

STATE OF MAHARASHTRA AGRICULTURE AND RURAL TRANSFORMATION PROJECT (SMART)
Project Implementation Unit- Agriculture

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Statement of Compliance / Clarifications on Internal Audit Report FY 2025-26 (Q1)

The table below summarizes the compliances and clarifications furnished in response to the observations raised in the Internal Audit pertaining to procurement aspects office of PIU Agri.

Sr. No	Audit Para	Compliance / Clarifications Submitted
1	It has been observed that the supplied cotton-picking bags have GSM values ranging from 160.3 to 172.6, which is below the contract-specified range of 200–250 GSM.	<p><u>Field performance and functional testing evidence</u></p> <p>Laboratory analysis showed measured fabric GSM in the range of approximately 160.2–172.6 GSM against the contract range of 200–250 GSM. Despite the GSM deviation, field use and feedback confirm that the bags achieved their principal function, farmers were able to pick cotton safely and collect quality cotton; no operational failure or significant functional deficiency was reported from the consignees who used the bags under normal field conditions. This demonstrates that a lower GSM in this instance did not translate into loss of functional utility in the field, owing to acceptable fabric construction and seam integrity.</p> <p><u>Action Taken:</u> The supplier has been directed to lift and remove 18,000 cotton-picking bags supplied to Akola, Wardha, and Amravati consignees, entirely at his own cost and responsibility. Based on ICAR–CIRCOT’s recommendations, a uniform deduction of 17.5% per bag has been applied at the time of payment in the</p>

	<p>affected districts, to account for the deviation from prescribed GSM specifications.</p> <ul style="list-style-type: none"> • Quality analysis of the cotton-picking bags revealed GSM values in the range of 160.2 to 170.1 GSM, as against the specified 200–250 GSM. However, despite this technical shortfall, the primary purpose of the bags—to enable farmers to pick cotton in a clean and safe manner and to collect quality cotton was fully achieved. Farmers have used the bags under actual field conditions, and no operational difficulty or functional deficiency has been reported. Thus, while a marginal technical deviation exists, it did not hinder the achievement of the project objectives.
2	<p>The tender documents required the submission of three samples each of cotton-picking and storage bags within three working days of the technical bid opening, failing which the bid would be rejected, however, upon verification, no record or evidence was found to indicate that the bidders complied with this requirement.</p>
3	<p>It has been observed that the head office of both bidders is not authorized to test textile materials. As per NABL accreditation standards under ISO/IEC 17025, only laboratories with demonstrated technical competence for textile testing are considered acceptable for procurement purposes. Despite this requirement, both qualified bidders—whose labs were not accredited—were qualified by the procurement authority, indicating noncompliance with the prescribed technical qualification criteria.</p>
4	<p>It has been observed that the qualified bidders have submitted test reports from the same private lab in Mumbai (Superintendence Company of India Pvt. Ltd.).</p>

		whether this requirement was followed by the participated bidders in the tender.
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Accordingly, clarifications have been provided, and corrective actions have been taken wherever applicable. In view of the above, it is requested that the audit paras may kindly be considered as complied with and closed.

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