

ESTABLISHMENT AND OPERATIONALISATION OF SAGAR PRAHARI BAL

**[Action Taken by the Government on the
Observations/Recommendations of the Committee
contained in their 86th Report (17th Lok Sabha)]**

MINISTRY OF DEFENCE

**PUBLIC ACCOUNTS COMMITTEE
(2025-26)**

THIRTIETH REPORT

EIGHTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

THIRTIETH REPORT

PUBLIC ACCOUNTS COMMITTEE
(2025-26)

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Presented to Lok Sabha on: 5 August, 2025

Laid in Rajya Sabha on: 5 August, 2025

**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025 / Sravana, 1947 (Saka)

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2025-26)**

Shri K. C. Venugopal - Chairperson

LOK SABHA

2. Shri T. R. Baalu
3. Dr. Nishikant Dubey
4. Shri Jagdambika Pal
5. Shri Jai Parkash
6. Shri Ravi Shankar Prasad
7. Shri C. M. Ramesh
8. Shri Magunta Sreenivasulu Reddy
9. Prof. Sougata Ray
10. Smt. Aparajita Sarangi
11. Dr. Amar Singh
12. Shri Tejasvi Surya
13. Shri Anurag Singh Thakur
14. Shri Balashowry Vallabhaneni
15. Shri Dharmendra Yadav

RAJYA SABHA

16. Shri Ashokrao Shankarrao Chavan
17. Shri Shaktisinh Gohil
18. Dr. K. Laxman
19. Shri Praful Patel
20. Shri Sukhendu Sekhar Ray
21. Shri Tiruchi Siva
22. Shri Sudhanshu Trivedi

Secretariat

- | | | |
|-----------------------------|---|-------------------|
| 1. Shri H. Ram Prakash | - | Joint Secretary |
| 2. Smt. Archana Pathania | - | Director |
| 3. Shri Pankaj Kumar Sharma | - | Deputy Secretary |
| 4. Smt. Rinku Awasthi | - | Executive Officer |

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2025-26) having been authorised by the Committee, do present this Thirtieth Report (Eighteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 86th Report (Seventeenth Lok Sabha) on “Establishment And Operationalisation Of Sagar Prahari Bal”.

2. The 86th Report was presented to Lok Sabha/laid in Rajya Sabha on 7 February, 2024. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Committee considered and adopted the draft Report at their Sitting held on 25-7-2025. Minutes of the Sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. 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.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the 86th Report (Seventeenth Lok Sabha) is given at Appendix-II

NEW DELHI:

25 July , 2025
03 Sravana, 1947 (Saka)

K.C. VENUGOPAL
Chairperson,
Public Accounts Committee

CHAPTER - I

REPORT

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Eighty-sixth Report (17th Lok Sabha) on “Establishment and Operationalisation of Sagar Prahari Bal”.

2. The Eighty-sixth Report was presented to Lok Sabha/laid in Rajya Sabha on 7 February, 2024. It contained eight Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministry of Defence, and are categorized as under:

- (i) Observations/Recommendations which have been accepted by the Government:
Para Nos. 1, 3(b), 4, 5

Total: 4
Chapter - II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:
Para No. NIL

Total: 0
Chapter - III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Para No. NIL

Total: 0
Chapter - IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:
Para No. 2, 3(a), 6, 7

Total: 4
Chapter - V

3. The detailed examination of the subject by the Committee had revealed certain shortcomings/deficiencies on the part of the Ministry of Defence. The

Committee had accordingly given their observations/recommendations in their Eighty-sixth Report.

4. The Action Taken Notes furnished by the Ministry of Defence, on each of the Observations/Recommendations of the Committee contained in their Eighty-sixth Report have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the action taken by the Government, on some of their Observations/Recommendations which either need reiteration and/or merit comments.

5. **The Committee desire the Ministry of Defence to furnish Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I of the Report, positively within three months of the presentation of the Report to the Parliament.**

Recommendation No. 2

Procurement of Fast Interception Crafts (FICs)

6. The Committee in their Original Report had recommended as under-
“The Committee note from the Audit report that the FICs were contracted with M/s Solas Marine, Sri Lanka 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 Defence 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 finalising the contract were linked to extended periods for the submission of bids, prolonged technical evaluations, and negotiations with the selected shipyard, namely, M/s Solas Marine, Sri Lanka. 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.”

