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# INTERNAL AUDIT REPORT

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**Audit Project:** State of Maharashtra Agribusiness and Rural Transformation Project (SMART)

**Audit Entity:** GHRUSHNESHWAR SHETKARI AGRO PROCUCER COMPANY LTD-CBO

**Location:** Aurangabad, Maharashtra



DECEMBER 22, 2023

S K PATODIA & ASSOCIATES

Chartered Accountants



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## Abbreviations

<b>ARF</b>	Advance Recoupment Form
<b>BOA</b>	Books of Accounts
<b>BRS</b>	Bank Reconciliation Statements
<b>CA</b>	Chartered Accountant
<b>CBO</b>	Community based organisations
<b>CQS</b>	Consultant Qualification Selection
<b>CV</b>	Curriculum Vitae
<b>DIU</b>	District Implementing Unit
<b>ECF</b>	Expenditure Claim Form
<b>EoI</b>	Expression Of Interest
<b>FM</b>	Financial Management
<b>FMM</b>	Financial Management Manual
<b>FPO</b>	Farmers Producers Organisations
<b>GoM</b>	Government of Maharashtra
<b>GST</b>	Goods & Service Tax
<b>IA</b>	Internal Audit
<b>MoM</b>	Minutes of Meeting
<b>MoU</b>	Memorandum of Undertaking
<b>NA</b>	Not Applicable
<b>PCMU</b>	Project Co-ordination and Monitoring Unit
<b>PD</b>	Project Director
<b>PFMS</b>	Public financial management system
<b>PIP</b>	Project Implementation Plan
<b>PT</b>	Professional Tax
<b>RFB</b>	Request for Bidding
<b>RFP</b>	Request for Proposal
<b>RIU</b>	Regional Implementing Unit
<b>SMART</b>	State of Maharashtra's Agribusiness and Rural Transformation
<b>TDS</b>	Tax Deducted at Source
<b>UDD</b>	Urban Development Department
<b>UIN</b>	Unique Identification Number
<b>V No.</b>	Voucher Number
<b>WB</b>	World Bank



## 1. Introduction

Government of Maharashtra (GoM) has initiated the State of Maharashtra's Agribusiness and Rural Transformation (hereinafter referred as 'SMART' or 'Project') with funding support from the World Bank. The proposed project development objective is to "Support the development of inclusive and competitive agriculture value chains, focusing on small holder farmers and agri-entrepreneurs in Maharashtra". This would be achieved by expanding access to new and organised markets for producers and enterprises with complementary investments in technical services and risk management capabilities.

The duration of Project is for a period of seven years with the project commencing from 23<sup>rd</sup> March 2020 and the cost of the Project is Rs. 2,100 cr. The fund contribution for the project by World bank is 70% of total project cost, the State government's contribution is 26.67% and contribution from other source i.e. private sector funding is 3.33% of the total project Cost.

The project would support in strengthening the continuing market-driven transition, with an expanded private sector role in the production, processing and value addition, commercialization of crops and livestock products thereby expanding the market access and supporting enterprises growth.

### The project would support following interventions:

- a. Enhancing institutional capacity to support agricultural transformation.
- b. Expanding market access and supporting enterprise growth and building risk mitigation mechanism.

## 1.1 Project Objectives

### The key objectives of the Project are as follows:

- a. **Enhancing institutional capacity to support agricultural transformation:** The focus of this intervention is to enhance the capacity of the State to conceive and implement an evidence-based agribusiness support reform program; and to better manage risks arising from integration into global markets.
- b. **Supporting enterprise growth and expanding market access:** The focus of this intervention is to enhance the provision of relevant technical and business development services to support enterprise growth in the agribusiness sector and improve access to a range of new domestic and export markets.
- c. **Building risk management and mitigation:** The focus of this intervention is to strengthening risk mitigation measures including building the capacity of the state to respond to commodity-price fluctuations and agriculture sector crises; developing access to timely information on markets and productions trends and enhancing access of producers to financing and hedging instruments.
- d. **Project management monitoring & learning:** This would help to ensure effective project management at the State and district levels, and support information and logistics, communications, project related consultancies and monitoring and evaluation.



## 1.2 Assignment Objectives

### a. At the level of Accounting centre-

- i) To undertake quarterly Internal Audit and Post Procurement Review at all accounting centres. In case of effective internal control system in place, to consider and includes test and controls for necessary performance of the audit.
- ii) To give training and handholding to the finances staff for better financial management in the area of book-keeping & accountancy, procurement, taxation, and audit compliances, IUFR & PFS preparation.

### b. At the level of Beneficiary CBOs-

- i) To conduct the audit of CBO's financed by the project at the time of release of third tranche by the project.
- ii) The audit of the CBOs is to be conducted at the level of respective District Implementing unit level.

## 1.3 Audit Scope & Coverage

The Internal Audit for Ghrushneshwar Shetkari Agro-CBO has been conducted and the following major areas have been covered:

### a. Fund Utilisation

- To ensure that the Project funds have been used in accordance with the conditions of the relevant legal agreements with due attention to economy, efficiency and effectiveness.
- To ensure the funds are used for intended purposes for which the financing was provided.

### b. Book-keeping & Accountancy

- To ensure adequate accounting and financial management records are maintained.
- Review book keeping & maintenance of books as per the formats prescribed under FM manual.
- To verify whether adequate supporting documents such as bills, vouchers and contracts records are maintained in respect in respect of project transactions.
- Review accuracy and completeness of financial transactions

### c. Internal Control Mechanism

- To assess the adequacy of internal and financial controls.
- Identification of the risks

### d. Procurement

- To assess whether there an adequate system is in place to ensure that goods, works and services are being procured in accordance with the procurement arrangements and procedure prescribed for the project.
- To report exception if any such cases found where procurement procedure are not followed as per the Procurement Manual.



**e. Beneficiary Contribution**

- To ensure that the beneficiary contribution is deposited by the Community Based Organisation (CBO) in SMART-CBO bank account, before the corresponding tranche of Project grants has been released by the project.

**f. Mechanism for Advances**

- To verify whether the accounting for the advances given is properly recorded in the books of accounts.

**g. Assets**

- To ensure that the adequate records are maintained regarding the assets created and assets acquired including description, details of cost, identification and location of assets.

**h. Statutory Compliances**

- To ensure that the statutory compliances under various Acts applicable to the project are being complied.



