

**ESTABLISHMENT & OPERATIONALISATION OF  
SAGAR PRAHARI BAL**

**MINISTRY OF DEFENCE (INDIAN NAVY)**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

**EIGHTY SIXTH REPORT**

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**SEVENTEENTH LOK SABHA**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

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SAGAR PRAHARI BAL**

**MINISTRY OF DEFENCE (INDIAN NAVY)**



*Presented to Lok Sabha on: 07.02.2024*

*Laid in Rajya Sabha on: 07.02.2024*

**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2024 /Magha, 1945 (Saka)**

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\* Not appended to the report

## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

### MEMBERS

#### LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

#### RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Derek O' Brien\*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

#### SECRETARIAT

- |                            |   |                   |
|----------------------------|---|-------------------|
| 1. Shri Sanjeev Sharma     | - | Joint Secretary   |
| 2. Shri Partha Goswami     | - | Director          |
| 3. Shri Alok Mani Tripathi | - | Deputy Secretary  |
| 4. Shri Vijay Mishra       | - | Executive Officer |

\* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this Eighty Sixth Report (Seventeenth Lok Sabha) on “**Establishment & operationalisation of Sagar Prahari Bal**” based on Para 3.1 of C&AG Report number 20 of 2022 relating to the Ministry of Defence, Indian Navy.

2. The Report of Comptroller and Auditor General of India was laid in the Parliament on 20 December 2022.

3. The Committee took oral evidence of the representatives of the Ministry of Defence and Indian Navy at their Sitting held on 18.07.2023. The Public Accounts Committee (2023-24) considered and adopted this Report at their sitting held on 17.01.2024. The Minutes of the Sittings of the Committee are appended to the Report.

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

5. The Committee would like to express their thanks to the representatives of the Ministry of Defence and Indian Navy for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

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

NEW DELHI:  
17 January, 2024  
27 Pausha, 1945 (Saka)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee

# REPORT

## PART-I

### Establishment & Operationalisation of Sagar Prahari Bal

Sagar Prahari Bal (SPB) is a maritime force envisaged post the 26/11 (i.e. 26 November, 2008) terror attack to provide security to all coastal and offshore naval assets by continuous patrolling through fast interception crafts (FICs). SPB was sanctioned (February 2009) by the Cabinet Committee on Security (CCS) with a complement of 1,000 personnel (comprising of 120 Officers, 240 Senior Sailors and 640 Junior Sailors) & 80 FICs to be based at 13 Indian naval ports within a timeline of three years (February 2012) for operationalisation of the SPB from the date of sanction.

2. Subsequently, Audit conducted an examination, spanning the months of July 2019 and January 2020, to scrutinize the establishment, operation, and overall functioning of the Sagar Prahari Bal. This Audit Para was taken up by Public Accounts Committee (2023-24) for detailed examination. The Committee took oral evidence of the representatives of Ministry of Defence (Indian Navy) and this examination revealed a series of pertinent observations and challenges that have been critically assessed. The following narrative details the key findings and issues unveiled during this examination, encompassing aspects such as procurement, operational availability, exploitation of FICs, equipment maintenance, infrastructure, and the manpower complement.

#### Procurement of Fast Interception Crafts (FICs)

3. The acquisition of FICs in August 2011, with a total cost of USD 64,152,000.00 (equivalent to approximately Rs. 289.45 crore), took place under the 'Buy-Global' category of the Defense Procurement Procedure (DPP) 2008. Delays in finalizing the contract were linked to extended periods for the submission of bids, prolonged technical evaluations, and negotiations with the selected shipyard, namely, M/s 'A.'<sup>1</sup> The delivery of FICs was further postponed due to initial issues with waterjet selection and subsequent replacements with higher-capacity waterjets. These led to a delay in the introduction of the FICs by 13 to 61 months beyond the timeline sanctioned by the Cabinet Committee on Security (CCS).

4. Audit found that the procurement of Fast Interception Crafts (FICs) displayed several deviations from the CCS sanction. This included a staggered delivery schedule and the induction of additional FICs beyond the sanctioned quantity with different specifications. In response, the Indian Navy explained that the procurement was initiated after the Mumbai

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<sup>1</sup> Masked version of the name used by Audit

incident of 26/11. Indian Navy, in their action taken note inter-alia stated that as per CCS directive {Para 4.2.3.1(e) and Para 5}, the procurement of 80 FICs was expected to be spread over four years. The contract for procurement of 80 FICs was signed on 26 Aug 11. As per the contract, these 80 FICs were to be delivered in 20 batches of four each, with stipulated delivery period ranging between Jul 2012 and Apr 2017. However, the Shipyard delivered the first batch of FICs only on 26 Mar 13, mainly due to delays in design selection.