Action taken Reply of Ministry

7. The Ministry of Defence in their action taken reply stated as under:-

“In accordance with Para 34, Chapter 1 of DAP 2020, MoD (Acquisition) in consultation with MoD (Finance) is authorised to issue clarification/ amendments to DAP 20 with the approval of DAC based on proposal of DPB. The process of amendment to DAP 2020/ formulation of DAP 2025 has already been initiated.

Indian Navy inputs based on experience gained towards refinement of procedures of DAP 2020 were presented during the last roundtable conducted on 05 Jun 24, with all stakeholders including MoD, Federation of Indian Chamber of Commerce and Industry (FICCI), Society of Indian Defence Manufacturers (SIDM), etc towards amendment in DAP 2020/ formulation of DAP 2025.

Additionally, certain amendments have been made time to time in DAP 2020. As an example, DAC (04/2023) accorded approval for the Indigenous Content requirements in Defence procurement. The provision includes minimum 50% of overall IC, to be in the form of material/ components/ software that are manufactured in India. This provision is to be enumerated in the draft SoCs and subsequently in Shipbuilding RFPs.”

Vetting comments of Audit

8. Vetting Comments of Audit are as under: -

“No further comments.”

Ministry's Final Reply

9. The Ministry have not provided any Updated Action Taken reply.

Comments of the Committee

10. The Committee in their Original Report had noted that FICs were contracted with a total cost of USD 64,152,000.00 (equivalent to approximately Rs. 289.45 crore), under the ‘Buy-Global’ category of the Defence Procurement Procedure (DPP) 2008. The DPP provides for conclusion of a contract within 17 months of the date of accord of AON (Acceptance of Necessity). 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 finalising the contract were linked to extended periods for the submission of bids, prolonged technical evaluations, and negotiations with the selected shipyard, namely, M/s Solas Marine, Sri Lanka. The Committee also noted 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 were 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 and recommended continuous improvement and updating of procurement guidelines to effectively meet evolving needs.

The Ministry informed in their reply that the process of amendment to DAP 2020/ formulation of DAP 2025 has already been initiated. Additionally, certain amendments have been made time to time in DAP 2020. As an example, DAC (Defence Acquisition Council) accorded approval for the Indigenous Content requirements in Defence procurement. The provision includes minimum 50% of overall IC (Indigenous Content), to be in the form of material/ components/ software that are manufactured in India. This provision is to be enumerated in the draft SoCs and subsequently in Shipbuilding RFPs.

The Committee appreciate that the Ministry is making efforts to increase the use of indigenously manufactured equipment in Defence procurement thus furthering the initiatives of Atmanirbhar Bharat and Make in India campaigns. This would lead to increase in self-reliance in defence equipment and strengthen the economy by creating employment and reducing dependency on other countries. The Committee also observe that the Ministry is in the process of amending the DAP 2020 (Defence Acquisition Procedure) and in formulating the DAP 2025. The Committee would like to be apprised of the deadline fixed for finalization of DAP 2025. The Committee also expect the Ministry to incorporate the provision of indigenous procurement in future proposals while keeping focus on speedy conclusion of contracts within the timelines.

Recommendation No. 3(a)

Operational Availability

11. The Committee in their Original Report had recommended as under-

“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 noted 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.”

Action Taken Reply of Ministry

12. The Ministry of Defence in their action taken reply stated as under:-

“Conclusion of CAMC against establishment of maintenance facility is a considered decision taken by *IN*, considering the short life span of FICs (10 years), Commercial Off the Shelf (COTS) equipment fit and basing at 16 different locations all across the coast line. Accordingly, all FICs are covered under Comprehensive AMCs and the AMC firm is contractually obliged to maintain a shore support facility for SPBs, with adequate stocking of spares and positioning of manpower to ensure timely DR and minimum down time of the FICs. The cases for renewal of these AMCs are being progressed under the delegated financial powers of Commands well in advance to maintain the AMC cover without any hiatus. The Comprehensive AMC status of FICs as on Jun 24 is as tabulated below:-