1.4 Key Information	
Particulars	Period/ Date
Date of Commencement	31 <sup>st</sup> October, 2023
Date of Completion (at Field Level)	31 <sup>st</sup> October, 2023
Date of Submission of Audit Report	22 <sup>nd</sup> December, 2023

#### 1.5 Location/ Entity Reviewed

The location of audit was Aurangabad-Maharashtra.

#### 1.6 Level of Coverage

Priority	Impact	Likelihood of Occurrence	Definition
High	Significant	Likely	Reserved for the most significant control deficiencies. Implications may include likelihood of significant loss of revenue or assets, sanctions by a regulatory body.
Medium	Significant to Moderate	Probable/ Uncertain	Findings may encompass major efficiency improvements. Implications may include moderate loss of revenue or assets wherein some compensating controls exist.
Low	Moderate to Low	Remote	Findings may encompass moderate efficiency improvements. Normally non-critical items. Implications may include negligible loss of revenue or assets.

#### 1.7 Audit Approach

The internal audit for the CBO has been done according to the scope of work agreed and as per discussion with process owners, the following approach have been considered throughout the audit:

- a. **Understanding of the assignment:** This process is ultimately the first and the foremost procedure of getting or beginning with the auditing process or the procedure. It's the process of obtaining and assessing the records of the SMART accounts and the statements that have been filed and recorded by the Auditee.
- b. **Planning and team deployment:** After having understanding of the assignment and study of WB guidelines, procurement and financial management manual, the auditor has to build audit strategy, preparation of the various checklists for procurement as well as financial management, formation of team and define their roles and responsibilities with proper coordination with the stakeholders.
- c. **Implementation plan and client visit:** With all the audit tools ready, the audit started at the client premise according to the audit plan and checklists. Auditor reviewed procurement plan, compliance and record keeping, fund utilization schema, operation of the project & financial norms and discussion on the questionnaire or filled checklists.



- d. **Risk assessment:** The first step of risk assessment is identification of the risk on the basis of structure and type of project. The identified risk is then analysed on the basis of high, medium and low impact to establish risk criteria in order to determine where additional controls may be required and what those controls might be.
- e. **Review of procurement:** Review procurement process adopted and documentation maintained are as per the procurement manual issued. The process includes issuance of advertisement & RFB/ RFP, pre-bid meeting, bid participation, acceptance of bids, evaluation of bids, selection of consultant/ contractor/ vendor, negotiation meeting, contract award etc.
- f. **Review of financial and project management:** Review records such as UCs, BRS, progress review, asset management mechanism and compliance of financial/ procurement management manuals.
- g. **Compliance with record keeping and fund utilization:** Analysed the existing situation of record keeping, identified the requirement and suggested proper methods to keep the records and files. While checking the fund utilization, auditor examined funds allocated, compared budgets for possible deviations and intended use of the funds.
- h. **Impact assessment, reporting & deliverables:** Impact assessment is a structured process for considering the implications on organisational activities and significance of changes. Our tasks end with the reporting of all observations in structured manner.



## 2 Auditor's opinion

We have reviewed the internal controls and their adequacy over the financial, procurement and other institutional aspects based on the criteria established in scope of work.

The SMART project management is responsible for implementation and maintenance of effective internal control over the financial, procurement and other institutional aspects as well as assessment of the effectiveness of internal control. Our responsibility is to express an opinion on the SMART project's internal control over financial, procurement and other institutional aspects based on our review and details made available to us.

We conducted our audit with reasonable assurance. Our audit included obtaining an understanding of internal control over, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

On the basis of documents and information provided to us, it is observed that expenditure incurred are as per procurement guidelines, financial guidelines, grant agreement and grant sanction letter subject to the paras given under section 3 and 4 of this report.

Because of the inherent limitations of internal control, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### 3 Executive Summary

The audit has been conducted according to the agreed scope of work. All the observation and recommendations has been divided broadly in two categories namely finance and accounts and procurement, a brief summary of our observation are described below:

- Accordingly, Ghrushneshwar Shetkari Agro Producer Company Ltd. is a CBO engaged in construction of food grain warehouse and as per the circular processed by SMART vide no. SMART/PCMU/ACCOUNTS/CBO/869/2020 dated 30.09.2020 this Project has disbursed a grant to the CBO in the form of VGF (Subsidy/Grants) upto 60% of project cost. The subsidy is calculated in the sanction order for sub-project costs is Rs.97.22 lakhs, of which the SMART Grant is Rs.58.33 lakhs, and that of CBO Equity is Rs.38.89 lakhs and the same will be applicable. Grants released to Bank account of the CBO in tranches, linked to the progress of the sub-project as specified in the grant sanction letter. This will be subject to the beneficiary raising their part of share in agreed upon ratio.
- We have observed that SMART Project has released grant of Rs.18 lakhs to CBO on 23<sup>rd</sup> July, 2021 first instalment subject to proportionate own contribution by the CBO. The amount is credited to bank account no. 60356101246 opened on 18<sup>th</sup> May, 2020 maintained in Bank of Maharashtra.

#### 3.1 Finance and Accounts

**3.1.1 Deficiency in Maintenance of Secondary Books of Accounts–** It was observed that the secondary books of accounts such as Security Deposit Register are not being maintained and updated in Chapter 17 in the Financial Management manual. *(Refer details from section 4.1.1)*

**Recommendations:** *It is recommended that secondary books and supporting documents should be maintained as prescribed in the formats. Also, it is recommended to follow the guidelines so as to avoid any further compliance.*

**3.1.2 Grant Reconciliation Statement-** It was observed that there is a difference between the percentage of share of tranches that should be released to CBO outlined in the grant agreement and the sub-clause 8A.7 of clause 8A of Chapter 8 of FMM. *(Refer details from section 4.1.2)*

**Recommendation:** *It is recommended that tranches should be released as per the applicable guidelines*

**3.1.3 Over-Utilisation of Funds:** It was observed that as per the grant sanction letter, the approved amount for Collection cum Transit Storage & Drying Yard was specified at Rs. 40.19 Lakhs. However, upon our examination of the actual expenditure incurred was amounted to Rs. 40.32 Lakhs, resulting in an excess expenditure of Rs. 0.13 Lakhs. *(Refer details from section 4.1.3)*

**Recommendations:** *It is recommended that funds should be expensed upto the amount mentioned prescribed in sub-project proposal cost of grant sanction letter.*



