



**Kaloti & Lathiya**

CHARTERED ACCOUNTANTS

To

The Project Director,

Project Coordination & Management Unit

Hon. Balasaheb Thackeray Agribusiness and

Rural Transformation (SMART) Project

Sheti Mahamandal Bhavan, 270, Bhamburda,

Senapati Bapat Marg, Pune 411 016

**Reference:** Appointment as External Auditor for conducting Audit of Hon. Balasaheb Thackeray Agribusiness and Rural Transformation Project (Loan No.9031-IN), Consultancy Services for in Hon. Balasaheb Thackeray Agribusiness and Rural Transformation Project for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**Subject :** Compliance Certificate External Audit Report of Project for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

Respected Sir,

We have conducted audit of Hon. Balasaheb Thackeray Agribusiness and Rural Transformation Project for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and submitted the Audit Report to your office. On the basis of that report your office has provided compliance to us for audit para till 9<sup>th</sup> February 2024, considering the compliances made us available by various accounting centres, we are submitting the Audit Compliance Report.

We would like to thank the SMART Project staff at PCMU, PIU's, RIU's and DIU's for their kind co-operation with us while conducting the Audit. We also assure our co-operation and availability as and when required by you for any matters related to the External Audit Consultancy Services.

Thanks & Regards,  
For Kaloti and Lathiya  
Chartered Accountants

CA Rohit Agrawal

Partner

M. No. 170395

UDIN : 23170395BGXJIE2133



Place: Pune

Date: 15<sup>th</sup> February 2024



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Summary of Compliance status of Monetary Audit Observations noted during External Audit for the FY 2022-2023

Particulars	Ineligible Amount as per External Audit report		Total Ineligible Amount as	Amount Resolved as per compliances		Total Amount Resolved	Amount under objection after compliance		Total Amount under
	Expense s not Covered in SAMRT Project	Inadmissible Expenses		Expense s not Covered in SAMRT Project	Inadmissible Expenses		Expense s not Covered in SAMRT Project	Inadmissible Expense	
PCMU	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
PIU	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
DIUs	5,770	16,717,667	16,723,437	5,770	612,200	617,970	-	16,105,467	16,105,467
RIUs	Nil	2,264,203	2,264,203	Nil	29,517	29,517	Nil	2,234,686	2,234,686
VANAMATI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	5,770	18,981,870	18,987,640	5,770	6,41,717	6,47,487	Nil	18,340,153	18,340,153





# District Implementation Unit (DIU) wise Summary of Monetary Issues after Compliance of External Audit 2022-2023:

Sl. No.	Particulars	Ineligible Amount as per External Audit Report		Total Ineligible Amount as per External Audit	Amount Resolved as per compliances		Total Amount Resolved after compliance	Amount under objection after Compliance		Total Ineligible Amount After Compliance
		Expenses Not Covered In SMART Project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses	
1	Ahmednagar	-	233,746.00	233,746.00	-	-	-	-	233,746.00	233,746.00
2	Akola	-	-	-	-	-	-	-	-	-
3	Amravati	-	3,316,146.00	3,316,146.00	-	-	-	-	3,316,146.00	3,316,146.00
4	Aurangabad	-	-	-	-	-	-	-	-	-
5	Beed	-	-	-	-	-	-	-	-	-
6	Bhandara	-	-	-	-	-	-	-	-	-
7	Buldana	-	2,165,897.00	2,165,897.00	-	-	-	-	2,165,897.00	2,165,897.00
8	Chandrapur	-	-	-	-	-	-	-	-	-
9	Dhule	-	196,551.00	196,551.00	-	-	-	-	196,551.00	196,551.00
10	Gadchiroli	-	120,000.00	120,000.00	-	-	-	-	120,000.00	120,000.00
11	Gondia	-	-	-	-	-	-	-	-	-
12	Hingoli	-	-	-	-	-	-	-	-	-
13	Jalgaon	-	-	-	-	-	-	-	-	-
14	Jalna	-	85,109.00	85,109.00	-	-	-	-	85,109.00	85,109.00
15	Kolhapur	-	499,663.00	499,663.00	-	-	-	-	499,663.00	499,663.00
16	Latur	-	3,661,124.00	3,661,124.00	-	-	-	-	3,661,124.00	3,661,124.00





