Chapter 1

Overview

Chapter 1: Overview

1.1 Introduction

This Report covers matters arising out of the Compliance Audit of some State Government Departments and their Autonomous Bodies. The primary purpose of this Report is to bring to the notice of the Legislature the important results of audit. Findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations contributing to better governance.

The Report has been organised in eight chapters as under:

- **Chapter 1** contains the profile of the Auditee Departments with a brief profile of the receipt/ expenditure for the last five years, the Authority for audit, audit jurisdiction, planning and conduct of audit, response of the Government to various audit products namely Inspection Reports, individual observations/ paragraphs, Detailed Compliance Audit (DCA), follow up action on Audit Reports, *etc*., and significant audit observations included in this Audit Report.
- **Chapter 2** contains observations relating to Compliance Audit on Implementation of Crop Insurance Schemes in West Bengal.
- **Chapter 3** contains observations relating to Compliance Audit on Procurement of Paddy and Supply of Custom Milled Rice.
- **Chapter 4** contains observations relating to Compliance Audit on Functioning of West Bengal Police Housing & Infrastructure Development Corporation Limited.
- **Chapter 5** contains observations relating to Compliance Audit on Loan Management by West Bengal Financial Corporation.
- **Chapter 6** contains observations relating to Subject Specific Compliance Audit (SSCA) on Processing of refund claims under Goods and Services Tax.
- **Chapter 7** contains observations relating to SSCA on Transitional Credits under Goods and Services Tax.
- **Chapter 8** contains 12 individual observations/ paragraphs relating to Compliance Audit.

1.2 Profile of the Auditee Departments and Audit Universe

I) As per the Budget, the Government of West Bengal released 79 grants (during 2020-21), of which 58 are active[1], related to its various Departments. The audit universe under the Principal Accountant General (Audit-I), West Bengal (PAG), comprises 3,256 units of various levels related to 32 Grants. There are 32 Departments under audit jurisdiction of PAG. It also includes 120 bodies/ authorities which are either substantially financed from the Consolidated Fund of the State or audit of which has been entrusted by the Government under various sections of the Comptroller & Auditor General's

[1] *Against the remaining 21 grants there was no budgetary allocation*

(CAG's) DPC (Duties, Powers and Conditions of Service) Act, 1971. List of Departments and Autonomous Bodies/ Authorities/ Corporations under the audit jurisdiction of the PAG is shown in ***Appendix 1.1***.

Trend of expenditure in major Departments under the audit jurisdiction of the PAG during 2016-21 is shown in **Table 1.1**.

Table 1.1: Trend of expenditure of Departments with annual expenditure exceeding ₹ 100 crore *(₹in crore)*

Sl. No.	Name of the Department	2016-17	2017-18	2018-19	2019-20	2020-21
1	Agriculture	1,649.40	1,705.16	6,080.13	3,046.24	2,969.84
2	Agricultural Marketing	107.00	117.20	198.36	131.70	59.86
3	Animal Resources Development	666.63	672.14	730.25	654.31	716.54
4	Backward Classes Welfare	1,068.11	1,664.12	1,755.41	557.64	2,046.36
5	Cooperation	492.49	352.38	333.25	433.06	411.90
6	Correctional Administration	232.73	270.66	327.81	339.19	275.35
7	Finance	53,899.43	68,868.68	92,973.76	91,309.92	84,435.69
8	Fisheries	287.17	311.41	155.71	243.95	211.48
9	Food & Supplies	8,156.28	9,316.91	10,971.79	7,193.13	9,621.18
10	Health and Family Welfare	8,124.24	8,772.55	9,560.69	10,734.22	12,651.69
11	Higher Education	2,996.61	3,024.43	3,638.28	3,570.42	4,670.37
12	Home and Hill Affairs	6,639.84	6,789.94	7,994.64	9,167.02	10,974.79
13	Irrigation & Waterways	1,720.01	1,716.09	1,966.88	1,856.68	1,845.53
14	Judicial	620.01	630.85	818.57	807.76	839.50
15	Labour	753.50	841.86	820.43	821.67	771.31
16	Mass Education Extension & Library Services	277.99	249.75	279.85	235.19	201.89
17	Minority Affairs & Madrasah Education	1,579.78	2,035.40	2,896.44	2,647.05	1,943.35
18	North Bengal Development	423.02	503.72	680.37	461.60	274.44
19	Panchayats & Rural Development	14,988.96	21,001.77	19,055.96	18,828.66	20,993.91
20	Planning, Statistics and Programme Monitoring	370.78	395.88	281.53	251.30	320.21
21	School Education	18,599.25	20,103.68	23,017.59	26,720.35	30,076.27
22	Self Help Groups & Self Employment	450.15	612.22	505.86	683.56	596.74
23	Sunderban Affairs	300.91	326.76	511.20	406.95	319.94
24	Technical Education, Training & Skill Development	699.19	480.54	782.75	675.49	755.24
25	Tribal Development	588.67	562.96	706.73	572.83	624.83
26	Water Resources Investigation & Development	962.49	922.87	1,054.93	1,008.27	928.92
27	Women and Child Development and Social Welfare	3,966.39	4,293.77	6,021.09	9,654.02	4,357.82
28	Others[2]	1,153.19	960.04	1,255.24	519.55	450.71
Total		**1,31,774.22**	**1,57,503.74**	**1,95,375.50**	**1,93,531.73**	**1,94,345.66**