### 3.2 Procurement

**3.2.1 Discrepancies in Compliance of Procurement Procedure and Record Keeping:** It was observed that payment made to Sarthi Agrotech, Bhagyalaxmi Agro Services and Shivraj Trailer amounting to Rs.9,00,000, Rs.2,50,000, Rs.1,00,000 respectively for purchase of assets but the quotation process were not followed and also some irregularities were noticed. *(Refer details from section 4.2.1)*

**Recommendations:** *It is recommended to ensure proper documentation mechanisms and to follow the process as per the FMM, procurement manual and WB regulations to avoid any non-compliance.*

### 3.3 Risk Matrix:

Risk Areas	Level Risk		
	High	Medium	Low
<b>Finance &amp; Accounts</b>			
Deficiency in Maintenance of Secondary Books of Accounts	☑		
Grant Reconciliation Statement	☑		
Over-Utilisation of Funds	☑		
<b>Procurement</b>			
Discrepancies in Compliance of Procurement Procedure and Record Keeping	☑		



#### 4 Detailed Internal Audit Finding

##### 4.1 Finance and Accounts

###### 4.1.1 Deficiency in Maintenance of Secondary Books of Accounts

###### High Risk

It was observed that the secondary books of accounts such as Security Deposit Register are not being maintained and updated in Chapter 17 in the Financial Management manual:

SN	Books Type	Maintained (Yes/ No)	Maintained as per the Format Prescribed in FMM (Yes/No/NA)	Updated till 30-09-2023 (Yes/No/NA)
<b>I.</b>	<b><u>Financial Records</u></b>			
	<b>Primary Books</b>			
1	Cash Book ( <i>Tally generated</i> )	Yes	Yes	Yes
2	Bank Book ( <i>Tally generated</i> )	Yes	Yes	Yes
3	General Ledger ( <i>Tally generated</i> )	Yes	Yes	Yes
4	Bank Reconciliation Statement (BRS) ( <i>Tally generated</i> )	Yes	Yes	Yes
5	Trial Balance ( <i>Tally generated</i> )	Yes	Yes	Yes
6	Journal Register ( <i>Tally generated</i> )	Yes	Yes	Yes
<b>II.</b>	<b><u>Secondary Books of Accounts/ Supporting records</u></b>			
7	Bill Register- Pending and paid	Yes	Yes	Yes
8	Cheque issue / bank draft issue register ( <i>as per Annexure – A3</i> )	Yes	Yes	Yes
9	Advance Register ( <i>as per Annexure – A1</i> )	NA	NA	NA
10	Security Deposit Register ( <i>as per Annexure – A6</i> )	No	No	No
11	Beneficiary Contribution Register ( <i>as per Annexure – A7</i> )	NA	NA	NA
12	Audit Compliance Register ( <i>as per Annexure – A8</i> )	NA	NA	NA
13	PFMS Print Payment Advice File	NA	NA	NA
<b>III.</b>	<b><u>Records to be maintained by Administration branch</u></b>			
14	Consumable Stock Register ( <i>as per Annexure- A2</i> )	NA	NA	NA
15	Fixed Asset/ Dead Stock register ( <i>as per Annexure- A4</i> )	Yes	Yes	Yes
16	Imprest Amount Register ( <i>as per Annexure - A5</i> )	NA	NA	NA

**Impact:** Non- Maintenance of primary as well as secondary books and supporting documents as per the



format prescribed would lead to deviations from the standard document and non-compliance of Financial Management Manual

**Recommendations:** It is recommended that secondary books and supporting documents should be maintained as prescribed in the formats. Also, it is recommended to follow the guidelines so as to avoid any further compliance.

#### 4.1.2 Grant Reconciliation Statement

##### High Risk

**Observations:** It was observed that there is a difference between the percentage of share of tranches that should be released to CBO outlined in the grant agreement and the sub-clause 8A.7 of clause 8A of Chapter 8 of FMM.

Tranche	Tranche % as per the FMM*	As per Grant Agreement		Project Value as per Sanction Letter	Actual Receipt		
		Tranche share (%)	Project Value		SMART Project	CBO	Total
1 <sup>st</sup>	50%	40.2%	45.00	97.22	18	12	30
2 <sup>nd</sup>	30%	24.2%	27.00		21.5	30.6	52.1
3 <sup>rd</sup>	10%	35.6%	33.03		Not Due	-	-
4 <sup>th</sup>	10%	-	-		Not Due		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>105.03</b>	<b>97.22</b>	<b>39.5</b>	<b>42.6</b>	<b>82.1</b>

*\*Tranches percentages is as per sub-clause 8A.7 of clause 8A of Chapter 8 of Financial Management Manual (FMM)*

**Impact:** The Grant Agreement, FMM and Grant Sanction Letter terms should be in line to ensure transparency and that the grants are released appropriately.

**Recommendation:** It is recommended that tranches should be released as per the applicable guidelines.

#### 4.1.3 Over-Utilization of Funds:

##### High Risk

**Observations:** It was observed that as per the grant sanction letter, the approved amount for Collection cum Transit Storage & Drying Yard was specified at Rs. 40.19 Lakhs. However, upon our examination of the actual expenditure incurred was amounted to Rs. 40.32 Lakhs, resulting in an excess expenditure of Rs. 0.13 Lakhs.

**Impact:** This will lead to non-compliance with grant sanction letter.

**Recommendation:** It is recommended that funds should be expensed upto the amount mentioned prescribed in sub-project proposal cost of grant sanction letter.



## 4.2 Procurement

### 4.2.1 Discrepancies in Compliance of Procurement Procedure and Record Keeping:

#### High Risk

1. Payment has been made to Sarthi Agrotech for the purchase of Tractors, but the quotation process is not followed properly and irregularities have been noticed.

S.N.	Party Name
1	Sarthi Agrotech
2	Mahalaxmi Agro Tech
3	Raj Agency

- a) Entry in the respective register is not on record.  
b) Envelope containing the quotation not on record.  
c) Date of opening not mentioned on quotation.

Details of Payment are as follows:

Date of Payment	Bill No	Bill Date	Bill Amount	Vendor name	Amount
28/02/2023	SAF/22-23/91	09/03/2023	9,00,000	Sarthi Agrotech	9,00,000

2. Payment has been made to Bhagyalakshmi Agro Services for purchase of Kartar-4000 LX but quotation process is not followed properly and following irregularities noticed.

