ship per quarter, the ICG reportedly conducted only 188 boarding operations in the first three quarters of 2008. This figure showed a quantum leap in the last quarter of 2008 when 255 boarding operations were carried out between October and December, 2008. Of these 255 boarding operations, as many 116 (45.49 percent) boarding operations were carried out in the month of December, 2008 *i.e.* after 26/11 terrorist attack. In the quarter ending December, 2009, the ICG undertook 357 boarding operations off Gujarat/Maharashtra Coast representing an increase of 40 percent over the boarding operations carried out in the quarter ending December, 2008. As of quarter ending December, 2011, the Indian Coast Guard undertook as many as 2043 boarding operations. It suggests that the Indian Coast Guard was capable of undertaking more boarding operations but it planned and carried out fewer such operations. The Committee find that till such time the constraints in identification of vessels are resolved by establishing sound communications systems as well a reliable database of vessels, the intensity of boarding operations was the only deterrent available to ensure coastal security. However, an intensity in undertaking boarding operations was witnessed only after the 26/11 incident. The night flying task, however, was never achieved by any of the ICG squadrons during the six year period of 2005 to 2010 with 32 percent average shortfall despite the fact that the night flying percentage was reduced to 20 percent of the Annual Flying Task (AFT) in case of helicopters and 25 per cent in case of Dornier in 2006-07. It was only in 2011 that the Night Flying Task had improved to a total of 83.20 percent. The reasons submitted by the Ministry of Defence for failure to active the stipulated Night Flying Task such as non- availability of night flying facility at Porbandar airfield, non-upgradation of sensor fit on the existing fleet of 24 Dornier aircraft, shortage of aircrew etc. are not convincing to the Committee, when the national security is at stake. They feel that in the backdrop of intelligence inputs regarding terror attacks in the country, the Ministry should have taken due note of the increasing threat perception on the Western Coast and should have been prepared to plug all loopholes to contain the threat. Thus, it would perhaps, not be wrong to observe that all these failures and lapses provided a golden opportunity to the terrorists who took advantage of the lax coastal security environment and landed at Mumbai coast through sea route and carried out multiple terror attacks on 26th November, 2008.

The Committee, therefore, desire that responsibility need to be fixed on the ICG authorities found responsible for neglecting coastal surveillance and patrolling by not setting any norms for adopting the patrolling hours annually, not fulfilling the requisite number of boarding operations and not achieving the stipulated night flying task. The Committee note that now the night surveillance capability of ICG has been enhanced through various measures. They feel that the heightened coastal security measures post 26/11 need to be sustained in a well managed and result-oriented manner for strengthening the ICG to face any eventuality. As such, there is an immediate need for the ICG to evolve norms for patrolling in maritime/coastal zones, based on available resources. The norms so evolved should be adhered to strictly and annual/periodic achievements against the norms reported to the Ministry of Defence for periodic review.

17. Lack of co-ordination between the Indian Navy and the Indian Coast Guard: The Committee are shocked that there had been glaring instance of lack of co-ordination between the Indian Navy and the ICG even to the extent of compromising the maritime security of the country. To illustrate, the ICG online access to its Indian (Maritime) Search and Rescue (INDSAR) data to the Indian Navy even though the access would make the latter's Maritime Domain Awareness (MDA) data more comprehensive. Further, while all sailing orders issued to the ICG ships and air tasks to the ICG were always informed to the Navy, the movement of naval ships and aircraft in the area where the ICG units were deployed was not intimated to the ICG. This resulted in duplication of efforts as both Indian Navy and Coast Guard patrolled the same area at the same time. Besides, there have been command and control issues in coastal patrolling in Andaman & Nicobar Islands, as Headquarters Andaman and Nicobar Command (HQ ANC), Unified Tri-Services Command, issued instructions to ICG not to undertake certain Search and Rescue (SAR) operations, a statutory function of ICG. Also, there was wastage of time in liaison with ANC for issuing sailing orders to ICG ships, non-provision of fuel to ICG aircraft resulting in cancellation of air sorties, non-availability of ANC airfield for ICG operations, non- clearance of ICG aircraft sorties and convening of intelligence meetings by HQ ANC disregarding the lead role assigned to the ICG by Government. In view of these circumstances, the Committee cannot accept the Ministry of Defence's contention that adequate synergy existed between the Indian Navy and the ICG and a close co-ordination was maintained towards the responsibilities related to the maritime and coastal security. As is evident from the information submitted by the Ministry, this type of synergy/co-ordination was confined to co-ordinated exercises and operations only. However, on a positive note, the Committee find that the Indian Coast Guard had agreed to provide feed of its Coastal Surveillance Network (CSN) to the Indian Navy's NC31 network for ensuring seamless sharing of information between the two organisations. Besides, both services undertook mutual sharing of resources. These not only included infrastructure (jetties, docking facilities, etc.) but also operational resources. In addition, the IN-CG Working Group level meeting was held periodically to co-ordinate and resolve all functional issues. Similar meetings were held at the Command/Region level

(COM NAVGUARD) for addressing local issues and for improving field level co-ordination. The Committee welcome such constructive co-ordinated efforts from the Indian Navy and the ICG for synergising their efforts for smoothly co-ordinated coastal patrolling. Observing that there is an imperative need for further greater co-ordination and cohesion between the Indian Navy and the ICG, the Committee would like both the organisations to strive in this direction and continuously improvise and learn lessons and apply them in their endeavours for achieving even better results.

