

## Low paddy output in Ramnad district

*Owing to the failure of monsoons*



*Expectations belied: A farmer winnowing paddy near Ramanathapuram. Photo: L. Balachandar*

: This drought prone district, which recorded a bumper crop of paddy last season, has registered a low output this season owing to the failure of both south west and north east monsoons.

The district, identified as drought prone, sprang a surprise last season (2011-12) recording an all-time high average yield of 5,120 kg per hectare. It became the envy of delta districts when it recorded paddy production of 6.4 lakh metric tonnes.

Enthused by the bumper crop, the district administration and Agriculture Department left no stone unturned to record a repeat performance. But their plans went awry as the monsoons failed and the district ended up harvesting a paltry 25,000 metric tonnes of paddy this season (2012-13).

Collector K.Nanthakumar on Monday sent a report to the government stating that paddy cultivated on 1,04,563, out of the 1.19 lakh hectares, was hit by drought and suffered more than 50 per cent loss. As a majority of the crop was cultivated in rain-fed areas, farmers could harvest about 15,000 hectares only, official sources said.

The average yield per hectare too slumped to an estimated 623 kg, compared to last season's bountiful yield of 5120 kg per hectare. "This season, we were fully geared up for a bumper harvest, but the monsoons, especially the north east monsoon, let us down," the sources said.

The district received total rainfall of 896 mm in 2011, against the average of 827 mm. However, during 2012, the district received only 598 mm of rainfall. During the north east monsoon, the rainfall was only 449.37 mm against the average of 501.6 mm.

This time around, the Collector made credit as well as fertilizers available to farmers. Farmers bought as much as 8,856 metric tonnes of fertilisers. Rainy spells in November and December could have made a huge difference but the rains played truant. Unlike the paddy crop, which bore the brunt, other crops suffered less damage.

The Collector, in his report, said chillies cultivated on 2,967 of 19,380 hectares were hit by drought, and coriander on 477 hectares out of 1,774 hectares.

After the government announced relief for farmers in the delta districts, their counterparts here were anxiously looking for the team, led by Finance Minister O.Panneerselvam, to visit the drought-hit areas.

## Heavy rain in Tuticorin



*Surprising showers:An umbrella came to the rescue of a bike rider as it rained heavily in Tuticorin on Tuesday.— Photo: N. Rajesh*

: Heavy rain lashed Tuticorin and other parts of the district on Tuesday. The rain brought respite to residents from sultry weather.

Low-lying areas and some roads were inundated. Water-logging caused inconvenience to vehicle-users.

The rain provided relief to farmers.

Farmers of banana, sugarcane, sunflower, chilli, horticulture and other irrigated crops are expecting a next spell of rain.

But the rain caused delay in the production of salt during the current year.

Normally, production commences either at the end of February or at the beginning of March every year, according to A.R.A.S. Dhanabalan, Secretary, Tuticorin Small Scale Salt Manufacturers Association.

Small traders of salt would be affected since its production might begin after three weeks. In the meantime, maintenance would be taken up. The salt manufacturers would incur an additional expenditure on executing maintenance, he said.

## **Water level**

: Water level in the Periyar dam stood at 112.40 feet (136 feet) with no inflow and a discharge of 105 cusecs. The level in the Vaigai dam was 47.15 feet (71 feet) with no inflow and a discharge of 60 cusecs. The combined Periyar credit stood at 2,196 mcft.

Tekkadi recorded 0.4 mm of rainfall.

Madurai city recorded steady drizzle on Tuesday with intermittent breaks. The sky remained overcast through out the day. The mild showers recorded in the morning hours drenched the roads and resulted in puddles at many spots.

The showers also brought the atmospheric temperature down.

: Water level in the Papanasam dam on Tuesday stood at 41.95 feet (maximum level is 143 feet). The dam had an inflow of 155.22 cusecs and 504.75 cusecs of water is discharged from the dam. The

level of Manimuthar dam stood at 80.29 feet (118 feet). The dam had an inflow of 9 cusecs and 30 cusecs of water is discharged.

### **Nagercoil**

Water level in the Pechipparai dam stood at 3.75 feet, 32.30 feet in Perunchani, 4.89 feet in Chittar I, 4.93 feet in Chittar II and 5.60 feet in the Poigai dam.

## **GAIL issue: farmers leave for Chennai**

More than 350 farmers from a number of villages situated along the proposed gas pipeline alignment of the Gas Authority of India Limited (GAIL) left for Chennai on Tuesday to participate in the public hearing to be conducted by the State Government on Wednesday.

Farmers from Karadibavi, Chitthanaickenpalayam, Papampatti, Kallapalayam, Chettipalayam, Othakal Mandapam, Seerapalayam, Palathurai, Thirumalayampalayam and Chavadi villages left in eight vehicles from Coimbatore on Tuesday night.

The farmers have been opposing the pipeline to be laid on farm lands and insisting that the pipeline alignment should be revisited, and it should be taken along the highways, railway lines or along the river beds.

The pipeline via farm lands would displace farmers with small land holdings, they said.



## **GAIL: farmers asked to attend meeting in Chennai**

Nearly 2,300 farmers in Krishnagiri and Dharmapuri have been asked to attend a hearing by Chief Secretary in Chennai respectively on Thursday and Friday. on laying of gas pipeline by GAIL India Ltd. In Krishnagiri district, 1,145 farmers from Hosur taluk (six villages) and Denkanikottai taluk (12 villages) have been given letters on Monday by the Village Administration Officers. The hearing will be held at the Anna Institute of Management in Chennai on Thursday at 12 p.m.

In Dharmapuri district, 1,162 farmers have been given the letter. The public hearing would be on Friday.

Officials said they do not know about the arrangements on transportation and other facilities for the farmers attending the public hearing. District Collectors concerned too should attend the public hearings.

## **Farmers and residents happy**

*Rain lashes Dindigul and Theni districts*



*Be happy: Rain lashes Dindigul on Tuesday. PHOTO: G. KARTHIKEYAN.*

Mild showers in many parts of the district on Tuesday brought down mercury level sizably relieving people in urban areas from scorching sun temporarily and bringing hope to farmers who have raised crops here.

The sky was overcast in many areas and mild shower was recorded in Dindigul, Batlagundu, Palani, Athoor and nearby areas. This shower would be useful to coconut, mango, banana, horticulture and floriculture crops. It offered a glimmer of hope to mango growers in Natham block, one of the major mango producing centres in the State.

Despite well irrigation, intermittent shower was necessary to increase the yield. If there were no rain, flowers and tender mangoes would wither from trees and affect yield drastically. Ultimately, growers would incur huge loss. They expected rain in April.

Early rain would be useful to them. They wished that this rain would continue for some more days. Even intermittent showers would be enough to save mango trees. Natham experienced similar showers last fortnight.

## **Theni**

Mild showers scaled down temperature in the district since Tuesday morning. But this rain did not cheer farmers as catchments of major dams remained dry. Inflow was nil in both Periyar and Vaigam dams, major drinking water and irrigation source to five southern districts.

With no water in tanks and forests streams, cattle growers particularly in Kadamalaigund-Mayildumparai union, had a tough time in maintaining their goat and cattle. The Vaigai river turned into a dry sand bed generating hot waves.

The water level in Periyar dam stood at 112.6 feet. Discharge from the dam was 105 cusecs to meet drinking water needs of municipalities, town and village panchayats. Storage in the Vaigai dam too was depleting at an alarming rate.

The water level in the dam slumped to 47.6 feet with the discharge of 60 cusecs.

## **Call to protect farmers**

Shafi Parambil, MLA, has called for steps to protect farmers from middlemen. He was inaugurating a two-day seminar on 'Changing agriculture scene and practices' organised by the Doordarshan Kendra - Thiruvananthapuram, here on Tuesday. There was a big gap between the prices the farmer got and the prices his produce fetch in the market. It was the middlemen who made the profit, not the farmer or the consumer, he said.

## **Nafed leaves coconut farmers in the lurch**

The National Agricultural Cooperative Federation of India's (Nafed) abrupt decision to withdraw from copra procurement mid-way in the season has left coconut farmers in the lurch. Copra and coconut oil prices have crashed below the minimum support price announced by the Central government as a result of the decision.

The Centre had announced an enhanced support price for copra at Rs.5,250 a quintal this year. The State government had launched this year's procurement programme amid much fanfare and even announced a special scheme for procuring raw coconut by two State-designated agencies, Marketfed and Kerafed.



Nafed in any case dillydallied in launching the procurement programme. Last week, Nafed informed the State government that it was suspending the entire programme. It cited the Central government decision to limit reimbursement of loss to 15 per cent of the cost of procurement as the reason for its withdrawal.

Sources said Marketfed and Kerafed had already procured 19,000 mt of copra and were holding stock. The mid-season procurement was still continuing and these agencies hoped to procure another 10,000 mt in order to keep the market stable.

Selling copra below the support price will affect the market, it is feared. The Nafed's decision has caused a crash in prices, with copra at present ruling at Rs.4,440 a quintal, much lower than the support price, while coconut oil ruled at Rs.65 a kg.

Chief Minister Oommen Chandy brought this issue up when he met Union Agriculture Minister Sharad Pawar. He pointed out to the adverse impact Nafed's decision would have on an estimated 40 lakh coconut farmers.