17	Nagpur	-	720,000.00	720,000.00	-	-	-	-	720,000.00	720,000.00
18	Nanded	-	-	-	-	-	-	-	-	-
19	Nandurbar	4,560.00	112,800.00	117,360.00	4560	-	4,560.00	-	112,800.00	112,800.00
20	Nashik	-	-	-	-	-	-	-	-	-
21	Osmanabad	-	2,761,041.00	2,761,041.00	-	-	-	-	2,761,041.00	2,761,041.00
22	Palghar	-	-	-	-	-	-	-	-	-
23	Parbhani	-	-	-	-	-	-	-	-	-
24	Pune	-	-	-	-	-	-	-	-	-
25	Raigad	1,210.00	187,968.00	189,178.00	1210	-	1,210.00	-	187,968.00	187,968.00
26	Ratnagiri	-	-	-	-	-	-	-	-	-
27	Sangli	-	-	-	-	-	-	-	-	-
28	Satara	-	-	-	-	-	-	-	-	-
29	Sindudurg	-	-	-	-	-	-	-	-	-
30	Solapur	-	1,677,342.00	1,677,342.00	-	612,200.00	612,200.00	-	1,065,142.00	1,065,142.00
31	Thane	-	-	-	-	-	-	-	-	-
32	Wardha	-	980,280.00	980,280.00	-	-	-	-	980,280.00	980,280.00
33	Washim	-	-	-	-	-	-	-	-	-
34	Yavatmal	-	-	-	-	-	-	-	-	-
Total		5,770.00	16,717,667.00	16,723,437.00	5,770.00	612,200.00	617,970.00	-	16,105,467.00	16,105,467.00





**Regional Implementation Unit (RIU) wise Summary of Monetary Issues after Compliance of External Audit 2022-2023:**

Particulars	Ineligible Amount as per External Audit Report		Total Ineligible Amount as per External Audit	Amount Resolved as per compliances		Total Amount Resolved after compliance	Amount under objection after Compliance		Total Ineligible Amount After Compliance
	Expenses Not Covered In SMART Project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses	
Amravati	-	52,916	52,916.00	-	-	-	-	52,916.00	52,916.00
Aurangabad	-	2,012,030	2,012,030.00	-	29,517.00	29,517.00	-	1,982,513.00	1,982,513.00
Kholapur	-	-	-	-	-	-	-	-	-
Latur	-	199,257	199,257.00	-	-	-	-	199,257.00	199,257.00
Nagpur	-	-	-	-	-	-	-	-	-
Nashik	-	-	-	-	-	-	-	-	-
Pune	-	-	-	-	-	-	-	-	-
Thane	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,264,203</b>	<b>2,264,203</b>	-	<b>29,517</b>	<b>29,517</b>	-	<b>2,234,686</b>	<b>2,234,686</b>





ails of Audit Compliance Accepted:

U Aurangabad

art II: Inadmissible Expenses wherein expenses are excessive, no proper supporting available, or expenses were not as per procurement guidelines hence considered as inadmissible.

- **National Level Investor Meet – Rs. 20,00,000/-**

No documentary evidences or supporting of expenses available at RIU office for amount paid for conducting program at Krishi Mahotsav. Amount is directly paid to Project Director, Aurangabad on the basis of relevant letter from the higher authority. As per letter communication from project director, SMART, ATMA office should submit appropriate documents with SMART office. Further there is no sufficient proof available to justify whether Program at Krushi Mahotsav is National Level Investor meet or not.

*Compliance Submitted: Expenses Voucher of Rs. 17487 produce before us. Hence considered as Partially complied and Audit Para of Rs. 1,982,513.00 is still not complied.*

- **Admin Expenses – Rs. 12030/-**

DA (Dearness Allowance) paid to Mr. Chandrashekar Bhoge paid Rs. 12030 for DA difference for the period from January 22 to July 22 paid from the account of RIU office. However, employee was joined from 21 July 2022. Hence DA difference is paid from RIU account for the period when employee is not on RIU office.

*Compliance Submitted: Rs. 12030 has been recovered from Mr. Chandrashekar Bhoge. Hence considered as complied.*





- Nandurbar

**Part I: Expenses not covered under SMART Project – Rs. 4560/-**

Bill for the expense amounting to Rs. 4,560 under admin expense paid to Binary Computers were not available on records.

*Compliance Submitted: Expenses Voucher of Rs. 4560 produce before us. Hence considered as complied*

- Raigad

**Part I: Expenses not covered under SMART Project – Rs. 1210/-**

Bank Charges already claim in PFS of Financial Year 2021-22 also considered as expenditure in current year.

*Compliance Submitted: The Amount of Bank Charges was corrected in Consolidated PFS at PCMU Level. Hence considered as complied.*

- Solapur

**Part II: Inadmissible Expenses wherein expenses are excessive, no proper supporting available, or expenses were not as per procurement guidelines hence considered as inadmissible.**

**1) VCDs – Crop Demonstration – 20,700/-**

**• Panche Agro Center – Rs. 1050/-**

- Payment to Panche Agro Centre of Rs. 57300 for supplying of material for crop Demonstrations.
- As per RFQ (Request for Quotation) unit rate should have been inclusive of transport and other charges and also as per terms and condition of supply order of tender, no extra charges for freight and loading and unloading charges to be born by DIU, i.e. all inclusive of total cost.
- However, as per Tax Invoice issued by the supplier Rs. 1050.00 freight charges included in invoice and same are paid by the DIU.

*Compliance Submitted: While considering financial Bid All Charges were included at the time of preparation of Comparative Bid Chart Hence considered as complied.*

**• Panche Agro Center – Rs. 9800/-**

- Payment to Panche Agro Centre of Rs. 443150 for supplying of material for crop Demonstrations.





