CHAPTER III

INTERNAL SECURITY

SITUATION IN JAMMU AND KASHMIR (J&K)

Historical Perspective

3.1 Jammu and Kashmir (J&K) became an integral part of the Indian Union on Oct. 26, 1947 when the then ruler of the State, Raja Hari Singh, unconditionally signed the instrument of accession in accordance with the legal framework in terms of which the Princely States of British India could accede either to India or to Pakistan. The instrument of accession was common for all Princely States of British India including J&K. The prescribed legal framework did not envisage ratification of such accession by the people of the Princely state.

3.2 India, since its independence, has been a vibrant, secular democracy providing to the people of all its states, including J&K, free and equal participation in political life and governance. Pakistan’s refusal to accept the State’s accession to India led it to launch an armed aggression in 1947 resulting in the forcible occupation of a part of the State that still remains under its illegal control. Pakistan’s non-acceptance of the reality and its ambition to wrest Jammu and Kashmir from India by force led to wars in 1965 and 1971 between the two countries.

3.3 Since the initiation of terrorism in J&K in 1989-90, the people of J&K have voted in Parliamentary elections in 1996, 1998 and 2004, elections to the State Assembly in 1996 and 2002 and in Panchayat Elections in 2000 despite terrorist’s threats and calls for boycott of elections. The UN Resolutions calling for the will of the people to be ascertained are no longer tenable because Pakistan has not fulfilled the precondition of withdrawal from the territory occupied by it through aggression. The UN Resolution had called for a ceasefire and withdrawal of all Pakistani regulars and irregulars from the territory of the erstwhile Princely State of J&K, to be followed (once United Nations Commission on India and Pakistan had certified full Pakistani withdrawal) by a reduction of Indian forces to a level sufficient to maintain law and order and public order. Only on full compliance of the above conditions, the wishes of the people was to be ascertained. Not only that, Pakistan still continues to occupy the territory illegally captured (and has even ceded a part of it to China), it has attempted to alter the status quo by force of wars in 1965 and 1971. By a subsequent (Shimla) agreement of 1972, India and Pakistan agreed that the issue of J&K, along with other issues, would be addressed bilaterally. As such, Pakistan has no right to invoke the resolutions.
Government Policy on Jammu & Kashmir

3.4 The Government is pursuing a multi-pronged strategy to bring peace and normalcy in the State of Jammu & Kashmir. Accordingly, the Centre’s four-pronged strategy being implemented jointly with the State Government continues to comprise:

- proactively tackling of cross border terrorism with the help of the security forces whose tactics and deployment are kept dynamic to match changing ground realities;
- accelerated economic development, improved provision of services and employment opportunities, etc. in J&K so as to raise the satisfaction levels of the people in the State;
- deepening the political process through regular elections at all levels and encouraging political debate, and
- willingness to talk with all such people or groups within J&K who eschew the path of violence with a view to redressing the genuine grievances of the people of J&K.

Profile of Terrorism in J&K

3.5 Post September 11, 2001, Pakistan’s response to mounting international pressure to end all kinds of cross-border terrorism has been waxing and waning commensurate with its internal and external compulsions. Pakistan has not yet abandoned exporting cross border terrorism as an instrument of State Policy to achieve the so-called unfinished agenda of partition. In more than one way, Pakistan still retains an undiminished capability to control the levels of cross-border terrorism emanating from its soil and to calibrate it to suit its advantage. Most of earlier restrictions imposed on terrorist outfits by Pakistan have been gradually rolled back this year. Consequently, most of the parameters indicative of cross-border terrorism such as infiltration levels, terrorist violence, communications, funding, etc. have started approaching the levels of previous year.

3.6 Terrorism in J&K has been the cause for the loss of about 33000 lives over the last one-decade or so. The terrorist outfits sponsored by Pak ISI have caused enormous sufferings and damage to Kashmiri people, their culture and the economy of the State. A total number of 59864 terrorist incidents occurred since inception and until March 31, 2004, which has claimed 11945 civilians’ lives. 3882 Security Forces personnel have been killed while enforcing the rule of law in J&K. A total number of 17820 terrorists have also been killed including 3396 (till Feb.29, 2004) foreign terrorists. However, infiltration of foreign mercenaries in J&K continues leading to mindless violence against soft targets, specially minorities and other vulnerable sections of the society. With dwindling support base among the locals, foreign mercenaries have been the main striking force constituting around 60-70 percent of the estimated presence of around 3,500 terrorists in J&K. The local terrorists have either been marginalized or inveigled into supporting the ruthless foreign elements that sustain terrorism under the direction of Pak ISI.

3.7 Installation of democratic Government in 2002, popularly elected amidst a crescendo of
terror orchestrated by the terrorists in J&K, was a big setback to Pakistan’s game plan. Since then, terrorist outfits, at the behest of their mentor, have continued to spread terror and violence in a bid to trample upon the people’s yearning for peace and prosperity.

3.8 The statement below, giving summary of number of incidents, civilians, security Forces personnel and terrorists killed during 1990 to 2004 (March, 31) illustrates the unrestrained spate of continued violence perpetrated by terrorist outfits in J&K:-

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No. of Incidents</strong></td>
<td>4158</td>
<td>3765</td>
<td>4817</td>
<td>5247</td>
<td>5829</td>
<td>5938</td>
<td>5014</td>
<td>3420</td>
<td>2932</td>
<td>3071</td>
<td>3074</td>
<td>3074</td>
<td>3074</td>
<td>638</td>
<td>59864</td>
<td></td>
</tr>
<tr>
<td><strong>Civilians Killed</strong></td>
<td>461</td>
<td>382</td>
<td>634</td>
<td>747</td>
<td>820</td>
<td>1031</td>
<td>1341</td>
<td>971</td>
<td>889</td>
<td>873</td>
<td>847</td>
<td>996</td>
<td>1008*</td>
<td>795</td>
<td>150*</td>
<td></td>
</tr>
<tr>
<td><strong>SFs Killed</strong></td>
<td>155</td>
<td>173</td>
<td>189</td>
<td>198</td>
<td>200</td>
<td>237</td>
<td>184</td>
<td>193</td>
<td>236</td>
<td>355</td>
<td>397</td>
<td>536</td>
<td>453</td>
<td>314</td>
<td>62</td>
<td>3882</td>
</tr>
<tr>
<td><strong>Terrorists Killed</strong></td>
<td>550</td>
<td>844</td>
<td>819</td>
<td>1310</td>
<td>1596</td>
<td>1332</td>
<td>1209</td>
<td>1075</td>
<td>999</td>
<td>1082</td>
<td>1520</td>
<td>2020</td>
<td>1707</td>
<td>1494</td>
<td>263</td>
<td>17820+</td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td>14</td>
<td>12</td>
<td>14</td>
<td>90</td>
<td>122</td>
<td>85</td>
<td>139</td>
<td>197</td>
<td>319</td>
<td>305</td>
<td>436</td>
<td>625</td>
<td>508</td>
<td>470</td>
<td>60***</td>
<td>3396</td>
</tr>
</tbody>
</table>

*Includes Members of VDCs &SPOs
**Upto March 31, 2004
*Including Foreign Terrorist
***upto Feb., 2004

3.9 Month-wise break up of the figures relating to the number of incidents and civilians, security force personnel & terrorists killed in 1999 to 2003 and 2004 (upto March 31) is at Annexure-II

3.10 Additional information in regard to recovery of arms and explosives from terrorists/militants and destruction of property by terrorists, during the period 1990 to 2004 (up to March 31) is at Annexure-III, IV and V, respectively.

Counter Measures to deal with Cross-border Terrorism

3.11 To contain cross border terrorism perpetrated by the Pak ISI in Jammu & Kashmir, the Central Government, conjointly with the State Government, has adopted a multi-pronged approach which includes, inter-alia, strengthening border management to check infiltration; pro-active action against terrorists within J&K; gearing up intelligence machinery; greater functional integration through an institutional frame-work of Operations Groups and Intelligence Groups of the UHQ at various levels; improved technology, weapons and equipments for security forces and action as per law against over ground supporters of the terrorists. Specific measures taken include strengthening of the counter-terrorist grid, strengthening and modernization of J&K Police, vitalization of Village Defence Committees, launching of pinpointed counter-terrorist operations based on actionable intelligence, strengthening of security cover for areas inhabited by minorities including Sikhs and checking infiltration through improved border management.
3.12 The State Police, in consultation with other security forces, have also evolved certain standard practices for the field units for responding appropriately and effectively to suicide attacks. The strategies, tactics and dynamic deployment to counter the terrorists are constantly reviewed, refined and monitored in the Unified Headquarters and in Operation Groups at various levels in the State so as to meet the ever-changing challenges being thrown up by the terrorists. Appropriate strategies including those for checking infiltration, protection of remote, scattered and minority populations, as well as of vital installations and religious places, and for intelligence based operations against terrorist etc. are formulated and refined from time to time.

**Security Situation in J&K in the Year 2003–2004: an Assessment**

3.13 In 2002, the total numbers of terrorist related violent incidents were 4038, which claimed the lives of 1008 civilians and 453 security forces personnel. The terrorism related statistics indicates that 2002 showed some improvement over 2001.

3.14 In the calendar year 2003, there was a slight decline in the number of terrorist incidents except during July-Aug.’03 in comparison to last years’ corresponding period. During the year 2003 a total numbers of 3401 terrorist incidents of violence have occurred, which claimed lives of 795 civilians and 314 Security Forces Personnel. On the other hand, 1494 terrorists were killed during this period, which includes 470 foreign terrorists.

3.15 In the calendar year 2002, the daily average of terrorist incidents fluctuated around 11. In the calendar year 2003, there was slight decline in daily average of terrorist incidents (around 9.3) and also in other terrorism related parameters. However, during first three months of 2004, the daily average was around 6.6. The number of incidents of grenades throwing has gone up considerably and the use of Improvised Explosive Devices (IEDs) by terrorist continues to remain significant during current calendar year. The security situation in J&K is delicately poised at the moment and indications are that the Pak mentors would continue to use the level of cross-border terrorism by calibrating and escalating terrorist violence in J&K aimed at extracting concessions and influencing ongoing Indo-Pak Talks.

**Comparative Daily Average of Terrorist Incidents**

<table>
<thead>
<tr>
<th>Year/Months</th>
<th>2002</th>
<th>2003</th>
<th>Jan. to March, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of terrorist incidents (avg. per day)</td>
<td>11</td>
<td>9.3</td>
<td>6.6 (approx.)</td>
</tr>
</tbody>
</table>

3.16 Statistics apart, there has been a welcome change in the current public perception about the over all environment which is far more relaxed than in the yesteryears, as is demonstrated by the following indicators:-

- Heavy rush of tourists numbering 191164 to Kashmir Valley during the calendar year 2003 (182205 domestic and 8959 foreigners) as compared to 25,881 (23370 domestic and 2511 foreigners) during the entire calendar year 2002. In fact, these figures are the
highest since the Kargil incursion of 1999. Similar trends have continued during first three months of this year.

- Overwhelming response to Shri Amar Nathji Yatra and pilgrimage to Mata Vaishno Devi Shrine;
- Record number of pilgrims (40,000 to 50,000) visiting Kheer Bhawani, Srinagar in 2003
- The picnic spots/gardens/tourist places especially in Kashmir Valley have once again been full of tourists; movement of traffic and markets staying open till late in the evening;
- Altogether tourists numbering 5848790 (domestic) and 24377 (foreigners) had visited the State, thus, setting an all time high record in the calendar year 2003.
- Overwhelming public response to visit of HE President of India, Hon’ble Prime Minister and other prominent Opposition and ruling party leaders, whenever visited to the state of J&K including as part of campaigning for Parliament elections 2004 related meetings etc.
- Holding of a large number of Conferences in Srinagar.