S.N.	Party name
1	Bhagyalakshmi Agro Services
2	Shee Ganesh Hardware
3	Raj Agency

- a) Entry in the respective register is not on record.  
b) Envelope containing the quotation not on record.  
c) Date of opening not mentioned on quotation.

Details of Payment are as follows:

Date of Payment	Bill No	Bill Date	Bill Amount	Vendor name	Amount
08/03/2023	38/2022-23	08/03/2023	25,00,000	Bhagyalakshmi Agro Services	25,00,000

3. Payment has been made to Shivraj Trailer for purchase of Parni Yantra but quotation process is not followed properly and following irregularities noticed.

S.N.	Party name
1	Shivraj Trailer
2	Balaji Agro Services and Spare Sparts
3	Om Sai Agro

- a) Entry in the respective register is not on record.  
b) Envelope containing the quotation not on record.  
c) Date of opening not mentioned on quotation.

Details of Payment are as follows:

Date of Payment	Bill No	Bill Date	Bill Amount	Vendor name	Amount
09/03/2023	2022-23/S-217	09/03/2023	1,00,000	Shivraj Trailer	1,00,000

**Impact:** Non- maintenance or improper maintenance of required records/ information marks question on the client's documentation mechanism and reliability of record maintenance. It also defeats the purpose to assess that whether the funds are utilized for intended purpose.



**Recommendations:** It is recommended to ensure proper documentation mechanisms and to follow the process as per the FMM, Procurement Manual and WB regulations to avoid any non-compliance.

**Disclaimer**

This Report, including the data and information contained in this report, is provided on an “as is” and “as available” basis received to us from project office and confined to our scope of work. We expressly disclaim any representation or warranty, express or implied, as to the accuracy or completeness of the material and information contained herein, and none of us shall have any liability, regardless of any negligence or fault, for any statements contained in, or for any omissions from, this Report.

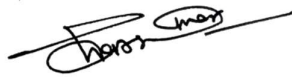
**Gratitude**

We acknowledge the contribution made by the client for the purpose of providing support and contribution in execution of our work and we place our gratitude for their contribution in enrichment of objectives of the assignment.

**For, M/s. S K Patodia & Associates**

Chartered Accountants

FRN 112723W



**Mr. Harsh Kumar Sarawagi**

Partner

**Membership No. – 513618**

**UDIN: 23513618BGQZNJ2267**



**ANNEXURES:****Annexure 1****Physical Verification of Assets**

Physical Verification report of assets was conducted by us.

Details of Assets are as follow:-

S. N.	Assets Name	Quantity Physically Verified	Quantity as per Register Maintained by Unit	Differences (if any)
1	Monitor	2	2	NIL
2	Laptop	1	1	NIL
3	Printer Scan & Copy	1	1	NIL
4	Combined Harvester (Kartar 4000_)	1	1	NIL
5	CPU	2	2	NIL
6	Tractor (Farm Trac)	1	1	NIL
7	Perni Yantra	1	1	NIL
8	Trolley	1	1	NIL
9	Warehouse /Storage	1	1	NIL
10	Drying Yard	1	1	NIL
11	CCTV Cameras	4	4	NIL
12	Tally software	1	1	NIL
13	Cupboard	1	1	NIL
14	Chairs	50	50	NIL
15	Table	2	2	NIL
16	Wheelchair	1	1	NIL
17	Moisture Meter	1	1	NIL

**Annexure 2****Status of Bank Reconciliation Statement:**

SN	Bank Name	Account No.	Closing Balance as on 30 <sup>th</sup> Sept., 2023 as per Bank (Rs.)	Closing Balance as on 30 <sup>th</sup> Sept., 2023 as per Books of Accounts (Rs.)	Difference (Rs.)	Whether BRS Prepared (Yes/No)
1	Bank of Maharashtra	60356101246	5,033.42	5,033.42	NIL	No

**Annexure 3:****Statutory Compliances**

Tax Deducted at Source (TDS)						
Month	Tax Deducted (In Rs.)	Due Date of Payment (DD/MM/YYYY)	Actual Payment Amount (In Rs.)	Actual Payment (DD/MM/YYYY)	Delay in Deposit (In Days)	Short Deposit (In Rs.)
Apr-22	30,894	07-05-2022	30,894	12-04-2022	NIL	NIL
May-22	29,762	07-06-2022	29,762	01-05-2022	NIL	NIL
Oct-22	19,742	07-11-2022	19,742	08-10-2022	NIL	NIL



**Annexure 4****List of documents checked**

Total payment as per RA Bill is Rs.40,31,714/-

SN	Civil Work	Maintained at CBO Level (Yes/No)
1	Work order given to the Contractor	Yes - WO
2	Running Account Bills/Final Bill	Yes
3	Utilization certificate	Yes
4	Dated Photographs of the works at different progressive stages	Yes
5	Extension order (if any).	Yes
6	Completion certificate	Yes
7	Excess saving statement	Yes
8	Approval of respective PIU/DIU head (for extra item, if any)	NA
9	Proof of payment of taxes/cess/other statutory dues (Income Tax, VAT, Labour Cess, Labour Insurance and Royalty)	Yes-TDS Challans
10	Register of works undertaken	Yes

SN	Documentation Checklist	Whether all the mentioned documentation maintained (Yes/No)
1.	Copy of demand letter by CBO	Yes
2.	Copy of recommendation letter by respective PIU	Yes
3.	Copy of Grant Agreement	Yes
4.	Opening of dedicated bank account for SMART by CBO and deposition of beneficiary share	Yes
5.	Loan case of CBO, if any: a) Attested copy of first page of passbook b) Bank statement attested by bank authorities. c) Loan sanction letter	Yes
6.	Approval of cost estimates, by in house technical person at PCMU/related line department- If the sub project includes civil work, technical approval necessary.	Yes
7.	Hiring of Tally Literate person/CA/CA firm for accounting by the CBO- Declaration by CBO	Yes
8.	Purchase of Tally accounting /other double entry software related by the CBO.(if applicable)- Declaration by CBO	Yes



## Annexure 5

### Grant Working

The below table is as per the figure mentioned in the Grant Sanction Letter made available to us.