- As per RFQ (Request for Quotation) unit rate should have been inclusive of transport and other charges and also as per terms and condition of supply order of tender, no extra charges for freight and loading and unloading charges to be borne by DIU, i.e. all inclusive of total cost.

- However, as per Tax Invoice issued by the supplier Rs. 9800.00 freight charges included in invoice and same are paid by the DIU.

*Compliance Submitted: While considering financial Bid All Charges were included at the time of preparation of Comparative Bid Chart Hence considered as complied.*

- **Panche Agro Center -- Rs. 9850/-**

- Payment to Panche Agro Centre of Rs. 153700 for supplying of material for crop Demonstrations.

- As per RFQ (Request for Quotation) unit rate should have been inclusive of transport and other charges and also as per terms and condition of supply order of tender, no extra charges for freight and loading and unloading charges to be borne by DIU, i.e. all inclusive of total cost.

- However, as per Tax Invoice issued by the supplier Rs. 9850.00 freight charges included in invoice and same are paid by the DIU.

*Compliance Submitted: While considering financial Bid All Charges were included at the time of preparation of Comparative Bid Chart Hence considered as complied.*

## **2) Farmer Field School (FFS) Advances**

### **Non settlement of advances for FFS - Rs. 240500/-**

- Advance to ATM/ BTM provide for Farmer field school in month of November 2022 amounting Rs. 240500 which is not settled till 31.03.2023 which is not in accordance with Project Finance Management Manual.

*Compliance Submitted: Advance Settled after March hence Considered Complied.*

## **3) Ineligible advances for WB financing – 351000/-**

- Advances to staff Rs. 351000 given on 30.03.2023 which is not settled till year end. Also there is no proper explanation and reasons from accountant why this advances categoriesd as ineligible advances.

*Compliance Submitted: Advance Settled after March hence Considered Complied.*





compliance status of Monetary Audit Observations noted during External Audit for FY 2022-2023 :  
 [U]

Audit observation	Amount Involved (Rs.)	Reply from Unit	Auditor's Remark	Amount pending after compliance verification	Status
----	Nil	--	--	Nil	--

- Agri

Audit observation	Amount Involved (Rs)	Reply from Unit	Auditor's Remark	Amount pending After compliance verification	Status
----	Nil	--	--	Nil	--





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A) Summary of Compliance status of Monetary Audit Observations noted during External Audit for the FY 2021-2022

Particulars	Ineligible Amount as per External Audit report		Total Ineligible Amount as	Amount Resolved as per compliances		Total Amount Resolved	Amount under objection after compliance		Total Amount under
	Expenses not Covered in SAMRT Project	Inadmissible Expenses		Expense s not Covered in SAMRT Project	Inadmissi ble Expenses		Expenses not Covered in SAMRT Project	Inadmiss ible Expense	
PCMU	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
PIU	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
DIUs	Nil	11403116	11403116	Nil	Nil	Nil	Nil	11403116	11403116
RIUs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
VANAMATI	Nil	1575000	1575000	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	Nil	12978116	12978116	Nil	1575000	1575000	Nil	11403116	11403116





**strict Implementation Unit (DIU) wise Summary of Monetary Issues after Compliance of External Audit 2021-2022:**

Particulars	Ineligible Amount as per External Audit Report		Total Ineligible Amount as per External Audit	Amount Resolved as per compliances		Total Amount Resolved after compliance	Amount under objection after Compliance		Total Ineligible Amount After Compliance
	Expenses Not Covered In SMART Project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses		Expenses Not covered in SMART project	Inadmissible Expenses	
Ahmadnagar	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amravati	Nil	1117800	1117800	Nil	Nil	Nil	Nil	1117800	1117800
Aurangabad	Nil	1197000	1197000	Nil	Nil	Nil	Nil	1197000	1197000
Beed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Buldhana	Nil	2323350	2323350	Nil	Nil	Nil	Nil	2323350	2323350
Dhule	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jalgaon	Nil	646035	646035	Nil	Nil	Nil	Nil	646035	646035
Nagpur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nashik	Nil	997500	997500	Nil	Nil	Nil	Nil	997500	997500
Osmanabad	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pune	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sangli	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Satara	Nil	2758	2758	Nil	Nil	Nil	Nil	2758	2758
Solapur	Nil	147521	147521	Nil	Nil	Nil	Nil	147521	147521
Akola	Nil	2856960	2856960	Nil	Nil	Nil	Nil	2856960	2856960
Shandrapur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil





Chandrapur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gondiya	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hingoli	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nagpur	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nanded	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Parbhani	Nil	1287992	1287992	Nil	Nil	Nil	Nil	1287992	1287992
Wardha	Nil	826200	826200	Nil	Nil	Nil	Nil	826200	826200
Washim	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yavatmal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nasik	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Phalghar	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
RIU - PUNE	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	<b>11403116</b>	<b>11403116</b>	Nil	Nil	Nil	Nil	<b>11403116</b>	<b>11403116</b>