3.17 Amidst the rising hope a breakthrough in the ongoing Indo-Pak talks, steps have been taken for progressive restoration of normal diplomatic and cultural ties with the expectation for preparing grounds for a meaningful dialogue. Cessation of cross border terrorism by the neighbouring country is not only desirable but essential for facilitating conducive atmosphere for talks in the prevailing security scenario. While public ennui against violence and tactics of terrorism and yearning for an end to terrorist violence continues to hold firm and the revival of tourism is greatly welcomed, there is also an expectation that if the dialogue process is sincerely revived and pursued, this transient peace may become more concrete and something positive may emerge.

Intensity and pattern of terrorists related violence in 2003 and 2004 (upto March 31)

3.18 From January to April 2003, terrorists related violence showed decline as usual due to prolonged harsh winter and closure of posses forcing terrorists to go on defensive. In an attempt to bolster their sagging morale, terrorist outfits carried out a few suicide attacks and the massacre of innocent civilians at Nadimarg on 23/24, March 2003.

3.19 During May to August, though there was a marginal decrease in terrorist initiated violence, a large number of civilians were killed, mainly due to grenade attacks and IED blasts. Terrorists targeted pilgrims at Katra enroute to Vaishno Devi on July 21, 2003.

3.20 The general scenario related to militancy remained active in Districts Poonch, Rajouri and Udhampur in the Kashmir Valley due to movement/concentration of armed terrorists. Terrorists resorted to killing of civilians suspected by them to be informers of Security Forces.

3.21 The month of May-August did not witness much violence against Security forces (SFs) except
suicide attack on Army Camp, Sujwan (28.6.2003) and Tanda Camp (22.7.2003) in the wake of sustained counter-terrorist SF operations, which claimed substantial number of causalities on the terrorist side. The Security Forces continued to exert pressure on terrorist by engaging them in frequent encounters.

3.22 After the killing of the terrorist leader Gazi Baba, the frequency of suicide attacks against security forces has been raised by fundamentalist terrorist outfits like LeT, JeM, HM, etc. Around September 15, 2003, a spurt in terrorist violence in J&K was directed to boost the sagging morale of terrorist cadre and to score as much as possible, in tune with the past trends, prior to winter season. Some incidents including killing of counter insurgent Kuka Parray and others had contributed to a sense of fear amongst people at a time when their mindset was showing a discernible change. However, strong administration action like killing of 204 terrorists during Sept. 2003 and onwards including death of some top terrorist operatives, made a dent in terrorist ranks and arrested the trend of increasing violence.

3.23 With the continued counter-terrorist measures, terrorist violence in J&K has gone down somewhat in the present calendar year 2004 compared to that in corresponding period last year. Grass-root political workers, volunteer civilian members of VDCs and SPOs, apart from security forces personnel, continue to be targeted by the terrorists. The level of infiltration has remained low as compared to the previous year, one reason for this being the fencing along with IB (International Border) and LOC (Line of Control) and multi-tired deployment of security forces, though some infiltration attempts have been noted recently.

**Disturbed areas in Jammu & Kashmir**

3.24 Earlier, vide notification dated July 6, 1990, the State Government [Governor] had declared only the 20 km belt along the line of control in the districts of Rajouri & Poonch of Jammu division and 6 districts, namely Srinagar, Budgam, Anantnag, Pulwama, Baramulla and Kupwara, of the Valley as ‘disturbed’ under section 3 of the Armed Forces [J&K] Special Powers Act, 1990. After reviewing the matter in its totality, the State Government [Governor], vide its notification dated August 10, 2001, has declared the whole of Jammu Division as disturbed, in addition to the six districts of Kashmir division. Accordingly now the following areas stand notified as ‘disturbed’ under section 3 of the Armed Forces (Jammu & Kashmir) Special Powers Act, 1990:

“Districts of Jammu, Kathua, Udhampur, Poonch, Rajouri, Doda, Srinagar, Budgam, Anantnag, Pulwama, Baramulla & Kupwara”

**System of UHQs, Ops & Int. groups**

3.25 In order to synergise the security operations of various government agencies involved in combating militancy in J&K, Unified Headquarters (UHQs) were set up by the State Government in Srinagar and Jammu in 1996. These UHQs have been working under the chairmanship of the Chief Minister of J&K. The UHQs are basically State-level coordination committees comprising, besides the Chief Minister, the Chief Secretary of J&K, Security Advisers to State Government who are Corps Commanders of the Army; DGP, J&K, Principal Secretary (Home), J&K and topmost officials of State Government
and of the Central Police Forces (CPF)s and intelligence agencies deployed in J&K. All deployment of Security Forces on the counter-terrorism grid in J&K are done with the consent of the Chairman, UHQ.

3.26 There is also an OPS Group or Core Group of each UHQ chaired by the Corps Commander (Security Advisor to State Government) concerned to take coordinated decisions on operational matters within the framework laid down by the UHQs. Each UHQ also has an Int. Group. There are similar Ops Groups and Int Groups at lower levels in the State.

3.27 There is also an Operations Group under the Chairmanship of Special Secretary (JKA) in the MHA to have periodical review of the security situation in J&K, deployment of Central Police Forces (CPF)s in J&K and coordination of internal security related operations. This Group consists of officers of Government of J&K, CPFs, Ministry of Home Affairs, Ministry of Defence, Intelligence agencies, etc. Similarly, there is an Intelligence Group under Special Secretary (JKA) in the Ministry with membership similar to that of the Operations Group. Both of these were constituted in 1998.

3.28 Media Advisory Groups have also been constituted both at Central Government level (JKA) and at the State level so that the correct picture about J&K, including terrorist activities on the ground, gets projected in the media.

3.29 Recently, Coordination Groups at Central Government level and in the State have been created so that all concerned State and Central Agencies can coordinate and synergize efforts to check flow of funds to terrorists.

**Banning of Outfits**

3.30 As on date, nine Outfits operating in Jammu & Kashmir, namely, Jaish-e-Mohhamd (JeM), Lashkar-e-Toiba (LeT), Hizbul-Mujahideen (HM), Harkat-ul-Mujahideen (HuM), Al-Umar-Mujahideen (AuM), Jammu & Kashmir Islamic Front (JKIF), Al-Badr, Jamiat-ul-Mjahideen (JuM) and Dukhtaran-e-Millat (DeM) stand declared as ‘terrorist organization under the Prevention of Terrorism Act, 2002 [No.15 of 2002].

**Political Process**

3.31 On 15th August, 2002 the Prime Minister made an announcement that the Government is committed to have a free and fair election to the Vidhan Sabha in J&K and that talks would be held with elected representatives after the elections. Accordingly, following the elections in October, 2002 and installation of popular Government in J&K, Shri N.N. Vohra, former Union Home Secretary and former Principal Secretary to Prime Minister was appointed in April, 2003 to initiate and carry forward a dialogue with the elected representatives and various organisations and concerned individuals in the State of J&K.

3.32 Initially even before formal orders of his appointment were issued, Shri Vohra visited Jammu
and met the Chief Minister, Dy. Chief Minister, Leader of the Opposition in each House and Speakers of Vidhan Sabha and Vidhan Parishad respectively.

3.33 Shri Vohra visited Srinagar, Jammu, Leh etc. and has been interacting with persons representing a cross section of organizations, political parties, NGOs, religious and community interests, Sub-regional groups, etc, besides eminent citizens.

**Offer of meeting with Hurriyat at the level of Deputy Prime Minister**

3.34 The Cabinet Committee on Security in its meeting held on October 22, 2003 offered to have a meeting with the Hurriyat Conference at the level of Deputy Prime Minister taking into account the interest shown by the Hurriyat to have talks at the political level.

3.35 The Hurriyat had already split in to different groups. One faction is headed by Maulana Abbas Ansari and the other is headed by SAS Geelani. Though both the groups are secessionists, Maulana Ansari faction is somewhat moderate in approach compared to Geelani faction. SAS Geelani is totally pro-Pakistan and is supported by ISI and Pakistan Government. The third faction within the secessionists is now known as ‘Ittehadi Force’ (IF) consisting of J&K Democratic Freedom Party, J&K Liberation Front, Jamat-e-Islami, People’s League (PL), Kashmir Bar Association, etc. All factions of separatists are in touch with Pakistan Government and with ISI.

3.36 None of the factions enjoys mass popular support in J&K except for support in small pockets where individual Hurriyat leaders have influence.

3.37 The Hurriyat faction led by Maulana Abbas Ansari announced it’s decision to accept the offer of the dialogue. However, SAS Geelani faction did not support this stand. Subsequently the Government issued a formal invitation to Maulana Abbas Ansari, Chairman requesting him to meet the Deputy Prime Minister on January 22, 2004 along with his colleagues.

3.38 All Party Hurriyat Conference (APHC) delegation led by Maulana Abbas Ansari and comprising of Prof. Abdul Ghani Bhat, Mirwaiz Umar Farooq, Bilal Ghani Lone and Fazal-ul-Haq Qureshi called on Deputy Prime Minister on January 22, 2004. In a joint statement issued after the discussion it was agreed that the meeting was the first significant step in the dialogue process initiated by the Government of India and hoped that a step by step approach would lead to the resolution of all outstanding issues relating to Jammu & Kashmir. The APHC delegation stressed the need for a honourable and durable solution through dialogue and need for ending violence at all levels. The Dy. PM endorsed the view of APHC that the role of gun should be replaced by the sound of politics. The APHC delegation committed itself to the enlargement of dialogue process to cover all regions of the J&K and the concerns of all communities. The Dy. PM reiterated the Government’s concern to safeguard the security of all people and ensure against the violation of their rights. He also agreed that a rapid review would be undertaken to examine the cases of those held in detention. It was agreed that the next round of discussions would take place in the latter part of March 2004.
3.39 Dy. PM met All Party Hurriyat Conference (APHC) delegation led by Maulana Abbas Ansari on March 27, 2004 for second round of discussions which reviewed progress on issues raised in the first meeting held on 22.01.2004. For this round Fazal-ul-Haq Qureshi who was there in first round had withdrawn. Recognizing that following the Lok Sabha elections, the new government was likely to be established in the latter half of May 2004, it was agreed that discussion on substantive issues would commence at the next meeting to be held in June 2004.

3.40 Pursuant to the two rounds of discussions between the APHC and Dy. PM, the Joint Screening Committee reviewed a number of cases of detenues held under J&K Public Safety Act, 1978 (PSA) and as on March 31, 2004 had recommended the release of about 43 detenues. This is an ongoing process and the State Government has been asked to submit further cases of PSA detenues for consideration of the Joint Screening Committee.

3.41 With regard to Human Rights aspect the Home Secretary in his letter dated January 27/30, 2004 addressed individually to the State Government of J&K (Chief Secretary and Director General of Police) the Ministry of Defence (Defence Secretary and Army Chief) and the Heads of CPFs reiterated the highest importance the Government attaches to human rights and the need to sensitize the security forces personnel to be more sensitive in their interaction with local public without sacrificing the security related requirements. The then Deputy Prime Minister held a high level meeting with the heads of Central Police Forces, Chief of Army Staff and officials of Jammu & Kashmir on February 14, 2004 to discuss the measures required to be taken by the Security Forces without in any way compromising the effectiveness of the counter terrorism operations being carried out by the Security forces, to ensure more humane behaviour by them in their day to day interaction with common citizens in J&K, and to avoid human rights violation.