5. It was emphasized that necessary impetus and urgency was accorded by Indian Navy towards timely procurement/delivery of 80 FIC and the Shipyard delivered all 20 batches (80 boats) to Indian Navy well within the contractual delivery timeline of 02 Apr 2017. They further stated that the process adhered to the Defense Procurement Procedure (DPP) 2008 and the extant DAP 2020 has suitably revised the procurement timelines based on the experience gained over the years. Indian Navy stated that the timelines enshrined in the CCS directives are also to be measured with the laid down procurement procedures. Therefore, there has been no deviation from the spirit and timelines enshrined in CCS directives.

### **Operational Availability**

6. Audit examined the operational details of FICs at all SPB squadrons since their induction as of 30 Jun 2020 and noticed that the operational availability of FICs at specific stations was less than certain range and percentage. Indian Navy in their Action Taken Note *inter-alia* informed that the guidelines on comprehensive maintenance policy of FICs, promulgated vide IHQ MoD (N)/ DFM letter FM/8152 dated 01 Mar 17, allude to the specific figure raised by Audit as a statistical data highlighting operational availability achieved till that time. The letter, it was stated by Indian Navy, in no way, stipulated the figure as the policy guidance that ought to be achieved. Further, the commutative Operational availability of FIC with Indian Navy has been reported satisfactory. Thus, Indian Navy has contested by stating that the figure raised by Audit is not a benchmark to assess operational availability .

It has also been informed that a systematic approach for conclusion of AMC well in advance is being followed and larger naval assets are utilised for security whenever FICs cannot be deployed due to adverse weather conditions.

7. From scrutiny of logbooks of FICs as well as weekly reports, Audit noticed that during the period from 2014 to 2019, certain number of FICs at certain stations remained non-operational for cumulative periods due to defective engines. These were from the first batch of certain FICs. Regarding the issue of FICs being non-operational, India Navy *inter-alia* informed that there was no support from any OEM/ CMC/ AMC firms from Oct 2013 to Oct 2015 and subsequently from 22 Jul 17 to 28 Feb 18. However, the deployment of FICs continued during this period for various Operational tasking. No routines/ maintenance was carried out during these periods, which in turn affected the engines, and the engines became defective. However, Comprehensive Maintenance Contract (CMC) was signed in Mar 18 for a period of three years. Consequently, operational availability of FICs has improved at any given time post signing of CMC.

8. Audit also observed that operational availability of SPB for continuous patrolling has not been used extensively irrespective of sea condition. Inordinate delay in undertaking repairs also contributed to low operational availability. In this regard Indian Navy while putting forth their case quoted Para 4.2.3.1 of CCS Sanction which *inter-alia* states that the SPB would be responsible for force protection and water front (Seaward) security of stated assets. They further submitted that the justification enshrined in the CCS sanction for SPB is mainly w.r.t to the protection of ships/ submarines. Therefore, the SPB are to be deployed for seaward security on a continuous basis to address the vulnerability of ships/submarines. Indian Navy submitted that based on the planned movement of ships/ submarine, the FICs have always been deployed much before their castoff/entering for seaward patrolling. Inordinate delay in undertaking repairs was agreed to by Indian Navy.

### **Exploitation of FICs**

9. Audit findings highlighted that the FICs were not being utilized to their full potential, and the absence of parameters or benchmarks governing FIC operations and deployment contributed to this sub-optimal utilization. The Exploitation Index (EI) for FICs indicated sub-optimal utilization, with a significant portion of patrolling hours falling below the operational capabilities of the FICs. IHQ, Ministry of Defence (Navy)/Directorate of Naval Operation (DNO), attributed the low percentage of patrolling to various factors.

10. The Indian Navy explained that the Exploitation Index (EI) are generated for performance monitoring and they do not, reflect operational shortfalls. They cited various factors governing deployment and operations of FICs. These include traffic density,



prevalent weather, seasonal conditions, lean/reduced fishing activity at night or in specific seasons, local port regulations governing movement of vessels at night or in specific circumstances etc. Further, different station would have differing patterns based on local conditions and security considerations. The final comment mentioned that the Navy is working on rebasing FICs to other ports/bases based on operational necessity leading to enhanced exploitation of FICs. It has been reported that FICs are being deployed for night patrolling. Regarding the absence of parameters/benchmark for regulating operations and deployment of FICs, as raised by Audit, India Navy has submitted that certain parameters to govern deployments have been defined. Indian Navy further informed that the deployment pattern of the FICs are being monitored regularly to enhance exploitation of FICs.