Source: Sub-Head Accounts and Appropriation Accounts 2016-17 to 2020-21.

[2] *Others include (i) Consumer Affairs Department (ii) Food Processing Industries & Horticulture Department (iii) Law Department (iv) Paschimanchal Unnayan Affairs Department and (v) Youth Services & Sports Department.*

II) Under receipt audit (tax revenue), there are 500 auditable units under Finance Department. Details of the actual receipts in respect of the tax revenue raised during the period 2016-17 to 2020-21 are given in **Table 1.2** below:

Table 1.2: Details of the actual receipts in respect of the tax revenue raised during the period 2016-17 to 2020-21 *(₹in crore)*

Sl. No.	Heads of Revenue	2016-17	2017-18	2018-19	2019-20	2020-21
1.	State Goods & Service Tax	0.00	14,963.74	27,067.00	27,308.00	26,013.41
2	Taxes on Agricultural Income	6.57	7.14	0.92	0.65	0.44
3	Taxes on Professions, Trade	509.09	529.20	560.78	588.72	596.64
4	Stamp & Registration Fees	4,382.73	5,260.77	5,620.01	6,025.79	5,527.57
5	State Excise	5,226.16	9,340.05	10,622.45	11,232.29	10,665.96
6	Central Sales Tax	2,436.13	1,036.94	705.48	387.10	464.97
7	State Sales Tax	7,231.33	5,754.12	6,971.38	6,890.42	8,896.27
8	West Bengal Value Added Tax	18,315.16	6,209.55	136.15	-116.35	32.60
9	Taxes & Duties on Electricity	1,318.87	2,333.55	610.06	369.42	2,213.51
Total		**39,426.04**	**45,435.06**	**52,294.23**	**52,686.04**	**54,411.37**

Source: Finance Accounts of the respective year

Regarding non-tax revenue, details of the actual receipts raised during the period 2016-17 to 2020-21 are given in ***Appendix 1.2***.

1.3 Authority for audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's (Duties, Powers & Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of State Government Departments under Section[3] 13 of the CAG's DPC Act. CAG is the sole auditor in respect of Autonomous Bodies, which are audited under sections 19 (2), 19 (3)[4] and 20 (1)[5] of the DPC Act. In addition, CAG also conducts audit of other Autonomous Bodies which are substantially financed by the Government under Section[6] 14 of DPC Act. Section 16 of the CAG's DPC Act authorises CAG to audit all receipts (both revenue and capital) of the Government of India and of Government of each state and of each Union territory having a legislative assembly and to satisfy himself that the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed. Principles and methodologies for various audits are prescribed in the Regulations on Audit & Accounts (Amendments), 2020 and Auditing Standards issued by the Indian Audit & Accounts Department.

1.4 Planning and conduct of Audit

Compliance Audits are conducted as per the Annual Audit Plan (AAP). Units for Compliance Audit are selected on the basis of risk assessment of the Apex

[3] *Audit of (i) all expenditure from the Consolidated Fund of State, (ii) all transactions relating to Contingency Funds and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance-sheets & other subsidiary accounts.*

[4] *Audit of accounts of Corporations (not being Companies) established by or under law made by the State Legislature in accordance with the provisions of the respective legislations or as per request of the Governor of the State in the public interest*

[5] *Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the CAG and the Government*

[6] *Several non-Commercial Autonomous/ Semi-Autonomous Bodies, established to implement Schemes for employment generation, poverty alleviation, spread of literacy, health for all and prevention of diseases, environment, etc., and substantially financed by the Government, are audited under Section 14*

units, Audit Units and Implementing Agencies involving matters of financial significance, social relevance, internal control systems, past instances of defalcation, misappropriation, embezzlement, *etc*., as well as findings of previous Audit Reports.

