

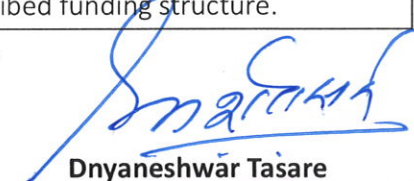
## COMPLAINEE OF INTERNAL AUDIT PARA

Quarter 4- Bill No. 3\_31.03.2025

Discrepancies in Compliance of Procurement Procedure and Record Keeping

Sr. No	Internal Audit Para	Compliance
1	<p>It has been observed that tranche of Rs.88,36,000/- has been released to the CBO Shree Shri Jai Kisan Producer Company Limited February 21, 2025, however, as per the point 1 of clause A "Terms &amp; Conditions regarding execution of the sub-project" of the Grant Agreement dated September 05, 2024, the CBO's contribution is stated as Rs. 29.45 lakhs, however, based on the 60:40 funding ratio, the actual contribution required from the CBO should amount to Rs. 117.81 lakhs resulting in a shortfall of Rs. 88.36 lakhs in the CBO's reflected contribution with the prescribed funding structure.</p>	<p>It is submitted that the tranche of Rs. <b>88,36,000/-</b> was released to <i>Shree Shri Jai Kisan Producer Company Limited</i> on <b>21/02/2025</b> as per the approval issued. In the Grant Agreement dated <b>05/09/2024</b>, the CBO's contribution was earlier reflected as Rs. 29.45 lakhs instead of the required Rs. 117.81 lakhs as per the 60:40 funding ratio.</p> <p>This discrepancy was purely due to a clerical error in the agreement. The same has now been corrected in the <b>Grant Agreement</b>, and the CBO's contribution has been appropriately reflected at Rs. <b>117.81 lakhs</b>. Corrected Page of the Agreement is attached herewith. Future tranche releases will continue to be regulated in line with the corrected agreement and prescribed funding structure.</p>

Enclosure: Above mentioned Page of the Grant Agreement.

  
**Dnyaneshwar Tasare**  
**Agri Business Management Expert**  
**PIU Agri (SMART)**

- 1) The total amount of the approved sub-project cost is **Rs.294.53** (in words) **Two Crore, Ninety-Four Lakh and Fifty-Three Thousand Only** and the breakdown of contributions is listed below:

(Rs. 294.53)

Sr No.	CBO's Subproject Components	Cost Total	SMART Grant	CBO Equity
A)	Core Investments in Subproject			
1)	Construction and Building	216.13	129.68	86.45
2)	Machinery and Equipment	64.38	38.63	25.75
	<b>Sub-Total (A)</b>	<b>280.51</b>	<b>168.31</b>	<b>112.20</b>
B)	Operative / Preliminary Expenses	14.03	8.42	5.61
	<b>Sub-Total (B)</b>	<b>14.03</b>	<b>8.42</b>	<b>5.61</b>
	<b>Total (A+B)</b>	<b>294.53</b>	<b>176.72</b>	<b>117.81</b>

**Notes:**

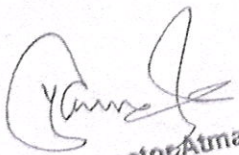
- Extension activities i.e. Value Chain Development School-VCDS will not be part of the sub-project proposal.
  - GST not covered in the above table will be given based on the directives of the SPAC committee and circulars issued by the project.
- 2) This Agreement constitutes the sole and entire Agreement between all the parties. There will be no oral or written agreements, understandings, representations, or commitments of any kind, express or implied, not expressly set out in this Agreement.

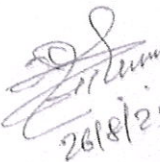
**B) THE RESPONSIBILITIES OF PARTY OF THE FIRST PART HEREINAFTER REFERRED TO AS 'PROJECT')**

- The Project will provide grants to the CBO of in the form of VGF (Subsidy/Grants) upto 60% of project cost. The subsidy is calculated in the sanction order of sub-project and that will be applicable, which is **Rs. 176.72 (Words in Rupees:One Crore, Seventy-Six Lakh and Seventy-Two Thousand only)**. Grants will be released to Bank account of the CBO in tranches, linked to the progress of the sub-project as specified in the Clause A-1 of this Agreement. This will be subject to the beneficiary raising their part of share in agreed upon ratio.
- The fund flow to beneficiary CBO will be in 4 tranches by respective PIU as follows: -

सो. २० अथा. ०१२२०५  
President

संतोष रामकृष्ण लाडुस्कार  
Secretary

  
Project Director  
Buldana

  
26/8/25