### **Defective/ Sub-Optimal Optical Surveillance Equipment**

11. Audit noted that a significant number of cameras in the Optical Surveillance System (OSS) of FICs were partially operational, as of July, 2019, affecting surveillance capabilities of FICs on patrol. In this context, Indian Navy submitted that the operational impact of partially operational OSS modes is minimal. They stated that the other available modes of OSS ensured availability of surveillance capabilities to the FICs which allowed the platforms to fulfill their desired role. They submitted that AMC for the FIC boats were concluded by Commands, which covered maintenance of OSS. However, these AMCs were not comprehensive and did not include spares. Further, the Commands were directed to utilise the B&D spares supplied initially and sensor heads supplied as part of repair facilities to undertake repairs of defective OSS. It has also been informed that a centralized Annual Maintenance Contract (AMC) of OSS has been concluded for two years on 30 Oct 20. The Ministry further recognized that the centralized AMC and procurement of spares represent steps toward improving OSS reliability.

### **Infrastructure for Berthing of the FICs**

12. Audit observed that delay in planning and creation of concomitant infrastructure continues to impact the basing of FICs and operations of the SPB at specific ports. In this regard Indian Navy informed that requisite infrastructure for safe berthing is available for FICs placed at the referred ports. Basing of FICs at stations indicated by Audit was not envisaged in the basing plan of Indian Navy. It has been also informed that hiring of boats was undertaken only on 'as required' basis. Since transfer of land and construction activities at certain places are regulated by Administration concerned, efforts are ongoing for acquisition of suitable land and building requisite infrastructure on progressive basis. Regarding the steps taken to provide infrastructure for Berthing of FICs, Indian Navy informed that requisite infrastructure is available at stations indicated by Audit and FICs

have been based with effect from a specific date. Further, it has been informed that Infrastructure is being developed at places concerned in consultation with Administration concerned.

13. Audit examination revealed that the requirement of patrolling at certain places was met through impromptu hiring of boats thereby incurring an expenditure of Rs. 8.59 crore, which was avoidable. Further, at a places indicated by Audit, hiring was done in spells, on need basis, during 2009-10, 2014-15 and 2016-17. In this regard, India Navy *inter-alia* informed that the hired boats were used to provide security as the basing of FICs was not fructifying. The decision was taken to provide security within the available resources till the FICs are based to ensure that security cover to the extent feasible is provided. It was further informed that operating hired boats with reduced specifications was an effort to bolster the security apparatus to the maximum possible extent considering the operational, financial and time constraints.

14. Audit reported that the FICs at certain stations were being berthed at the available fisheries jetties and were being shifted to other place for repairs/ basing during the monsoon period leading to avoidable expenditure by way of transshipment. In this regard, Indian Navy in their action taken note have informed that this was being done in of view unavailability of slipway and trained local manpower in the islands for undertaking the routines of underwater hull and rectification of other associated defects which occur during course of normal operations. The geographical situation such as depths and rocky shoreline are some of the other factors that have been stated for lack of a slipway.

### **Manpower**

15. Audit observed that complete deployment of officers for SPB was not achieved despite a lapse of 12 years since the CCS's sanction (February 2009). In this regard Indian Navy informed that the induction of personnel had commenced after grant of Government sanction on 01 Jul 10. The time to competence/ attainment of the rank of Cdr or that of the select rank of Captain is 12/13 years and 18 years, respectively. Further the present borne strength of officers for SPB duties is in line with DOP manpower planning, which includes Cpts/ Cdrs. It was also informed that the complete positioning of Officers as per the Government sanction is being achieved progressively.

## PART-II

### OBSERVATIONS/ RECOMMENDATIONS

#### Sagar Prahari Bal- Comprehensive review

1. The Committee note that Sagar Prahari Bal (SPB) is a maritime force envisaged post the 26/11 (i.e. 26 November, 2008) terror attack to provide security to all coastal and offshore naval assets by continuous patrolling through fast interception crafts (FICs). SPB was sanctioned (February 2009) by the Cabinet Committee on Security (CCS) with a complement of 1,000 personnel (comprising of 120 Officers, 240 Senior Sailors and 640 Junior Sailors) & 80 FICs to be based at 13 Indian naval ports within a timeline of three years (February 2012) for operationalisation of the SPB from the date of sanction. After the setting up of Sagar Prahari Bal, the security scenario has undergone vast changes in the last 12 years. In this regard, the Committee are of the opinion that Indian Navy must continuously upgrade security measures to address evolving threats. The Committee, therefore, recommend that in light of the experiences gained in operating the SPB and the evolving security scenario, Indian Navy must carry out a comprehensive review of functioning of the Sagar Prahari Bal, so as to ensure future preparedness.