Inspection Reports are issued to the heads of Units after completion of audit. Based on replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as individual observations/ paragraphs for inclusion in the Audit Report. Detailed Compliance Audit paragraphs are prepared on issues of significance, selection of issues are done following the analogy explained above.

Formal replies furnished by Departments are carefully considered while finalising the materials for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.5 Lack of response of Government to Audit

Response of the Government to Inspection Reports

Principal Accountant General (Audit-I), West Bengal, conducts audit of Government Departments to check for compliance to rules and regulations in transactions and to verify the regularity in maintenance of important accounting and other records as per the prescribed rules and procedures. After these audits, Inspection Reports (IRs) are issued to the Heads of Offices inspected with copies to the next higher authorities. Important irregularities and other points detected during inspection, which are not settled on the spot, find place in IRs. Serious irregularities are brought to the notice of the Government by the Office of the PAG.

As per the Regulations on Audit & Accounts (Amendments), 2020, the Officer in charge of the auditee entity shall send the reply to an Inspection Report (IR) within four weeks of its receipt. On intimation of any major irregularity[7] by the PAG, the Government shall undertake *prima facie* verification of facts and send a preliminary report to the PAG confirming or denying facts within three weeks of receipt of intimation. Where the fact of major irregularity is not denied by the Government in the preliminary report, the Government shall further send a detailed report to PAG within two months of preliminary report indicating the remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

Besides the above, Finance Department of Government of West Bengal had also issued instructions (June 1982) for prompt response by the executive to IRs issued by the PAG to ensure timely corrective action in compliance with the prescribed rules and procedures and to ensure accountability for the deficiencies, lapses, *etc*., observed during inspections.

A six monthly report showing the pendency of IRs is sent to the Principal Secretary/ Secretary of the respective Department to facilitate monitoring and settlement of outstanding audit observations in the pending IRs.

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[7] *Major irregularity means (a) an instance of suspected material fraud or collusion or corruption coming to notice in audit, or (b) an irregularity of serious nature involving public funds, particularly that relating to mismanagement, loss, waste, nugatory expenditure or loss of revenue, serious breakdown/violation of internal controls, etc.*

Inspection Reports issued up to March 2021 relating to 186 offices under four departments[8] showed that 811 paragraphs relating to 314 IRs remained outstanding to the end of December 2021. Department-wise and year-wise break-up of the outstanding IRs and Paragraphs are detailed in ***Appendix 1.3***.

The unsettled IRs contained 61 paragraphs involving serious irregularities like theft, defalcation, misappropriation, *etc*., of Government money, loss of revenue and shortages, losses not recovered/ written off amounting ₹ 18.25 crore. The Department-wise and nature-wise analysis of the outstanding paragraphs of serious nature are detailed in ***Appendix 1.4***.

Audit Committees, comprising of the Principal Secretary/ Secretary of the Administrative Departments and representatives of the Finance Department and Audit, were formed in 26 out of 32 Departments under purview of the Principal Accountant General (Audit-I), West Bengal for expeditious settlement of outstanding Inspection Reports/ Paragraphs. Audit Committees for the remaining six Departments were not formed[9]. Of the 26 Departments where Audit Committees were formed, no meeting was held by any of the Department during April 2020 to March 2021.

It is recommended that Government should ensure that a procedure is put in place for (i) action against officials failing to send replies to IRs/ paragraphs as per the prescribed time schedule, (ii) recovery of losses/ outstanding advances/ overpayments, *etc*., in a time-bound manner and (iii) holding at least one meeting of each Audit Committee every quarter.

1.6 Response of Departments to Draft Audit Paragraphs and Detailed Compliance Audit Paragraphs

Regulations on Audit & Accounts (Amendments), 2020 stipulate that responses to Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller & Auditor General of India should be sent within six weeks[10].

Draft Paragraphs and Detailed Compliance Audit Paragraphs are forwarded to the Principal Secretaries/ Secretaries of the concerned Departments as well as to the Finance Department, drawing attention to the audit findings and requesting them to send response within prescribed time-frame. It is also brought to their personal attention that in view of the likely inclusion of such paragraphs in the Audit Reports of the Comptroller & Auditor General of India which are placed before the Legislature, it would be desirable to include their comments on these audit findings.