## **Sloppy loan waiver edges out deserving farmers: CAG**

*Evidence of tampering with, overwriting & alteration of records*

: The Comptroller and Auditor General (CAG), in a report tabled in Parliament on Tuesday, pointed out that several ineligible farmers were favoured and a large number of deserving small and marginal farmers left out in implementation of the United Progressive Alliance's much-touted Rs. 52,000-crore farm loan waiver scheme.

The scheme, meant to help indebted farmers in districts where suicides occur, was so haphazard and faulty in implementation that no records were maintained of farmers' applications accepted or

rejected by lending institutions or how many farmers were given fresh loans as a result of debt waiver/relief, it said.



### **BJP sees a scam**

The BJP was quick to seek a CBI probe into what it called the “farmers debt waiver scam.”

The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) was launched in Vidarbha by Prime Minister Manmohan Singh in May 2008. Initially, it was launched in Maharashtra, Andhra Pradesh and Kerala, where suicides by farmers peaked in 2008. It was estimated that 3.69 crore small and marginal farmers and about 0.60 crore other farmers would benefit from the scheme and become eligible for fresh loan.

According to the CAG, the monitoring of the scheme was “deficient.” There was even *prima facie* evidence of tampering with, overwriting and alteration of records. In certain cases, lending institutions such as banks claimed from the government charges such as interest in excess of the principal amount, unapplied interest, penal interest, legal charges, inspection charges and

miscellaneous charges, all of which they themselves should have borne.

“Out of 9,334 accounts test-checked in audit across nine States, 1,257 (13.46 per cent) were found to be eligible for benefit, but were not considered by the lending institutions,” the report said.

“[At the same time], of the 80,299 accounts granted debt waiver, in 8.5 per cent cases, the beneficiaries were not eligible for either debt waiver or debt relief. They were those who had taken loans for non-agricultural purposes or whose loans did not meet eligibility conditions.” In violation of guidelines, a private scheduled commercial bank received reimbursement for loans to the tune of Rs. 164.60 crore extended to micro finance institutions.

Besides, the Department of Financial Services (DFS) under the Ministry of Finance, which implemented the scheme, accepted the reimbursement claims of the RBI in respect of urban cooperative banks, amounting to Rs. 335.62 crore, despite the fact that even the total number of beneficiaries' accounts was not indicated.

The CAG observed that in the absence of monitoring of the scheme, lending institutions did not issue debt waiver/relief certificates to eligible beneficiaries. Nor was acknowledgement sought from farmers making them eligible for fresh loans.

The RBI and the National Bank for Agriculture and Rural Development were the nodal agencies for monitoring, but they themselves were relying on the data of lending institutions, without independently checking the veracity of claims by banks and cooperative societies. After the presentation of the draft report to the government in January, the CAG noted that the DFS had asked the RBI and Nabard to take immediate corrective measures.

# Widespread rain cheers farmers



*surprise showers:Pudukottai and its surrounding areas experienced widespread rain on Tuesday.*

Thanjavur and Tiruvarur districts experienced widespread rain on Tuesday. Agriculture department officials said that the rain was beneficial and welcome. According to Mohammed Yahiya, Joint Director of Agriculture, samba harvest has almost been completed in the pumpset-irrigated areas and in canal-irrigated areas where the crop survived.

Farmers have raised summer paddy crop in some areas and this rain will be useful for them. It will also be useful for pulses, groundnut, gingely being raised in the district.

Relief of Rs.15,000 an acre for those who lost their samba crop has been credited into their bank accounts, officials said.

Nearly 10,000 farmers who lost the crop on 12,000 acres (more than 50 per cent loss) received the relief.

Several parts of Nagapattinam district experienced sharp showers in the morning and the sky remained overcast throughout the day. Tirupoondi experienced the maximum rainfall of 48.4 m.m. in the last 24 hours that ended at 8 this morning, followed by Vedaranyam which experienced 42.6 m.m. Thalainayaru 41.2 m.m. and Nagapapattinam 12.8 m.m.

## **Pudukottai**

There was widespread rain in Pudukottai. Overcast condition prevailed, bringing the temperature down.

## **Power tillers to be given to farm groups**

*It will help farmers combat labour shortage*

To help farmers combat the labour shortage, the Department of Agriculture is all set to distribute power tillers free to 13 SC/ST farm groups spread equally over as many numbers of blocks in the district.

The farm groups, in turn, will give the tillers to other farmers in the respective blocks on rent so that the machines could be widely used to plough, puddle, earthwork and de-weeding activities.

“The scheme, thus, have dual advantages that of improving the farm yield as well as help the SC/ST farm groups earn additional revenue through the rents collected from other farmers for using the tillers,” Joint Director of Agriculture Mohammed Kalimullah Sherif told *The Hindu*.

Mr. Sherif said that the power tillers as well as its accessories like gauge wheel and ploughs, meant for distribution, were procured at a total outlay of Rs 19.5 lakh allocated from the corpus created under Rashtriya Krishi Vikas Yojana, a Centre-sponsored scheme.

Each of the farm groups selected under the project, have 15 to 20 members in it.

“The group members will be imparted an extensive 10 days training on the operations and optimal usage of tillers by the technocrats attached to Department of Agri Engineering.

The trained members can then pass on the information to the other farmers who will be obtaining the gadgets from the groups on rent,” Mr. Sherif said.

## **Rs. 32.89 crore for 5,160 farm ponds: Collector**

The State government has accorded administrative sanction for setting up 5,160 farm ponds in the district at an estimate of Rs.32.89 crore, said C. Natarajan, Collector, on Tuesday.

In a release, he said Chief Minister Jayalithaa had announced in the Assembly that in total, 15,000 farm ponds would be created in all the drought-hit delta districts under Mahatma Gandhi National Rural Employment Guarantee Scheme.

Now the State government had permitted creation of farm ponds of different dimensions by the SC\ST, and small and marginal farmers on their own lands.

Thus Tiruvarur district would have 5,160 farm ponds in 430 panchayats.

The Collector has requested the SC|ST, and small and marginal farmers, who are interested in setting up farm ponds, to approach the panchayat president or the Agricultural Extension Officer.

## **Use solar energy, Kiran tells oilpalm farmers**

Chief Minister N. Kiran Kumar Reddy has asked Horticulture officials to prepare a comprehensive report with expenditure details to go ahead with the plan to replace the conventional electricity-linked agriculture pumpsets by the ones operated with solar energy.

The public will also benefit from these solar pumpsets because the energy from them can be diverted to the State grid as and when the farmers are not using them, he said.

Speaking to a group of oilpalm cultivators from West Godavari and Khammam districts who met him at his office here on Tuesday to highlight the problems faced by them in continuing oilpalm crop, he promised that he would address yet another letter to Prime Minister Manmohan Singh and others at the Centre seeking levying of a cess on import of palm oil to do justice to the local cultivators.

He recalled that his government had facilitated a benefit of Rs.300 per tonne on oilpalm production by scrapping 5 per cent VAT on it. The cultivators were accompanied by Ministers R. Venkat Reddy (Horticulture) and Thota Narasimham (Stamps & Registrations).

Mr. Venkat Reddy told reporters later that as no MSP existed for oilpalm crop, its cultivators were in dire straits following a drastic fall in its price in the open



market to Rs.5,880 a tonne from Rs.7,758 last year. The impact was that they were disinclined to opt for this crop any more at a time when the government, indeed, was planning to enhance the extent under this crop. Oilpalm is being sown over 3 lakh acres in West Godavari, Khammam and Vizianagram districts.

The Chief Minister had promised to ensure at least Rs.6,000 per tonne to farmers by taking suitable steps from his side.

## Sadassu on agricultural crisis

A sadassu on “Agricultural crisis, Government policies and food security” will be held at YSR Memorial Press Club here on the 17th death anniversary of CPI leader J. Venkatarami Reddy on March 8. CPI leader and Director of Neelam Rajasekhar Reddy Research Centre T. Lakshminarayana will be chief guest, CPI district secretary G. Easwaraiah said on Tuesday.

-Special Correspondent

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## Weather

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#### Today's Weather



Cloudy

**Wednesday, Mar 6**

**Max Min**

30.7° | 11.7°

**Rain:** 0

**Humidity:** 100

**Wind:** normal

**Sunrise:** 06:41

**Sunset:** 06:24

**Barometer:** 1016

#### Tomorrow's Forecast








Sunny


**Thursday, Mar 7**

**Max Min**

28° | 13°

## Extended Forecast for a week

<b>Friday</b> <b>Mar 8</b>  29°   14° Partly Cloudy	<b>Saturday</b> <b>Mar 9</b>  31°   14° Sunny	<b>Sunday</b> <b>Mar 10</b>  33°   15° Sunny	<b>Monday</b> <b>Mar 11</b>  31°   12° Sunny	<b>Tuesday</b> <b>Mar 12</b>  30°   13° Sunny
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<b>Airport Weather</b>	<b>Rain:</b> 0	<b>Sunrise:</b> 06:41	
<input type="text" value="Delhi"/>	<b>Humidity:</b> 100	<b>Sunset:</b> 06:24	
<b>Delhi</b>	<b>Wind:</b> normal	<b>Barometer:</b> 1016	

## Eligible farmers left out of loan waiver plan: CAG

The CAG has found several shortcomings in the implementation of the first UPA government's Rs. 52,500-crore farm loan waiver scheme — while thousands of ineligible farmers got the benefit, many eligible applicants were left out.