Station	FICs	Status
Western Naval Command		
Mumbai	15 (French Make)	Upto 17 Feb 27
Porbandar	04 (Sri Lankan Make)	
Okha	04 (Sri Lankan Make)	
Karwar	11 (Sri Lankan Make)	
Goa	04 (Sri Lankan Make)	
Eastern Naval Command		
Vishakhapatnam	13 (Sri Lankan Make)	Upto 12 Aug 24 (Further, 03 years CAMC contract beyond Aug 24 is in final stages of conclusion)
Kolkata	02 (Sri Lankan Make)	
Chennai	04 (Sri Lankan Make)	
Kunthakal	02 (Sri Lankan Make)	
Nagapattinam	02 (Sri Lankan Make)	
Southern Naval Command		
Kochi	08 (Sri Lankan Make)	Upto 31 Aug 24 (Further, 02 years CAMC contract beyond Aug 24 is in final stages of conclusion)
Kavaratti	02 (Sri Lankan Make)	
Minicoy	02 (Sri Lankan Make)	
Androth	02 (Sri Lankan Make)	
Andaman & Nicobar Command		
Port Blair	10 (Sri Lankan Make)	Upto 12 Aug 24 (Further, 03 years CAMC contract beyond Aug 24 is in final stages of conclusion)
Kamorta	02 (Sri Lankan Make)	
Diglipur	02 (Sri Lankan Make)	

Vetting comments of Audit

13. Vetting Comments of Audit are as under: -

“The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.”

Ministry's Final Reply

14. The Ministry have not provided any Updated Action Taken reply.

Comments of the Committee

15. The Committee, in their Original Report, had noted that from 2014 to 2019, several Fast Interception Crafts (FIC) remained non-operational due to defective engines for extended periods. In this regard the Committee noted 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, had recommended 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. The Committee also recommended that steps may be initiated to explore feasibility of establishing repair facility close to place of deployment of FICs and status report therefor.

The Ministry have stated in their reply that the conclusion of Comprehensive Annual Maintenance Contract was decided against the establishment of maintenance facility for FICs due to their short life span of 10 years. They further provided the AMC status of the four Naval Commands in their reply. It is apparent to the Committee that for the Eastern, Southern and Andaman and Nicobar Command, the dates for the present AMCs have lapsed in August, 2024. Further, the AMC for the Western Naval Command is expected to last till 17 February, 2027.

The Committee are perturbed that the Fast Interception Crafts which are the bulwark of the emergency response of the Indian Navy were not supported by Maintenance Contracts for a period of two years which points out to a glaring laxity in the management of FICs. It is reasonable to conclude that the Fast Interception Crafts would not have any technical support in the intermittent period between the lapsed contract and the new AMC which would weaken the quick response of the Sagar Prahari Bal. The Committee would like to be

apprised of the status of the new AMCs for the three Naval Commands and impress it upon the Ministry to take pro-active measures in order to avoid such worrisome situations in future by anticipating the lapse of Annual Maintenance Contracts for its equipment.

Recommendation No. 6

Infrastructure for Berthing of the FICs

16. The Committee in their Original Report had recommended as under-

“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.”

Action Taken Reply of Ministry

17. The Ministry of Defence in their action taken reply stated as under:-

“Berthing of FICs is being undertaken predominantly within naval premises.

IN has resorted to dual use berthing/ preferential berthing arrangements where such naval facilities do not exist/ or are under development. Berthing infrastructure for FICs has been made available through Paradip Port Authority on pay-per-use/ dual use basis. Infrastructure for berthing FICs at Kavaratti has been made available through liaison with Local Administration. Additionally, case for repairing of existing slipway and acquisition of land for construction of Boat shed for FICs at Kavaratti is being progressed with UTL Administration since 2019. Draft MoU for the same has been submitted to UTLA in Jan 24. Also, construction of a dedicated slipway in Minicoy by IN is presently underway and is likely to be ready by Nov 2026.

IN is also actively pursuing cases for berthing infrastructure in other envisaged locations through periodic meetings/ interaction with stakeholders at multiple levels.”