18. *Non-installation of Static Sensors:* The Committee are perturbed that though the Group of Ministers on the National Security System had recommended in February, 2001 the setting up a chain of static sensors in the form of Shore Radar Stations in high traffic sensitive areas, the same was yet to be completed even after a lapse of 14 years due to remoteness and other limiting factors of the locations. It was only on 8th September, 2011 that the contract for establishment of Phase - I of the chain of 36 static sensors was conducted with M/s BEL. This was a serious security lapse since this chain of sensors was meant to provide continuous, gap free, automatic detection and tracking of targets providing a reliable tactical situation display thus acting as an effective tool against illegal activities like smuggling of contraband, arms and ammunitions, illegal fishing etc. Needless to say, timely installation of this chain of static sensors could have played a strategic role during deadly terror attack like 26/11, even preventing it. Still worse, none of these radar stations, had been commissioned as on 9th March, 2015. The Committee would like the Ministry to fast track this initiative and fix responsibility for the inordinate delay in installing this chain of static sensors so as to set a deterrent for lackadaisical approach in handling sensitive national security issues. The Committee further find that the coastal radar chain suffers from certain limitations of technology as its range is not beyond 35 kms, that too is dependent on the weather conditions. The Committee desire that these issues should be addressed at the earliest with suitable technical advice so that an effective coastal radar chain is installed to provide a reliable layer of coastal security communication.

19. *Legal constraints and lack of empowerment of the Indian Coast Guard:* The Committee are concerned that while the Maritime Zones of India Act, 1981 empowered the ICG to enforce its provisions against vessels found engaged in unauthorised survey, data collection etc., prosecution of offenders can be launched only after obtaining the approval of the Ministry of External Affairs, which reportedly is the nodal Ministry for the Umbrella Act *i.e.* the Maritime Zones of India (MZI) Act, 1976. This is rather a cumbersome process and detrimental to national security. The Committee also find it strange that the provisions with respect to initiating action for any violation committed by Indian registered fishing vessels were enforced by the State Fisheries Department officials and not by the ICG which enforce Central Government Legislations. This compromises the purport of having the ICG as a force for securing coastal security. The Committee have been informed that proposals have been made to amend the MZI Act, 1976 and the matter has been referred

by the Ministry of External Affairs to the National Security Council Secretariat in August, 2014 for setting up of an Inter-Ministerial Group to work on amending Indian legislations to address the same. Further, the Committee find that there are no laws for regulating Indian deep sea. fishing vessels in the Indian Exclusive Economic Zone beyond territorial waters and hence the ICG is not in a position to monitor the activities of deep sea fishing vessels which comes under the purview of the Ministry of Agriculture. The Committee have been informed that a draft bill regulating fishing by all vessels under Maritime Fisheries (Regulation and Management) Act had been proposed by the ICG in 2009 but it remained at draft stage. As per the Audit Report certain issues are pending with the Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture (MoA) too. They are quite shocked to learn that the deep sea fishing vessels registered in India and having "Letter of Permission 2004" from MoA operate under no legislation but MoA's administrative guidelines solely, which do not prescribe any punitive action in case of violations committed by them against the conditions prescribed in the Letter of Permission. The Committee feel that ambiguity in laws could be one of the most frustrating aspects in the functioning of an organisation. As the ICG is earmarked specifically for coastal security and all other related maritime activities, relevant amendments to the Acts, Rules, Regulations and Manuals need to be effected early to make the ICG empowered and competent enough to carry out its duties more effectively. This would be possible by bringing in all classes of ships/vessels under the ICG's purview. The Committee desire that amendments required by the ICG must be carefully drafted and proposed again to MEA so that those could be found acceptable. Further, they would like these matters to be taken up at the highest level so that the extant procedure is done away with and the ICG is empowered to take strict action against the offenders of the MZI Act, 1976 on its own. They, therefore, desire that the Ministry may take up the matter with MEA as well as MoA again and report the hitherto progress on the matter at the action taken stage.

20. Identification of ships : The Committee note that the International Ship and Port Security (ISPS) Code came into force internationally with effect from 1st July, 2004 and the control and compliance measures of ISPS in various countries are under their Coast Guards since they are most suited to deal with the issue. However, in India, the Ministry of Shipping nominated the Director General, Shipping to implement the new requirements as provided in the ISPS code. Surprisingly, the Director General, Shipping kept the Indian Coast Guard out of the ambit of ISPS compliance till February, 2009 and it was only after 26/11 incident that ships arriving in Indian waters are required to submit 'Pre-Arrival Notification of Security' (PANS) to the Indian Coast Guard. Even then, all ships entering Indian Ports are not providing reports to the Indian Coast Guard and there were no penal provision for non-compliance by ships. This is a serious breach of coastal security which needs to be plugged at the earliest. The Committee question the wisdom of the Ministry of Shipping and the then Director General, Shipping in sidelining the ICG from the ambit of ISPS compliance and the delay in notifying the penal provision and demand a thorough explanation from the concerned DG (S) and the Ministry of Shipping

in these matters. The Committee further desire that the Ministry of Defence take up these issues at the highest level and get expedited notification of the penal provisions for non-submission of PANS by ships to the Indian Coast Guard, which is in the process reportedly since March, 2010.

21. *Lapses in tracking of Ships:* The Committee note that Automatic Identification System (AIS) is a maritime navigation safety communications system standardised by the International Telecommunication Union (ITU) and adopted by the International Maritime Organisation (IMO) that provides vessel information, including the vessels' identity, type, position, course, speed, navigational status and other safety-related information automatically to (appropriately equipped shore station, other ships, and aircrafts). The Committee are however constrained to find that despite issuing circulars, 14 percent of fishing vessels of 20 metres or more in length had not been fitted with the AIS March, 2011. Shockingly, the Director General, Shipping had not notified penal provisions for non-compliance of the circulars requiring fitting of AIS. This does not augur well for the country's maritime security. The Committee wonder as to why the Director General, Shipping should remain so sluggish in handling sensitive national security issues. The Committee would like the Ministry of Defence to take it up urgently with the Ministry of Shipping to explore reasons for the same and prevail upon them to notify the penal provisions at the earliest. At the same time the Committee do appreciate some of the Ministry's initiatives like introduction of Radio Frequency Identification Device (RFID). They agree with the Ministry that the technology for boat tracking needs to be weighed from all angles to ascertain its efficiency and hope that the matter is considered actively and decided expeditiously, which will help in tracking ships and vessels within the Country's maritime zone.