The CAG report, tabled in Parliament on Tuesday, disclosed that it had audited 80,299 beneficiaries across 25 states, which was less than 1% of the total 34.5 million recipients.

The scheme had two components — a total loan waiver for farmers who own up to two hectares of land and one-time relief of 25% for those who own more, provided they had deposited the remaining 75% of the loan amount.

The report said under the pre-poll scheme announced in 2008 keeping an eye on the 2009 general elections for tackling farmers' indebtedness, some beneficiaries had taken loans for even buying vehicles or building houses, while 1,257 eligible farmers were turned down.

The report is not as potent a political scam as some of the recent CAG reports have been since it does not point finger at any particular group of people or specifies the amount allegedly embezzled.

**HOLES IN IMPLEMENTATION**

In 2008, then FM announced a farm loan waiver scheme

**₹52,516 crore** Size of the scheme. Was in operation from May 28, 2008 to June 30 2010

**It had two components**  
Total waiver of up to ₹50,000 for those who owned up to two hectares and 25% relief for those with more than that

- CAG audited records of **80,299** of total **34.5 million** recipients
- **6,819** of those audited found to be ineligible as they took loans for reasons such as marriage or building homes
- Of **9,334** applications rejected, **1,257** were eligible farmers
- **₹8.64 crore** disbursed on tampered and altered documents

But main opposition party BJP was quick to lap up the opportunity.

“This is a fraud. The exchequer has been defrauded and this amounts to a scam,” said BJP spokesperson Prakash Javadekar. Congress spokesperson Rashid Alvi, however, was cautious in his reply.

He said his party would react once the public accounts committee had a look at the report.

A National Crime Records Bureau report, however, showed that there was no increase in farmers' suicides – which was supposed to have triggered the scheme – during the period.

The CAG said in about 34% of the cases it had audited, there was no receipt from the beneficiaries or any proof of the issue of loan waiver or relief certificates. “Such certificates entitle farmers for fresh loans,” the report said.

The report also pointed out that micro-finance institutions had unduly benefited from the scheme in violation of the guidelines. Banks, too, claimed penal interest, legal charges and miscellaneous charges, among other things, from the government, although they were supposed to bear these charges themselves.

The department of finance services, the nodal agency for implementing the scheme, had instructed banks to register cases against erring officials.

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## CAG finds lapses in Rs 52,000 crore farm debt waiver scheme

Expressing serious concern over the implementation of Rs 52,000 crore farm debt waiver scheme, government auditor CAG said in several cases ineligible farmers were given benefit while deserving ones were left out.

## Irregularities of Rs 10,000cr in farm loan waiver scheme: CAG report



*CAG has pointed to irregularities in the implementation of UPA's farm loan waiver scheme.*

NEW DELHI: The Rs 52,000 crore farm debt waiver scheme of the UPA has fallen flat, with the government's official auditor, the Comptroller and Auditor General (CAG), pointing to "serious lapses" in disbursement of benefits as well as specific instances of siphoning of funds under the scheme.

The [CAG](#) performance audit report of the 2008 agricultural debt relief scheme, tabled in Parliament on Tuesday, revealed irregularities in more than 20% of the cases test checked by it. The auditor carried out scrutiny of 90,576 debt waiver accounts, out of which it found serious lapses in as many as 20,216 cases, or about in 22.32% of the test cases.

This has led the auditor to raise "serious concerns about the

implementation of the scheme", which was ironically targeted as the UPA's prime vote-catcher in the 2009 general elections.

After the report was tabled, opposition BJP termed it a Rs 10,000 crore scam and demanded a CBI probe into it. BJP spokesperson Prakash Javadekar said the guilty must be booked as "nearly 34 lakh eligible farmers were denied debt waiver while more than 24 lakh ineligible beneficiaries had gained through this massive scam".

A defensive government had last week, in response to a Parliament question on the debt waiver scheme, agreed to an independent probe. [Congress](#) on Tuesday, however, played it down, saying CAG keeps giving reports.

Based on the sample scrutiny, the auditor said 8.5% of beneficiaries of the debt waiver scheme were not eligible in the first place. Ineligible farmers, who had taken loans for non-agricultural purposes or whose loans pertained to periods not eligible under the scheme, got a waiver and the discrepancies amounted to Rs 20.50 crore in 6,822 cases.

Alarming, banks responsible for the loan waiver ignored and even refused benefits to eligible farmers in as many as 13% of the cases. In about 9,000 cases test checked across nine states, the audit found that in 1,257 cases, eligible farmers were denied benefits by the lending institutions while preparing the beneficiaries list.

The auditor has raised serious concern over disbursing more than Rs 164.60 crore to micro finance institutions against laid down guidelines which provide for giving waiver benefits by the bank only to individual farmers and not through any intermediary. No disbursement as per the rule was to be made to any MFIs.

Audit scrutiny found that in 4,826 accounts (6% of the test checked cases), farmers were not extended benefits as per their entitlement. In another 3,262 cases, undue benefits worth Rs 13.35 crore were extended. Farmers were deprived of their rightful benefits to the extent of Rs 1.91 crore in 1,564 cases.

Some lending institutions wrongfully claimed amounts relating to interest charges. In 6,392 cases across 22 states, the government reimbursed Rs 5.33 crore on account of interest and other charges.

The purpose of the scheme was to declog the credit system of banks by providing "no-dues" certificates to farmers and making them eligible to avail fresh agricultural loans. However, the [CAG report](#) said debt waiver certificates were not issued in more than 34% of test checked cases. There was no acknowledgement from farmers or any other proof of issue of debt waiver in more than 21,000 of the 61,800 accounts scrutinized by CAG.

## BJP demands CBI probe into farm loan waiver discrepancies

NEW DELHI: The BJP on Tuesday alleged that a fresh scam of over Rs 10,000 crore had surfaced in the implementation of the [farm loan waiver scheme](#) and demanded a CBI probe to book the culprits.

"The [CAG report](#) is an eye opener and the [BJP](#) demands immediate CBI inquiry to unearth the real extent of the scam," party spokesperson Prakash Javadekar.

The party demanded that all eligible farmers should be given the loan waiver benefits taking into account the outstanding as of March 31, 2013.

Javadekar noted that CAG had only checked 90,000 of the 3.5 crore accounts. "Even with this small sampling, the CAG has found that 13% eligible farmers were not considered by the lending institutions while preparing list of eligible farmers. Moreover, 8.5% of ineligible beneficiaries got undue windfall profit," he said.

The opposition party said Congress had become synonymous with corruption as yet another scam had come to light after the Commonwealth Games, 2G spectrum, Coalgate and VVIP chopper scams.

"We demand that the inquiry must fix responsibility and action must be taken against the guilty," Javadekar said, adding that the Swaminathan Commission formula of calculating remunerative prices -- which is cost



of production plus 50% -- be accepted. "Public money has gone to undeserving beneficiaries. There are other lacunae highlighted by the CAG like 6% of farmers were not extended the benefits for which they were entitled," he said.

Senior BJP leader [Jaswant Singh](#) said the scheme "was an electoral game" and its shortcomings were bound to get exposed. "Yes, there have been irregularities but the point is government's money should not be spent to further the interest of political parties in elections," he added.

## Kerala Agriculture University study finds unusual rise in day temperature in Kerala

KOCHI: If you think the days are hotter, when compared to the same period last year, you could be right. The weathermen also think so. The state has been experiencing unusual changes in weather, with the temperature registering one degree more compared to the same time in previous years.

Meteorologists at [Kerala Agriculture University](#) (KAU) have found that there is a variation of 0.72 to one degree centigrade rise in temperature in the last few months. "We have found that the maximum temperature has been varying by almost a degree. For example, our study found that on any given day if it was 35.5 last year in February in Thrissur, now it is 36.5, a difference of almost a degree this year, same day, same month," said B Ajithkumar, professor and head, department of [agricultural meteorology](#), KAU.

He said that the study did a comparison of the last couple of months in 2010, 2011, 2012 and 2013. Even the nights are cooler than before.

The researchers have found that in the central districts an increase in the wind speed has led to high levels of evaporation, which, in turn, could affect the crops. "The increased evaporation rates affect the water storage capacity of the plants, leading to a stress on them," he added.

An earlier study had reported a decline in the quantity and quality of plantation crops like cashew, coconut or coffee due to the shift in rainfall from the monsoon months of June and July. This shift in monsoon has

also resulted in the rise in temperature, changing Kerala's climate from 'wet' to 'dry'.

The results of the study, which is being done at KAU will be presented at the one-day seminar on climate change being organized at the Mannuthy campus on March 16.

## From farming to silicon valley

LUDHIANA: For Inderjit Singh Chahal, a Punjab Agricultural University graduate of the class of 1971, becoming the welfare officer in his alma mater was both predictable and considering the scenario of the 70s, fairly comfortable.

But Chahal broke through the comfort zone to go to the US and do odd jobs there. It paid off. He eventually made it to the food and [agriculture department](#) and from there the Silicon Valley. At last, he joined the post office in California at a senior position. Chahal recently retired as a top HR professional in the country.