#### Procurement of Fast Interception Crafts (FICs)

2. The Committee note from the Audit report that the FICs were contracted with M/s 'A' in August 2011, with a total cost of USD 64,152,000.00 (equivalent to approximately Rs. 289.4572 crore), under the 'Buy-Global' category of the Defense Procurement Procedure (DPP) 2008. The DPP provides for conclusion of a contract within 17 months of the date of accord of AON. However, there was delay of 13

months in conclusion of the contract and the same was concluded after 30 months of accord of Acceptance of Necessity (AON). These delays in finalizing the contract were linked to extended periods for the submission of bids, prolonged technical evaluations, and negotiations with the selected shipyard, namely, M/s 'A.'<sup>2</sup> The Committee also note the contention of the Indian Navy that while the cases were always initiated on time, delays at various stages of process cannot be ruled out as they are incumbent for maintenance of procedural transparency and propriety in financial matters. The committee are of the considered opinion that while taking up projects related to national security, priority must not only be given to procedures but also to adherence to timelines. In this context, the committee while acknowledging the revision of the extant DAP 2020 based on the experience gained over the years, recommend continuous improvement and updating of procurement guidelines to effectively meet evolving needs.

#### Operational Availability

3. (a) The Committee observe that from 2014 to 2019, several FICs remained non-operational due to defective engines for extended periods. In this regard the Committee note from the information furnished by Indian Navy that there was no support from any OEM/CMC/AMC firms from Oct 2013 to Oct 2015 and subsequently from 22 July 2017 to 28 Feb 2018. Also no routines/maintenance was carried out during these periods, leading to the engines becoming defective. The Committee in this context, recommend that the Indian Navy may adopt a systematic approach to conclude Annual Maintenance Contracts (AMC) well in time to ensure timely repairs and maintenance and to avoid occurrence of such instances of non-availability of AMCs in future. Also steps may be initiated to explore feasibility of establishing repair facility close to place of deployment of FICs. A status report regarding the steps taken may be furnished to the Committee.

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<sup>2</sup> Masked version of the name used by Audit

(b) The Committee acknowledge that FICs play a unique role in seaward security. As indicated in the CCS sanction, they are to be deployed for seaward security on a continuous basis to address the vulnerability of ships and submarines. In this context, the Committee recommend reviewing and reinforcing this role to ensure the seamless operation of FICs.

#### Exploitation of FICs

4. The Committee note from the information furnished by Indian Navy that the Exploitation Index (EI) is generated for performance monitoring and it does not reflect operational shortfalls. The Committee also note that various factors govern deployment and operations of FICs and different stations would have differing patterns based on local conditions and security considerations. The Committee also take note that the Navy is working on rebasing FICs to other ports/bases based on operational necessity for enhanced exploitation of FICs. It has also been informed that FICs are being deployed for night patrolling. Regarding the absence of parameters/benchmark for regulating operations and deployment of FICs, the Committee note that certain parameters to govern deployments have been defined and deployment pattern of the FICs are being monitored regularly to enhance exploitation of FICs. In this context, the Committee recommend that dedicated steps may be taken to ensure that FICs available with Indian Navy are utilised optimally. The Committee also recommend developing a framework that incorporates all relevant variables including night patrolling activities while providing clear guidelines for optimal deployment of FICs.

#### Defective/ Sub-Optimal Optical Surveillance Equipment of FICs

5. The Committee observe the issue of defective and sub-optimal Optical Surveillance Equipment (OSS) on FICs, with certain number of cameras being only

partially operational as of July 2019. The provision for undertaking OSS repairs was not included in the Annual Maintenance Contract (AMC) of FICs. In this context, the Committee would like to know the reasons for lack of such provisions. The Committee also desire a comprehensive assessment of the impact of partially operational OSS on the surveillance capabilities of FICs. The Committee recommend that the Ministry scrutinize the scope of existing AMCs for FICs to ensure that they cover the maintenance of OSS comprehensively, including the provision of necessary spares.

#### Infrastructure for Berthing of the FICs

6. The Committee note from the Audit revelations that there was delay in planning and creation of concomitant infrastructure which continues to impact the basing of FICs and operations of the SPB at specific ports. It has been informed by Indian Navy that requisite infrastructure for safe berthing is available for FICs placed at concerned ports and that Infrastructure is being developed at places concerned in consultation with Administration concerned. The Committee also note that the requirement of patrolling at certain places was met through impromptu hiring of boats to provide security within the available resources till the FICs are based to ensure that security cover to the extent feasible is provided. The local geographical situation such as depths and rocky shoreline are some of the other challenges being encountered by Indian Navy regarding lack of a slipway. The Committee while acknowledging the on ground actions of Indian Navy for better security recommend the need for better planning and on ground coordination by Indian Navy with the authorities concerned.

#### Manpower

7. The Committee note that Indian Navy is yet to achieve the complete deployment of officers for Special Prahari Bal (SPB) despite a significant lapse of 12 years since the CCS's sanction in February 2009. The time to attain competence/attainment of the

rank of Commander or Captain is stated to be 12/13 and 18 years respectively. The Committee, therefore, desire that roadmap for fulfilling the required number of personnel may be framed and executed expeditiously.

NEW DELHI:  
17 January, 2024  
27 Pausha, 1945 (*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee