

CHAPTER X : MINISTRY OF HOME AFFAIRS

10.1 Unutilised Central assistance lying with the States

Ministry of Home Affairs failed to effectively monitor the unutilised funds of Central Assistance lying with States under the Scheme of “Construction of Police Stations/Outposts to States affected by Left Wing Extremism” resulting in savings (including interest thereon) aggregating ₹ 52.18 crore remaining idle with eight States even after three years of completion of the scheme, while in Madhya Pradesh, the State had utilised the savings of ₹ 3.79 crore on construction of two additional Police Stations which, in the absence of sanction, was irregular. On this being pointed out by Audit, Ministry of Home Affairs has recovered ₹ 22.69 crore, while ₹ 33.28 crore is yet to be recovered.

General Financial Rules (GFR) envisage monitoring of utilisation of the grants through the mechanism of utilisation certificates (UCs) containing the disclosure that the fund has been utilised for the purpose for which it was sanctioned and that the balance remaining unutilised at the end of the year has been surrendered to Government.

The Scheme for ‘Construction/Strengthening of Fortified Police Stations’(2010-2016) envisaged construction of 400 Police Stations/Outposts in the Left Wing Extremism (LWE) affected 83 Districts in 10¹ States². The estimated cost of construction per Police Station (PS) was determined at ₹ 2.00 crore. Financial assistance was provided by the Centre to the State Governments on 80:20 basis (80 per cent of the cost not exceeding ₹ 1.60 crore to be met by the Centre and 20 per cent of the cost including excess, if any, to be met by the State Government).The Scheme ceased to be in operation after April 2016.

Ministry of Home Affairs (MHA) released funds aggregating ₹ 623.89 crore during 2011-12 to 2015-16 to the States as Central share. As of August 2019, 397 Police Stations were constructed at a cost of ₹ 751.33 crore while construction of three PS in Bihar was still underway.

Audit noticed that the MHA, while monitoring the scheme through progress reports submitted by the States, failed to recover the unutilised central share lying with the States on completion of the projects in contravention of the GFRs. On this being pointed out by Audit, MHA called for information on the unutilised Central share from the State Governments in May 2018. The status as

¹ Nine States originally; 10 States after formation of the State of Telangana.

² Andhra Pradesh (17), Bihar (85), Chhattisgarh (75), Jharkhand (75), Madhya Pradesh (12), Maharashtra (10), Odisha (70), Telangana (23), Uttar Pradesh (15), and West Bengal (18).

on September 2019 revealed that in eight States³ there were savings (including interest thereon) aggregating ₹ 52.18 crore, while Madhya Pradesh had utilised the unutilised Central assistance of ₹ 3.79 crore on construction of two additional PSs. In reply to the audit observations, MHA stated (October 2018/ June 2019) that in 2016 a proposal to construct/strengthen additional Police Stations out of the savings from allocated funds was mooted but was dropped finally by the Competent Authority in May 2018, after which an amount of ₹ 22.69 crore were recovered from the States.

However, an amount of ₹ 33.28 crore is yet to be recovered from the States (**Annexe-10.1**) or adjusted against subsequent assistance.

³ Andhra Pradesh, Chhattisgarh, Jharkhand, Odisha, Maharashtra, Telangana, Uttar Pradesh and West Bengal.