S.N	Sub-Project Component	Cost (Rs. Lakhs)	SMART Grant (Rs. Lakhs)	CBO Equity (Rs. Lakhs)	Actual Cost Incurred as per BOA' (in Lakhs)	Remarks
<b>A</b>	<b>Core investment in Sub-Project</b>					
1	Moisture Meter	0.1	0.06	0.04	0.1	Fully utilised
2	Combined Harvester	25	15	10	25	Fully utilised
3	Tractors+Implement	12	7.2	4.8	12	Fully utilised
4	Collection cum Transit Storage & Drying Yard	40.19	24.11	16.08	40.32	<b>Over Utilised</b>
	<b>Sub Total</b>	<b>77.29</b>	<b>46.37</b>	<b>30.92</b>	<b>77.42</b>	
<b>A1</b>	<b>Pre-Operative/ Preliminary Expenses</b>	5	3	2	5	Fully utilised
	Total Cost A	<b>82.29</b>	<b>49.37</b>	<b>32.92</b>	<b>82.42</b>	
<b>B</b>	<b>Complementary Investment by Buyer</b>	2	1.2	0.8	NIL	Not Utilised
<b>C</b>	<b>Extension Activity (VCDS)</b>	12.93	7.76	5.17	NIL	Not Utilised
	Total	<b>97.22</b>	<b>58.33</b>	<b>38.89</b>	<b>82.42</b>	



## Annexure 6 MCA Compliance

The screenshot shows a web browser window with the URL [mca.gov.in/content/mca/global/en/mca/master-data/MDS/company-master-info.html](https://mca.gov.in/content/mca/global/en/mca/master-data/MDS/company-master-info.html). The page displays the following company information:

Company Information	
CIN	U01400MH2015PTC266219
Company Name	GHRUSHNESHWAR SHETKARI AGRO PRODUCER COMPANY LIMITED
ROC Name	ROC Mumbai
Registration Number	266219
Date of Incorporation	02/07/2015
Email Id	ghrushneshwarfpo.macp@gmail.com
Registered Address	G. NO 189, PALASWADI TQ, KHULTABAD, Aurangabad, AURANGABAD, Maharashtra, India, 431001
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	35,00,000
Paid up Capital (Rs)	30,00,000
Date of last AGM	30/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active



**Annexure 7**  
**Snapshots of work progress at Site**  
**Tractor (Farmtrac)**



Combined Harvester (KARTAR 4000\_)



Moisture Meter



Warehouse/Storage



Perni Yantra



वाचा :-

- १) मा.मुख्यमंत्री यांचे उपस्थितीत दि. ०५ डिसेंबर २०१८ रोजी खरेदीदार व समुदाय आधारीत संस्था यांच्यात झालेले सामंजस्य करार.
- २) शासन निर्णय कृषि व पदुम विभाग क्र. कृव्यप्र/४६१९/ प्र क्र. ७०/८- अ  
दिनांक ११/०९/२०१९
- ३) प्रकल्पांतर्गत नियुक्त सेवा पुरवठादार संस्थेच्या सहाय्याने तयार केलेल्या उपप्रकल्पाचा सविस्तर प्रकल्प आराखडा.
- ४) मा.बाळासाहेब ठाकरे कृषि व्यवसाय व ग्रामीण परिवर्तन प्रकल्प (स्मार्ट) अंतर्गत राज्यस्तरीय उपप्रकल्प मंजूरी समिती सभा दि. १७/०३/२०२० चे इतिवृत्त.
- ५) अति.प्रकल्प संचालक स्मार्ट, पुणे यांचे पत्र क्र. स्मार्ट/सीपीएफ/उपप्रमा/३२१/२०२१,  
दि.०३/०५/२०२१

### सुधारित मंजूरी आदेश

संदर्भ १ अन्वये, दिनांक ०५ डिसेंबर २०१८ रोजी मा.मुख्यमंत्री, महाराष्ट्र राज्य यांचे अध्यक्षतेखाली स्मार्ट प्रकल्पाचे सॉफ्ट लॉचिंग कार्यक्रमाचे आयोजन करण्यात आले होते. सदर कार्यक्रमात मा.मुख्यमंत्री यांचे उपस्थितीत निवडक खरेदीदार कंपन्या व समुदाय आधारीत संस्था (CBO) यांचे सामंजस्य करार करण्यात आले होते. संदर्भ क्र. २ च्या शासन निर्णयान्वये, महाराष्ट्र राज्य कृषि व्यवसाय व ग्रामीण परिवर्तन प्रकल्पाच्या प्रकल्प अंमलबजावणी आराखडा (PIP) व अन्य पुस्तिकांना (Manuals) मंजूरी आणि त्यानुसार प्रकल्प अंमलबजावणी करण्यास मान्यता दिलेली आहे. राज्यातील विविध पिकांच्या मुल्यसाखळ्या विकसीत करणेसाठी उपप्रकल्पांची अंमलबजावणी करण्यास मान्यता दिलेली आहे. संदर्भ क्र. ३ नुसार स्मार्ट प्रकल्पांतर्गत नियुक्त सेवा पुरवठादार संस्थेच्या सहाय्याने उपप्रकल्पात समाविष्ट समुदाय आधारीत संस्थेच्या (CBO) उपप्रकल्पाचा सविस्तर प्रकल्प आराखडा तयार करून प्रकल्पास सादर करण्यात आलेला आहे.

संदर्भ क्र. ४ अन्वये, मा. बाळासाहेब ठाकरे कृषि व्यवसाय व ग्रामीण परिवर्तन प्रकल्प (स्मार्ट) अंतर्गत प्रकल्प संचालक, स्मार्ट यांच्या अध्यक्षतेखाली राज्यस्तरीय उपप्रकल्प मंजूरी समिती सभा संपन्न झाली असून उपप्रकल्पांना मंजूरी देण्यात आलेली आहे. संदर्भ क्र. ५ अन्वये उपप्रकल्पा मधील घटकांच्या रक्कमांना सुधारित मान्यता देण्यात आलेली आहे.

उपरोक्त संदर्भ क्र. १ ते ५ च्या अधिन राहून या आदेशान्वये घृणेश्वर शेतकरी उत्पादक लि. औरंगाबाद या समुदाय आधारीत संस्थेने सादर केलेल्या रुपये ९७.२२ लाख किंमतीच्या सीपी फीड्स

आणि अहमदनगर व औरंगाबाद येथील ५ शेतकरी उत्पादक कंपनी यांच्यामधील मका उत्पादक भागीदारी उप-प्रकल्प या उपप्रकल्पास मान्यता देण्यात येत आहे.

