

Hon. Balasaheb Thackeray Agribusiness and Rural Transformation

(SMART) Project

Project Implementation Unit - Agriculture, Pune

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Outward No.: PIU-Agri/ CottonSB-PB-Tender / 1314 / 2025

Date: 30.06.2025

Meeting Proceeding

Review Meeting on Cotton Picking bags Tender process and pending payments of suppliers.

Date: 30.06.2025

Time: 12.00-12.30 pm

Venue: PIU (Agriculture), Pune (Online)

A meeting on the contract settlement of cotton-picking bags and the pending payments of suppliers was held on 30th June 2025 from 12:00 PM to 12:30 PM at the PIU (Agriculture), Pune, in online mode. The meeting was attended by supplier representative Shri. Nitesh Prakash Oswal from M/s. Prakash Agro Plast, Malegaon, Nashik. Representatives of the Regional Implementation Unit (RIU) and District Implementation Units (DIUs) under the SMART Cotton subproject also attended the online meeting.

Preamble:

SMART Cotton subproject of the project SMART aims to strengthen the cotton value chain through the establishment of Cotton Value Chain Development Schools (VCDS). As part of the subcomponent on market-led crop demonstrations, a centralized procurement drive of 42,000 Cotton Picking Bags and 23,800 Cotton Storage Bags was undertaken by a PIU Agriculture. The intended beneficiaries of these bags are the farmers participated in the sub project.

Pursuant to the provisions of the Financial Management Manual of the SMART Project and the Procurement Guidelines issued for the project, the whole procurement process was followed precisely.

The contract was awarded to M/s. Prakash Agro Plast, Nashik on 11/10/2024 for the supply of 42,000 Cotton Picking Bags at the rate of ₹ 260 per bag (exclusive GST). The total contract price without GST was ₹1,09,20,000/- (Rupees One Crore Nine Lakh Twenty Thousand Only). A formal contract was executed on 25/10/2024.

Contract Management

1. As per the terms of the Supply Order, the delivery period was specified as 30 days from the date of issue of supply order. The supplier completed the delivery within the stipulated timeframe across all seven designated districts, as evidenced by delivery challans, and is therefore not liable for imposition of Liquidated Damages under GCC Clause 27.

2. It has been observed that samples of the Cotton-Picking Bags supplied were submitted to ICAR-CIRCOT Laboratory for technical examination. The results, detailed in Annexure -1, confirmed a deviation in the GSM (grams per square meter) of the fabric, which was



2	17.5	42000	260	45.5	214.5	9009000	1911000
3	20	42000	260	52	208	8736000	2184000

However, it is to be noted that the districts of Akola, Amravati and Wardha have formally notified the supplier of non-acceptance of the material. Hence, payments related to supplies in these districts are liable for rejection in full (in proportion to the original contract amount).

The penalty/deduction amounts stated in the table above shall be applicable only to those districts where the goods have been distributed and payment has not yet been made.

Discussion in the Meeting

1. In consideration of the findings, and in alignment with the recommendations of ICAR-CIRCOT, the Committee decided in meeting to apply a uniform deduction of 17.5% per bag across applicable districts to address the cost deviation arising from non-compliance with GSM specifications, the Committee adopted the mean value of 17.5% as a reasonable and equitable basis for financial adjustment.

2. Submission of requisite documents at the time of delivery was mandatory under GCC Clauses 13 and 14. Specifically, the following documents were required at the time of supply of material:

1. Insurance Certificate
2. Manufacturer/Supplier Warranty Certificate
3. Inspection Certificate issued by the Nominated Inspection Agency
4. Supplier's Factory Inspection Report

However, none of the above documents have been submitted by the supplier. Directed to submit at earliest to DIUs. In view of the above non-compliance, it is resolved that the insurance amount is liable to be deducted from the supplier's performance security. The supplier shall also be directed to submit a district-wise statement of insurance premium amounts payable to the insurance company, in accordance with the contract provisions.

Decisions and Directions given by Head PIU Agri, mutually agreed to supplier and DIU (Consignees) -

1. "The supplier shall be required to lift and remove the cotton-picking bags, totalling 18,000 bags across Akola, Wardha, and Amravati consignees, entirely at his own cost and responsibility."
2. "The District Implementation Unit (DIU), Beed, having conducted reinspection, ensured replacement of defective bags, and completed distribution of compliant bags to the farmers, shall process and release full payment to the supplier in accordance with the quantity of goods supplied, the submitted invoice, and the terms and conditions stipulated in the tender and contract agreement."
3. "Based on the technical recommendations of ICAR-CIRCOT, it was decided to apply a uniform deduction of 17.5% per bag in the applicable districts while payment, to address the cost deviation arising from non-compliance with the prescribed GSM specifications."

4. "The supplier insurance adjustment Security


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4. "The supplier is further directed to submit a district-wise statement indicating the insurance premium amounts payable to the insurance company, for appropriate adjustment and record." These charges shall be recovered from the Performance Security.

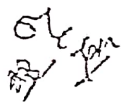
5. "The supplier shall be responsible for timely submission of tax invoices along with necessary documents as per the contract provisions. The concerned District Implementation Units (DIUs) shall ensure that payments are processed and released promptly upon availability of funds within their sanctioned financial limits."

Meeting ended with thanks to chair.


(Ashok Kirnalli)

Director (ATMA) & Head,

 Project Implementation Unit-Agriculture
SMART Project, Pune



- Copy to-
1. Hon. Project Director, SMART for information please...
 2. Project Director (ATMA) & Head, District Implementation Unit/
Akola/Amrawati/Wardha/Chandrapur/Chh.Sambhajinagar/Jalna/Beed for
necessary action
 3. Nodal officer, Regional Implementation Unit,
Nagpur/Chh.Sambhajinagr/Amrawati for necessary Action.