Draft Paragraphs, Detailed Compliance Audit Paragraphs and Subject Specific Compliance Audit paragraphs proposed for inclusion in this Report were forwarded to the Principal Secretaries/ Secretaries of the concerned Departments and to the Finance Department between October 2021 and March 2022 through official/ Demi-official letters addressed to them by name. The concerned Departments had sent reply to three out of the 18 Individual/

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[8] *Animal Resources Development Department; Water Resources Investigation & Development Department; Mass Education Extension & Library Services Department and Technical Education, Training &Skill Development Department*

[9] *Food Processing Industries & Horticulture Department; Mass Education Extension & Library Services Department; North Bengal Development Department; Paschimanchal Unnayan Affairs Department; Self Help Group & Self Employment Department and Tribal Development Department*

[10] *State Government's Finance (Budget) Department, in its order dated June 1982, however, directed all the Departments to submit their responses to proposed Draft Paragraphs within one month*

Detailed/ Subject Specific Compliance Audit paragraphs featured in the Audit Report. Responses of the Department/ Directorate/ Auditee units as well as replies to initial audit memos, wherever received, have been suitably incorporated in the Report.

1.7 Follow-up on Audit Reports

Audit Report (AR) for the year 2015-16, which was submitted to the Governor in February 2017, was laid on the floor of the State Legislature in March 2018, while the AR for the year 2016-17 was laid in July 2019. ARs for the years 2017-18, 2018-19 and 2019-20 have been laid (25 March 2022) in the State Legislative Assembly. A mechanism to ensure promptness in tabling of Audit Reports should be put in place.

After tabling of the Reports of the CAG of India in the State Legislature, the State Government Departments are required to submit *suo-motu* replies to the audit observations within one month. Review of outstanding replies on paragraphs included in the CAG's Audit Reports on the Government of West Bengal, between 2008-09 and 2016-17, showed that replies relating to 384 paragraphs involving 32 Departments (excluding omnibus paragraphs involving a number of Departments) remained outstanding as of March 2021 ***(Appendix 1.5)***. Out of 384 paragraphs, 34 paragraphs pertaining to 2008-09 to 2016-17 were selected for discussion by the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU).

As stipulated in the Rules of Procedure of the PAC and the Committee on Public Undertakings (COPU), Administrative Departments were required to take suitable action on recommendations made in the Reports of PAC/ COPU presented to the State Legislature and submit comments on the action taken or proposed to be taken on those recommendations within three months.

Action Taken Notes on 51 paragraphs contained in 30 Reports of the PAC/ COPU, presented to the State Legislature between 1991-92 and 2018-19, had not been submitted by 12 Departments to the State Legislative Assembly as of March 2021. These Reports of the PAC/ COPU had suggested recovery, disciplinary action, *etc*. A significant case is elaborated in ***Appendix 1.6***.

Action taken by administrative Departments on the recommendations of the PAC/ COPU were, however, found to be inadequate and wanting.

1.8 Significant Audit Observations in this Report

The present Report contains four Detailed Compliance Audit Paragraphs, two Subject Specific Compliance Audit Paragraphs and twelve individual observations/ paragraphs arising out of Compliance Audits.

The significant observations contained in this Report are discussed in brief in the following paragraphs.

Detailed Compliance Audit Paragraphs

Implementation of Crop Insurance Schemes in West Bengal

Audit was conducted covering Pradhan Mantri Fasal Bima Yojana and *Bangla Shasya Bima* schemes relating to the period from 2016-17 to 2020-21 (*i.e.*, Kharif 2016 season onwards), which revealed the following findings:

- Though there has been increasing trend of coverage of area since introduction of the scheme in 2016-17, however, only 31 and 36 *per cent* of cultivated land in the State has been brought under the coverage of insurance scheme in 2020-21 Rabi and Kharif seasons respectively.
- There were wide variations between the test-checked districts in coverage of area under the Insurance scheme, which ranged between nine *per cent* in South 24 Parganas and 60 *per cent* in Birbhum district.
- A comparison of amounts of compensation received by farmers *vis-à-vis* premium paid showed that amounts of compensation paid was in the range of 21 to 77 *per cent* of the corresponding premium amounts. During 2016-20 in an aggregate, the amount of compensation received by farmers was ₹ 2,077.27 crore as against the total premium amount of ₹ 2,397.87 crore.
- Similar crops grown in contiguous districts within the same agro-climatic zone attracted highly divergent premium rates (the reasons thereof were not explained to audit), which resulted in avoidable excess payment of premium of ₹ 106.65 crore towards premium for Aman Paddy and ₹ 71.99 crore for Potato.
- The Scale of Finance, a parameter for determination of actuarial premium rate, was not exactly as approved by the District Level Technical Committee in six test-checked districts, which led to an excess premium payment of ₹ 23.79 crore.
- A Technical Support Unit for calculating *inter alia* approximate Acturial Premium Rate was not formed in the State which resulted in non-verification of justifiability of rates quoted by the Implementing Agencies.
- The Implementing Agencies did not upload the list of beneficiaries and details of compensation paid in the Crop Insurance portal. Therefore, the verification of compensation paid to the farmers could not be carried out by audit. Further, most of the farmers interviewed (71 *per cent*) were not aware of the claim amount due.
- During 2016-19 there was variation in data maintained by the Blocks/ Districts and the Department as remitted to the Implementing Agency relating to Crop Cutting Experiments for determining the actual yield. This adversely affected the chances of claim payment of 2.53 lakh farmers of six blocks.
- There was no specific mapping of weather stations to the Insurance Units. This allowed the Insurance Companies to evade responsibility by refusing compensation to the farmers in case of prevented sowing conditions, mid-term calamities or post-harvest losses.

(Paragraph 2)

Procurement of Paddy and Supply of Custom Milled Rice

A Compliance Audit on ‘Procurement of Paddy and Supply of Custom Milled Rice’ covering Kharif Marketing Seasons from 2016-17 to 2020-21, was taken up, findings of which are enumerated below:

- During 2016-21, a total quantum of 205.19 LMT (lakh metric tonnes) of paddy (worth ₹ 35,089.04 crore) was procured in West Bengal from the farmers. Centralised Procurement Centres (CPCs) of the Food & Supplies Department procured 48 *per cent* of paddy and the remaining 52 *per cent* was made indirectly through different agencies like West Bengal Essential Commodities Supply Corporation Limited (33 *per cent*), West Bengal State Cooperative Marketing Federation Limited (13 *per cent*) and West Bengal State Consumer's Co-operative Federation Limited (three *per cent)* and other miscellaneous agencies.
- Audit observed the instances of procurement of paddy from individual farmers beyond stipulated limit without obtaining necessary documents and also procurement of disproportionately high quantities of paddy as compared to land holding of the sellers.
- Examination of 8,84,670 cases of payment to farmers revealed that in 8,60,862 cases (97 *per cent*), the payment was not made in the prescribed period.
- The District Authorities/ Department failed to recover any rice/ cost of paddy worth ₹ 99.17 crore from defaulting rice millers due to dishonour of undated cheques received in security deposits.
- Moisture meter, an important equipment for purchase of Fair Average Quality (FAQ) paddy, was not available causing non-verification of moisture content of the paddy procured which further resulted in unverified discount claims by the Rice Millers.

(Paragraph 3)

Functioning of West Bengal Police Housing & Infrastructure Development Corporation Limited

Compliance Audit on 'Functioning of West Bengal Police Housing & Infrastructure Development Corporation Limited', covering the period from 2016-17 to 2020-21, disclosed the following findings:

- Of 414 works awarded, 253 works were found incomplete. Of these 253 works, 192 works were pending completion beyond their scheduled date of completion for various periods ranging up to 1,406 days.
- Delay in initiation of the work 'Construction of the Kolkata Police Training Academy (KPTA) at Kamardanga, Howrah' led to non-receipt of 13th Finance Commission grant of ₹ 72.00 crore.
- Compensation of ₹ 1.04 crore was not realised from contractors, though extension of time was allowed in seven projects (15 occasions) on grounds attributable to contractors or without assigning any reasons.
- The management of services of the Consultants was deficient and resulted in instances of excess expenditure on consultancy and projects being affected by delays/ under-performances by Consultants.
- The Corporation did not comply with various norms of planning/ drawing/ documentation/ record maintenance, *etc.*, as provided for in the National Building Code and Tender documents.