22. *Absence of uniform system of registration of fishing vessels:* The Committee are concerned that there is no uniform system of registration of fishing vessels despite the fact that registration of different types of boats including small fishing boats and dhows is mandatory under Merchant Shipping Act, 1958 as well as under various existing State/UT Marine Fisheries Act. While more than 3 lakh vessels are reportedly deployed by unorganised fishing sector, only 1.82 lakh fishing boats were registered under Merchant Shipping Act as per the Ministry of Agriculture's records. The figure provided by the Ministry of Defence's figure was 1.99 lakh boats based on Central Marine Fisheries Census, 2010. This confirms the doubts that a large number of unregistered fishing vessels are operating in Indian waters thereby causing grave security threats to the country. As conceded by the Defence Secretary, there is no guarantee that another 26/11 incident would not happen in the country in the present arrangement. The Committee have been informed that the Indian Coast Guard was developing software to create/develop a database of licensed fisherman, registered Indian fishing boats, colour code and licence for fishing in any stipulated area. These are essential steps and should have been undertaken as soon as the requisite technology was available for the same. While urging for expediting these initiatives, the Committee desire that registration of fishing vessels should be complemented by a uniform fool proof

system of issuing high security number plates and fisherman identity cards across the country so that no unidentified vessel could be left undetected.

23. *Crossing of IMBL by Indian Fishermen:* The Committee are concerned that Indian fishermen often transgress into foreign waters lured by the possibility of better catch and are usually escorted back by the ICG in order to avoid their apprehension by the authorities of neighbouring countries. In 2011 alone, while 80 Indians fishing boats along with 295 fisherman were apprehended by Pakistan Maritime Security Agency for fishing in Pakistani waters, as many as 5933 Indian fishing boats which ventured into Pakistani waters were shepherded back to Indian waters by the ICG. While, such vessels, many times, did not display registration numbers, name and other details of their fishing boats prominently in the place as specified in the Fishing Act, the ICG is not empowered to take penal action against such vessels. This is a major loophole in the existing system constraining the ICG. The Committee have been informed that the Ministry of Defence had written to the Ministry of Agriculture to take up the matter with the Government of Gujarat and other Coastal States for taking suitable deterrent action to prevent Indian fishermen from crossing the IMBL. The Committee feel that crossing of IMBL by Indian fishermen is a serious issue having the potential to impact diplomatic, military and economic ties with neighbouring countries with serious ramifications. Not empowering the ICG to take penal action against such vessels is a major handicap affecting its optimum performance. Since mere patrolling and cautioning the Indian fishermen of dangers of crossing the IMBL would not be adequate to contain the problem, the Committee appreciate the ICG's engagement of fishermen community in interactive advocacy and spreading awareness about not crossing the IMBL and would like these to be sustained. The Committee, however, find much to their consternation that fisheries being a State subject, different States have introduced varying penalties for this offence. This does not set a good deterrent in the national context. The Committee have been informed that the format for uniform registration of fishing vessels by the States/UTs has been notified. The Committee further exhort the Ministry to engage with other Ministries/state Governments to bring in consensus on having a Union Legislation in this regard so as to introduce a uniform punishment system for those who cross the IMBL and accordingly empower the ICG to penalise the offenders.

24. *Poor Management Information System:* The Committee are concerned that the ICG did not maintain a complete and comprehensive database of its search and rescue, pollution control, anti-poaching operations. It could not furnish information about the number of cases where the missions were not successful or could not be carried out due to inadequacy of resources or other constraints. In many cases, the figures submitted by the Regional Headquarters and the ICG Headquarters did not tally. It was also found that Letter of Permissions submitted by the ships were not complete and there was no communication from the Regional Headquarters/ICG Headquarters to the ships about this deficiency. Regarding Search and Rescue operations, the ICG Headquarters had furnished inflated figures and claim that figures given by

them may be taken as correct without furnishing the reasons for discrepancy in the data. This cannot be accepted since the Headquarters figures should be based on the data given by the Regional Headquarters. The Committee have been informed that the comprehensive search and rescue data bank was being maintained at Coast Guard Headquarters by the National Maritime Search and Rescue (NMSAR) Secretariat and the ICG had instituted software for recording all operational data to obviate the mismatch of figures. Had this been the case, the Committee wonder as to why variations appeared in the data maintained at different levels. The Committee desire that the ICG should pay attention to this discrepancy and maintain a more reliable database so that it can review and plan its operations according to the success/failure rate. The Committee, therefore, recommend that the ICG should put in place a reliable Management Information System comprising a full database of its operations including Search and Rescue operations, unsuccessful operations, abandoned operations. Further, the stand taken by the Ministry that ICG is an armed force and is not a profit seeking service hence no targets are fixed for its charter of duties is not appreciated by the Committee. They are of the view that in order to bring the ICG into the league of the foremost competent and professional forces, comparable with Coast Guards of other major Maritime Nations, benchmarks, parameters/targets need to be fixed for assessing its performance in respect of its charter of duties.