Reimbursement of Security Related Expenditure [SRE]

3.42 The Central Government has been reimbursing security related expenditure incurred by the State Government since 1989, in its fight against the menace of terrorism. A sum of Rs.2357.85 crore has been released to J&K Government during 1989-2002, as per following details :-

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (Rs.)</th>
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<tbody>
<tr>
<td>(a) Assistance to Kashmiri Migrants</td>
<td>580.65 crore</td>
</tr>
<tr>
<td>(b) Welfare Activities</td>
<td>441.37 crore</td>
</tr>
<tr>
<td>(c) Security Works &amp; related activities</td>
<td>256.87 crore</td>
</tr>
<tr>
<td>(d) Election related additional SRE</td>
<td>224.63 crore</td>
</tr>
<tr>
<td>(e) Additional Expenditure on Police</td>
<td>999.43 crore</td>
</tr>
<tr>
<td>(f) Action Plan related SRE</td>
<td>207.96 crore</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2710.91 crore</strong></td>
</tr>
</tbody>
</table>

3.43 A sum of Rs. 245.9562 crore including an advance of Rs. 88 crore has been reimbursed/released to the Government of Jammu & Kashmir during the Financial Year 2003-04 towards additional expenditure on police, Action Plan SRE
and Election related security expenditure. Similarly a sum of Rs. 144.9950 crore including an advance of Rs. 40 crore has been reimbursed/released to J&K Government towards Relief and Rehabilitation Activities during the financial year 2003-04. The final item-wise expenditure would be arrived at as and when the item-wise expenditure statement for the entire advanced amount is submitted by the State Government. The budget provision under the Head SRE is Rs. 289 crore and Rs. 160 crore for Relief and Rehabilitation for 2004-05.

3.44 A sum of Rs.13.02 crore had been released to the Government of Himachal Pradesh during 1999-2003 for meeting the security related expenditure in its efforts to control/contain spill over of terrorism related activities from J&K to HP. A sum of Rs.2.1968 crore including an advance of Rs. 0.75 crore has been reimbursed/released to Himachal Pradesh during the financial year 2003-2004. The Budget provision for the current financial year 2004-05 is Rs. 3 crore.

Devolution of Powers to The State

3.45 The Legislative Assembly of Jammu & Kashmir, on June 26, 2000, passed a “Resolution” accepting the recommendations made by State Autonomy Committee in its report and demanded that the Union Government and the Government of Jammu and Kashmir take positive steps for its implementation of the same.

3.46 The Union Cabinet in its meeting held on July 4, 2000 did not accept the resolution passed by J&K Assembly, as its acceptance would have set the clock back and reversed the natural process of harmonizing the aspirations of the people of J&K with rest of the nation and would have also reversed certain constitutional safeguards and provisions extend to J&K. It was however conveyed to the Chief Minister of J&K that though the Resolution passed by the Assembly had not been accepted, where State Government felt that there should be greater powers with them and that with these greater powers they would be able to serve the people better, the Government of India would be willing to consider their proposal in that regard.

Autonomy Available To J&K

3.47 In the case of other States, which acceded to India, the Constitution of India was made wholly applicable. However, in the case of J&K, the original intention to have a separate Constituent Assembly of J&K was not amended. At the time of commencement of the Indian Constitution, the Constituent Assembly of J&K was not constituted. Pending its convening, a provision was made in the Constitution of India defining the manner in which the legislative competence of the Parliament was to apply to J&K so as to create a link between the Constitution of India and the State Constitution. Hence, article 370 was incorporated in the Constitution of India. An Order was made by the President under article 370 titled “the Constitution (Application to Jammu & Kashmir) Order 1950”. Subsequently, with the concurrence of the State Government, as provided for in the article 370, a comprehensive Order was made in 1954, titled “the Constitution (Application to Jammu & Kashmir) Order, 1954”, which added more powers to the Parliament. Amendments have later been made to the 1954 Order with the concurrence of the State Government, from time to time. This Order, as
amended from time to time, is incorporated in the Constitution of India (Government Publication) as Appendix-I. This Order can be termed as ‘Constitution of India as Applicable to J&K’. Over the years, a number of provisions of the Indian Constitution have been applied to J&K, with certain exceptions and with/without modification, through the medium of article 370. Of the three Legislative Lists in the Seventh Schedule to the Constitution, the State List (List-II) does not apply to J&K. The Union List (List-I) and the Concurrent List (List-III) have been applied with certain exceptions and modifications. The most important exception in the Union List is the residuary powers, which has been applied with the modification that Parliament would have powers to legislate only in respect of matter connected with terrorist/secessionist activities and in respect of all other residuary items the power would vest in the State Legislature.

3.48 All the Fundamental Rights guaranteed under the Constitution of India are available to the permanent residents of J&K in terms of Constitution of J&K. Further, power of the State Legislature to make laws in future or to amend the existing law in force, including the pre-constitution laws relating to permanent residents and their rights, has been given protection under article 35(A) of the Constitution of India, as applicable to J&K. Such protection is not available to other States.

3.49 The general effect of application of provisions of Constitution of India to J&K is that certain institutional safeguards or benefits available in the rest of the country such as the jurisdiction of the Supreme Court and Election Commission of India, functions of Comptroller & Auditor General of India, All India Services, labour welfare measure etc, apply to the State. Union Departments like Customs, Central Excise, Income Tax, Posts & Telegraph, Civil Aviation etc. have their operations extended to the State. Elections to the State Legislature, however, is held under the provisions of the Constitution of J&K. The position regarding appointment, removal from office, salary and allowances and conditions of service of the Judges of the High Court of J&K has been brought on par with that of the Judges of the other High Courts in India, although the power exercised by the president to appoint Judges of J&K High Court is derived from the provisions of the Constitution of J&K.

3.50 Autonomy in literal terms can be defined as freedom to work/legislate independently. If this definition is applied in constitutional term, then autonomy means independent powers to make legislation on various subjects. The State of J&K already enjoys the said autonomy, as may be seen from the aforesaid.

Economic Development of J&K

Central Assistance to J&K

3.51 Like anywhere else, and more so in Jammu and Kashmir, restoration of peace and harmony and maintenance of internal security and public order are intrinsically linked to economic development. The central Government lays emphasis on a good infrastructure, promotion of trade and industry including tourism, cottage industries and handicraft, adequate employment opportunities especially for the youth, etc. to restore peace and prosperity to the beleaguered State.
3.52 The Central Government has been continuously striving to supplement the efforts of the State Government to bring about an all-round economic development and provide avenues for gainful employment to the people. The focus is on planned and balanced regional development for building up physical, economic and social infrastructure thereby improving productive potential of J&K State.

3.53 The Centre has been providing continuous financial support to the State Government over and above the normal Central Plan assistance. As a special dispensation, Central assistance has been provided to J&K not only to fund the State Plan but also to cover its non-Plan gap. The State’s Annual Plan for 2003-04 has been increased by about Rs.300 crore over the previous year to Rs.2500 crore.

Monitoring of Development Schemes in J&K

3.54 In order to effectively coordinate and accelerate efficient implementation of various development packages in J&K, a Standing Committee, headed by Cabinet Secretary/Home Secretary, on development programmes in J&K was constituted with representation from the concerned Central Ministries, the Planning Commission and the State Government. A Working Group under the Chairmanship of Special Secretary, Department of J&K Affairs was also constituted to assist the Standing Committee. Initially, four Sub-groups of the Working Group under the Chairmanship of Special Secretary, Department of J&K Affairs had been constituted to monitor the progress of implementation of Centrally Sponsored Schemes/Centrally Financed Projects being implemented by various Central Ministries/Departments including those of Railways and Roads in the State of J&K and to analyse and sort out coordinational problems in their implementation. These have now been reorganised into six Sub-groups to facilitate more focused discussion and in-depth examination of coordinational issues. Each Sub-group comprises representatives of concerned Central Ministries and State Government Departments as well as Planning Commission and Department of Jammu & Kashmir Affairs/MHA. While the responsibility of implementing a particular Central/Centrally Sponsored Scheme/Project continues to be that of the concerned Central Ministry/State Government, the Department of J&K Affairs, MHA endeavours to facilitate and coordinate the implementation of development schemes and projects in the State of J&K.

Infrastructure

3.55 Some of the important schemes being implemented by the Central Govt. in the infrastructure sector are given below:-

Railways

- **Jammu-Udhampur Rail link**
  Construction of 53.6 Kms. rail line from Jammu to Udhampur has been taken up at an estimated cost of about Rs. 480 crore. The expenditure upto March 31, 2003 is Rs. 423.23 crore and allocation during the current year i.e. 2003-04 is Rs. 30 crore. This Rail link has been completed.

- **Udhampur-Srinagar-Baramulla Rail link**
  Construction of 287 Kms. rail lines from Udhampur to Baramulla has been taken up as a
national project costing about Rs. 3564 crore. The expenditure upto March 31, 2004 is Rs. 1202.53 crore. This rail line has been included in the PM’s package for J&K announced on May 23, 2002 with a view to speeding up its implementation.

Power

(i) Dulhasti HE Project

This 390 MW project is in Kishtwar Tehsil of District Doda located on the River Chenab. The estimated cost of the project is Rs. 4,227.63 crore and an amount of Rs. 4,034.40 crore has been spent upto March, 2004. This project is progressing well and is nearing completion.

(ii) Sesar-II HE Project (120 MW)

This project has received investment clearance of the Government in August 23, 2003. It is scheduled to be completed in a period of 4 years from the date of sanction. An expenditure of Rs. 87.79 crore has been incurred till March, 2004. The Project is expected to be completed by September, 2007.

(iii) Baglihar HE Project (3X150 MW) & Sawkot Project (3X200 MW)

Both these projects are in Doda district and were commenced by NHPC but have been transferred to the State Government on its request.

(iv) Six projects

Namely, (a) Kishangang (330 MW), (b) Uri-II (280 MW), (c) Bursar (1020 MW), (d) Pakal Dul (1000 MW), (e) Nimmo Bazgo (15X3 MW), (f) Chutak (3X10 MW) have been transferred to NHPC by the State Government for implementation.

Roads

(i) National Highway-1A – Pathankot-Jammu-Srinagar-Baramulla-Ur (505 Km).

The National Highway from Pathankot to Srinagar has been declared a part of North South Corridor under National Highway Development Programme (NHDP) and has been entrusted to National Highway Authority of India (NHAI). Presently, the road from km. 80/0 to km. 97/20 costing Rs. 88.38 crore is being executed by Border Roads Organization (BRO). The remaining section of NH-1A is proposed for 4 lanning in subsequent years and targetted to be completed by 2007.

(ii) Alternate route to NH-1A

The road from Batote-Kishtwar-Sinthan Pass-Anantnag has been declared as NH-1B and has been entrusted to BRO for development. The last sector from Anantnag to Khanabal, 5 km. in length, is to be developed by State PWD. The total length of NH-1B is 270 Km.

(iii) Construction of an all weather route to Leh via Manali including construction of Rohtang tunnel

There is a long standing demand of the people of Leh District for conversion of the Leh-Manali route, which is open to traffic only for 3 months in a year, into an all weather alternative route. A feasibility study for development of a new alignment along Darcha-Padam-Zangal-Nimu linking the existing road sector Manali-Sarchu is under examination by Army Headquarters/ Ministry of Defence. This new road along with tunnel across Rohtang pass, when constructed, would serve as an all weather route both for Leh and Kargil. The road is expected to be completed by 2011.
J&K Package announced by the Prime Minister on May 23, 2002

3.56 The Prime Minister, during his visit to Jammu & Kashmir on May 23, 2002, announced a package for over Rs. 6000 crore for “employment, rail and road development, relief & security” for J&K. The main schemes/projects covered in the package are as under:

- The 287 Km. Udhampur-Srinagar-Baramulla rail line to be completed within five years.
- Jammu Tawi-Jalandhar rail line to be doubled within the next five years.
- Manali approach Road-Rohtang Tunnel-Darcha-Nimu Road.
- Advancing the completion of Batote-Kistwar-Sinthan Pass-Khannabal National Highway-IB to December 31, 2007 (as against earlier completion schedule of December 31, 2013)
- Development of traditional cottage industries like wool, pashmina, handicrafts, sericulture & silk industries, kani jamawara shawls etc.
- Development of Agri-export Zones for apples & walnuts.
- Eco restoration of degraded catchements of Chenab, Jhelum and Shivaliks in J&K using participatory watershed approach over the next 5 years.
- Technology Mission on Horticulture for J&K which could be coordinated with the Agri-Export Zones for Apples & Walnuts being developed by the Ministry of Commerce.
- Provision of Rs. 500 crore over the next five years for Border Area Development Programme. (Half of this amount would be made available directly to District Rural Development Agencies with a focus on economic and infrastructure development programmes in the border/LOC areas and 15% of the funds would be allocated for roads in border/LOC areas to be constructed by BRO).
- Raising of two India Reserve Battalions in two years, providing incentives for police personnel who are members of Special Operations Group (SOG), providing better training and weaponry to J&K Volunteer Force (elite group of SPOs), enhancement in some of the norms pertaining to relief for border migrants and for Kashmiri migrants in J&K, upgrading police hospitals for treatment of police personnel wounded in terrorist attacks, establishment of a Rehabilitation Centre for Widows of Police personnel killed by terrorists, schools for orphans of police personnel killed by terrorists, etc.
- Providing funds to State Government for new tents and common civic amenities for border migrants in J&K.

3.57 Some of the items in the aforesaid package which are being implemented by various Ministries/Departments have been fully implemented while others are under various stages of implementation.
Announcements made by the Prime Minister during his visit to J&K on April 19, 2003

3.58 The Prime Minister, at the end of his two days visit to J&K on April 19, 2003 announced the following measures for the development of J&K:-

- Setting up of a Special Task Force for creating at least one lakh employment and self-employment opportunities in J&K over the next two years.
- Preparation of a comprehensive Tourism Revival Plan for J&K.
- Preparation of a time-bound plan of action to assist the State Government in speedy completion of all the viable ongoing power projects in the State and examine how unviable projects can be made viable.
- Setting up of decentralized non-conventional energy projects, especially those using geo-thermal energy.
- Construction of 600 metre cable–stayed Basholi Bridge across river Ravi.
- Taking up of a specially targeted drinking water project for villages of Kandi area in Jammu Region.
- Setting up of Community Information Centres in all Blocks in J&K.
- Improvement in the functioning of educational institutions in J&K.
- Setting up of a committee to comprehensively address the problems faced by Kashmiri Pandits.
- Extension of Telemedicine Pilot Project in J&K.
- Kashmir Channel, which runs for 14 hours everyday, to be made 24 hours channel from August 15, 2003.

3.59 Action has been taken up by the concerned Ministries/Departments on all the above-mentioned measures.

Announcements made by the Prime Minister on August 29, 2003 at Jammu

3.60 The Prime Minister during his visit to Jammu on August 29, 2003 announced the following additional measures for the development of J&K:-

- A one time special grant of Rs. 30 crore for development of University of Jammu and its affiliated colleges.
- Release of additional amount of Rs. 20 crore for drinking water supply in Kandi area of J&K.
- Laying of a 220 KV single circuit transmission line from Srinagar to Leh via Kargil at a cost of Rs. 300 crore.
- Enhancing relief for migrants from Rs. 600 to Rs. 750 per person per month subject to a maximum of Rs. 3,000 per family per month.
- Construction of 500 new tenements for the Kashmiri migrants at Purkoo Phase IV costing Rs. 10 crore. (In addition Rs.
5 crore will be provided for other facilities in 14 Kashmiri migrant camps in Jammu region.

- Partial shifting of border villages of Balakote area.
- A one time grant of Rs. 45 crore for construction of buildings of recently sanctioned 10 Kendriya Vidyalayas in a period of three years.
- Assisting the State Government of J&K in funding Baglihar Power project (450 MW).
- Sewa-II HE project (120 MW).

3.61 The implementation of the packages announced by the Prime Minister is closely monitored in the Deptt. of J&K Affairs through the meetings of the six sub-Groups of the working Group constituted under the Chairmanship of Special secretary, Deptt. of J&K Affairs.

Task Force for creation of one lakh employment and self-employment opportunities in J&K over the next two years

3.62 The Task Force on creation of one lakh employment/self-employment opportunities in J&K over the next two years was constituted under the chairmanship of Cabinet Secretary to prepare a comprehensive plan to tackle the problem of unemployment in the State of J&K so as to banish the feeling of alienation among the people of J&K and contribute to peace and development of the State. The Task Force has since submitted its report. It has identified and classified the potential employment opportunities under the following three categories:-

- i) Self-employment - 38.17%
- ii) Wage employment - 45.18%
- iii) Regular salaried employment - 16.65%

3.63 The major sectors, in which the employment/self-employment opportunities are to be created, have been identified as under: -

- i) Roads, highways and railways
- ii) Textiles including handicrafts, carpet and silk
- iii) Agriculture (including horticulture, animal Husbandry and food processing)
- iv) Education
- v) Tourism
- vi) Small and medium industrial units
- vii) I.T and telecommunications
- viii) Existing Central/Centrally sponsored schemes
- ix) Banking support for self-employment activities

3.64 The estimated financial requirement for implementation of the recommendations of the Task Force is approx. Rs.3000 crore which would be met mainly by Budget support from Government (Rs.2,700 crore) and Bank credit (Rs.300 crore). Out of the budgetary outlay of Rs.2,700 crore, approximately Rs.1,900 crore are already available and approved for with various Ministries and Departments. Accordingly, the additional budgetary funds over and above those already sanctioned, which
would need to be provided, would be approximately Rs.800 crore over the two year period.

3.65 For achieving the objective of creation of one-lakh employment opportunities in J&K, use will be made of all existing schemes and some existing schemes will be modified or new schemes as identified by the Task Force got approved. To ensure achievement of the target of one lakh jobs between August 15, 2003 and Augst 15, 2005, the targets assigned to various Ministries and State Govt. is one and a half times i.e. 1.50 lakh employment opportunities. Till 31-3-2004, 6790 employment opportunities have been created.

**Horticulture**

3.66 Horticulture is one of backbones of the economy of the State. Production of fresh fruit is about 9.31 lakh MT whereas the production of dry fruit is about 11.06 lakh MT. Various horticulture development schemes are under implementation both under State and Central Sector Programmes to improve the yield and quality of various fruits.

3.67 MOU has been signed for setting of two Agri-Export zones for apples and walnuts in J&K to give boost to export of apples and walnuts. Besides, the excising scheme of Technology Mission for Horticulture for North-East has been extended to J&K at a cost of Rs. 100 crore for 5 years.

**Border Area Development Programme in J&K**

3.68 The BADP in Jammu & Kashmir is being implemented in 42 border bloks having International Border with Pakistan, forming part of 9 districts in the State and two border blocks, viz. Nyoma and Durbuk in district Leh bordering China. The major initiatives undertaken by BADP include solar street lighting, purchase of medical diagnostic equipments, construction of link roads, rural sanitation, schools, medical facilities, etc.

3.69 During his May 2002 visit to J&K, PM has announced a BADP Fund of Rs. 500 crore for next 5 years(Rs. 100 crore per year instead of J&K’s normal share Rs. 34 crore)Half of the amount would be made available directly to DRDAs for taking up economic and infrastructure development in the Border Area. 15% of the total amount per year has been approved for construction of roads in Border areas.

**Some of Centrally Sponsored Schemes being Implemented by Central Ministries/Departments in the State of J&K**

3.70 In addition to the above developmental programmes, various Central Ministries/Departments are implementing their schemes in J&K. For example, the Department of Food Processing Industries provides assistance for infrastructure development and for setting up/ expansion of food processing units and the Ministry of Rural Development is implementing Schemes like Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Gramodaya Yojana, Jawahar Gram Samridhi Yojana (JGSY), Swarnjayanti Gram Swarozgar Yojana (SGSY), Employment Assurance Scheme (EAS), Indira Awaas Yojana (IAY), Drought Prone Area Programme, Desert Development Programme etc. Similarly, the Department of Agriculture and Cooperation
(Ministry of Agriculture) is implementing production oriented schemes, area development schemes etc. The Department of Women and Child Development is implementing schemes like Integrated Child Development Services Scheme (ICDS), Indira Mahila Yojana, Balika Samridhi Yojana, Support to Employment cum Training Programme (STEP), etc. The Ministry of Non-Conventional Energy Sources is implementing Solar-Photovoltaic Programme under their Solar Energy Programme, to provide financial assistance for solar lantern, home lighting system/solar home system, street lighting system and power plants and other systems.

Relief and Rehabilitation Measures for People Affected by Terrorism in J&K

Ex-gratia relief/compensation to the victims of militancy/cross-border firing

3.71 Terrorism in J&K, aided and abetted by Pakistan as well as the cross-border firing/shelling by Pak troops, has left many casualties of both civilians and Security Forces. The Government of Jammu and Kashmir has been providing ex-gratia relief to the next-of-kins (NoKs) of victims of militancy for death, injury, etc as per the existing rules. As per State Government’s orders, Rs.1 lakh is paid to the next-of-kin in case of death and Rs.75,000/-, Rs.5,000/- & Rs.1,000/- for permanent disability, grievous injury and minor injury, respectively, caused in a terrorist incident.

3.72 As per State Government’s policy, 50% of the loss of immovable property subject to a ceiling of Rs.2 lakhs is paid as compensation to the property damaged in militancy.

3.73 The State Government of J&K provides Rs.2 lakhs to Next –of-Kins of J&K Police personnel and also to the NoKs of Security Forces personnel and Volunteer Special Police Officers killed in action against terrorists.

3.74 All of the above expenditure of the State Government is being reimbursed by the Central Government under Security Related Expenditure (SRE).

Payment of ex-gratia relief to the J&K Police personnel by the Central Government

3.75 Central Government makes payment of Rs.3.00 lakh to the NoKs of each J&K Police personnel killed in terrorism related incidents, over and above the amount of Rs.2.00 lakh paid by the State Government and reimbursed under SRE.

Relief to Kashmiri Migrants and their rehabilitation

3.76 The targeted attacks by the militants against civilians in the initial phases of the terrorist violence in J&K forced a vast majority of Kashmiri Pandits and a sizeable number of Sikhs and other Hindus and a few Muslims to migrate from the Valley in 1990 and thereafter. There are 56,380 migrant families of which 34,644 families are in Jammu, 19,338 families in Delhi and 2,398 families in other States/UTs. Of these, 21,927 families are of Government employees/pensioners. In Jammu, 16,679 and in Delhi, 4100 needy families are
drawing relief. 237 migrant families are living in 14 camps in Delhi and 4,778 families in 12 camps in Jammu.

3.77 The policy of the Government in respect of these Kashmiri migrants is based on the premise that they would return to the Valley as soon as conditions reasonably conducive for their return are created. Accordingly, the permanent rehabilitation of the migrants outside the State is not envisaged. In such a situation, the thrust of the policy has been to ensure that difficulties and hardships to the migrants are minimized and the needy families provided a reasonable amount of sustenance and support. The Government of J&K has been giving giving cash relief of Rs.600/- per head per month, subject to a maximum of Rs.2,400/- per month per family, which was enhanced to Rs.3,000/- per month per family w.e.f. June 1, 2002 plus basic dry ration @ 9 kgs of rice and two kgs of ‘atta’ per person and one kg of sugar per family per month to needy migrants. During his visit to J&K in August 2003, the Prime Minister announced further enhancement of relief to Rs.750/- per head per month subject to a maximum of Rs.3,000/- per family per month. Accordingly, relief has been enhanced w.e.f July 1, 2003. While the relief provided by J&K Government is reimbursed by the Central Government from SRE, all other State Governments/Union territories pay such relief from their own funds.

3.78 In Jammu, where a sizeable number of migrants are staying in relief camps, the migrant families have been provided with one-room tenement accommodation. Necessary physical facilities like water, electricity, sanitation, etc. have been provided free of cost. There are 12 dispensaries within Jammu to provide medical facilities to the migrants. The living conditions of the migrants in these camps are closely monitored by MHA. In Delhi also, accommodation, water electricity, sanitation, etc. have been made available.

3.79 In order to provide further relief to migrants, the State Government has enacted the J&K Migrants Immovable Property (Preservation, Protection and Restraint of Distress Sales) Act, 1997 aimed at preventing distress sale of immovable property by the migrants. The State Government has also enacted the J&K Migrants (Stay of Proceedings) Act, 1997 to stop undue harassment of migrants due to litigation in absentia.

3.80 Under the Jammu & Kashmir Migrants’ Immovable Property (Preservation, Protection and Restraint on Distress Sales) Act, 1997, necessary notices have been issued to the civilians who have unauthorisedly occupied migrants’ houses, by the Deputy Commissioners concerned in the capacity of Custodian of migrant property. As far as the houses occupied by the Security Forces are concerned, rent is reimbursed under SRE.

Prime Minister’s announcements pertaining to Kashmiri Migrant camps in Jammu region

3.81 In 1996, the then Prime Minister had announced a special package of Rs.6.6 crore for improvement of facilities in Jammu camps. The amount was utilized on construction of one-room tenements, Sulabh type toilet complexes, drainage scheme and school buildings. A further sum of Rs.6.20 crore has been released by the Government of India for improvement of living conditions in Jammu camps.
3.82 During his visit to J&K in August 2003, the Prime Minister has announced sanction of further amount of Rs.5.00 crore for improvement of facilities in camps. Out of this, the State Government has been authorized to incur an expenditure of Rs 3.06 crore for the purpose. The money released has been utilized for construction of approach roads, construction of water tanks, improvement of drainage system, sanitation and other facilities. The balance amount would be released to the State Government as per requirement.

3.83 In addition, the Prime Minister announced sanction of Rs.10 crore for construction of 500 new one room tenements (ORTS) at Purkhoo Phase-IV camp to accommodate migrants presently staying in various Government/semi-Government buildings and for replacement of the existing 504 leaking dome type ORTs at Muthi Phase II camp.

**Action Plan for return of Migrants**

3.84 In order to enable safe and honourable return of migrants to their native places in the Valley, the State Government constituted an Apex level Committee under the Chairmanship of Revenue, Relief and Rehabilitation Minister to look into all aspect of this problem and suggest solutions. A Sub-Committee headed by Financial Commissioner (Planning & Development) was asked to prepare a plan for the return of the migrants.

3.85 The Sub-Committee finalized an Action Plan for the return and rehabilitation of Kashmiri migrants involving a total amount of Rs.2,589.73 crore to enable approximately 1.25 lakh Kashmiri migrants persons at presently residing in Jammu, Delhi and other States/Union Territories to return to the Valley. The Action Plan envisages rehabilitation grant per family @ Rs.1.50 lakh; grant for repair of houses @ Rs.1 lakh for houses intact and Rs.3 lakh for houses damaged; grant for household goods @ Rs.0.50 lakh and furniture @ Rs.0.50 lakh; interest free loan @ Rs.1-2 lakh per person; compensation for loss of income from agriculture upto Rs.1.50 lakh per family; interest free loan of Rs.1.50 lakh per family for investment in agricultural operations and sustenance of Rs.2,000 per month for one year.

3.86 The National Conference Government had, in October 1999, approved the above Action Plan. To begin with, the State Government identified 166 houses forming 15 clusters in Srinagar and Badgam Districts, which were considered safe for the return of the owners of these houses. The list of these clusters was published in the newspapers and steps were taken to identify the families and find their willingness to return to their homes. About 50 families who were registered with the Relief Organisation, Jammu were contacted personally to give their consent for return to the Valley on the basis of the package announced by the Government. Interaction meetings with some of these families were also held, but none of the families agreed to return to the Valley.

3.87 The new State Government has indicated that it has identified the shrines in Mattan and Kheer Bhavani where the Kashmiri migrants displaced from these places could be settled temporarily by developing two model clusters (containing temporary shelters),until such time they can repair their existing residential houses. Ministry of Finance has provided a grant of Rs.10 crore to the State Government for the reconstruction/
renovation of houses and shrines at Kheer Bhavani and Mattan. Govt. of J&K has also proposed construction of flats at Budgam and Anantnag for the rehabilitation of Kashmiri migrants. The central Govt. has approved the construction of 200 flats at Budgam on an experimental basis and has released a sum of Rs. 4 crore as advance in March, 2004.

**Rehabilitation Council for Widows and Orphans**

3.88 Terrorism in J&K has also left its scars on the social fabric. Many women have been rendered widows and children orphaned. With the objective of providing assistance for psychological and economic rehabilitation of the victims of militancy, the State Government of Jammu & Kashmir had set up a Council in 1995 for rehabilitation of widows, orphans, handicapped and old-aged persons adversely affected by militancy. It also aims at better coverage of beneficiaries under various on-going welfare and development schemes of the Government. As a registered body under the Societies Registration Act, it functions as a Non-Governmental Organisation (NGO). The Council is to have a corpus fund of Rs.20 crore against which a sum of Rs.18.66 crore is available.

3.89 The National Foundation of Communal Harmony (NFCH) is already in touch with the State Government of J&K to coordinate various welfare schemes sponsored by them. As such NFCH is providing assistance to all orphans and destitute children directly under their own scheme. NFCH has released an amount of Rs. 49.45 lakh to the Council for providing financial assistance/scholarships for school going orphans in the State of J&K.

3.90 Some of the welfare schemes taken up by the Council are as follows –

i. **Widows/Girl students**
   Financial assistance for marriage, skill upgradation and vocational training and loans through bank tie up for taking up self-employment venture; setting up of hostels for girl students, etc.

ii. **Orphans**
   Sponsorship in residential schools both in the State and outside and in foster homes run by NGOs; special coaching classes for admission to professional courses; provision of scholarships and reimbursement of tuition fees; etc.

iii. **Handicapped persons**
   Organisation of rehabilitation/medical camps; traveling expenses for specialized treatment; vocational training through NGOs, etc.

**Relief and rehabilitation of Border Migrants of J&K**

3.91 The December 13 attack on Indian Parliament and the resultant military build up along the Line of Control/International Border and stepped-up cross-border firing resulted in the displacement of a large number of families from the border areas. About 30,771 families comprising 1,53,131 individuals have been forced to migrate from the border areas/LoC of Rajouri, Poonch, Jammu and Kathua districts. The figure includes 6,040 families (22,000 persons) who had migrated from Akhnoor tehsil in the wake of Kargil conflict in 1999. The State Government formulated a relief package to these border migrants which was revised/upgraded after PM’s announcement on
May 23, 2002 as follows –

- free ration @ 11 kgs per person per month;
- free kerosene oil @ 10 litres per family per month;
- cash assistance @ Rs.400/- per person per month limited to Rs.1,600/- per family per month;
- free medical aid to all the displaced persons;
- cash assistance for fodder @ Rs.300/- per animal rearing family per month in those areas, which have been mined (as identified by respective Deputy Commissioners) and;
- free ration at sanctioned scale at the place of residence in case any of the migrants wish to return.

3.92 The revised relief package has been given effect from June 1, 2002.

3.93 A sum of Rs.20 crore has been released to the State Government from National Defence Fund for purchase of tents and for providing civic amenities in the camps set-up for border migrants at various places. The Central Government also offered to reimburse the expenditure for providing relief to the migrants. A sum of Rs.10 crore was released as advance from SRE for providing relief which included cash relief, free ration, kerosene oil, free medical aid, etc.

3.94 After commencement of de-induction of the troops from Jammu Border, the migrants have started going back to their villages. As intimated by Government of J&K all the migrant families, except the following, returned to their homes –

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jammu</td>
<td>6019 families</td>
</tr>
<tr>
<td>Rajouri</td>
<td>1834 families</td>
</tr>
<tr>
<td>Poonch</td>
<td>541 families</td>
</tr>
</tbody>
</table>

3.95 As intimated by Ministry of Finance (Department of Expenditure), a grant of Rs.11 crore has been provided to the State Government for repairing the houses in the border areas of Jammu District to enable the migrants to return to their houses.

**Special Concessions/Facilities given to Central Government Employees**

3.96 Special concessions have been provided to the Central Government employees working in the Kashmir Valley as well as to the Kashmiri migrant employees of the Central Government and public sector undertakings. These concessions, which came into force in March 1990, are being extended from time-to-time. The concessions/facilities include the option to move the family to a place of choice, payment of HRA for class A city irrespective of the status of the city chosen, arrangement for stay, security and transport, a per diem allowance of Rs.10/- for each day of attendance, mess allowance at a uniform rate of Rs.15/- per day/departmental messing arrangements, temporary adjustment of migrants employees against available vacancies in the respective Ministries/Departments in and around Delhi, payment of pension outside the Valley, etc. The concessions presently stand extended upto June 30, 2004.
Extension of the concession for one more year upto June 30, 2005 is under consideration.

**Tourism In J&K**

3.97 Tourism had became one of the worst hit sectors during the turmoil in J&K beginning 1990 and a large part of of tourism related infrastructure got damaged. The number of domestic tourists to the Valley, which had reached 4,90,212 in 1989, touched an all time low of 322 in 1995. The number of foreign tourists declined from 67,762 in 1989 to 8,198 in 1995. The number of pilgrims visiting Amarnath had also declined considerably during the period from 1990 to 1997. There has been fluctuation in numbers of tourists visiting the State of J&K, but the year 2003 had witnessed a steady improvement in the tourists visiting J&K as given the comparative statement below –

<table>
<thead>
<tr>
<th>Year</th>
<th>Kashmir Valley</th>
<th>Ladakh Region</th>
<th>Vaishno Devi</th>
<th>Amarnathji</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic</td>
<td>Foreign</td>
<td>Total</td>
<td>Domestic</td>
</tr>
<tr>
<td>1997</td>
<td>7027</td>
<td>9111</td>
<td>16138</td>
<td>3991</td>
</tr>
<tr>
<td>1998</td>
<td>99636A</td>
<td>10247</td>
<td>109883</td>
<td>6792</td>
</tr>
<tr>
<td>1999</td>
<td>200162</td>
<td>17130</td>
<td>217292</td>
<td>1905</td>
</tr>
<tr>
<td>2000</td>
<td>104337</td>
<td>7575</td>
<td>111912</td>
<td>6217</td>
</tr>
<tr>
<td>2001</td>
<td>66732</td>
<td>5859</td>
<td>72591</td>
<td>4260</td>
</tr>
<tr>
<td>2002</td>
<td>23370</td>
<td>2511</td>
<td>25881</td>
<td>2944</td>
</tr>
<tr>
<td>2003</td>
<td>182205</td>
<td>8959</td>
<td>191164</td>
<td>12975</td>
</tr>
<tr>
<td>2004 upto March</td>
<td>23855</td>
<td>2770</td>
<td>26625</td>
<td>40</td>
</tr>
</tbody>
</table>

**SECURITY SCENARIO IN THE NORTH EAST**

3.98 North East India comprises States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland & Tripura. The region accounts for 8.06 % of the total land surface of India and has a population of 316 lakhs, which is 3.73 % of the total population of the country (1991 census). In addition to the North Eastern states, the NE Division of MHA also deals with the affairs of the State of Sikkim. Some basic statistics are given below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arunachal Pradesh</td>
<td>Itanagar</td>
<td>83743</td>
<td>864558</td>
<td>1,091,117</td>
</tr>
<tr>
<td>Assam</td>
<td>Guwahati</td>
<td>78438</td>
<td>22414322</td>
<td>26,638,407</td>
</tr>
<tr>
<td>Manipur</td>
<td>Imphal</td>
<td>22327</td>
<td>1837149</td>
<td>2,388,634</td>
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<td>Shillong</td>
<td>22429</td>
<td>1774778</td>
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<tr>
<td>Mizoram</td>
<td>Aizwal</td>
<td>21081</td>
<td>689756</td>
<td>891,058</td>
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<tr>
<td>Nagaland</td>
<td>Kohima</td>
<td>16579</td>
<td>1209546</td>
<td>1,988,636</td>
</tr>
<tr>
<td>Tripura</td>
<td>Agartala</td>
<td>10486</td>
<td>2757205</td>
<td>3,191,168</td>
</tr>
<tr>
<td>Sikkim</td>
<td>Gangtok</td>
<td>7096</td>
<td>406457</td>
<td>5,39,000</td>
</tr>
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</table>
Security set up in North East

3.99 The strength of State Police forces in North Eastern States is as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Police Stations</th>
<th>Civil Police</th>
<th>Armed Police</th>
<th>Total</th>
<th>India Reserve Battalions (IR)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arunachal Pradesh</td>
<td>66</td>
<td>2987</td>
<td>2913</td>
<td>5900</td>
<td>2</td>
</tr>
<tr>
<td>Assam</td>
<td>240</td>
<td>22977</td>
<td>30946</td>
<td>53923</td>
<td>6</td>
</tr>
<tr>
<td>Manipur</td>
<td>57</td>
<td>4743</td>
<td>9241</td>
<td>13984</td>
<td>4</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>26</td>
<td>5955</td>
<td>2626</td>
<td>8581</td>
<td>3</td>
</tr>
<tr>
<td>Mizoram</td>
<td>31</td>
<td>2948</td>
<td>3852</td>
<td>6800</td>
<td>2</td>
</tr>
<tr>
<td>Nagaland</td>
<td>45</td>
<td>7367</td>
<td>9020</td>
<td>16387</td>
<td>2</td>
</tr>
<tr>
<td>Tripura</td>
<td>44</td>
<td>7786</td>
<td>4596</td>
<td>12382</td>
<td>5</td>
</tr>
<tr>
<td>Sikkim</td>
<td>26</td>
<td>2500</td>
<td>1500</td>
<td>4000</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>535</strong></td>
<td><strong>57263</strong></td>
<td><strong>64694</strong></td>
<td><strong>121957</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

* out of 25 IR Battalions, 15 IR Battalions have already been raised and remaining 10 IR Battalions under raising.

Major insurgent groups in North East

3.100 State wise details of the major insurgent groups in the North Eastern States are as under:

(i) Assam
   a) United Liberation Front of Assam (ULFA)
   b) National Democratic Front of Bodoland (NDFB)

(ii) Manipur
   a) People’s Liberation Army (PLA)
   b) United National Liberation Front (UNLF)
   c) People’s Revolutionary Party of Kangleipak (PREPAK)
   d) Kangleipak Communist Party (KCP)
   e) Kanglei Yaol Kanba Lup (KYKL)
   f) Manipur People’s Liberation Front (MPLF)
   g) Revolutionary People’s Front (RPF)

(iii) Tripura
   a) All Tripura Tiger Force (ATTF)
   b) National Liberation Front of Tripura (NLFT)

(iv) Meghalaya
   a) Achik National Volunteer Council (ANVC)
   b) Hynniewtrep National Liberation Council (HNLC)

3.101 All the above groups have been declared as ‘Unlawful Associations’ under the Unlawful Activities (Prevention) Act, 1967 (37 of 1967).

3.102 In addition, numerous other militant groups like the People’s Liberation Front of Meghalaya (PLFM), Dima Halam Daogah (DHD), Kuki National Army (KNA), Bru National Liberation Front (BNLF), Zomi Revolutionary Army (ZRA), etc. are operating in the North East.
Current status of militancy in the North East

3.103 The status of security situation in North East can be gauged from the details of incidents of extremist related violence in the North Eastern States as given below:

3.104 An analysis of the data indicates that the law & order situation in Assam remains vitiated due to violent activities of ULFA, NDFB and United Peoples Democratic Solidarity (UPDS) (anti-talks faction). The whole of Assam except Karimganj and Hailakandi districts of Barak Valley are affected by insurgency in varying degrees. In Meghalaya,
the law & order situation in Garo hills is under strain due to increased activities of ANVC, ULFA, NDFB and Hazong United Liberation Army (HULA). The security scenario in Tripura remains a matter of concern with violence by both the major tribal terrorist outfits viz. NLFT and ATTF showing no signs of abatement. In Nagaland, violence between the NSCN (I/M) and NSCN (K) has remained the prominent feature of the current violence profile. Tuensang, Kohima and Zunhebeto have been the most affected districts in the factional violence. The security scenario in Manipur remains grim due to violence perpetrated by various Underground Groups (UGs). The Meitei UGs continue to dominate the violence scenario. In Arunachal Pradesh, Tirap and Changlang districts continue to remain affected by insurgency.

**Steps taken by the Central Government to curb militancy**

**Declaration of Disturbed Areas**

3.105 Whole of Manipur, Nagaland and Assam, Tirap and Changlang districts of Arunachal Pradesh and a 20 km belt in the States having common border with Assam have been declared as ‘disturbed areas’ under the Armed Forces (Special Powers) Act, 1958 as amended in 1972. The Governor of Tripura has also declared the area under 22 Police Stations and part of areas under 5 Police Stations as ‘disturbed areas’.

**Deployment of Central Police Forces**

3.106 Units of the Central Police Forces (CPF) and Army have been deployed in aid of civilian authorities in the militant affected States. While deployment charges for CPF units in Assam are levied @ 10% of the normal charges, the other six North Eastern States are totally exempt from such charges in view of their poor resource position.

**India reserve battalions**

3.107 Despite heavy deployment of CPFs, it has not been possible to meet the demands of the States for additional forces. The concept of India Reserve Battalions was mooted by the Ministry of Home Affairs, in the background of increasing problems of law and order and emerging internal security scenario in the country, which put considerable pressure on the Central Police Forces.

3.108 Under the scheme of India Reserve Battalions, the State Governments are allowed by the Central Government to raise the Armed Police Battalions. The responsibility for raising and maintaining these Battalions rests with the State Governments. The cost of raising IR Battalions is met by the Central Government (excluding the cost of land and buildings), while the recurring cost is the responsibility of the concerned State Government.

**Cease Fire/Peace Talks**

3.19 The Government of India has made appeal to all the militant groups operating in the North East to give up the path of violence and come forward for talks without conditions. National Socialist Council of Nagaland (Isak/Muivah) [NSCN (I/M)], National Socialist Council of Nagaland (Kaplang) [NSCN (K)], UPDS and DHD have come forward for peace negotiations/cessation
of hostalities with the Government for durable solution to their problems.

**Talks with NSCN (I/M)**

3.110 The Government of India entered into a formal ceasefire with the Isak Muivah group of the National Socialist Council of Nagaland w.e.f. August 1, 1997. The ceasefire between the Government of India and the NSCN (I/M) has been extended upto July 31, 2004. The Central Government has not extended the ban on NSCN and its factions under Unlawful Activities (Prevention) Act, 1967 and the ban was allowed to expire on November 26, 2002 to facilitate holding of peace talks in India. Formal talks were held between the representatives of Government of India and the NSCN (I/M) on January 21-23, 2003 at New Delhi. There was agreement to continue the formal talks until a lasting settlement is reached. Both sides reaffirmed the need for a peaceful, violence-free environment. Further rounds of talks have been held between Government of India representative for Naga Peace Talks and NSCN (I/M) leaders. As the issues involved are complex, the talks remain inconclusive.

**Ceasefire with NSCN (K)**

3.111 The Government of India has also entered into a formal ceasefire with NSCN (K) w.e.f. April 28, 2001. This was done with the hope that this would enlarge the area of peace in Nagaland and would also meet the long-standing demand of the people of Nagaland for entering into ceasefire with this group. It has been extended upto April 28, 2004.

**Peace Talks with UPDS**

3.112 One faction of United People’s Democratic Solidarity (UPDS) active in Karbi Anglong District of Assam led by Shri Horensing Bey, General Secretary has come forward and expressed its willingness to give up violence and to seek solution of its problems peacefully within the framework of Indian Constitution. Ceasefire with this group is effective from 1st August, 2002. Another faction of UPDS (anti -peace talks) is yet to come forward for peace negotiations.

**Peace Talks with DHD**

3.113 Dima Halam Daogah (DHD), a militant outfit in N.C.Hills District of Assam has come forward and expressed its willingness to give up violence and seek solutions of its problems peacefully with the framework of Indian Constitution. Cessation of hostilities between the Security Forces and DHD is effective from January 1, 2003.

3.114 Other insurgent groups in North Eastern Region have, however, not yet responded to the peace overtures of the Central Government within the parameters indicated.

**Memorandum of Settlement (MOS) signed between the Central Government and Government of Assam with Bodo Liberation Tigers (BLT)**

3.115 A Memorandum of Settlement was signed on February 10, 2003 between the Government of India, Government of Assam and the Bodo Liberation Tigers (BLT). In furtherance of the MoS, following action has been taken:
i) More than 2,600 BLT cadres laid down their arms on December 06, 2003 in the presence of the Governor and the Chief Minister, Assam.

ii) An Autonomous District known as Bodoland Territorial Areas District Council (BTAD) within the State of Assam has been created under the Sixth Schedule to the Constitution of India constituted. An Interim Council for the BTAD was sworn in on December 7, 2003. State Government has been advised to conduct elections for the Bodoland Territorial Council (BTC).

iii) Rs. 20 crore have been released to BTC for administrative infrastructure.

iv) State Government has been asked to prepare rehabilitation plan for these cadres. In the meantime, benefits of surrender-cum-rehabilitation policy have been extended and Rs. 5 crore released as advance payment.

v) Government has decided to recruit 1,000 persons out of the surrenderd BLT cadres into Central Police Organisations.

vi) Bodo language in Devnagri script has been included in the Eighth Schedule of the Constitution of India.

vii) Government of India is committed to provide Rs. 100 crore per annum to the BTC over a period of five years for socio-economic infrastructure development. BTC has been asked to prepare a master plan for Rs. 500 crore for the BTC area.

Reimbursement of Security Related Expenditure (SRE)

3.116 Central Government is implementing a scheme for reimbursement of security related expenditure for the States seriously affected by insurgency. Under the scheme, expenditure incurred on capital works in jails and detention centers attached to police stations, special training provided to State Police and Prison Administration personnel for counter insurgency purposes, raising India Reserve Battalions, making necessary provisions for Central Police Forces, Army deployment, ex-gratia and gratuitous relief to the victims of extremist violence and transportation of arrested militants to jails outside the State or those arrested from outside the State and brought to the State by special flights etc., is reimbursable. The list of items of expenditure incurred by Police, eligible for reimbursement, has been expanded to include 50 % of petrol, oil and lubricants (POL) costs, Village Guards, Village Defence Committees and Home Guards. The SRE reimbursement facility has also been extended to Meghalaya and Arunachal Pradesh in addition to the States of Assam, Manipur, Nagaland and Tripura. The amount released to North Eastern States during 1998-99 to 2003-04 was Rs. 751.76 crore. State wise details are as under:

Surrender and rehabilitation policy

3.117 The Central Government has formulated a 100% Centrally-funded Surrender and Rehabilitation Scheme, effective from April 1, 1998 to wean away the misguided youths who have strayed into the fold of militancy and now find themselves trapped there. The Scheme also seeks to ensure that the militants who have surrendered
do not find it attractive to join militancy again. Under the Scheme, applicable to militants who surrender with weapons, the surrendered militants are to be initially (for a period up to one year) lodged in a Rehabilitation Camp, run preferably by Non-Governmental Organisations (NGOs) with support from Security Forces, where they are imparted training in a trade/vocation of their liking, befitting their aptitude. They are paid a monthly stipend, not exceeding Rs. 2000 per month, for a period of 12 months and all attempts are made to settle the surrenderees during this period. Minor crime cases against successfully rehabilitated surrenderees are withdrawn. Monetary incentives have also been built into the Scheme for the surrendered weapons/ammunitions. 350, 669 and 576 militants have surrendered during the years 2002, 2003 and 2004 (up to March 31, 04) respectively.

### Helicopter services in the north eastern states

3.118 In December 1992, the Cabinet Committee on Security had approved introduction of Helicopter Services in the North East, to be operated by M/s Pawan Hans Helicopters Ltd., with the Government of India’s support in the form of subsidy to the extent of 75% of the total operational cost. The subsidy was to be provided by the Ministry of Home Affairs from its budget. Helicopter Services were introduced in Arunachal Pradesh with effect from December 1995, in Sikkim from October 1998 and in Meghalaya from January 1999. Helicopter services are currently subsidized in the States of Arunachal Pradesh, Meghalaya, Sikkim and Tripura.

### Diplomatic initiatives with neighbouring countries

#### Bangladesh

3.119 India has from time to time, expressed concern at the activities of the Indian terrorist groups operating from the territory of Bangladesh through diplomatic channels, as also in the bilateral meetings between India and Bangladesh. It has been urged upon the Bangladesh side to take firm and demonstrable action against the insurgents operating from the camps in Bangladesh. However, Bangladesh side had taken a stand denying the presence of Indian insurgent groups in Bangladesh and stated that they do not allow any undesirable elements to use their territory for any prejudicial

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>78.86</td>
<td>52.17</td>
<td>63.97</td>
<td>92.86</td>
<td>68.01</td>
<td>50.80</td>
<td>406.67</td>
</tr>
<tr>
<td>Nagaland</td>
<td>35.61</td>
<td>17.88</td>
<td>7.50</td>
<td>12.71</td>
<td>22.42</td>
<td>19.17</td>
<td>115.29</td>
</tr>
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<td>7.64</td>
<td>4.00</td>
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</tr>
<tr>
<td>Tripura</td>
<td>28.55</td>
<td>17.53</td>
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<td>27.70</td>
<td>29.85</td>
<td>34.33</td>
<td>152.96</td>
</tr>
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<td>—</td>
<td>1.00</td>
<td>1.90</td>
<td>0.95</td>
<td>2.47</td>
<td>6.32</td>
</tr>
<tr>
<td>Meghalaya</td>
<td></td>
<td>—</td>
<td>3.21</td>
<td>0.60</td>
<td>8.35</td>
<td>1.92</td>
<td>14.08</td>
</tr>
<tr>
<td>Total</td>
<td>162.45</td>
<td>91.02</td>
<td>104.86</td>
<td>143.52</td>
<td>137.22</td>
<td>112.69</td>
<td>751.76</td>
</tr>
</tbody>
</table>
activity against any country including India. Notwithstanding such denials, all available fora have been used to express India’s concern to Bangladesh on this sensitive issue.

3.120 The Ministry of Home Affairs has a wide-ranging mechanism for interaction with the Government of Bangladesh. At the national level, Home Secretaries of both countries are to meet once a year and the Joint Working Group (JWG) at the level of Joint Secretary are supposed to meet once in six months. Last JWG meeting was held in Dacca on 22-23 January 2003. The dates for the next Home Secretary level meeting between the two countries are being finalized where these issues will again be taken up.

Myanmar

3.121 An agreement for the maintenance of peace and tranquility in the border areas was signed with the Government of Myanmar on January 29, 1994 at New Delhi. Under this agreement Home Secretaries of both countries are to meet once in a year and sectoral meetings at the level of Joint Secretary are supposed to be held once in 6 months. The 11th Sectoral Level Talks between India and Myanmar were held at Aizwal from May 20-21, 2003 and the 12th Sectoral Level Talks between India and Myanmar were held at Kalemyo from 17-18th March 2004. The 9th National Level Meeting between Myanmar and India was held during October 7 to 10, 2003 at Yangon. At these meetings, matters relating to security, drug trafficking, border trade and border management issues were discussed. Various cross border projects over which two countries had agreed to co-operate were also discussed at these meetings.

Bhutan

3.122 ULFA, NDFB and KLO had established camps/hideouts in Bhutan. The matter was repeatedly taken up with the Royal Government of Bhutan (RGOB) through diplomatic channels. The Royal Bhutanese Army (RBA) had launched military operations against Indian insurgents groups camps in Bhutan on 15th December, 2003. As result of these operations, about 650 cadres of ULFA, NDFB and KLO have been neutralized. Besides large number of Arms and Ammunition have also been seized. The RBA has destroyed the reported 30 camps of the Indian insurgent groups.

Constitution of North Eastern Study Group (NESG)

3.123 The Ministry of Home Affairs had constituted a Study Group to keep security situation in the North Eastern States under constant watch and recommend suitable measures for remedial action. The Study Group has already held several meetings and has met the Chief Ministers and senior officers of all eight States in the North Eastern Region. NESG has submitted its final report to the Ministry of Home Affairs on 24.12.2003.

North Eastern (NE) Newsletter

3.124 The Ministry brings out a monthly newsletter under the name of NE Newsletter in English, Assamese, Manipuri and Bengali. This newsletter is focused on development projects and activities in North Eastern States.
3.125 No terrorist related incident has been reported from the State during the year under report. However, some terrorists have been arrested by the State Police and some arms and ammunition were recovered from them.

3.126 There are reports to indicate that Pak-ISI continues to put pressure on Pak-based Pro-Khalistan militants to revive terrorist activities in Punjab. Pakistan continues to provide sanctuary to leaders of important Pro-Khalistan militant outfits viz. Babbar Khalsa International(BKI) (headed by Wadhawa Singh), Khalistan Commando Force(KCF-P) (headed by P.S. Panjwar), International Sikh Youth Federation(ISYF-R)(headed by Lakhbir Singh Rode), Khalistan Zindabad Force(KZF)(headed by Ranjit Singh @ Neeta) and Dal Khalsa International(DKI) (headed by Gajinder Singh) on its soil. The pro-Khalistani elements based elsewhere are also reported to be in touch with the Pro-Khalistan militants in Pakistan for revival of militancy in Punjab.

3.127 The militant outfits namely, Babbar Khalsa International,(BKI), International Sikh Youth Federation(ISYF), Khalistan Commando Force(P) and Khalistan Zindabad Force continue to be banned under the Prevention of Terrorism Act, 2002. BKI and ISYF have also been banned under the UK Anti-Terrorism Act, 2000. They have been included in the list of terrorist organizations by the European Union also.

3.128 The Central Government continues to be in close touch with the State Government and keeps a close watch on the situation and remains committed to ensure that militancy in Punjab is not revived by anti-national elements. The Government is also pursuing its efforts to secure the apprehension and deportation of Pak based Pro-Khalistan militants to India.

NAXALISM

Naxalism scenario in the current year

3.129 Naxalism remains a serious threat to internal security in the country. Naxalite violence continues unabated during the current year with incidents of naxalite violence increasing by 8.5% and resultant deaths increasing by 6.4%.

3.130 There was a marked increase in attacks on Government and private properties with naxalites displaying a growing penchant for attacking railway property. The CPML-PW and MCC-I remain the two most predominant naxalite outfits accounting for about 88% of the countrywide naxalite violence and 90% of the resultant deaths. These outfits continue to organize a string of training camps for new recruits as well as existing fighting units. As a result, there was an increase in attacks on the Police, resulting in larger police casualties (105 policemen killed and 245 service weapons looted in 151 attacks reported in 2003 as against the loss of 100 police lives and 147 service weapons in 126 such attacks reported in 2002).

3.131 The State-wise position of the incidents of violence by naxalite extremists is given in the following Table:
Current Trends

Compact Revolutionary Zone (CRZ)

3.132 The prime motive behind the expansionist designs of CPML-PW and MCC-I together with the Communist Party of Nepal (Maoist) is to spread into new areas to carve out a ‘Compact Revolutionary Zone’ spreading from Nepal through Bihar and the Dandakaranya region to Andhra Pradesh. Efforts are being made by the naxal outfits to plug gaps in North Bihar and North Chhattisgarh being steadily to link up their strongholds in AP/Dandakaranya with those in Bihar/Jharkhand, besides increasing influence in North Orissa/South East Jharkhand.

Unity Moves by naxal groups

3.133 The Maoist Communist Centre (MCC) and the Revolutionary Communist Centre of India-Maoist (RCCI-M) have merged into a single entity christened as the Maoist Communist Centre of India (MCC-I). Pertinently, the two predominant Indian naxalite outfits, the CPML-People’s War (PW) and the erstwhile MCC, have been engaged in a dialogue aimed at merger of the two outfits since the beginning of the year 2002.

Attacks on Railway Property

3.134 Of late, it has been noticed that the naxalite outfits have started blasting railway stations causing extensive damage to the buildings and the signal systems. The attacks on railway properties have been more prominent in the States of Andhra Pradesh, Bihar and Jharkhand. There have also been incidents, particularly in Jharkhand, of looting of arms and ammunition by the MCC activists from the police stations at the Railway Platforms.

Military Training Camps of naxal outfits

3.135 In pursuit of their plan for vigorous militarisation, the CPML-People’s War (PW) and the Maoist Communist Centre (MCC) have been organizing a string of military training camps in their strongholds to hone the military skills of their armed forces. The attacks on railway properties have been more prominent in the States of Andhra Pradesh, Bihar and Jharkhand. There have also been incidents, particularly in Jharkhand, of looting of arms and ammunition by the MCC activists from the police stations at the Railway Platforms.
formations in several States and to cope up with the extensive recruitment in their strongholds in naxalite affected districts. Besides using sophisticated weapons like AK-47s and SLRs, naxal outfits continue to stress on upgradation of military capabilities. The CPML-PW and MCC (I) have developed expertise in the fabrication and use of Improvised Explosive Devices (IEDs).

**Attack on Chief Minister, Andhra Pradesh**

3.136 On October 1, 2003 the CPML-PW attempted to assassinate the Chief Minister of Andhra Pradesh, Sri N. Chandrababu Naidu, by blasting claymore mines on Tirumala Ghat Road when he was proceeding to Tirumala for attending Brahmostsavam. The Claymore mines hit the bulletproof car and threw it to a distance causing severe injuries to the CM, other occupants of the car and the driver. Of the 17 claymore mines planted on the revetment of the Ghat Road, 9 exploded while the remaining were removed by the police.

3.137 The CPML-PW issued a statement on October 3, 2003 owning responsibility for the attack on the convoy of the CM Sri Chandrababu Naidu on the Tirumala Ghat Road. The attack on the Chief Minister was a sign of desperation on the part of CPML-PW as they have lost considerable ground in their stronghold in North-Telangana.

**Growing bonhomie between the MCC (I), CPML-PW and CPN (Maoist)**

3.138 The symbiotic relationship between the Communist Party of Nepal (Maoist) and naxal groups like the MCC(I) and CPML-PW continues to prosper. There have been reports of exchange of visits by the cadres of these outfits to enhance interaction. The MCC(I) is reported to have provided logistic support including arms, shelter and manpower to the CPN (Maoist). The CPN (Maoist) cadre has reportedly received military training in MCC(I) camps. All the States bordering Nepal have been sensitized and 14 battalions of the Sashastra Seema Bal (SSB) deployed along Indo-Nepal Border to keep a close vigil in this regard, especially in view of the increased violent activities of the CPN (Maoist) in Nepal after collapse of the peace dialogue with the Nepalese Government. The Nepalese Government has been requested to ensure that Maoist violence does not spill over to our border areas.

**Measures taken to tackle Naxalism**

3.139 The problem of naxalism in certain States was discussed in detail in the last Chief Ministers’ Conference held on February, 2003. The Conference noted that the persisting problem of naxalism in certain States is a matter of grave concern. On the one hand, there is a need to remove all the shortcomings in intelligence sharing and mounting well coordinated anti-naxalite operations by joint task forces of the concerned States, on the other hand, greater emphasis needs to be given by the States to accelerate the physical and social infrastructure in the affected districts. The Central Government has adopted a multi-pronged strategy to tackle the problem of naxalism which includes modernization and strengthening of the State Police
Forces, better training to police personnel, Special Task Forces for intelligence based coordinated anti-naxalite operations, focused attention on developmental aspect and gearing up of the public grievances redressal system and encouraging local resistance groups at the grass roots level.

Review of the naxalism scenario

3.140 Keeping in view the overall dimensions of naxal activities in certain States, a high level Coordination Centre, headed by the Union Home Secretary with Chief Secretaries and DGPs of Police of naxal affected States as its members, reviews and coordinates steps taken by the States to check extremist activities. The growing menace of the naxalism is also discussed and reviewed in the annual conference of Chief Secretaries and DGPs and that of the Chief Ministers which are now held every year and the affected States are sensitized to the increasing threat of naxalism to internal security in the country and asked to intensify efforts to contain this menace.

3.141 The Coordination Centre has so far met 14 times. Some of the major decisions taken by the Coordination Centre include long-term deployment of Central Police Forces, streamlining of gathering and sharing of actionable intelligence, need for institutionalized mechanisms to enable intelligence-based coordinated and sustained anti-naxalite operations, surrender and rehabilitation policies for surrendered extremists, integrated development of the naxalite affected districts, modernization and training of the State Police forces and raising of Local Resistance Groups and streamlining of public grievance redressal system at the grass roots level.

3.142 Some of the major decisions taken in the last meeting of the Coordination Centre held at New Delhi on March 19, 2004 are as follows:-

(i) The States will draw up action plans in consultation with the CRPF for intelligence based and sustained anti-naxalite operations.

(ii) The States will consider formulation of an insurance scheme for the police personnel involved in anti-naxalite operations. The MHA will consider to provide a portion of funds for this purpose under the SRE Scheme.

(iii) The States will give special attention to prevent attacks on the Railway properties and movement of pax and freight.

(iv) The State Governments will set up Inter-State Support Teams and would ensure that these are put in place as quickly as possible.

(v) The State Governments will accord first priority to upgradation/fortification of Police Stations affected by naxalism under the Modernisation of Police Force scheme.

Financial Assistance by the Central Government

3.143 In order to enable the States to undertake more effective action, the Ministry of Home Affairs has so far disbursed to the States Rs. 114.65 crore under
the Security Related Expenditure (SRE) scheme. In this SRE scheme, the Ministry reimburses 50% of the expenditure incurred on items such as bullet proofing of the vehicles, procurement of semi-automatic and automatic weapons, purchase of vehicles like Gypsy, equipping vehicles with latest communication devices, necessary provisions for CPFs, ex-gratia grant etc. Further, the scheme provides for 100% reimbursement of the initial expenditure up to Rs. 13 crore incurred on raising of 1 IR battalion. Besides, the Ministry gives funds to the State Governments under the scheme of ‘Police Modernization’. In a major step forward, the Central Government has recently decided to fund 100% in naxal affected districts under the recently revised modernization of State Police Forces Scheme within the overall Central share of 75% or 60% as the case may be.

**Training of the State Police Forces**

3.144 The Ministry of Home Affairs, in consultation with the other agencies, has drawn up a programme for training of the State Police Forces in the ‘Greyhounds’ training center in Andhra Pradesh and the CPF run centers of excellence.

**Involvement of local groups against naxalites**

3.145 Recent developments in Jharkhand, where CPML-PW encountered strong resistance from villagers in Lango village, P.S. Dumaria, Distt. East Singhbhum show a strong anti-naxal feeling among sections of villagers. This feeling needs to be harnessed and channelised in making peoples’ resistance groups to counter the atrocities committed by the naxalite outfits. There is a need to encourage and promote these local resistance groups. The States have been requested to explore the feasibility of appointing Special Police Officers (SPOs), Nagrik Suraksha Samitis (NSSs) and Village Defence Committees (VDCs) in the villages affected by naxalism. These local groups are required to be encouraged to come out against Jan Adalats and also to expose other misdeeds of the naxal outfits and their leaders. This will help reduce the over ground support to the naxalites.

**Awareness Campaign**

3.146 The States will take up an awareness campaign to expose futility of violence and unlawful activities and misdeeds of naxal outfits and disseminate information about the various welfare and developmental schemes of the Government at the grass roots level.

**Integrated Development of naxal affected districts**

3.147 Recognizing that the menace of naxalism is to be inevitably tackled on both security and development fronts, the Ministry of Home Affairs continues to focus attention of the State Governments on ensuring integrated development of the affected districts of the States. As a part of this strategy, the Ministry has been advising the States to accord a higher priority in their annual plans to ensure integrated development of naxal affected districts. In a major step forward on the Ministry’s initiative, the Planning Commission has included 55 naxal affected districts under Backward Districts Initiative (BDI) component so as to fill in the critical gaps in physical and social infrastructure in these areas. The scheme provides for an additionality of Rs. 15 crore per year per district for a period of 3
years starting from 2003-04. This works out to Rs. 2,475 crore. This amount, if utilized properly, will help accelerate the process of development in these districts. Further, the Ministry of Rural Development has placed Rs. 37.50 crore per annum as additional allocation to execute rural roads in naxal affected areas under the Pradhan Mantri Gram Sadak Yojana (PMGSY).

**Peace Dialogue with naxal outfits**

3.148 States are free to engage naxal outfits in peace dialogue within the framework of the Constitution and the Central Government will render the necessary help and assistance in this regard.

**ISI ACTIVITIES IN INDIA**

3.149 Pakistan has consistently used terrorism and covert action as an instrument of state policy against India. Pakistan sponsored terrorism first appeared in Punjab and then in J&K, and was later extended to the North-East by providing funds, training, equipment, etc. to terrorists and promoting infiltration. Pakistan has also provided sanctuary to declared fugitives from the law and known anti-India elements and has also sought to promote disaffection and foster communal divide among the Indian people with a view to destabilizing the country.

3.150 Pak ISI has also been assiduously pursuing the objective of establishing espionage networks for collection of defence related information with reference to deployment/movement of armed forces, information relating to vital installations including sensitive information pertaining to the latest knowhow with reference to technological advancement etc. For this purpose, it has been able to organize resident agents and even allure the lower staff in sensitive organizations for collection and communication of sensitive information.

3.151 The interrogation of arrested Pak ISI agents revealed that the ISI’s strategy revolves around (i) taking subversion and terrorism to the heartland of India; (ii) preparing an extensive ISI network in India and raising cadres of terrorists and spies; (iii) triggering blasts of greater intensity in major cities; (iv) planting ISI agents in every part of India; (v) creating near insurgency situation in Muslim dominated regions; (vi) opening newer fronts in Pakistan’s proxy war against India; (vii) creating a communal divide in the country and (viii) destabilizing the economy of the country.

3.152 To neutralize activities of ISI in India, the Central Government has pursued a well-coordinated and multi-pronged approach which includes strengthening the border management, gearing up of intelligence machinery, well coordinated intelligence-based action against ISI agents and militants sponsored by them, setting up outposts of Security Forces and modernization and upgradation of Police and Security Forces with advanced sophisticated weapons and communication system, etc. The situation is reviewed from time to time and situation specific strategies are evolved.

3.153 In specific terms, the inputs received from various sources are shared with the concerned intelligence agencies of the State Governments and UT Administrations including military authorities.
Periodic coordination meetings are also held with the State Governments and the security agencies for sharing the inputs from various quarters for devising strategies to counter such activities. Appropriate mechanisms have been put in place for providing better coordination amongst the Central and State security/intelligence agencies for sharing the leads available and evolving strategies for coordinated action with a view to thwarting the evil designs of the Pak ISI. As a result of coordinated action by the Central and State security and intelligence agencies, a large number of terrorist and espionage modules in 2003 have been neutralized in various parts of the country.

**BILATERAL AND MULTILATERAL INITIATIVES**

3.154 International cooperation is vital for combating trans-border terrorism, crime and other serious offences such as drug trafficking, money laundering, counterfeit currency etc. While a forum for cooperation between law enforcing agencies of the affected countries has been provided by the mechanism of Joint Working Group on Counter-terrorism, the legal framework has been provided in the shape of Extradition Treaty and Mutual Legal Assistance Treaty in Criminal Matters. India’s initiatives in this direction have received positive response from many countries as summed up in succeeding paragraphs.

**Joint Working Group on Counter Terrorism**

3.155 India has already signed Joint Working Groups (JWGs)/MOUs on Counter Terrorism/International Terrorism with nineteen countries viz. USA, UK, Germany, France, Canada, Israel, European Union, China, Kazakhstan, Thailand, Uzbekistan, Russia, Croatia and Tajikistan, Turkey, Singapore, Australia, Egypt and Mauritius. Meetings of the JWGs with sixteen countries have been held while meetings of the JWGs with Tajikistan, Mauritius and Croatia are expected to be held shortly.

3.156 Besides, Joint Working Groups already exist with Nepal, Bangladesh and Myanmar on border and security matters etc.

**Mutual Legal Assistance treaty in Criminal Matters**

3.157 The legal framework for combating crime includes Extradition Treaties, Treaties on Mutual Legal Assistance in Criminal Matters and related Memoranda of Understanding/Bilateral Agreements to counter Organized Crimes which are signed with various countries on bi-lateral basis. The Ministry of Home Affairs is the nodal Ministry for Mutual Legal Assistance in Criminal Matters, while the Ministry of External Affairs is the nodal agency for Extradition Treaties.

3.158 India has signed Mutual Legal Assistance Treaties in Criminal Matters with seventeen countries i.e. Turkey, Switzerland, Russia, Canada, France, USA, UAE, UK, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Uzbekistan, Ukraine, Bahrain, Thailand and South Africa.

3.159 Besides, India has also signed Memoranda of Understanding etc. with Bulgaria, Romania, Oman, Italy, Croatia, Poland and China.
An Agreement on Mutual Protection of Classified Information with Ukraine was also signed.

3.160 During the current year, agreements on Mutual Legal Assistance Treaty in Criminal Matters were negotiated and finalized with countries like South Africa, South Korea, Bahrain, Belarus and Thailand at official levels.

3.161 Bilateral agreements on Mutual Legal Assistance in Criminal Matters and Agreements/Memoranda of Understanding on combating International Terrorism and Organised Crime etc. are presently under negotiation with various countries like Hong Kong, Iran, Azerbaijan, Egypt, Philippines, Turkmenistan, Hungary, Norway, Nepal, Bulgaria and Saudi Arabia.

PERSONAL AND INSTALLATION SECURITY

3.162 Terrorist strikes against VIP targets continued to be a global concern. Trends in terrorism also point to incremental use of suicide bombers, while targeting has been intensified at civilian and military-sensitive targets, religious places and symbols of national power. The attacks on the security forces as well as soft targets like innocent villagers in J&K, car blasts in Bombay and various other places are manifestations of this macabre strategy. Continuous suicide attacks in different parts of the world highlight the strong linkages between different terrorist groups operating from our neighbouring country.

3.163 Keeping in mind the above scenario, security have been reviewed and strengthened around vital installations in States/Union territories. Review of VVIP/VIP security has been undertaken on periodical basis. With a view to strengthening security arrangements at the airports, the Central Industrial Security Force (CISF) has been deployed at all the operational airports in the country. CISF has taken over security duties at the major airports and the process of induction of CISF at other airports is under progress. Security arrangements of the vital installations, religious places, airports and other buildings of historical importance have been strengthened. In the area of VIP security, the Central Government keeps on sharing intelligence inputs with the State Governments/Police authorities.