Vetting comments of Audit

18. Vetting Comments of Audit are as under: -

“The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.”

Ministry's Final Reply

19. The Ministry have not provided any Updated Action Taken reply.

Comments of the Committee

20. The Committee, in their original Report, noted that there was delay in planning and creation of concomitant infrastructure which continues to impact the basing of Fast Interception Crafts (FICs) and operations of the Sagar Prahari Bal (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 noted 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 had recommended the need for better planning and on ground coordination by Indian Navy with the authorities concerned.

The Ministry in their Action Taken Notes, had informed that berthing of FICs is being undertaken predominantly within naval premises and through dual use berthing/ preferential berthing arrangements where such naval facilities do not exist/ or are under development. Such infrastructure for FICs has been made available at Paradip and Kavaratti. Additionally, efforts are being made for repairing of existing slipway and acquisition of land for construction of Boat shed for FICs at Kavaratti. Draft MoU for the same has been submitted to Union Territory of Lakshadweep Administration in January 24. Also,

construction of a dedicated slipway in Minicoy by IN is presently underway and is likely to be ready by Nov 2026. IN is also actively pursuing cases for berthing infrastructure in other envisaged locations through periodic meetings/ interaction with stakeholders at multiple levels.

The Committee are dissatisfied with the lack of planning shown by the Ministry while make arrangements for berthing infrastructure. The lack of slipways shows that the Ministry could not anticipate the requirements of the FICs which are an integral part of the defence mechanism of Sagar Prahari Bal. The Committee desire that proper planning should precede the acquisition of assets like the FICs. The present status of the draft MoU with UTLA (Union Territory Administration of Lakshadweep) for construction of boat shed at Kavaratti and that of the dedicated slipway in Minicoy may also be apprised to the Committee.

Recommendation No. 7

Manpower

21. The Committee in their Original Report had recommended as under-

“The Committee note that Indian Navy is yet to achieve the complete deployment of officers for Sagar 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 of 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.”

Action Taken Reply of Ministry

22. The Ministry in their Action Taken Notes have stated as under:-

“The induction of personnel had commenced after grant of sanction on 01 Jul 10. Given the time to competence/ attainment of the rank of Commander (12/13 years) or Captain (18 years), only 61 officers could be positioned till 2021. Subsequently, due impetus has been accorded towards positioning of officers against Government Sanction (GS) accorded for SPB units and 33 additional officers have been appointed since Jun 21. Presently, 94 officers and 966 sailors are appointed to SPB billets. Currently, IN has a shortage of 10-12% officers, which is evenly distributed amongst all billets. Accordingly, out of sanctioned strength of 98 officers, IN has provided 94 officers. The balance four officers would be appointed in a progressive manner by mid - 2025.”

Vetting comments of Audit

23. While vetting the above ATNs, the Audit did not make any comment.

Ministry's Final Reply

24. The Ministry have not provided any Updated Action Taken reply.

Comments of the Committee

25. The Committee in their original Report had pointed out the delay in recruitment of personnel in Sagar Prahari Bal despite lapse of significant period of time after grant of sanction in July, 2010. Further, 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, desired that roadmap for fulfilling the required number of personnel may be framed and executed expeditiously.

The Ministry in their Action Taken Notes have stated that the induction of personnel had commenced after grant of sanction on 01 Jul 10. Given the time to competence/ attainment of the rank of Commander (12/13 years) or Captain (18 years), only 61 officers could be positioned till 2021. Subsequently, due impetus has been accorded towards positioning of officers against Government Sanction (GS) accorded for SPB units and 33 additional officers have been appointed since Jun 21. Presently, 94 officers and 966 sailors are appointed to SPB billets. Currently, Indian Navy (IN) has a shortage of 10-12% officers, which is evenly distributed amongst all billets. Accordingly, out of sanctioned strength of 98 officers, IN has provided 94 officers. The balance four officers would be appointed in a progressive manner by mid - 2025.

The Committee are disappointed by the delay in recruitment of personnel keeping that the this could not be completed even after a lapse of 14 years after sanction and would therefore, impress upon the Department to complete the recruitment of officers in order to maintain the hierarchical structure. The Committee hope that the process would be completed in a time bound manner and would like to be apprised of the current status thereof.