25. Need for Marine Environment Protection: The Committee note that a large number of vessels are sent to Alang (Gujarat); Mumbai and Kolkata for ship breaking. Alang is the main destination where about 300-350 vessels are imported every year with the total quantity of scrap being approximately 3 to 3.5 million tons. A considerable risk is associated with such vessels due to carriage of toxic substances on board and jettisoning of such substances in Indian waters prior to arrival. Even the chances of terror attacks through this route cannot be ruled out. The vessels proceeding for ship breaking yards notify the Director General, Shipping under the Government of India for clearance. This is especially done in Alang since it is not an ISPS compliant port. Thus, the ICG is unable at present to investigate such vessels and prevent marine pollution by pre-empting possible dumping of toxic substances in the absence of specific information about arrival of ships to breaking yards. This is contrary to the powers and responsibilities vested with the ICG with respect to marine environment protection security by the Coast Guard Act, 1978; Merchant Shipping Act Sections 69, 356 (G), 350 (J), 350 (K); Maritime Zones of India Act, 1976; and Allocation of Business Rules. Since marine environment protection is chartered function of the Indian Coast Guard, the Committee feel that all the vessels proceeding for ship breaking yards should seek clearance from the ICG so that the ICG can take necessary preventive measures to avoid maximum marine environmental pollution. As a part of this strategy, all the ship breaking yards/ports especially Alang should be made ISPS compliant at the earliest so that the requirement of providing Pre-Arrival information to ICG could be applied on the port.

26. Inadequate Pollution Control Measures: Though, ICG has established four Pollution Response Centres at Mumbai, Chennai, Port Blair and Vadinar, the Committee are concerned that the ICG's pollution control activities have been hampered by the absence of dedicated boats for the purpose. Though, the ICG has initiated since 1997 the procurement process for 3 Pollution Control Vessels, the first vessel, though scheduled for commissioning in September, 2006, was delivered only in October, 2010; the second was inducted into the ICG only 11th July, 2012; and the third was being constructed. Even after 18 years the procurement has not been completed. This signifies low priority accorded to pollution control measures by the ICG. On the other hand, there have been increasing instances of pollution taking place on the entire Indian Coast due to the ships washing their holds and tar balls onto the shores, especially in Goa, thereby affecting tourism in that area. This calls for concerted efforts from all concerned, especially the Coast Guard, which would always be the first responder to oil spills. Unfortunately, the matter seems to be caught in blame game as can be gauged from the submission of the Defence Secretary who submitted that it actually is the subject-matter of the Ministry of Shipping. Considering, the intricacies involved, the Committee feel that the ICG should be entrusted with the task of preventing marine environmental pollution as mandated and the Ministry of Shipping should not be allowed to interfere in these matters. There is an urgent need of initiating the right kind of dialogue and co-ordination on the matter for which the matter needs to be discussed at the highest level. Meanwhile, the Committee recommend the Ministry of Defence to expedite equipping the ICG with requisite Pollution Control Vessels in discharge of its statutory duties. Additionally, contingency arrangements should also be chalked out to empower the ICG to tackle any large oil spills.

27. Need for an effective mechanism of co-ordination: The Committee feel that overall there is an imperative need for putting in place an effective mechanism for co-ordination amongst different Ministries/Departments *viz*, the Ministries of Defence, Home Affairs, Shipping, Agriculture and the States/UTs all of which have a stake and role in the security of the national interests in the country's maritime zones as well as in the security of the Indian Coasts from the threat of maritime terrorism, illegal arms trafficking, smuggling and influx of illegal immigrants and refugees from the neighbourhood. The Committee would like to be apprised of the precise actions taken in this regard.

NEW DELHI;
11 August, 2015

20 Shrivana, 1937 (Saka)

PROF. K.V. THOMAS
Chairperson,
Public Accounts Committee.

ANNEXURE I
(Vide Para No. 63 of the Report)

Land proposals under consideration of MoD

SI. No.	SUBJECT	Initial Date of Submission
(a)	Acquisition of 82,500 Sq. Mtr. land for CGAE Minicoy	30 March 2012
(b)	Leasing of 25 acres HDC land at Haldia	05 March 2012
(c)	Extension of lease period of 21.04 acres VPT land at Vizag	24 August 2012
(d)	Leasing of 3.5 acres land from NMPT for DHQ-3, Mangalore	01 October 2012
(e)	Leasing of 7902 Sq. mtr. MIDC land & 23 Sheds at Ratnagiri	01 October 2012
(f)	Leasing of 8,232 Sq.mtrs. AAI Land at Puducherry	02 November 2012
(g)	Acquisition of 1,24,239.04 Sq.mtrs. (Approx. 30.699 Acres) land from State Government at Okha	19 October 2012
(h)	Acquisition of 106.30 Cents of land at Kozhikode, Kerala	01 January 2013
(i)	Transfer of 22 acres at Pipavav	Sanctioned on 25 March 13
(j)	Acquisition of 35.02 acres Private land for CGAE at Puducherry	04 March 2013
(k)	Acquisition of 50 acres land from State Government at Tuticorin	04 March 2013
Land Proposal being Submitted to MoD		
(l)	Leasing of 10 acres land from CIDCO at Navi Mumbai	Being submitted to MoD
(m)	Leasing of 22.50 acres VPT land for 30 years at Vizag	-do-
(n)	Leasing of approx. 5,000 Sq. mtrs. AAI land at Mangalore	Letter of offer awaited for alternate site

**Land Proposals under consideration of DGDE/PD,DE,SC Pune for which letter
of Offer received from State Government/Port Authorities**

Sl. No.	Description
<i>DGDE, Delhi</i>	
(a)	Acquisition of 28.68 acres Private land at Karuvadikuppam, in lieu of 16.43 land and retention of 3.43 acres of sea front land at Veerampattinam, Puducherry
(b)	Acquisition of 20 acres at Erangal Village, Malad, Mumbai
(c)	Acquisition of 7.8 acres at Palluruthy Village Kochi for Coast Guard
<i>PD,DE, SC Pune</i>	
(d)	Outright Purchase of Married Accommodation at Kakinada
(e)	Taking over of 0.78 acres land on free hold bases from VPT to setup Remote Operating System (ROS) at Vizag
(f)	Acquisition/transfer of 5.28 acres of land in Muthukur Village at Krishnapatnam
(g)	Change of management of Defence land measuring 6.426 acres a Pallavaram, Chennai
(h)	Change in Management of 19 acres Defence Land at Thalakan cherry classified as A-2 under Management of DEO, Chennai to ICG
(i)	Acquisition of 21.44 Acres Land in Nelather Village, Muthukur, Mandal Dist Nellore For ICGS Krishnapatnam
(j)	Acquisition of 26 acres 08 Guntas land at Amdalli Village, Karwar
<i>PD, DE, EC Kolkata</i>	
(k)	Acquisition of 7.65 acres of Government land for setting up of ICGS Frazergunj

Land proposals under consideration of AAI for which letter of Offer is awaited

Sl. No.	Proposal
(a)	Leasing of 4,800 Sqm land at Juhu Airport.
(b)	Leasing of approx. 02 acres at NSCBI Air Port, Kolkata for aviation infrastructure.
(c)	Leasing of AAI land at Tuticorin Airport for link taxi way.
(d)	Leasing of approx. 05 acres AAI land at Vizag.

Land proposal for which Letter of Offer awaited from State Government

Sl. No.	Proposal	Remarks
1	2	3

Ratnagiri

- | | | |
|-----|---|---|
| (a) | Acquisition of land between existing Airport building and Finolex compound wall for taxi track. | Fees for joint survey deposited to DSLR.
Chief Secretary issued instruction to SDM to complete the joint survey. |
| (b) | Acquisition of School building | Revised proposal for Acquisition submitted to DC, on 04 June 2012. |

Murud Janjira

- | | | |
|-----|---|--|
| (c) | Acquisition 22 acres of table top land at Rajpuri, Murud. | Demarcation/measurement completed.
Case with Forest Department for NoC. |
|-----|---|--|

Dahanu (Maharashtra)

- | | | |
|-----|--|---|
| (d) | 0.3 Hectare at Dahanu for approach road to ICG land. | DC, Thane requested master plan of the area to facilitate approval. |
|-----|--|---|

New Mangalore (Karnataka)

- | | | |
|-----|--|---|
| (e) | Additional 17.76 acres of land for CG Air Enclave | ICG requested DC for diversion of road in link taxi area. |
| (f) | Acquisition of 15 acres land for berthing facility of 4 Nos. Hovercrafts at Tanneerbavi/village, Mangalore | Verification of land and cost awaited from DC.

Case with Principal Secretary, Ecology & Environment. |

1	2	3
<i>Karwar (Karnataka)</i>		
(g)	Acquisition of 15.16 acres land at Chendiya Village.	Confirmation letter is awaited.
<i>Puducherry</i>		
(h)	Acquisition of 05 acres land at Kalapet for ICG at Puducherry.	DEO, Chennai returned BPs to ICGS Puducherry with certain observations. On 21 December 2012, reply awaited from ICGS Puducherry.
<i>Vizag</i>		
(i)	10 acres of land at Madhurawada, Vizag (Rural).	Case pending with VPT.
<i>Kakinada</i>		
(j)	Acquisition of 20 acres of Govt. and at Kakinada	Letter of Offer awaited from State Govt.
<i>Nizampatnam (AP)</i>		
(k)	Acquisition of 30.85 acres land from State Govt. at Nizampatnam Vill.—Mandal, Guntur	Case with State Revenue Dept.
<i>Bhubaneswar</i>		
(l)	Acquisition of 25.5 acres of land at Village Barakuda.	Case under consideration of State Govt.
<i>Kamorta</i>		
(m)	Transfer of 20 acres Naval land to CG at Kamorta.	Land sanctioned in 1993. Tribal Council agreed to hand over only 12 acres instead of 20 acres. Case with the A&N administration.
<i>Gandhinagar</i>		
(n)	Acquisition of 65 acres land at Chiloda/ Lekawada for setting up of RHQ (NW)	Govt. of Gujarat has approved the case on 14 March 2013. Letter of offer awaited.

1	2	3
<i>Porbandar</i>		
(o)	Acquisition of 35 acres land at Odedra Village Porbandar.	CTP Gandhinagar has forwarded the case to Town Planner Office Porbandar for CRZ Clearance. Reply awaited.
(p)	Acquisition of 16,188 Square Metres land near RGT College at Porbandar taken up with Dist. Collector, Porbandar in September 2010.	Case pending with Cabinet meeting for approval.
<i>Vadinar</i>		
(Q)	Acquisition of 07 acres land Deficient land at Vadinar	Case forwarded to Forest and Environment Department, Gandhinagar for issuance of CRZ clearance. Same is awaited.

ANNEXURE II
(Vide Para No. 94 of the Report)

List of Registered Refitting Yards

Sl No.	Firm and Yard name
1.	M/s Western Indian Shipyard Limited, Goa
2.	M/s Sea Blue Shipyard Ltd, Kochi
3.	M/s Marine Engineering and Trade Services (METS), Port Blair
4.	M/s Startek Shipyard Pvt. Ltd, Chennai
5.	M/s Island Ship Repairers, Kochi
6.	M/s Marine Care 'N' Associates, Visakhapatnam
7.	M/s Dweep Engineering Works, Port Blair
8.	M/s Campbell Engineers, Port Blair
9.	M/s Inland Marine Works Pvt. Ltd., Port Blair
10.	M/s Homa Engineering Works, Mumbai
11.	M/s Krasny Marine Services Pvt. Ltd., Mumbai
12.	M/s Marine Craft Engineers (P) Ltd., Kolkata
13.	M/s Afloat Engineers, Chennai
14.	M/s Bengal Tools Ltd., Kolkata
15.	M/s Viswakarma Mechanical Works, Porbandar

Glossary

ACV	-	Air Cushion Vehicle (Hovercraft)
AFT	-	Annual Flying Task
AIS	-	Automatic Identification System
ALH	-	Advanced Light Helicopter
ALHW	-	Andaman & Lakshadweep Harbour Works
AOPV	-	Advanced Offshore Patrol Vessel
BIFU	-	Bharat Interface Unit
CASEVAC	-	Casualty Evacuation
CCD	-	Charged Coupled Device
CCS	-	Cabinet Committee on Security
C G	-	Coast Guard
CGAB	-	Coast Guard Advisory Board
CGAE	-	Coast Guard Air Enclave
CGAS	-	Coast Guard Air Station
CGBR	-	Coast Guard Book of Regulations
CGHQ	-	Coast Guard Headquarters
CGRPS	-	Coast Guard Refit & Production Superintendent
CGRPT	-	Coast Guard Refit & Production Team
CGS	-	Coast Guard Station
CGTC	-	Coast Guard Training Centre
Ch	-	Chetak (Helicopter)
COMCG	-	Commander Coast Guard
COMDIS	-	District Commander
CRN	-	Close Range Naval
DAC	-	Defence Acquisition Council
DADF	-	Department of Animal Husbandry, Dairying and Fisheries

DG(S)	-	Director General of Shipping .
DGICG	-	Director General Indian Coast Guard
DGLL	-	Director General Light Houses and Light Ships
DHQ	-	District Headquarters
Dor	-	Dornier (Aircraft)
DPM	-	Defence Procurement Manual
DPP	-	Defence Procurement Procedure
DPSU	-	Defence Public Sector Undertaking .
DSPV	-	Deep Sea Patrol Vessel
EEZ	-	Exclusive Economic Zone
ELTA	-	A firm name
EOFCs	-	Electronically Operated Fire Control System
EO	-	Electra Optic
EP	-	Enrolled Personnel
EPIRB	-	Emergency Position Indicating Radio Beacons
FE	-	Foreign Exchange
FLIR	-	Forward Looking Infra Radar
FPV	-	Fast Patrol Vessel Performance
GoM	-	Group of Ministers
GPI	-	Glide Path Indicator
GPS	-	Global Positioning System
GSHRB	-	Gyro Stabilised Horizontal-Role Bar
HAL	-	Hindustan Aeronautics Limited
HAT	-	Harbour Acceptance Trials
HMG	-	Heavy Machine Gun
HQANC	-	Headquarters Andaman & Nicobar Command
IB	-	Interceptor Boat
IBL	-	International Boundary Line
IC	-	Interceptor Craft
ICG	-	Indian Coast Guard

ICGDP	-	Indian Coast Guard Development Plans
ICGHQ	-	Indian Coast Guard Headquarters
ICGPP	-	Indian Coast Guard Perspective Plans
ICGS	-	Indian Coast Guard Ship
IFF	-	Identification of Friend/Foe
IHQ	-	Integrated Headquarters
IMBL	-	International Maritime Boundary Line
IMO	-	International Maritime Organisation
IN	-	Indian Navy
INDSAR	-	Indian (Maritime) Search & Rescue
INS	-	Indian Naval Ship
IPV	-	Inshore Patrol Vessel
ISPS	-	International Ship and Port Security Code
ITU	-	International Telecommunication Union
JCP	-	Joint Coastal Patrolling
JOC	-	Joint Operation Centres
KM	-	Kilo Metre
LMG	-	Light Machine Gun
LOP	-	Letter of Proceedings
LOP	-	Letter of Permission
MDA	-	Maritime Domain Awareness
MEA	-	Ministry of External Affairs
MHA	-	Ministry of Home Affairs
MOA	-	Ministry of Agriculture
MOD	-	Ministry of Defence
MOF	-	Ministry of Finance
MPV	-	Medium Patrol Vessel
MR	-	Medium Refit
MRSA	-	Maritime Reconnaissance and Surveillance Aircraft
MSA	-	Maritime Security Advisor
MSAB	-	Maritime Security Advisory Board

MZI	-	Maritime Zones of India
NAVGUARD	-	Navy & Coast Guard
NM	-	Nautical Mile
NR	-	Normal Refit
OEM	-	Original Equipment Manufacturer
OPV	-	Offshore Patrol Vessel
PANS	-	Pre Arrival Notification of Security
PCV	-	Pollution Control Vessel
PSU	-	Public Sector Undertaking
RFP	-	Request for Proposal
RHQ	-	Regional Headquarters.
RIB	-	Rigid Inflatable Boat
SAR	-	Search and Rescue
SART	-	Search and Rescue Transponder
SAT	-	Sea Acceptance Trials
SDB	-	Seaward Defence Boat
SOC	-	Statement of Case
SOLAS	-	Safety of Life at Sea
SOP	-	Stabilised Optronic Pedestal
SOS	-	Ship Operating Standards
SR	-	Short Refit
SRGM	-	Super Rapid Gun Mount
SRR	-	Search and Rescue Region
UE	-	Unit Establishment
UK	-	United Kingdom
UNCLOS	-	United Nations Convention on Law of the Seas
USA	-	United States of America
UT	-	Union Territories
VHF	-	Very High Frequency
VRU	-	Vertical Reference Unit
XBT	-	Expandable Bath Thermograph

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2013-14) HELD ON 19TH JULY, 2013

The Committee sat on Friday, the 19th July, 2013 from 1530 hrs. to 1730 hrs. in Room No. '62', Parliament House, New Delhi.

PRESENT

Dr. Murlī Manohar Joshi — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Anandrao Adsul
3. Shri Jayaprakash Hegde
4. Shri Bhartuhari Mahtab

Rajya Sabha

5. Shri Prasanta Chatterjee
6. Shri Prakash Javadekar
7. Shri N.K. Singh
8. Smt. Ambika Soni

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri D.R. Mohanty — *Deputy Secretary*

Representatives of the Office of the Comptroller and Auditor General of India

1. Ms. Vijaya Moorthy — Deputy C&AG (Defence, Communications & Railways)
2. Ms. Revathi Bedi — Director-General (Defence & Communications)
3. Shri C.M. Sane — Principal Director (Navy)
4. Shri Purshottam Tiwary — Principal Director (PAC)

Representatives of the Ministry of Defence

1. Shri R.K. Mathur — Secretary
2. Shri Shankar Aggarwal — Additional Secretary
3. Shri Arunava Dutt — Financial Advisor (Defence Services)
4. Shri Ram Subhag Singh — Joint Secretary (O/N)
5. Shri B.K. Mukhopadhaya — Additional Financial Advisor

Representatives of The Indian Coast Guard

1. Shri Anurag G. Thapliyal — Director-General
2. Shri Rajendra Singh — Additional Director-General
3. Shri K.R. Nautiyal — Deputy Director (Ops & CS)
4. Shri K. Natarajan — Deputy Director-General (P&P)
5. Shri S. Parmesh — Director (Ops), CGHQ

2. At the outset, the Chairman welcomed the Members, the representatives of the Office of the Comptroller and Auditor General of India, the Ministry of Defence and the Indian Coast Guard to the sitting of the Committee. Apprising that the meeting had been convened to take oral evidence of the representatives of the Ministry of Defence and the Indian Coast Guard on the subject "Role and Functioning of Indian Coast Guard" based on the C&AG Report No. 7 of 2011-12 (Performance Audit), the Chairman impressed upon the witnesses not to disclose the contents of the deliberations of the Committee to any outsider, especially to the members of the Print and Electronic media.

3. Thereafter, with the permission of the Chair, the representatives of the Indian Coast Guard made a power point presentation highlighting the achievements, future plan of action, and constraints being faced by the ICG. The Members then raised several queries and concerns which *inter-alia* included unrealistic perspective plans; inordinate delay in the approval of Coast Guard Development Plans; deficient acquisition procedure; inadequate force level, manpower, equipment and infrastructure; shortfalls in decommissioning and replacement of older/obsolete vessels; deviations in the envisaged responsibilities of patrolling. The Members were particularly concerned and apprehensive of the preparedness of the Indian Coast Guard to protect the coastal and maritime interest of the country, especially after the 26/11 Mumbai invasion. The representatives of the Ministry and the Indian Coast Guard attended to the queries raised by the Members. The Defence Secretary candidly submitted that a lot of improvements were still needed to effectively guard the shoreline. As some points required detailed & statistical information and documents, the Chairman asked the Defence Secretary to furnish the same within fifteen days.

4. The Chairman, then, thanked the representatives of the Ministry and the Indian Coast Guard for appearing before the Committee and furnishing the available information on several issues on the subject. The Chairman also thanked the Members for their active participation in the discussions on the subject as well as the Audit Officers for their assistance to the Committee.

The witnesses, then, withdrew.

A copy of the verbatim proceedings was kept on record.

The Committee, then, adjourned.

APPENDIX II

MINUTES OF THE TENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2014-15) HELD ON 2nd DECEMBER, 2014

The Committee sat on Tuesday, the 2nd December, 2014 from 1500 hrs. to 1710 hrs. in Committee Room 'A', Parliament House Annexe, New Delhi.

PRESENT

Prof. K. V. Thomas — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Janardan Singh Sigriwal
3. Dr. Kirit Somaiya

Rajya Sabha

4. Shri Vijay Goel
5. Dr. Satyanarayan Jatiya
6. Shri Bhubaneswar Kalita
7. Shri Shantaram Naik
8. Shri Sukhendu Sekhar Roy

SECRETARIAT

1. Shri A. K. Singh — *Joint Secretary*
2. Shri Jayakumar T. — *Additional Director*
3. Smt. Bharti S. Tuteja — *Deputy Secretary*

Representatives from the Office of the Comptroller and Auditor General of India

1. Smt. Suman Saxena — Dy. C&AG
2. Shri Rajeev Kumar Pandey — Principal Director (Air Force & Navy)
3. Shri L. S. Singh — Principal Director (RC)

4. Shri P.K. Tiwari — Principal Director (Defence)
5. Shri P. Tiwari — Principal Director (PAC)

Representatives of the Ministry of Defence

1. Shri R.K. Mathur — Defence Secretary
2. Shri Ravikant — AS
3. Vice Admiral Anurag G. Thapliyal — DG, ICG
4. Shri Sanjeev Ranjan — JS (O/N)
5. Smt. Devika Raghuvanshi — JS&Addl. FA (DR)
6. Shri Rajendra Singh — ADG, ICG
7. Shri K.R. Nautiyal — IG, ICG, DDG (OPS&CS)
8. Shri V.D. Chafekar — DG, ICG, PD (P&B)
9. Shri Hitesh Kumar Makwana — JS (BM), MHA
10. Dr. Raja Sekhar Vundru — JS (Fisheries), MoA

2. At the outset, the Chairperson welcomed the Members and the representatives of the Office of the C&AG of India to the Sitting of the Committee. The Chairperson then apprised the Members that in the first instance the Committee would consider the two draft Reports for adoption. Thereafter, the Committee would take oral evidence of the representatives of the Ministry of Defence on the subject 'Role and Functioning of Indian Coast Guard'.

3. The Committee, then took the following draft Reports for consideration:

- (i) Draft Report on Action Taken by the Government on the Observations/Recommendations contained in the Sixty-fourth Report (15th Lok Sabha) on 'Excesses Over Voted Grants and Charged Appropriations (2010-11)'; and
- (ii) Draft Report on Action Taken by the Government on the Observations/Recommendations contained in the Eighty-seventh Report (15th Lok Sabha) on 'Tax Administration'.

4. Giving an overview of the issues contained in the draft Reports and the comments of the Committee thereupon, the Chairperson solicited the views/suggestions of the Members.

5. After some discussions, the Committee adopted the above-mentioned draft Reports with minor modifications as suggested by the Members. The Committee, then, authorized the Chairperson to finalise the Reports in the light of the factual verifications, if any made by the Audit and present them to Parliament on a convenient date.

6. Thereafter, the officers of the C&AG of India briefed the Committee on the issues relating to the subject 'Role and Functioning of Indian Coast Guard'. Then, the representatives of the Ministry of Defence were called in. The Chairperson during his introductory remarks has highlighted the audit objections regarding lack of coordination between Indian Navy and Indian Coast Guard, deficient acquisition procedure, inadequate force level, manpower, equipment and infrastructure, shortfalls in decommissioning and replacement of older/obsolete vessels, deviations in the envisaged responsibilities of Patrolling etc. He also expressed displeasure of the Committee to the fact that Indian Coast Guard was operating with the 15 year perspective plan for 1985-2000 prepared in 1987, since the subsequent perspective plans for the period 2002-2017 and 2007-2022 were not approved by the Government. Before commencing the examination, the Chairperson made it clear that the deliberations of the Committee were confidential and were not to be divulged to any outsider until the Report on the subject was presented to the Parliament. The Committee then proceeded with the examination of the subject.

7. Thereafter, the representatives of the Ministry of Defence made a Power Point Presentation explaining the audit observations contained in the subject. The Members then sought clarifications on various issues which *inter-alia* include delay in approval to the Coast Guard Development Plan (2012-17), delayed acquisition and consequent inability of ICG to utilize funds fully, failure on the part of Quick Reaction Teams to prevent the 26/11 incident, delay in delivery of Interceptor Boats (IBs) on account of financial problems being faced by the shipbuilder, deficiencies in the system for selection of contract for buying shipyard, decommissioning and induction of vessels, ICG stations suffered with inadequacies of force level, manpower, equipment and infrastructure etc. The representatives of the Ministry clarified the various issues raised by the Chairperson as well as Members and assured that the information sought by them would be furnished to the Committee expeditiously.

8. Before concluding, the Chairperson thanked the representatives of the Ministry of Defence and Indian Coast Guard and also asked them to furnish the requisite information that was sought by the Members. The Chairperson also thanked the Audit Officers for providing valuable assistance to the Committee in the examination of the subject.

The witnesses, then, withdrew.

A copy of the verbatim proceedings of the Sitting was kept on record.

The Committee, then, adjourned.

APPENDIX III

MINUTES OF THE FIFTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16) HELD ON 11th AUGUST, 2015

The Committee sat from 1000 hrs. to 1045 hrs. on 11th August, 2015 in Room No. "51" (Chairperson's Chamber), Parliament House, New Delhi.

PRESENT

Prof. K. V. Thomas — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Nishikant Dubey
3. Shri Ramesh Pokhriyal "Nishank"
4. Shri Neiphiu Rio
5. Shri Janardan Singh Sigriwal
6. Shri Shiv Kumar Udasi
7. Dr. Kirit Somaiya

Rajya Sabha

8. Shri Anil Madhav Dave
9. Shri Bhubaneswar Kalita
10. Shri Sukhendu Sekhar Roy

SECRETARIAT

1. Shri A. K. Singh — *Additional Secretary*
2. Smt. Anita B. Panda — *Director*
3. Shri T. Jayakumar T. — *Additional Director*
4. Shri P. Haokip — *Deputy Secretary*

Representatives from the Office of the Comptroller and Auditor General of India

1. Shri Arun Kumar Singh — *Dy. C&AG*

2. Shri Prasenjit Mukherjee — Dy. C&AG (Commercial)
3. Shri A.M. Bajaj — Director General (ESM)
4. Ms. Shubha Kumar — Director General (Report Central)
5. Shri Manish Kumar — Principal Director (PAC)

2. At the outset, the Chairman welcomed the Members, and the representatives of the Office of the C&AG of India to the sitting of the Committee. The Chairperson then apprised that the meeting had been convened to consider and adopt four Draft Reports of the Committee and for selection of additional subjects for detailed examination by the Committee. Thereafter, the Committee took up the following draft Reports one by one for consideration:

(i) Draft Report on **“Role and Functioning of Indian Coast Guard”** based on C&AG Report No. 7 of 2011-12;

- (ii) **** **** **** ****
- (iii) **** **** **** ****
- (iv) **** **** **** ****

3. While considering the draft Reports, as far as the report at Serial No. (i) is concerned, the Committee decided to recommend that Ministry may expedite land acquisition for Coast Guard Stations. They also desired that the Ministry assess and verify the existing capacity of DPSUs as well as 15 registered Refitting yards and make arrangements with them for ensuring timely repair/refit of ICG ships.

4. They adopted the other two reports without any modification. The Committee also authorised the Chairperson to finalise the four Reports adopted by them, in light of their suggestions and factual verifications received from the Audit and present the same to the House on a date convenient to him.

The Committee, then, adjourned.