Chahal recounts his days as an uncertain youngster looking forward to and simultaneously getting intimidated from freedom.

"I come from an agricultural family. I joined PAU for a five-year BSc course after passing Class X. Being from a rural background, I faced several problems, including an alien university culture and heavy use of English, which I was not familiar with. The varsity followed the trimester system, studies were difficult and there was pressure from parents to get good grades. However, the hardships did not go in vain and PAU gave me the ability to survive in any part of the world," he said. At the university, Chahal learnt the twin arts of patience and persistence and sure enough, he won the merit scholarship and remained best athlete of the varsity for four years.

"I was also the first student to win [gold](#) medals in high jump and pole-vault in inter-university [sports](#)," said Chahal, who became the first in his family to go abroad.

In 1973, Chahal did MSc in ergonomics from PAU and joined the same varsity as welfare officer. In 1978, he married an American national and

moved to America the same year, to face a whole new set of issues. "There were job and voice [accent](#) problems. I began with odd jobs there before I got a job in the food and agricultural department in 1980. However, I was not satisfied and after six to seven months, I joined an electronics company in [Silicon Valley](#)," said Chahal.

As for him landing a job in an electronics company despite coming from an agricultural background, Chahal said, "While doing BSc and MSC in agricultural science, we were taught various subjects like Mathematics and Physics, which helped me get a job. I also studied electronics part time to add to my skills. After working there for two years, I joined a federal (central) job in California post office in April, 1982."

Chahal served in the postal service department office for nearly 31 years to retire from the position of HR manager in October, 2012. At present, he is based in San Jose, California.

## Karnataka yet to tap mud crab farming potential

MANGALORE: Though mud crab constitutes an important secondary crop in the traditional prawn or fish culture systems in some coastal states, Karnataka is yet to wake up to its potential. The fattening of mud crab, which is non-existent here, can provide employment opportunities for the fisherfolk as a means of [alternative livelihood](#) besides promoting crab fishery here.

Despite the huge potential, there's only one registered exporter in this region - Albari International. Its proprietor Zaheer Ahmed told TOI: "The potential is huge but nobody is interested in crab aquaculture in these parts." He adds a caveat: "Just as shrimp, crab fattening also is a risky business. You can lose all your investment at one go or reap huge profits. Even when I buy, I lose 15% due to mortality," says Ahmed, who exports the live crab stock from Bengaluru International Airport or Mumbai.

There are two basic forms of land-based mud [crab culture practices](#) - fattening of crabs with low flesh content/ water crabs and grow-out of juveniles to market size.

Ahmed exports about 500 kg of live crabs mainly to the Shanghai market. The export potential areas are Shanghai, Malaysia and Hong Kong, says an official from the Marine Products Export Development Authority (MPEDA), a nodal agency set up by the government of India in 1972 for the promotion of seafood exports from India.

The official said that according to invoices, the rates vary for live crabs depending on the size. Live mud crabs of 100gm to 300 gm will earn \$5 to \$7 and those weighing more than 400 gm earn \$11. In India, live crabs retail at Rs 300 to Rs 350 in Bangalore and Delhi. The main crab procurement areas are Kumta, Ankola, Karwar, Kundapur and Mangalore in the state. During the peak season from June to September, the catch can go up to one tonne to two tonnes per day and it dwindles thereafter.

Both MPEDA official and Ahmed say that research institutes and the Central Marine Fisheries Research Institute (CMFRI) should create awareness among farmers to exploit the potential of [crab farming](#) in this region. A CMFRI official said that mud crab farming was taken up in Kundapur in mid-2000, but fishermen lacked interest, hence it died a natural death. "The West Coast is mainly dependent on fish catch, like Andhra is dependent on shrimp farming. Unless there is a crisis, people will not move out of their comfort zone to try something new," said the official.

## 4,500 farmers walk out of public hearing

RAJKOT: Thousands of farmers walked out from a public hearing in Nana Navagam organized by Gujarat Pollution Control Board (GPCB) for the proposed 6000 MW nuclear power plant at Mithi Viridi in Bhavnagar district.

The hearing was held on behalf of Nuclear [Power Corporation of](#)

[India](#) Limited (NPCIL) that will build the plant. The public hearing was held to discuss the environment impact assessment of the proposed plant prepared by [Engineers India](#) Limited (EIL). The nuclear plant is expected to have six light-water reactors.

The public hearing was attended by Bhavnagar collector V P Patel along with officials of GPCB and NPCIL.

As soon as the NPCIL officials started their project presentation, about 4,500 farmers from around 28 villages started protesting and demanded they be heard first.

"When they refused to address our queries first, all the farmers walked out in protest," a resident of Jasapara village Khengarsinh Gohil said.

The farmers said they will not allow the nuclear power plant to come up here in the area.

Environment activist Krishnakant said the hearing was conducted in an illegal manner and the issues raised by farmers were not heard.

However, the GPCB officials claimed that the public hearing went off peacefully with some peaceful protest by farmers. "We have received 47 representations from people on the proposed plant," GPCB's regional officer A V Shah said.

The plant is proposed to be built on more than 770 hectares of Jasparam Mandva and Khadpar villages. Farmers and anti nuclear activists are opposing the plant raising fears of destruction of fertile land and threats of radiation.

## TN farmers protest alleged building of check-dams across Bhavani by Kerala

COIMBATORE: Various farmers' outfits in the district have decided to float a joint platform to thwart alleged attempts by Kerala Government to construct 100 check-dams across [Bhavani](#) River in Chavadiyur near

Attappady to divert the water to arid regions of Palakkad district.

A meeting held in Mettupalayam under the initiative of farmers' leader P Sivasamy on Tuesday has urged the state government to immediately intervene on behalf of thousands of farmers in Coimbatore, Tirupur and Erode districts as the ongoing check-dam project by Kerala has affected the water flow in the river.

"They have erected at least 27 smaller check-dams across Bhavani in Attapadi region already and more are in the pipeline. They use sand bags and bowlers to erect the check dams and the move is affecting the very survival of drought hit farmers of the three districts. There is very little inflow at the Bhavani Sagar dam because of the checkdams," he alleged.

According to CPM's Mettupalayam area secretary G Perumal, the move poses a threat to farmers of the region and a joint agitation by all political parties would be organized at the Kerala border very soon. "They initially tried to construct major dams across Bhavani to divert the water. As the move faced stiff resistance, now there are attempts to erect mini check dams. This will not be allowed at any cost," he said.

[Mettupalayam municipal chairman](#) Satheesh Kumar said he would take the initiative to form an all party protest committee and try the very best to prevent construction of the check-dams. "Kerala has completely disregarded the agricultural needs of the people in these three districts. We are passing through a severe drought and less water in Bahvani would make things worse," he said. Farmers' unions have urged Chief Minister J Jayalithaa to contact her Kerala counterpart immediately to stop the construction of such dams.

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## CAG unveils 'fraud' in the UPA govt's Rs 52,000 cr farm debt waiver scheme

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Expressing serious concern over the implementation of Rs 52,000-crore farm debt waiver scheme, government auditor CAG today said in several cases ineligible farmers were given benefit while deserving ones were left out, pointing to large-scale possibility of fraud.

Comptroller and Auditor General (CAG) has also found instances of tampering of records and pulled up the Department of Financial Services (DFS) in the Finance Ministry for deficient monitoring of the multi-crore scheme.

"Overall, the Performance Audit revealed that in ...(22.32 per cent of cases test checked) there were lapses/errors which raised serious concern about the implementation of the scheme", said the CAG report tabled in Parliament today.

The report deals with Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008 under which 3.69 crore small and marginal farmers and 60 lakh other farmers were given debt relief to the extent of Rs 52,516 crore.

The CAG report said in several cases "farmers who had taken loan for non-agricultural purposes or whose loans did not meet eligibility conditions, were given benefits under the scheme."

It said several farmers who were eligible for the benefit under the scheme were not considered for loan waiver by the lending institutions.

Besides other observations, the report said the Micro Finance Institutions (MFIs) were given benefit under the scheme in violation of the debt waiver guidelines.

The banks, it said, also claimed undue benefits like penal interest, legal charges, miscellaneous charges from the government. Under the scheme, banks were supposed to bear these charges themselves.

Referring to the issue tampering of records, CAG suggested DFS should review such cases and take "stringent action" against erring officials and banks.

After extending benefit under the scheme, the banks were required to issue a certificate and obtain an acknowledgement from the farmer for the same.

However, the CAG report found that in several cases "the lending institutions had not obtained acknowledgement from the farmer".

Subsequent to the issue of draft audit report to the Finance Ministry and exit conference, the DFS had advised the RBI and NABARD, the nodal agencies for implementation of the scheme, in January requesting them to issue instructions to

lending institutions for taking immediate corrective measures in respect of audit observations.

The DFS instructed that institutions need to take action like recovery of money paid to ineligible beneficiaries and loans extended to MFIs, action against erring banks, fixing responsibility of bank officials as well as bank auditors.

The CAG has recommended that the Ministry, on its own part, may verify high-value claims of re-reimbursement, high-risk areas like inadmissible charges and at least sample claims of lending institutions to ensure that the financial interest of the government is protected.

"Follow-up action in response to complaints or inspections should be properly monitored," the report added.

Referring to the monitoring aspects, CAG report said the nodal agencies themselves were relying on certificates and data of lending institutions without conducting independent cross checks.

"This raises the issue of conflict of interest, since in effect, the lending institutions were performing a dual role, first implementing and then monitoring their own work," the report said.

The report said the audit observed that DFS and nodal agencies were aware of numerous flaws in the implementation of the scheme "yet they did not take adequate measures to rectify the same in timely manner".

Over the last four financial years, the government has waived more than Rs 52,000 crore debt related to about 3.45 crore farmers.

### **Farm loan waiver a 'massive scam': BJP**

Citing the CAG report on farm loan waiver, BJP today alleged that a fresh scam of over Rs 10,000 crore has surfaced in the implementation of the scheme and demanded a CBI probe to book the culprits.

According to the CAG report, nearly 34 lakh eligible farmers were denied their right to debt waiver and more than 24 lakh ineligible beneficiaries have gained through this "massive scam", BJP spokesperson Prakash Javadekar told reporters here.

"The CAG report is an eye opener and the BJP demands immediate CBI inquiry to unearth the real extent of the scam," he said.

The party also demanded that all the eligible farmers should be given the loan waiver benefits taking into account the outstanding as of March 31, 2013.

Javadekar noted that CAG has till now only checked 90,000 accounts out of 3.5 cr accounts.

"Even with this small sampling, the CAG has found out that 13 per cent eligible farmers were not considered by the lending institutions while preparing list of eligible farmers. Moreover, 8.5 per cent of ineligible beneficiaries got undue windfall profit," Javadekar said.

BJP charged that the Congress has become synonymous with corruption as yet another scam has now come to light after the Commonwealth Games, 2G Spectrum, Coal and the VVIP chopper scams.

"We demand that the inquiry must fix the responsibility and action must be taken against the guilty," he said, adding that the Swaminathan Commission formula of calculating remunerative prices- which is cost of production plus 50 per cent - be accepted.

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# DECCAN Chronicle

## Loan waiver: Another big scam



A farmer at his barren agricultural land near Bikaner - PTI

**New Delhi:** The Comptroller and Audit-or-General has pointed out several lapses in implementing a flagship UPA scheme to waive farm loans of Rs 52,000 crore, claiming that thousands of the beneficiaries were not even eligible while those entitled to the waiver were denied it.

The CAG report tabled in Parliament on Tuesday claimed there was prima-facie evidence of tampering, overwriting and alteration of records. The CAG said "monitoring of the scheme

was also found deficient”, and has suggested immediate corrective steps like recovery of money paid to ineligible beneficiaries and loans extended to MFIs, action against bank officials and auditors, and filing of FIRs over tampering of records, issue of debt waiver and debt relief certificates to farmers.

“Out of 9,334 accounts test-checked in audits across nine states, 1,257 accounts (13.46 per cent) were found to be eligible for benefits, but weren’t considered by the lending institutions,” the report says. This snowballed into a political controversy with the BJP demanding a CBI probe.

BJP spokesman Prakash Javadekar said: “The report is an eye-opener and the BJP demands an immediate CBI inquiry to unearth the real extent of the scam.”

The party also demanded all eligible farmers be given loan waiver benefits. The Congress, on its part, said the forum to discuss this was the Public Accounts Committee. “In the NDA’s tenure, the CAG had given reports on many ministries that were taken up by the PAC. One never demanded a CBI probe on the CAG report then,” said Congress spokesman Rashid Alvi.

### **DFS flayed for poor monitoring system**

According to the CAG report, of the 80,299 accounts granted debt waiver or relief, in “8.5 per cent of cases, the beneficiaries were not eligible for either debt waiver or the debt relief.”

“The Performance Audit revealed that in 22.32 per cent of cases, there were lapses/errors which raised serious concern about the implementation of the scheme,” it added.

The auditing watchdog pulled up the department of financial services (DFS) in the finance ministry for lack of proper monitoring the multi-crore scheme.

The CAG suggested that, “bank officials, internal auditors and central statutory auditors, who certified the information for passing the claims, ought to be made accountable for lapses in performing their duties”.

The report also said banks claimed undue benefits like penal interest, legal charges, miscellaneous charges from the centre. Under the scheme, banks were supposed to bear these charges themselves.



## **Water only to drink, not for power, farms**

With water levels in the Cauvery basin reservoirs decreasing, drinking water supply to Bangalore may be hit this summer. To prevent a crisis, the state government is taking a number of steps.

“The water situation in Bangalore is serious,” S Suresh Kumar, Minister in-charge of Bangalore Water Supply and Sewage Board (BWSSB), told

reporters after a meeting with officials from the BWSSB, Urban Development Department, Karnataka Power Corporation Ltd, Karnataka Power Transmission Corporation Ltd (KPTCL), Karnataka Neeravari Nigam Ltd (KNNL) and Water Resources Department on Tuesday. "Decreasing water levels in the reservoirs are posing a threat and hence, drinking water has been prioritised over power generation," he added.



*The level at Krishnaraja Sagar is 75.54 feet and water can be drawn up to 70 feet. |PTI*

The government, the Minister said, is taking all steps to ensure Bangalore gets adequate water. "A committee will be set up to check illegal use of water," he said and appealed to people to use water "judiciously".

Around 50 cusecs of water that is supplied from Shiva, Shimsha, Sathyagala reservoirs and Madhavamantri barrage for power generation will also be diverted to the city, the Minister said. "Water levels at Shiva Balancing Reservoir and Netkal Balancing Reservoir have been alarmingly low in the past two days. We have informed the Chief Minister and Water Resource Minister," Kumar added.

Diversion of water will not affect power supply as power generated from Shimsha and Madhavamantri using this water between March and May is less than one per cent of the total power generated for the state, said BWSSB chairman Gaurav Gupta.

In Mysore, irrigation officials allayed fears about any drinking water scarcity in Bangalore, Mysore and other towns as long as the available water is used only for drinking and not for other purposes. The level at Krishnaraja Sagar is 75.54 feet and water can be drawn up to 70 feet. If it goes below 70 feet, then water has to be drawn from the river at some points using pumps, said an official. In Mysore, water for irrigation has already been stopped.



## Farm loan waiver fraud hits UPA



*As part of this, 9,334 accounts were test checked in audit across nine states, in which 1,257 accounts were found eligible for the scheme but were not considered by the lending institutions while preparing the list of eligible farmers. | PTI/File*

The Comptroller and Auditor General (CAG) has found serious discrepancies in the implementation of the Rs 52,000 crore farm loan waiver package of the UPA government. Quite ironically, the scheme was credited for being one of the main reasons for the re-election of the UPA in 2009.

But the CAG report on the one-time agricultural debt relief scheme for small and marginal farmers, tabled in Parliament on Tuesday, says that in 20,216 (22.23 per cent) of the total 90,576 cases test checked in audit, "there were lapses and errors which raised serious concerns about the implementation of the scheme".

As part of this, 9,334 accounts were test checked in audit across nine states, in which 1,257 accounts (13.46 per cent) were found eligible for the scheme but were not considered by the lending institutions while preparing the list of eligible farmers.

The CAG also received complaints in 943 other cases. Of the remaining 80,299 accounts that were granted debt waiver or debt relief, in 8.5 per cent of cases the beneficiaries were "not eligible for either the debt waiver or the debt relief".

A portion of such claims, amounting to Rs 20.50 crore, were on account of claims being admitted for "ineligible purposes or claims pertaining to periods not eligible for scheme benefits".

What's more, the government auditor says that a private scheduled commercial bank received reimbursement for loans, amounting to Rs 164.60 crore extended to micro finance institutions in violation of the guidelines.

The CAG also notes that in 2,824 cases, with claims amounting to Rs 8.64 crore, there was prima facie evidence of tampering, overwriting and alteration of records. In 4,826 accounts—almost 6 per cent of the test-checked accounts—farmers were not extended the benefits as per entitlements. In contrast, in 3,262 cases, undue benefits of Rs 13.35 crore were extended. In some of these cases, banks claimed penal interest, legal charges and miscellaneous charges from the government. Under the scheme, banks were supposed to bear these charges themselves. In 1,564 cases, farmers were deprived of their rightful benefits of Rs 1.91 crore. Worse still, thousands of farmers were not given certificates declaring that their debts had been waived, making it impossible for them to get new loans.



## **Major lapses in farm loan waiver: CAG**

**An audit report on the UPA Government's farm loan waiver scheme of 2008 has revealed serious lapses in its implementation and undue benefits to several ineligible farmers.**

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A CAG report tabled in Parliament on Tuesday has revealed that loans amounting to over Rs164 crore were waived off in violation of the guidelines and lapses were found in more than 22 per cent cases checked.

The report has prompted the BJP to seek a CBI probe into the scheme to unearth the real extent of the scam. The BJP also upped the ante by demanding that the loan waiver benefit be extended to all eligible farmers having an outstanding as of March 2013.

Under the Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS), 3.69 crore marginal and small farmers were to get a complete waiver of the eligible amount while 60 lakh "other" farmers had to receive one-time relief waiver of

25 per cent of the eligible amount. The scheme was scheduled to be implemented by June 2010.

However, the audit revealed that in 4,826 accounts (almost six per cent of test checked cases) farmers were not given benefits according to their entitlement and undue benefits totaling Rs13.35 crore were given in 3,262 cases.

In 8.5 per cent cases of 80,299 accounts test checked, the beneficiaries were not eligible for either debt waiver nor relief. A proportion of such claims, amounting to Rs20.50 crore, were on account of claims being admitted for ineligible purposes or claims pertaining to periods not eligible for scheme benefits.

The audit report highlighted that monitoring of the scheme was “deficient” and in 2,824 cases, with claims amounting to Rs8.64 crore, there was a prima facie evidence of tampering, overwriting and alteration of records.

“Debt waiver and relief certificates were not issued in many cases to eligible beneficiaries. In 21,182 accounts (34.28 per cent) out of 61,793 cases test checked, there was no acknowledgement from farmers or any other proof of issue of debt waiver or debt relief certificates to the beneficiaries. Such certificates entitle the farmers to fresh loans,” the report highlighted.

After extending benefits under the scheme, the banks were required to issue a certificate and obtain an acknowledgement from the farmer for the same.

The CAG audit, carried out between April 2011 and March 2012 covered 25 States involving field audits of a total 90,576 beneficiaries / farmers accounts in 715 branches of lending institutions in 92 districts.

The sample included 80,299 accounts of such farmers who were extended benefits under the scheme, 9,334 accounts of those who were not selected as beneficiaries but received agricultural loans between April 1997 and March 2007 and 943 cases where complaints were received.

The CAG report has provided more ammunition to the Opposition. The BJP claimed nearly, 34 lakh eligible farmers were denied their right for debt waiver and more than 24 lakh ineligible beneficiaries have benefitted through this massive scam.

The BJP pointed out that the CAG has checked only 90,000 accounts out of 3.5 crore accounts and found that 13 per cent eligible farmers were not considered for waiver. Further, it said, 8.5 per cent ineligible beneficiaries got an undue windfall.

Citing the CAG report on farm loan waiver, the BJP on Tuesday alleged that there was a “big scam” worth Rs10,000 crore in implementation of the scheme and demanded strict action against those responsible for it.

“There may be many who may not even be farmers. So the figure of eligible farmers not getting the waiver benefit and number of ineligible beneficiaries is likely to increase once the detailed inspection of each account is carried out.

“The CAG report is an eye-opener and the BJP demands an immediate CBI inquiry to unearth the real extent of the scam,” BJP spokesman Prakash Javadekar said.

He also demanded acceptance of the Swaminathan Commission’s formula of calculating remunerative prices, which is “the cost of production plus 50 per cent”.

## **CAG finds lapses in Rs 52,000-cr farm debt waiver scheme**

**Expressing serious concern over the implementation of Rs 52,000-crore farm debt waiver scheme, government auditor CAG today said in several cases ineligible farmers were given benefit while deserving ones were left out.**

Comptroller and Auditor General (CAG) has also found instances of tampering of records and pulled up the Department of Financial Services (DFS) in the Finance Ministry for deficient monitoring of the multi-crore scheme.

"Overall, the Performance Audit revealed that in ... (22.32 per cent of cases test checked) there were lapses/errors which raised serious concern about the implementation of the scheme", said the CAG report tabled in Parliament today.

The report deals with Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008 under which 3.69 crore small and marginal farmers and 60 lakh other farmers were given debt relief to the extent of Rs 52,516 crore.

The CAG report said in several cases "farmers who had taken loan for non-agricultural purposes or whose loans did not meet eligibility conditions, were given benefits under the scheme."

It said several farmers who were eligible for the benefit under the scheme were not considered for loan waiver by the lending institutions.

Besides other observations, the report said the Micro Finance Institutions (MFIs) were given benefit under the scheme in violation of the debt waiver guidelines.

The banks, it said, also claimed undue benefits like penal interest, legal charges, miscellaneous charges from the government. Under the scheme, banks were supposed to bear these charges themselves.

Referring to the issue tampering of records, CAG suggested DFS should review such cases and take "stringent action" against erring officials and banks.

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**Business Standard**<sup>beta</sup>

## CAG smells a rat in UPA's Rs 72k-cr farm debt relief scheme

### Report says ineligible farmers given benefits

In a fresh blow to the United Progressive Alliance (UPA), the Comptroller and Auditor General of India has rapped the finance ministry over allegedly serious lapses in implementation of the Rs 71,680-crore agricultural debt waiver and debt relief scheme — a major plank on which the coalition had contested the 2009 general elections.

A report tabled in Parliament today showed CAG, after auditing 22.32 per cent of the total number of accounts, had found several ineligible farmers had been given waivers, while many eligible ones had been disqualified by banks.

Following tabling of the report, the main Opposition BJP attacked UPA, while the Congress found faults with CAG's calculations.



The report said 8.5 per cent of the test-checked accounts that were granted the benefits were not eligible for those. The claims of these 6,822 accounts amounted to around Rs 20.5 crore.

The auditor also found the evidence of tampering, over-writing and alteration of records. CAG has criticised the Department of Financial Services (DFS) for inefficient monitoring of the scheme and not taking adequate action despite being aware of the "numerous flaws in implementation of the scheme".

DFS depended on nodal agencies for monitoring the compliance of its instructions. But, CAG found, the nodal agencies themselves had relied on certificates and data of lending institutions, without carrying out any independent verification.

DFS also accepted claims from RBI in respect of urban co-op banks, of Rs 335 crore, though the number of beneficiaries was not mentioned, it added.

## ANOTHER SCAM?

No. of audit objections sustained

### TOP FIVE BANKS

State Bank of India	1,801	<div style="width: 100%; height: 10px; background-color: red;"></div>
Sri Gurusiddeshwara Cooperative Bank, Hubli	1,149	<div style="width: 100%; height: 10px; background-color: red;"></div>
Simsha Sahakara Bank, Maddur	1,112	<div style="width: 100%; height: 10px; background-color: red;"></div>
ICICI Bank	769	<div style="width: 100%; height: 10px; background-color: red;"></div>
Central Bank of India	474	<div style="width: 100%; height: 10px; background-color: red;"></div>

**Total objections 9,507**

### TOP FIVE STATES

Madhya Pradesh	3,339	<div style="width: 100%; height: 10px; background-color: red;"></div>
Uttar Pradesh	1,494	<div style="width: 100%; height: 10px; background-color: red;"></div>
Chhattisgarh	509	<div style="width: 100%; height: 10px; background-color: red;"></div>
West Bengal	497	<div style="width: 100%; height: 10px; background-color: red;"></div>
Manipur	487	<div style="width: 100%; height: 10px; background-color: red;"></div>

**Total objections 10,735** Source: CAG report

Besides, CAG found Rs 164-crore reimbursements were extended to microfinance institutions, in violation of the guidelines. CAG carried out its review from April 2011 to March 2012, covering 25 states and involving field audit of 90,576 farmers' accounts.

CAG added debt waiver certificates, which entitled farmers to fresh loans, were not issued to eligible ones in 34 per cent of test-checked accounts.

Whether those issued certificates got loans could not be confirmed as loan application receipt record



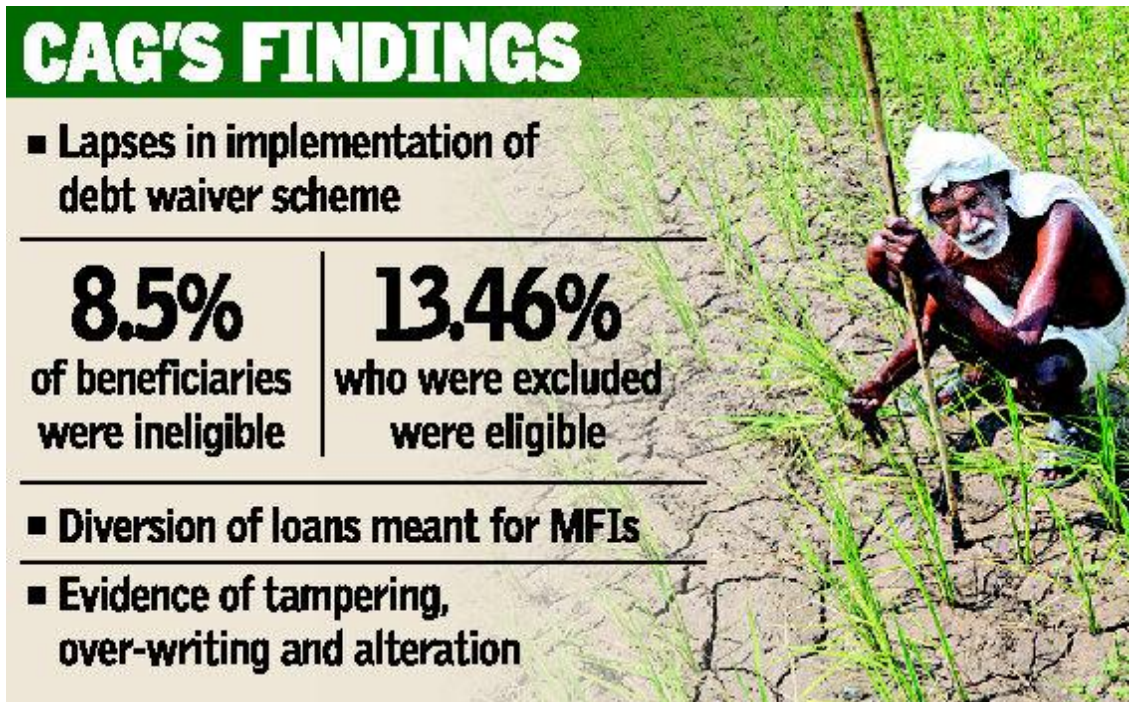
was not maintained.

BJP spokesperson Prakash Javadekar hit out at the UPA, saying this was a scam of Rs 10,000 crore. Congress Spokesperson P C Chacko, speaking to BS, alleged: "This scheme was implemented by various agencies and the Centre only bore the cost. It appears to be a case of disproportionate and exaggerated calculation by CAG."

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# THE HINDU Business Line

## Major flaws in Rs 52,000-cr farm loan waiver scheme: CAG



**CAG'S FINDINGS**

- Lapses in implementation of debt waiver scheme

<b>8.5%</b> of beneficiaries were ineligible	<b>13.46%</b> who were excluded were eligible
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- Diversion of loans meant for MFIs
- Evidence of tampering, over-writing and alteration

**NEW DELHI, MARCH 5:** The Comptroller and Auditor General has found *prima facie* evidence of tampering, overwriting and alteration of records in the Agricultural Debt Waiver and Debt Relief Scheme of 2008.

In its report, tabled in Parliament here on Tuesday, the Government auditor pulled up the Department of Financial Services for "deficient" monitoring of

the Rs 52,000-crore scheme, announced in the 2008 Budget ahead of the 2009 general elections, that the UPA Government has used to showcase its pro-farmer image.

#### 'EYE-OPENER'

The Bharatiya Janata Party, terming the report an eye opener, demanded a CBI enquiry. The CAG's team audited the records of 90,576 farmers in 715 branches of various banks in 25 States. The sample included 80,299 accounts of farmers who got the benefits and 9,334 accounts of those who were denied the benefits for various reasons.

The CAG report said 13.46 per cent of the rejected accounts were actually eligible for benefits under the scheme. The auditor said these applicants were not considered by the banks while preparing the list of eligible farmers. In 8.5 per cent of the cases audited by the CAG, the beneficiaries were not eligible either for debt waiver or for debt relief.

"A proportion of such claims, amounting to Rs 20.50 crore, was on account of claims being admitted for ineligible purposes or claims pertaining to periods not eligible for scheme benefits," the report said.

In some cases, the CAG said, farmers were not extended the benefits according to entitlements. "In 3,262 cases, undue benefit totalling Rs 13.35 crore was extended," the report added.

The CAG also said a private scheduled bank received reimbursement worth Rs 164.60 crore meant for microfinance institutions.

About the role of the Department of Financial Services, the CAG report said: "The DFS was completely dependant upon the nodal agencies for monitoring the compliance of its instructions issued from time to time in implementation of the scheme."

#### DEMAND FOR INQUIRY

The report will now go to the Public Accounts Committee of Parliament for discussions. Some 50 such reports are before the panel.

Saying that the ruling Congress has become synonymous with corruption, the BJP said just with a small sampling, the CAG has found that some 13 per cent of the eligible farmers had been left out of the scheme.

The party demanded a CBI enquiry to unearth the real extent of the “scam.” It urged the Centre to ensure assistance for all eligible farmers before the end of this financial year.

## Coconut oil prices to rule steady on better crop hopes



**KOCHI, MARCH 5:** The coconut oil market recovered from lower levels in Kerala and Tamil Nadu this week after witnessing a selling trend. Prices in Kerala touched Rs 63 quoted last week after sliding to Rs 61 a kg in the last few days. In Tamil Nadu, it bounced back to Rs 60 after trading low at Rs 58.50. Prakash B. Rao, Vice-President, Cochin Oil Merchants Association (COMA), cited bottom level buying from traders coupled with slight demand for edible copra from North Indian markets as the reasons for the recovery.

Prices, he said, are expected to be more or less steady in the coming days due to expectations of better crops (raw nuts and conversion of copra).

Copra prices are ruling at Rs 4,400 a quintal in Kerala (Rs 4,500) and Rs 4,300 in Tamil Nadu (Rs 4,350).

Other edible oils such as palm oil and palm kernel oil remained at the same level quoted last week at Rs 52 and Rs 53/ kg respectively. Piling up of edible



oil stocks with large scale importers was the reason for the prices remaining stagnant, he added.

#### ADULTERATION ISSUE

On the reports of adulterated coconut oil from Tamil Nadu to Kerala, Rao said though COMA had taken up the issue with the authorities on several occasions all are in vain. However, the Association now urged to take up the matter more seriously to help the industry and farmers to get a better price.

Meanwhile, Kerafed has warned people against coconut oil adulterated with liquid paraffin and palm kernel oil being sold in the market by unscrupulous companies, which are taking advantage of the huge demand of coconut oil in the State.

The company, in a press statement issued here, said that several companies are using packages which are similar to the Kera brand produced by the State-owned cooperative in order to capture a large share of the market.

## Pepper slips on sale in Karnataka



**KOCHI, MARCH 5:** Selling pressure in Karnataka pushed prices of fresh pepper on both futures and spot market on Tuesday and consequently all the active contracts ended much below the previous day's closing. There was liquidation, switching over and some additional buying.

Karnataka dealers were said to be offering the material at Rs 350 a kg delivered anywhere in India on cash and carry basis, market sources told *Business Line*.

Meanwhile, arrivals from the growing areas in Kerala were thin and only 25 tonnes of fresh pepper arrived today and that were traded afloat at prices between Rs 350 and Rs 365.

March contract on the NCDEX decreased by Rs 500 to Rs 36,260 a quintal. April and May fell by Rs 660 and Rs 565 respectively to Rs 34,715 and Rs 33,810.

Spot prices, in tandem with the futures, dropped by Rs 600 to Rs 35,400 (ungarbled) and Rs 36,900 (MG 1) a quintal.

## **Absence of stockists' buying drags sugar**



**MUMBAI, MARCH 5:** Sugar prices on the Vashi market ruled almost steady on routine trade activities on Tuesday. Only some quality sugar sold Rs 10 higher while normal quality was under pressure of higher selling.

Naka rates dropped by Rs 10-30 a quintal tracking extended bearish trend at upper mill level.

Mills sold sugar at Rs 20-30 lower than previous day due to lack of fresh retail and stockists' demand.

Morale was steady in physical market as futures prices showed small recovery, said traders.

In the absence of neighbouring States buying in Maharashtra, producers are forced to offload their stocks in local markets. The market carries about 110-120 truckloads of stocks currently.

In the Vashi market, arrivals were 62-63 truck loads (each of 100 bags) and local dispatches were also same at about 61-62 truck loads.

On Monday evening, most mills kept away from offering fine variety expecting higher price.

About 17-18 mills sold 48,000-50,000 bags of regular quality at lower price Rs 3,050-3,100 (Rs 3,060-3,120) for S-grade and Rs 3,130-3,230 (Rs 3,160-3,250) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 3,210-3,262 (Rs 3,196-3,262) and M-grade Rs 3,242-3,441 (Rs 3,242- 3,431).

**Naka delivery rates:** S-grade Rs 3,140-3,160 (Rs 3,150-3,190) and M-grade Rs 3,200-3,340 (Rs 3,230-3,350).

## Low stocks, fresh demand lift wheat



**KARNAL, MARCH 5:** Fresh buying coupled with low availability of stocks on Tuesday, pushed dara wheat and flour prices up by Rs 15 and Rs 10 a quintal, respectively.



In the physical market, dara wheat went up by Rs 15 and quoted Rs 1,555-1,560 a quintal.

Radhey Shyam, a trade expert, told *Business Line* that low availability of stocks mainly pushed dara wheat prices up. Only the big flour mills are getting stocks from the Food Corporation of India through tenders, he added.

Small chakki owners are forced to buy in the open market, he said.

It is unlikely to see any major alteration in prices this week and dara wheat may continue to rule around current levels, he added.

Around 52 tonnes of dara variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,555 while delivery at the chakki was at Rs 1,560 a quintal.

On the National Commodity and Derivatives Exchange, wheat for March delivery decreased by Rs 15 and traded at 1,532 a quintal with an open interest of 5,660 lots. April contracts went down by Rs 5 to Rs 1,399. Wheat spot prices on the exchange improved by Rs 5 and traded at Rs 1,512.5.

#### FLOUR PRICES

Following an uptrend in wheat, flour prices too went up by Rs 10 and quoted at Rs 1,760-1,770 . On the other hand, Chokar continued to rule flat and sold at Rs 1,360-1,400 a quintal.

## Rainforest Alliance coffees from India fetch good premium

**BANGALORE, MARCH 5:** An NGO, which certifies good practices in farming, has started yielding premium prices for coffee growers for their produce in the US and Europe. Rainforest Alliance is a non-governmental organisation (NGO) working towards conservation of biodiversity. The alliance, through its certification and verification initiatives, has been pushing for good agriculture practices. The certification system revolves around improving environment, social equity and economic viability.