CHAPTER – II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation No. 1

Sagar Prahari Bal – Comprehensive Review

The Committee notes 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 setting up of SagarPrahari 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 measure to address evolving threats. The Committee, therefore, recommend that in light of experience gained in operating the SPB and the evolving security scenario, Indian Navy must carry out a comprehensive review of functioning of the SagarPrahari Bal, so as to ensure future preparedness.

Action taken by Ministry

The FICs have been based at all the envisaged locations and continue to operate *ia*wthe extant orders to ensure Seaward Security of Naval harbours and protection of strategic assets. Towards undertaking a comprehensive review of functioning of SagarPrahariBal, the operating procedures, training regimes and maintenance philosophy are regularly examined in detail with due regard to the existing security situation. Some specific mechanism for undertaking the review are as follows:-

- (a) **Operational Exercises.** FICs are being deployed regularly for various coastal security operations and exercises such as *Op Trigger*, *Op Sajag*, *Ex Sea Vigil* and *Ex SagarKavach*. During these operations/ exercises the preparedness of the SPB is also assessed *wrt*the likely threats encountered at sea. The SagarPrahari Bal is also involved in Naval Exercises (Tropex, Ex Poorvi Lehar, ex Paschim Lehar) including the Operational Readiness Inspections (ORI) of various naval formations. Lessons derived are being utilised to progressively evolve and enhance the functioning of the SagarPrahari Bal.
- (b) **Training and Audit.** Towards ensuring high level of crew proficiency and material readiness, FICs at SPB are being worked up biennially during Basic Sea Training (BST) by Flag Officer Sea Training (FOST) and they also undergo Operational Level Safety Audit in the intervening year by their Op

Authorities. Regular training of SPB personnel is regularly undertaken in activities such as firing at sea, Force Protection Measures (FPM) Drills, Visit Board Search and Seizure (VBSS) on fishing boats, survival drills and Firefighting/ Damage Control exercises.

- (c) **Operational Deployments.** Long Range Deployments are undertaken by FICs for exposure to more strenuous sea conditions. Towards ensuring self-readiness and longevity of FICs, training of SPB crew on carrying out first and second line maintenance is also being undertaken.

Vetting comments of Audit

The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963)dated 30 .09.24)

Observation/Recommendation No. 3(b)

Operational Availability

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.

Action Taken by Ministry

FICs are effectively deployed for providing Force Protection Measures (FPM) for ships and submarines, whilst entering/ leaving harbours. The operating philosophy has been fine-tuned over the period of employment of FICs. Regular monitoring of deployment pattern and effective execution of Planned Preventive Maintenance (PPM) by timely conclusion of Comprehensive Annual Maintenance Contracts (CAMC) has ensured optimum availability of FICs. FICs are regularly deployed based on local conditions and security considerations peculiar to an Area of Operation. The FICs are being deployed in both day and night depending on various factors such as mission geography, weather, prevailing visibility, traffic density, threat perception etc. to ensure seaward protection of various naval assets and designated Vital Areas (VAs)/ Vital Points (VPs). FICs are also deployed regularly for various coastal security operations and exercises such as *Op Trigger* and *Op Sajag* as well as *Ex Sea Vigil* and *Ex Sagarkavach*. During enhanced Coastal Security states, patrolling by FICs is increased to enhance seaward security.

Vetting Comments of Audit

The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30.09.24)

Observation/Recommendation No. 4

Exploitation of FICs

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.

Action Taken by Ministry

The FICs are placed under the operational control of the NOICs at all the designated locations. The operational utilisation of the FICs has significantly improved post rebasing of FICs at Kolkata, Rambilli, Nagapattinam, Kunthakal, Campbell Bay, Diglipur and Kamorta. The AMC cover for the FICs has ensured minimum downtime for Planned Preventive Maintenance (PPM) and breakdown repairs, further enhancing their operational availability. The FICs at SPB are mandated to undertake patrolling at the designated patrol areas towards seaward security of Naval harbours *in accordance with* orders *viz*, TRIDENT and additional local orders by NOICs, for their areas of responsibility including night patrolling.

The deployment pattern of FICs is based on local conditions and security considerations peculiar to an Area of Operation. The FICs are being deployed in both day and night depending on various factors such as mission geography, weather, prevailing visibility, traffic density, threat perception etc. Based on the CCS directives, effective patrolling has been ensured through deployment of FICs in most optimal manner to derive maximum op-benefits.

Vetting Comments of Audit

PAC recommended to develop the framework that incorporates all relevant variables including night patrolling activities while providing clear guidelines for optimal deployment of FICs.

In this regard, PAC may be apprised whether any guidelines were prepared by *IN* for optimal deployment of FICs. If yes, copy of same may be provided to PAC under intimation to audit.

Ministry's Final Reply

With respect of recommendation of PAC and comments of vetting Audit, it is informed that guidelines / SOPs have already been implemented based on local conditions and security considerations peculiar to an Area of Operation. These SOPs are **confidential/ restricted** in nature, therefore, cannot be furnished in public domain.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30.09.24)

Observation/Recommendation No. 5

Defective/ Sub-Optimal Optical Surveillance Equipment of FICs

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 scrutinise the scope of existing AMCs for FICs to ensure that they cover the maintenance of OSS comprehensively, including the provision of necessary spares.

Action Taken by Ministry

The contract for procurement of 80 Auto Tracking Systems ieVigy Observer Systems (OSS onboard FICs) alongwith Onboard Spares (OBS), installation material, technical documentation, training and services (installation/ commissioning) was concluded by NHQ/ Directorate of Weapons Equipment (DWE) with M/s Bharat Electronics Limited (BEL), Kotdwara on 15 Mar 23. The systems supplied under the contract have a warranty of one year from the date of delivery.

The existing Optical Surveillance Systems are being progressively operationalised and upgraded by the OEM M/s Safran, France and M/s BEL, Kotdwara. All the OSS would be upgraded and operationalised by Jun 24 *iaw* DWE Contract No. WM/9395/EEC22/VIGY OBSERVER dated 15 Mar 24. This upgradation includes warranty of one yearie till mid-2025. On completion of warranty, AMC of OSS would be included in the AMCs for FICs.

In order to develop capability of in-house repairs of OSS cameras, Depot Level Repair Facilities (Electro Optic Repair Facility - EORF) was setup at ND (Mbi) and ND (Vzg). In addition, a Weapon Repair Facility (WRF) at NSRY, Port Blair, has also been commissioned, which has capabilities to repair OSS.

Vetting Comments of Audit

The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30 .09.24)

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT

-NIL-

CHAPTER IV

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND
WHICH REQUIRE REITERATION**

-NIL-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES/NO REPLIES

Observation/Recommendation No. 2

Procurement of Fast Interception Crafts (FICs)

The Committee notes from the Audit report that the FICs were contracted with M/s Solas Marine, Sri Lanka 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 Defence 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 finalising the contract were linked to extended periods for the submission of bids, prolonged technical evaluations, and negotiations with the selected shipyard, namely, M/s Solas Marine, Sri Lanka. The Committee also notes 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, recommends continuous improvement and updating of procurement guidelines to effectively meet evolving needs.

Action Taken by Ministry

law Para 34, Chapter 1 of DAP 2020, MoD (Acquisition) in consultation with MoD (Finance) is authorised to issue clarification/ amendments to DAP 20 with the approval of DAC based on proposal of DPB. The process of amendment to DAP 2020/ formulation of DAP 2025 has already been initiated.

IN inputs based on experience gained towards refinement of procedures of DAP 2020 were presented during the last roundtable conducted on 05 Jun 24, with all stakeholders including MoD, Federation of Indian Chamber of Commerce and Industry (FICCI), Society of Indian Defence Manufacturers (SIDM), etc towards amendment in DAP 2020/ formulation of DAP 2025.

Additionally, certain amendments have been made time to time in DAP 2020. As an example, DAC (04/2023) accorded approval for the Indigenous Content requirements in Defence procurement. The provision includes minimum 50% of overall IC, to be in the form of material/ components/ software that are manufactured in India. This provision is to be enumerated in the draft SoCs and subsequently in Shipbuilding RFPs.

Vetting Comments of Audit

No further comments.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30.09.24)

Comments of the Committee
Please see Para No. 10 of Chapter I.

Observation/Recommendation No. 3 (a)

Operational Availability

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.

Action Taken by Ministry

Conclusion of CAMC against establishment of maintenance facility is a considered decision taken by *IN*, considering the short life span of FICs (10 years), Commercial Off the Shelf (COTS) equipment fit and basing at 16 different locations all across the coast line. Accordingly, all FICs are covered under Comprehensive AMCs and the AMC firm is contractually obliged to maintain a shore support facility for SPBs, with adequate stocking of spares and positioning of manpower to ensure timely DR and minimum down time of the FICs. The cases for renewal of these AMCs are being progressed under the delegated financial powers of Commands well in advance to maintain the AMC cover without any hiatus. The Comprehensive AMC status of FICs as on Jun 24 is as tabulated below:-

Station	FICs	Status
Western Naval Command		
Mumbai	15 (French Make)	Upto 17 Feb 27
Porbandar	04 (Sri Lankan Make)	
Okha	04 (Sri Lankan Make)	
Karwar	11 (Sri Lankan Make)	
Goa	04 (Sri Lankan Make)	
Eastern Naval Command		
Vishakhapatnam	13 (Sri Lankan Make)	Upto 12 Aug 24 (Further, 03 years CAMC contract
Kolkata	02 (Sri Lankan Make)	

Station	FICs	Status
Chennai	04 (Sri Lankan Make)	beyond Aug 24 is in final stages of conclusion)
Kunthakal	02 (Sri Lankan Make)	
Nagapattinam	02 (Sri Lankan Make)	
Southern Naval Command		
Kochi	08 (Sri Lankan Make)	Upto 31 Aug 24 (Further, 02 years CAMC contract beyond Aug 24 is in final stages of conclusion)
Kavaratti	02 (Sri Lankan Make)	
Minicoy	02 (Sri Lankan Make)	
Androth	02 (Sri Lankan Make)	
Andaman & Nicobar Command		
Port Blair	10 (Sri Lankan Make)	Upto 12 Aug 24 (Further, 03 years CAMC contract beyond Aug 24 is in final stages of conclusion)
Kamorta	02 (Sri Lankan Make)	
Diglipur	02 (Sri Lankan Make)	

Vetting Comments of Audit

The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963)dated 30.09.24)

Comments of the Committee **Please see Para No. 15 of Chapter I.**

Observation/Recommendation No. 6

Infrastructure for Berthing of the FICs

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.

Action Taken by Ministry

Berthing of FICs is being undertaken predominantly within naval premises.

IN has resorted to dual use berthing/ preferential berthing arrangements where such naval facilities do not exist/ or are under development. Berthing infrastructure for FICs has been made available through Paradip Port Authority on pay-per-use/ dual use basis. Infrastructure for berthing FICs at Kavaratti has been made available through liaison with Local Administration. Additionally, case for repairing of existing slipway and acquisition of land for construction of Boat shed for FICs at Kavaratti is being progressed with UTL Administration since 2019. Draft MoU for the same has been submitted to UTLA in Jan 24. Also, construction of a dedicated slipway in Minicoy by IN is presently underway and is likely to be ready by Nov 2026.

IN is also actively pursuing cases for berthing infrastructure in other envisaged locations through periodic meetings/ interaction with stakeholders at multiple levels.

Vetting Comments of Audit

The action taken by Ministry on PAC recommendations does not cover the period under audit, therefore the actions taken vis-à-vis outcome would be further watched in audit.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30 .09.24)

Comments of the Committee
Please see Para No. 20 of Chapter I.

Observation/Recommendation No. 7

Manpower

The Committee note that Indian Navy is yet to achieve the complete deployment of officers for SagarPrahari 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 of 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.

Action Taken by Ministry

The induction of personnel had commenced after grant of sanction on 01 Jul 10. Given the time to competence/ attainment of the rank of Commander (12/13 years) or Captain (18 years), only 61 officers could be positioned till 2021.

Subsequently, due impetus has been accorded towards positioning of officers against Government Sanction (GS) accorded for SPB units and 33 additional officers have been appointed since Jun 21. Presently, 94 officers and 966 sailors are appointed to SPB billets.

Currently, *IN* has a shortage of 10-12% officers, which is evenly distributed amongst all billets. Accordingly, out of sanctioned strength of 98 officers, *IN* has provided 94 officers. The balance four officers would be appointed in a progressive manner by mid - 2025.

Vetting Comments of Audit

No further comments.

(Ministry of Defence F. No. 15(4)/2024-D(N-II/Ops)(963) dated 30.09.24)

Comments of the Committee
Please see Para No. 25 of Chapter I.

NEW DELHI:
25 July, 2025
03 Shravana, 1947 (*Saka*)

K.C. Venugopal
Chairperson,
Public Accounts Committee

**MINUTES OF THE EIGHTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE
(2025-26) HELD ON 25 JULY, 2025**

The Public Accounts Committee sat on Friday, 25 July, 2025 from 1500 hrs to 1515 hrs in Committee Room No. 53, Samvidhan Sadan, New Delhi.

PRESENT

Dr. Nishikant Dubey-Acting Chairperson

LOK SABHA

2. Shri Jai Prakash
3. Shri C.M. Ramesh
4. Smt. Aparajita Sarangi
5. Dr. Amar Singh
6. Shri Jagdambika Pal
7. Shri Magunta Sreenivasulu Reddy

RAJYA SABHA

8. Shri Shaktisinh Gohil
9. Dr. K. Laxman
10. Shri Sudhanshu Trivedi

LOK SABHA SECRETARIAT

- | | | |
|----------------------------|---|------------------|
| 1. Shri H. Ram Prakash | - | Joint Secretary |
| 2. Smt. Archana Pathania | - | Director |
| 3. Shri Alok Mani Tripathi | - | Deputy Secretary |
| 4. Shri Pankaj Sharma | - | Deputy Secretary |
| 5. Smt. Malvika Mehta | - | Deputy Secretary |
| 6. Dr. Faiz Ahmad | - | Deputy Secretary |

**REPRESENTATIVES FROM OFFICE OF COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

Sl. No.	Name	Designation
1.	Ms. Smita S. Chaudhri	Dy. Comptroller & Auditor General
2.	Ms. Gurveen Sidhu	Director General
3.	Ms. Ritu Dhillon	Director General
4.	Shri Deen Dayal Verma	Principal Director of Audit (Navy)

The Hon'ble Chairperson could not attend the Sitting. As per Rule 258 (3), the Members present elected Dr. Nishikant Dubey as the Acting Chairperson. Thereafter, Hon'ble Chairperson welcomed the Members and the officials of the Office of the Comptroller and Auditor General of India (C&AG) to the Sitting of the Committee. Then , the following four draft Reports were taken up for consideration:-

- i. Action Taken Report on the 84th Report (17th Lok Sabha) on the subject "Misappropriation of Public Money in Department of Posts";
- ii. Action Taken Report on the 86th Report (17th Lok Sabha) on the subject "Establishment and Operationalisation of Sagar Prahari Bal";
- iii. Action Taken Report on the 89th Report (17th Lok Sabha) on the subject "Indo-Nepal Border Road Project"; and
- iv. Action Taken Report on the 140th Report (17th Lok Sabha) on the subject "Manpower and Logistics Management in Delhi Police".

3. After some deliberations, the Committee adopted all the aforesaid Draft Reports without any modifications and authorized the Chairperson to finalize the Reports and present the same to the House.

The Committee then adjourned.

A copy of the proceedings of the Sitting has been kept on record.

(Vide Paragraph 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR EIGHTY-SIXTH REPORT (SEVENTEENTH LOK SABHA)

(i)	Total number of Observations/ Recommendations	8
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1, 3(b), 4, 5	Total: 4 Percentage: 50 %
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: Para No. – NIL	Total: 0 Percentage: 0
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para No. – NIL	Total: 0 Percentage: 0
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies: Para No. – 2, 3(a), 6,7	Total: 4 Percentage: 50 %