- सदर प्रकल्पातील मंजूर घटक यांची एकूण किंमत, त्यासाठी स्मार्ट प्रकल्पातून देय अनुदान व सीबीओचा स्वहिस्सा इ. बाबींचा तपशील खालीलप्रमाणे :-

PP Sub-project :- CPF & Ghurshaneshwar FPC Aurangabad				
PIU-Agri			Rs. In Lakhs	
Sr. No.	Sub-project Components	Total Cost	SMART Grant	CBO Equity
A	Core investment in Sub-project			
1	Moisture Meters	0.10	0.06	0.04
2	Combined Harvester	25.00	15.00	10.00
3	Tractor + Implements	12.00	7.20	4.80
4	Collection cum transit storage & Drying yard	40.19	24.11	16.08
Sub total		77.29	46.37	30.92
5	Pre-Op/ Preliminary Exp.	5.00	3.00	2.00
Total Cost A		82.29	49.37	32.92
B	Complementary Investment by Buyer for capacity building	2.00	1.20	0.80
C	Extension activity (VCDS) by DoA @ Rs.12.93 Lakh/CBO	12.93	7.76	5.17
Total A+B+C		97.22	58.33	38.89

उपरोक्त समुदाय आधारित संस्थेच्या सदर प्रकल्पास सोबतच्या अटी व शर्तीस अधिन राहून मान्यता देण्यात येत आहे.

सोबत: अटी व शर्तीचे प्रपत्र



*(Handwritten signature)*

प्रमुख(कृषि).यु.आय.पी,  
स्मार्ट प्रकल्प तथा संचालक आत्मा  
कृषि आयुक्तालयपुणे.रा.म,

जा.क्र.कृ.आ./आत्मा/स्मार्ट/388/2021  
दि. 15/06/2021

प्रति,

अध्यक्ष / संचालक घृष्णेश्वर शेतकरी उत्पादक लि. औरंगाबाद उपरोक्त उपप्रकल्पाची तातडीने अंमलबजावणी सुरु करावी.

प्रत :-

- १) मा ,प्रकल्प संचालक.स्मार्ट यांना माहितीस्तव सविनय सादर.
- २) विभागीय प्रकल्प अंमलबजावणी कक्ष,औरंगाबाद सदर प्रकल्पाची अंमलबजावणी व सनियंत्रण सोबतच्या अटी व शर्तीनुसार करण्यात यावे.
- ३) जिल्हा प्रकल्प अंमलबजावणी कक्ष,औरंगाबाद सदर प्रकल्पाची अंमलबजावणी व सनियंत्रण सोबतच्या अटी व शर्तीनुसार करण्यात यावे.

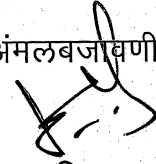
## उपप्रकल्प अंमलबजावणी अटी व शर्तीचे प्रपत्र

मंजूरी आदेश क्र. ३४४/१९. १५/०६/२०२१.....अन्वये घृष्णेश्वर शेतकरी उत्पादक लि. औरंगाबाद या समुदाय अधारीत संस्थेच्या सीपी फीड्स आणि अहमदनगर व औरंगाबाद येथील ५शेतकरी उत्पादक कंपनी यांच्यामधील मका उत्पादक भागीदारी उप-प्रकल्प या उपप्रकल्पास खालील अटी व शर्तीच्या अधिन राहून मंजूरी देण्यात आलेली आहे.

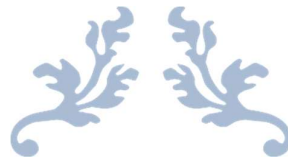
- १) मंजूरी आदेशातील प्रस्तावित घटकांच्या उभारणीसाठी समुदाय अधारीत संस्थेकडे जागा उपलब्ध असणे आवश्यक आहे. सदर सीबीओकडे जागा उपलब्ध नसल्यास त्यांनी तात्काळ १५ वर्षांच्या कालावधी करीता जागेची दुय्यम निबंधकाकडे नोंदणीकृत भाडेपट्टा Registered Leas करून घ्यावा
- २) सीबीओला स्वहिस्सा निधी बँक कर्ज घेवून उभा करावयाचा असल्यास त्यांनी तात्काळ बँकेकडे रितसर कर्ज मागणी प्रस्ताव सादर करावापत्र प्राप्त करून तसेच कर्ज मंजूरीचे . घ्यावे
- ३) मंजूर केलेल्या PP व CMA उपप्रकल्पामधील खरेदीदार व सीएमए एजन्सी यांचेशी सीबीओने करारनामा करून प्रत्येकाच्या जबाबदाऱ्या निश्चित कराव्यात.
- ४) समुदाय अधारीत संस्थेने ग्रॅन्ट अॅग्रीमेन्ट करीता संबंधित प्रकल्प अंमलबजावणी कक्षाकडे खालीलप्रमाणे कागदपत्रांची पूर्तता करावी.
  - i. बँकेचे कर्ज मंजूरी पत्र Loan Sanction Letter /स्वहिस्सा उभारणीचे हमीपत्र
  - ii. जागेचा नोंदणीकृत करारनामा Registered Lease
  - iii. खरेदीदार सीएमए सोबतचा करारनामा / MoUवरील कागदपत्रांची सीबीओने पूर्तता केल्यानंतर ग्रॅन्ट अॅग्रीमेन्टमध्ये अनुदान वितरण व उपप्रकल्प अंमलबजावणीचे टप्पे निश्चित करावेत .
- ५) सीबीओने ग्रॅन्ट अॅग्रीमेन्टसाठी आवश्यक कागदपत्र ६० दिवसांच्या आत प्रकल्प अंमलबजावणी कक्षास सादर करावे व सीबीओनिहाय नोडल अधिकाऱ्यांनी स्वाक्षरीत केलेले ग्रॅन्ट अॅग्रीमेन्ट व त्यासोबतची सहपत्रे प्रकल्प समन्वय व सनियंत्र कक्षास सादर करावे.
- ६) मंजूरी आदेशातील समुदाय अधारीत संस्थेने CBO स्वहिस्सा रक्कम जमा करण्यासाठी स्वतंत्र चालू बँक खाते उघडण्यात यावे .सदर खाते SMART- सीबीओचे नाव या नावाने उघडण्यात यावे .सदरील खात्याच्या व्यवहार हा सीबीओने प्राधिकृत केलेल्या २ संचालकांच्या स्वक्षरिने करणे बंधनकारक आहे.
- ७) प्रकल्पाने निर्गमित केलेल्या संपादन (खरेदी) मार्गदर्शक सुचना, संपादन पुस्तिका व सामाजिक अंमलबजावणी पुस्तिकेनुसार मंजूर घटकांची खरेदी करण्यात यावी.

