

Date:-10/10/2018

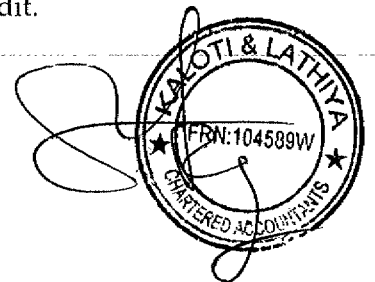
**External Audit Report for Non – BDS Units of MACP for year ending 31<sup>st</sup> March 2018**

1. We have audited the attached Project Financial Statements of Maharashtra Agriculture Competitiveness Project financed under International Development Association (IDA) (Loan No. IDA 4809-IN), which comprises the Statement of Sources and Applications of Funds for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 of following Non –BDS Units(Accounting Centers)-
  - i) Project Co-ordination Unit, Pune (PCU)
  - ii) Project Implementation Unit, Agriculture Marketing (PIU-AM)
  - iii) Maharashtra State Warehousing Corporation (MSWC)
  - iv) National Institute of Post Harvest Technology (NIPHT)
  - v) Agricultural Technology Management Agencies (ATMAs)
  - vi) VasantraoNaik State Agricultural Extension Management Training Institute (VANAMATI).

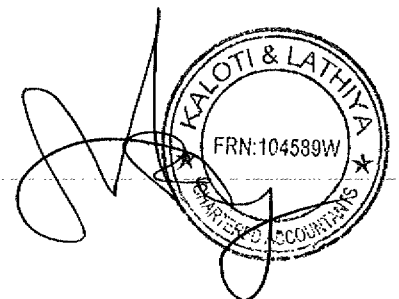
Out of separate PFS prepared for BDS Units (not Audited by us), we have Audited only expenditure incurred out of " Beneficiary Contribution " maintained in separate bank account by component of District Deputy Registrar of Co-operative Societies (DDRCS)viz. Rural Haats, Agriculture Produce and Market Committees (APMCs) and Live Stock Market(LSMs).

These Project Financial Statements are the responsibility of Project Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

2. We have conducted Audit in accordance with Auditing Standards generally accepted in India. Those standards require that, we perform the Audit to obtain reasonable assurance about whether the financial statements are free of Material Misstatements. An Audit Includes examining, on a test basis, the evidence supporting the amount and disclosure in the Financial Statement. An Audit includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating overall Financial statement Presentation. We believe that our Audit provides a reasonable basis for our Opinion.
3. This Report includes each Accounting Centre wise Reporting of Audit Observation which were Audited by us.
4. Further to our comments in the annexure referred to in paragraph (3) & (4) above, we report that
  - a) We have obtained all the information & explanations, which to the best of our knowledge & beliefs were necessary for the purpose of our Audit.



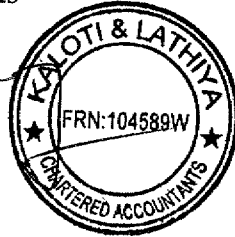
- b) In our opinion, the project has kept proper Books of Accounts as required by Project Financial Manual, so far as it appears from our examination of those books.
- c) The project Financial Statements dealt with this report have been prepared in accordance with the Accounting Principles defined in the Project Financial Manual.
- d) The Project Financial Statements dealt with this Report, are in agreement with the Books of Accounts.
- e) On the basis of Written Representation received from the Project Director and to the best of our knowledge and belief we report that, the funds are utilized for the purpose for which they were provided and expenditure shown are eligible for financing under the relevant Loan or Credit agreement.
- f) During the course of the Audit, we have examined Interim Un-Audited Financial Report (IUFR) submitted by the Management to the World Bank and the connected documents. In our opinion, subject to Para 3 above, the said reports can be relied upon to support Reimbursement under the Loan / Credit Agreement.
- g) In our opinion and to the best of our information & according to the explanation given to us and notes to PFS, Statement of Sources and Applications of Funds for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 gives information as required by the Finance Manual in the manner so required & Fair view with respect to:
- i) Project *Financial* Statements ( PFS ) for Non BDS Units.
  - ii) Beneficiary contribution under separate PFS prepared for BDS Units (not Audited by us) by component of DDRCs.
5. *With respect to Certification of the Statement of Assets created or purchased from the Project Funds, we are unable to express our opinion as After several reminder to concern officer we did not get consolidated Schedule of Fixed Assets owned by Project till the of Report. With regard to the Immovable Assets created from the Project Funds, we have concentrated on the Assets completed under the Project. Considering the Immovable Assets created from the Project Funds being so wide spread, it is practically difficult to physically verify each and every Immovable Asset created from the Project Funds. Immovable Assets have been certified on the basis of Verification of the Documentation on Record with respect to such Assets.*



Considering the wide spread Immovable Assets created from the Project Funds and the technicalities connected with the same, we suggest a separate Audit of the Immovable Assets created from the Project Funds so that the utility and the purpose of the same be effectively achieved.