(Paragraph 4)

Loan Management by West Bengal Financial Corporation

Audit on 'Loan Management by West Bengal Financial Corporation' covering the period from 2016-17 to 2020-21 brought out the following observations:

- The physical and financial performance of the Corporation over the five years declined.
- The Corporation did not have flexibility to adjust the interest rates corresponding with the market and at times, it resulted into loss of business as against the commercial banks.
- The role played by the Corporation in providing finances as against the total quantum of loans disbursed by Commercial Banks in the State was only 0.19 *per cent*.
- Non-performing Assets as a percentage of total loan assets increased from 26 *per cent* in 2016-17 to 82 *per cent* in 2020-21, which was far above the desired level of 10 *per cent*.
- Deficiencies in sanction of loans by not adhering to the laid down parameters led to instances of grant of loans to ineligible borrowers, loan sanctioned in deviations from its own loan policy, *etc*.
- The loans were rescheduled frequently without any limit on the number of rescheduling which indicated that there were lacunae in the assessment process considered for rescheduling of loan accounts.

(Paragraph 5)

Subject Specific Compliance Audit Paragraphs

Processing of refund claims under Goods and Services Tax

A Subject Specific Compliance Audit (SSCA), covering the period from July 2017 to July 2020, on processing of refund claims under Goods and Services Tax (GST) was conducted and audit findings emerged, in course of the audit, are as follows:

- Due to non-maintenance/ non-updation of liability register, the Department failed to adjust the outstanding dues/ liability by the assessees as against the refunds due to them and thus, it failed to recover/ adjust the total amount of ₹ 5.39 crore in 16 test-checked cases as against the refunds made to these assessees. There was post-refund realization of ₹ 15.01 lakh against seven cases.
- There was case of excess refund of ₹ 21.96 lakh due to incorrect calculation of input tax credit related to zero-rated supplies. There were many more instances of excess refunds on account of similar kind of lapses.
- Manual refund case records relating to 109 cases involving refunds of ₹ 19.69 crore were not made available to Audit for examination.

(Paragraph 6)

Transitional Credits under Goods and Services Tax

A Subject Specific Compliance Audit (SSCA), covering the period from July 2017 to July 2020, on transitional credits under GST was conducted and audit findings are as follows:

- Examination of legacy returns revealed a case of incorrect carried forward closing balance of West Bengal Value Added Tax (WBVAT) input tax credit of ₹ 6.02 crore and availed the benefit of the same. The recovery of such incorrect benefit extended to the GST Assessee was made at the instance of audit.
- Examination of legacy returns further revealed that in 29 cases, the GST Assessees claimed and availed input tax credit in excess of credit available in the closing balance of WBVAT involving ₹ 2.82 crore. Amount of ₹ 19.95 lakh in two cases was recovered.
- The audit observed several lapses in adjustment of transitional WBVAT credits such as claim of the credit was made twice, claim of credit without filing legacy returns, irregular benefit taken of credit on capital goods, credit taken without filing supporting documents, non-levy of interest on irregular claims of transitional tax credits and so on. All these lapses caused financial loss of ₹ 23.21 crore to the public exchequer against which an amount of ₹ 2.85 crore has been recovered.

(Paragraph 7)

Individual observations/ Paragraphs

- Lack of proper planning and administrative supervision led to selection of landlocked and disputed plots of land in Chengail, Howrah for construction of an Industrial Training Institute. Consequently, expenditure incurred of ₹ 4.46 crore remained unfruitful as the Institute could not be made functional and the purpose of providing the training to the residents of the area remained unachieved, even after eight years from its inauguration.

(Paragraph 8.1)

- The Food & Supplies Department failed to enforce the provision of the West Bengal Urban Public Distribution System (Maintenance & Control) Order, 2013 regarding safe storage of 6,317.51 quintals of public distribution foodgrains and also ensure the distribution of such foodgrains by the Authorised Wholesaler. This led to the PDS foodgrains becoming unfit for human consumption. Loss to the state exchequer, based on the cost of procurement, worked out to ₹ 1.34 crore.

(Paragraph 8.2)

- Contractual Transfer Price (CTP) amounting ₹ 36.36 crore was suppressed by twenty-two dealers in their returns. Such suppressions could not be detected by the Assessing Authorities (AAs). This led to short levy and consequent non-realisation of tax of ₹ 2.04 crore.

(Paragraph 8.6)

- Failure of the AAs to detect irregular claims of ITC by dealers in 18 cases resulted in irregular allowance of ITC of ₹ 4.67 crore.

(Paragraph 8.7)

- The AA, in one case, levied tax of ₹ 3.36 crore on Turnover of Sales of ₹ 67.32 crore instead of ₹ 16.95 crore due to application of incorrect rate of tax. This resulted in short levy of tax of ₹ 13.59 crore with consequent non-realisation.

(Paragraph 8.9)