- ८) संबंधीत समुदाय आधारीत संस्थेने CBO प्रकल्पाच्या वेळोवेळी निर्गमित मार्गदर्शक सुचनांप्रमाणे उपप्रकल्पांची अंमलबजावणी करावी.
- ९) संबंधीत समुदाय आधारीत संस्थेने CBO उपप्रकल्पात मंजुर केलेल्या अनुदानाचा विनियोग .हा उपप्रकल्पात नमुद बाबींवरच करणे बंधनकारक आहे
- १०) उपप्रकल्प उभारणीनंतर किमान १० वर्षे उपप्रकल्पामधून निर्माण झालेल्या बांधकाम/मशिनरी/औजारे/सुविधा/ मालमत्तेची पुर्व परवानगी शिवाय विल्हेवाट लावता येणार नाही .
- ११) उपप्रकल्पास वेळोवेळी भेटी देण्यास आलेल्या अधिकारी/ कर्मचारी तसेच लेखापरीक्षक यांना सविस्तर माहिती लेखे उपलब्ध करुन /देणे बंधनकारक आहे.
- १२) उपप्रकल्प अंमलबजावणी करत असताना प्रकल्पास द्यावयाची माहिती / एमआयएस डाटा उपलब्ध करुन देणे बंधनकारक असेल.
- १३) समुदाय आधारीत संस्थेने उपप्रकल्पातील एकादा घटक अपूर्ण ठेवल्यास (उदा.दालमील घटकात शेड उभारले परंतु दालमील स्थापित न केल्यास सदर घटक अपूर्ण समजण्यात येईल. ) त्या अनुदानाचा बोजा संचालकांवर निश्चित करण्यात येईल व महसुल वसुली पध्दतीप्रमाणे अनुदान वसुल करण्यात येईल. तसेच अनुदानाचा गैरवापर केल्यास अनुदानाचे महसुल वसुली पध्दतीप्रमाणे संचालकाकडून वसुल करण्यात येईल.
- १४) उपप्रकल्प राबवितेवेळी संबंधित समुदाय आधारीत संस्थेकडून प्रकल्पाची कोणत्याही प्रकारची दिशाभूल अथवा गैरव्यवहार होत असल्याचे प्रकल्पाच्या निदर्शनास आल्यास सदर उपप्रकल्पाचे मंजुर आदेश रद्द करण्याचे अधिकार प्रकल्पास असतील.

वरील अटी व शर्तीचे पालन करुन उपप्रकल्पाची अंमलबजावणी विहित वेळेत करण्यात यावी.



प्रमुख(कृषि).यु.आय.पी,  
स्मार्ट प्रकल्प तथा संचालक आत्मा  
कृषि आयुक्तालयपुणे.रा.म,



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# COMPLIANCE REPORT

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**Audit Project:** State of Maharashtra Agribusiness and Rural Transformation Project (SMART)

**Audit Entity:** GHRUSHNESHWAR SHETKARI AGRO PROCUCER COMPANY LTD-CBO

**Location:** Aurangabad, Maharashtra



JULY 24, 2024

S K PATODIA & ASSOCIATES LLP  
Chartered Accountants

## Introduction

Government of Maharashtra (GoM) has initiated the State of Maharashtra's Agribusiness and Rural Transformation (hereinafter referred as 'SMART' or 'Project') with funding support from the World Bank. The proposed project development objective is to "Support the development of inclusive and competitive agriculture value chains, focusing on small holder farmers and agri-entrepreneurs in Maharashtra". This would be achieved by expanding access to new and organised markets for producers and enterprises with complementary investments in technical services and risk management capabilities.

The duration of Project is for a period of seven years with the project commencing from 23<sup>rd</sup> March 2020 and the cost of the Project is Rs. 2,100 cr. The fund contribution for the project by World bank is 70% of total project cost, the State government's contribution is 26.67% and contribution from other source i.e. private sector funding is 3.33% of the total project Cost.

The project would support in strengthening the continuing market-driven transition, with an expanded private sector role in the production, processing and value addition, commercialization of crops and livestock products thereby expanding the market access and supporting enterprises growth.

### **The project would support following interventions:**

- a. Enhancing institutional capacity to support agricultural transformation.
- b. Expanding market access and supporting enterprise growth and building risk mitigation mechanism.

## Assignment Objectives

### **a. At the level of Accounting centre-**

- i) To undertake quarterly Internal Audit and Post Procurement Review at all accounting centres. In case of effective internal control system in place, to consider and includes test and controls for necessary performance of the audit.
- ii) To give training and handholding to the finances staff for better financial management in the area of book-keeping & accountancy, procurement, taxation, and audit compliances, IUFR & PFS preparation.

### **b. At the level of Beneficiary CBOs-**

- i) To conduct the audit of CBO's financed by the project at the time of release of third tranche by the project.
- ii) The audit of the CBOs is to be conducted at the level of respective District Implementing unit level.

## Location/ Entity Reviewed

The location of audit was Aurangabad-Maharashtra.

**Annexures: Fund Receipt and Utilisation Analysis**

S.N.	Particulars	Amount (in Rs.)
<b>RECEIPT</b>		
1.	Grant Received from SMART	39,50,000
2.	Own Contribution injected by the CBO	22,60,000
3.	Bank Loan	20,00,000
4.	Interest Received from Bank	10,566
5.	Account Opening Transfer by FPO	5,000
	Less: Closing Balance in the bank by CBO	(5,032)
6.	Other Income	2,400
	<b>Total Receipt</b>	<b>82,22,935</b>
<b>EXPENDITURE</b>		
1.	Moisture Meter	10,000
2.	Combined Harvester	25,00,000
3.	Tractor + Implement	12,00,000
4.	Collection cum Transit Storage & Drying Yard	40,10,837
5.	Pre-Operative Expenses	5,00,230
6.	Bank Charges & Processing Fees	1,868
	<b>Total Expenditure</b>	<b>82,22,935</b>
This above working is based as per the information, explanations and documents provided to us by the CBO.		