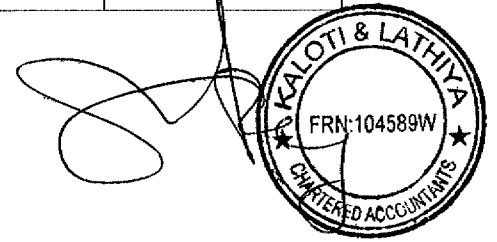
For Kaloti and Lathiya  
Chartered Accountants

CA Mayur Zanwar  
Partner  
M. No. 112093



A) Summary of Monetary Audit Observation noted during External Audit of Non BDS Units for Financial Year 2017-18

Sr. No	Particulars	Ineligible Amount as per External Audit Report		Total Ineligible Amount as Per External Audit for FY 2017-18	Error in IUFRC Claim status as on 31-03-2018 (PTD) Short/(Exces) (Rs in Lakhs)
		Expenses not Covered in MACP Project (Rs)	Inadmissible Expenses/ Excess Expenses (Rs)		
1	PCU	Nil	Nil	Nil	Nil
2	PIU AM	Nil	Nil	Nil	Nil
3	NIPHT	Nil	Nil	Nil	Nil
4	MSWC	Nil	Nil	Nil	Nil
5	PIU Agri ATMA	70,900	45,11,667	45,82,567	3,80,240
	Subtotal (1 to 5)	70,900	45,11,667	45,82,567	3,80,240
6	DDRC	Nil	Nil	Nil	Nil
	TOTAL	70,900	45,11,667	45,82,567	3,80,240



**ANNEXURE 20-A**

Name of the Project - Maharashtra Agriculture Competitiveness Project

Loan / Credit / Grant No. 4809 IN

Statement of Sources and Application of Funds

Report for the year ended 01/04/2017 to 31/03/2018 (Gross Abstract of BDS + NON-BDS Implementing Units)

(Rs. In Lacs)

Particulars	Previous Year Project till date (02.11.09 to 31.03.2017)			Current Year (01.04.2017 to 31.03.2018)			Project till date (02.11.09 to 31.03.2018)		
	BDS	Non BDS	Total	BDS	Non BDS	Total	BDS	Non BDS	Total
Opening Balance, (if cash balances are controlled by the entity) (A)	0.00	0.00	0.00	184.34	226.95	411.30	0.00	0.00	0.00
<b>Receipts</b>									
Funds received from Government through Budget (These will include external assistance received by Government of the project)	11104.22	28718.82	39823.04	846.40	8896.89	9743.29	11950.62	37615.71	49566.33
Beneficiary Contribution (if any)	2816.24	7149.27	9965.51	173.48	3104.10	3277.58	2989.72	10253.36	13243.09
<b>Unpaid Retentions</b>									
- Retentions/Deductions made from payment	28.43	32.07	60.50	-2.73	1.10	-1.63	25.70	33.17	58.87
- Other Retentions received	0.93	91.45	92.38	-0.93	1.49	0.56	0.00	92.94	92.94
Saving Bank Interest	13.39	52.77	66.17	5.78	-3.96	1.82	19.17	48.81	67.98
Other Receipts	0.56	47.39	47.94	-0.56	-31.59	-32.15	0.00	15.80	15.80
<b>Total Receipts (B)</b>	13963.77	36091.77	50055.54	1021.44	11968.03	12989.47	14985.22	48059.79	63045.01
<b>Total Sources (S= A + B)</b>	13963.77	36091.77	50055.54	1205.79	12194.98	13400.77	14985.22	48059.79	63045.01
<b>Eligible Expenditure</b>	11089.11	28693.09	39782.20	782.28	8990.84	9773.12	11871.38	37683.93	49555.32
Mobilization Advance (eligible for re-imbursment)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Payments ineligible for re-imbursment</b>									
- Advances	0.00	22.45	22.45	0.00	-208.37	-208.37	0.00	-185.92	-185.92
- Beneficiary Contribution	2690.32	7149.27	9839.59	193.60	3100.60	3294.19	2883.92	10249.86	13133.79
<b>Sub Total of Ineligible Expenditure</b>	2690.32	7171.72	9862.04	193.60	2892.22	3085.82	2883.92	10063.94	12947.86
<b>Total Expenditure (D)</b>	13779.43	35864.81	49644.24	975.87	11883.07	12858.94	14755.30	47747.88	62503.18
<b>Bank Balance</b>	184.34	226.95	411.30	229.91	311.92	541.83	229.91	311.92	541.83

Date : 28/6/18

Date :

Prepared By :

*Que*  
Chief Finance Controller

Maharashtra Agricultural

Competitiveness Project (PCU)

F/E/78, M.S.C.A.R.D.B. Ltd. (TC) Building

1st Floor, Market Yard, Gultekadi, Pune-411037



Approved By :

*Signature*  
Project Director

Maharashtra Agricultural

Competitiveness Project (PCU)

F/E/78, M.S.C.A.R.D.B. Ltd. (TC) Building

1st Floor, Market Yard, Gultekadi, Pune-411037

**KALOTI & LATHIYA**  
CHARTERED ACCOUNTANTS

PARTNER

Mayur A. Zanwar

M.No. 112093