**AS PER GRANT AGREEMENT**

Tranches	*Percentage as per Grant Agreement	SMART Contribution	Own Contribution	Total
First	42.85%	28.20	16.80	45
Second	25.71%	17	10	27
Third	31.44%	24.99	8.04	33.03
<b>Total</b>	<b>100%</b>	<b>70.19</b>	<b>34.84</b>	<b>105.03</b>

\*Remarks: The percentages has been calculated form the payment schedule from the grant agreement.

**AS PER REVISED SANCTION LETTER (Vide No.: ATMA/SMART/388/2021 dated 15.06.2021)**

Tranches	*Percentage as per Grant Agreement	SMART Contribution	Own Contribution	Total
First	42.85%	21.16	14.10	35.26
Second	25.71%	12.70	8.46	21.16
Third	31.44%	15.52	10.35	25.87
<b>Total</b>	<b>100%</b>	<b>49.38</b>	<b>32.91</b>	<b>82.29</b>

\*Remarks: The percentages has been calculated form the payment schedule from the grant agreement.

**ACTUAL RECEIPT**

Tranches	SMART Grant	Own Contribution
First	18	42.73
Second	21.50	
Third	NOT YET RECEIVED	
<b>Total</b>	<b>39.50</b>	<b>42.73</b>

**Note:**

- a) There is difference in Grant Agreement and Revised Sanction Letter in Component 4: Collection cum Transit Storage and Drying Yard
  - As per Grant Agreement – Rs.50 Lakh
  - As per Revised Sanction Letter – Rs.40.19 Lakh
  
- b) There is no bifurcation for the grant release as per tranches wise and hence as per schedule XII “Payment Schedule”, the expenditure should be incurred within three tranches. Therefore, the percentage has been split accordingly, furthermore the 60:40 ratios (i.e. SMART: CBO proportion) has not been followed.

S.N.	Particulars	Observations	Evidence	Remarks																				
<b>Finance &amp; Accounts</b>																								
1.	Deficiency in Maintenance of Secondary Books of Accounts	It was observed that the secondary books of accounts such as Security Deposit Register are not being maintained and updated in Chapter 17 in the Financial Management manual.	Security Deposit Register	The CBO has now complied to the observation by maintaining the security deposit register.																				
2.	Grant Reconciliation Statement	It was observed that there is a difference between the percentage of share of tranches that should be released to CBO outlined in the grant agreement and the sub-clause 8A.7 of clause 8A of Chapter 8 of FMM.	Grant Sanction Letter	Not complied.																				
3.	Over-Utilization of Funds	It was observed that as per the grant sanction letter, the approved amount for Collection cum Transit Storage & Drying Yard was specified at Rs. 40.19 Lakhs. However, upon our examination of the actual expenditure incurred was amounted to Rs. 40.32 Lakhs, resulting in an excess expenditure of Rs. 0.13 Lakhs.	Clarification send by the CBO	According to the additional documents provided and as per the discussion with the company, it was noted that previously there was over-utilization, but currently, there is an under-utilization of the grant amounting to Rs. 7,933.																				
<b>Procurement</b>																								
1.	Discrepancies in Compliance of Procurement Procedure and Record Keeping	<p><b>Observation 1:</b> Payment has been made to Sarthi Agrotech for the purchase of Tractors, but the quotation process is not followed properly and irregularities have been noticed.</p> <table border="1"> <thead> <tr> <th>S.N.</th> <th>Party Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sarthi Agrotech</td> </tr> <tr> <td>2</td> <td>Mahalaxmi Agro Tech</td> </tr> <tr> <td>3</td> <td>Raj Agency</td> </tr> </tbody> </table> <p>a) Entry in the respective register is not on record.  b) Envelope containing the quotation not on record.  c) Date of opening not mentioned on quotation.</p> <p>Details of Payment are as follows:</p> <table border="1"> <thead> <tr> <th>Date of Payment</th> <th>Bill No.</th> <th>Bill Date</th> <th>Bill Amount</th> <th>Vendor name</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>28/02/2023</td> <td>SAF/22-23/91</td> <td>09/03/2023</td> <td>9,00,000</td> <td>Sarthi Agrotech</td> <td>9,00,000</td> </tr> </tbody> </table>	S.N.	Party Name	1	Sarthi Agrotech	2	Mahalaxmi Agro Tech	3	Raj Agency	Date of Payment	Bill No.	Bill Date	Bill Amount	Vendor name	Amount	28/02/2023	SAF/22-23/91	09/03/2023	9,00,000	Sarthi Agrotech	9,00,000	Procurement document [Quotation Envelope, Quotation, Register]	The CBO has now complied to the observation by maintaining the register and mentioning the date of opening on each individual quotation.
S.N.	Party Name																							
1	Sarthi Agrotech																							
2	Mahalaxmi Agro Tech																							
3	Raj Agency																							
Date of Payment	Bill No.	Bill Date	Bill Amount	Vendor name	Amount																			
28/02/2023	SAF/22-23/91	09/03/2023	9,00,000	Sarthi Agrotech	9,00,000																			

**Observation 2:** Payment has been made to Bhagyalakshmi Agro Services for purchase of Kartar-4000 LX but quotation process is not followed properly and following irregularities noticed.

S.N.	Party Name
1	Bhagyalakshmi Agro Services
2	Shee Ganesh Hardware
3	Raj Agency

- a) Entry in the respective register is not on record.
- b) Envelope containing the quotation not on record.
- c) Date of opening not mentioned on quotation.

Details of Payment are as follows:

Date of Payment	Bill No	Bill Date	Bill Amount	Vendor Name	Amount
08/03/2023	38/2022-23	08/03/2023	25,00,000	Bhagyalakshmi Agro Services	25,00,000

**Observation 3:** Payment has been made to Shivraj Trailer for purchase of Parni Yantra but quotation process is not followed properly and following irregularities noticed.

S.N.	Party Name
1	Shivraj Trailer
2	Balaji Agro Services and Spare Sparts
3	Om Sai Agro

- a) Entry in the respective register is not on record.
- b) Envelope containing the quotation not on record.
- c) Date of opening not mentioned on quotation.

Details of Payment are as follows:

Date of Payment	Bill No	Bill Date	Bill Amount	Vendor Name	Amount
09/03/2023	2022-23/S-217	09/03/2023	1,00,000	Shivraj Trailer	1,00,000