“After five years of introduction of Rainforest Alliance certification in India, growers have begun to get higher prices - ranging from 3 to 10 per cent above the market rate,” Per Bogstad, Manager, Sustainable Value Chains, UK and Ireland, Rainforest Alliance, told *Business Line*. “For growers getting the Rainforest Alliance certification and adopting best practices it has transformed

their estates by way of sustained growth in yield in addition to quality improvement,” he added.

Among the companies - Costa Coffee (coffee), Unilever and Goodricke (tea) are actively sourcing their needs from India.

After sustained education and marketing efforts in India, “We have certified 38 estates. These estates have come under Rainforest Alliance fold for both certification and verification,” said Per Bogstad. In the last five years, traceability from ‘farm to pack’ has been well established from India.

Commenting on the acceptability of RFA-certified coffees, Jawaid Akhtar, Chairman, Coffee Board, said “Due to public awareness, RFA coffee sales is expected to rise from a minuscule level at present.” “Coffee Board has been supporting all initiatives concerning protection of ecology and environment. Especially in measures which help the growers get better yield and better prices,” he added. “Our biggest overseas customer is Costa Coffee of the UK. For domestic market, we are slowly increasing the use of RFA coffees in our Espresso blends,” said Nagaraja Rao, Executive Director, Bayar’s Coffee.

## **Govt may use wastelands for tasar silk cultivation**

### **NEW DELHI, MARCH 5:**

The Government is eyeing wastelands in central India, both public and private, to promote the cultivation of tasar silk.

Besides enhancing the local livelihoods, the proposed move could also help combat extremism in States such as Chhattisgarh, Odisha and West Bengal among others.

Tasar is a wild silk variety, mainly produced in Jharkhand, Chhattisgarh, Orissa, and parts Andhra Pradesh, West Bengal and Maharashtra.

### **SATELLITE MAPPING**

Largely used in furnishings and interiors, the coarse variety tasar silk is produced by worms that feed on the leaves of trees such as Asan, Arjun and sal.

“We have done a satellite mapping with the help of Indian Space Research Organisation and have identified the potential areas to promote tasar

production” said Ishita Roy, Chief Executive Officer and Member Secretary, Central Silk Board (CSB).

Talks are on with the State governments, community-based organisations and the non-governmental organisations active in the region.

The area to be covered under the proposed project would depend on the States and response from private land holders.

As part of the project, the implementing agency - likely to be an NGO would take up plantation of trees such as asan, arjun and sal on the wastelands.

#### MULTI-USES

Besides contributing to the green cover, the plantations could also provide a source of income for the locals who would be allowed to rear the silk worms.

The CSB is piloting the concept of seed rearing as part of which the eggs of tasar silk worm would be commercially available for rearing.

Tasar accounted for about seven per cent of the country’s total silk output of 23,060 tonnes in 2011-12.

The production of tasar silk has grown four-fold in the past six years.

#### SILK OUTPUT

The mulberry silk accounts for 80 per cent of the total silk produced in the country.

Roy said the Board is also targeting to increase the overall silk output to 32,000 tonnes over the next four years.

The Silk Board plans to target increasing the mulberry silk production in States such as Jammu and Kashmir, besides targeting newer areas in non-traditional States such as Uttarakhand, Himachal Pradesh and Uttar Pradesh.

Mulberry silk is mainly produced in States such as Karnataka, Tamil Nadu and Andhra Pradesh.

India is the second largest producer of silk after China.

Domestic silk consumption stands at 28,700 tonnes.

In the Budget 2013-14, the Government enhance the import duty on raw silk to 15 per cent from the present five per cent to protect the domestic producers.

## Govt urged to offload procured cotton to stabilise prices



*A file photo of a cotton farmer with his stock*

Difficult to pass on price hike to consumers, says textile industry

### **NEW DELHI, MARCH 5:**

Worried over rising cotton prices, the Confederation of Indian Textile Industry (CITI) has urged the Government to release the commodity procured by various State agencies under the support price mechanism.

In a letter to Union Minister of Textiles Anand Sharma, CITI attributed the recent increase in prices to artificial shortage created partly by hoarding of cotton by traders and due to the non-release of procured cotton by the Cotton Corporation of India (CCI) and other procurement agencies.

S.V. Arumugam, Chairman, CITI, said the current stock of close to 25 lakh bales had been procured through the minimum support price (MSP) route a few weeks ago, after which prices have risen by about 12-15 per cent.

Thus, releasing the procured quantities could now fetch an impressive profit.

Procuring cotton at MSP, when the market prices were lower, gave requisite protection to cotton farmers.

However, holding on to the procured cotton would help only traders, who are also hoarding cotton purchased from the farmers at low prices, Arumugam said. The country's cotton production in the current year is estimated at 33.80 million bales of 170 kg each over last year's 35.2 m bales.

Domestic consumption is pegged at 26 million bales, leaving an export surplus of around eight million bales.

The CITI Chairman said a substantial part of the crop had already arrived in the market and, therefore, an increase in cotton prices now would help farmers only marginally.

Stating that the textiles industry was finding it difficult to pass on the increased cotton prices to consumers, Arumugam urged the Government to immediately release the procured cotton, which would also force the traders to release cotton held by them.

## **Lowest turnover at Coonoor tea sale**

**COONOOR, MARCH 5:** The turnover at the auctions of Coonoor Tea Trade Association this week has been the lowest so far this year, reveals an analysis of the market reports. This has happened despite fetching record price average because of record-low sale volume.

The volume of 10.97 lakh kg offered itself was the lowest so far this calendar of which, 9.76 lakh kg were sold against 10.84 lakh kg in the previous week. This was the lowest volume sold so far this calendar. The price averaged Rs 99.75 a kg which was the highest price average fetched so far this calendar.

Consequently, the turnover dropped to Rs 9.76 crore from Rs 10.61 crore. This was the lowest weekly turnover earned so far this calendar.

The major support to the market came from upcountry buyers who preferred brighter liquoring teas. The volume is inadequate in North India with some auctions at Kolkata listed for cancellation this month. In all, 86 CTC marks got Rs 125 and more.



Among orthodox teas, Chamraj got Rs 275, Glendale Rs 211, Kilkotagiri Rs 198, Kairbetta Rs 182, Corsley and Highfield Rs 181 each. In all, 32 marks got Rs 125 and more.

In the leaf auctions, 0.08 per cent fetched above Rs 200 a kg, 42.39 per cent above Rs 100, 41.46 per cent Rs 90-99 and 16.08 per cent Rs 80-89.

In the dust auctions, no tea fetched over Rs 200 while 47.90 per cent got above Rs 100, 37.53 per cent Rs 90-99, 13.38 per cent Rs 80-89 and 1.18 per cent Rs 70-79.

## Prices stable at Karnataka tobacco auction

**BANGALORE, MARCH 5:** As tobacco auctions in Karnataka enter the final phase, prices are stable over Rs 100/kg. The Tobacco Board has so far marketed about 70.61 million kg (70 per cent) of the authorised crop in Karnataka at an average price of Rs 120.58.

The Board is planning to complete auctions in the State by March-end. “Even at the fag end of auction season, prices are still ruling high due to quality and good export demand,” said a senior Board official.

“After introduction of e-auction in all the 10 platforms, auctions are held without any disruptions and has brought in transparency in board’s dealings with growers and traders,” he added.

At the end of 116 days of auctions (on March 4), the board has marketed 6.64 lakh bales of FCV tobacco variety with an average price realisation of Rs 120.58 a kg.

Of the quantity marketed, bright grades comprised 24.39 per cent and traded at an average price of Rs 143.40. Medium grades comprised 49.10 per cent traded at an average price of Rs 129.16 and Low grades comprised the rest traded at an average price of Rs 26.50.

## Spot rubber inches up

**KOTTAYAM, MARCH 5:** The domestic rubber prices finished higher on Tuesday.



According to sources, the market improved reacting favourably to the reports on import duty and a sharp recovery in stock markets.

In spot, the sentiments were also catalysed by a recovery on the NMCE and reports from the global scene.

Sheet rubber closed firm at Rs 159 (Rs 157) a kg, according to traders.

The grade increased to Rs 158 (Rs 157) both at Kottayam and Kochi as quoted by the Rubber Board.

In futures, the March series improved to Rs 158.59 (Rs 156.79), April to Rs 163.05 (Rs 161.48), May to Rs 166.49 (Rs 165.21) and June to Rs 168.50 (Rs 166.83) while the July series remained inactive on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) recovered to at Rs 164.30 (Rs 162.99) at Bangkok.

The March futures dropped to ¥271.5 (Rs 159.80) on the Tokyo Commodity Exchange (TOCOM).

**Spot rubber rates (Rs/kg):** RSS-4: 159 (157); RSS-5: 154 (152); Ungraded: 151 (147); ISNR 20: 154 (153) and Latex 60 per cent: 101 (100).

## **Kerala CM asks for raise in import duty on rubber**

**NEW DELHI, MAR 5:** The Kerala Chief Minister, Oommen Chandy today pressed for increase in import duty on rubber to protect the interest of domestic players in his meeting with Commerce and Industry Minister, Anand Sharma.

He also said that steps be taken to protect domestic cashew and cardamom growers from increasing imports from countries like Guatemala, an official said.

The official said that Sharma has recommended to the finance ministry an upward revision of the import duty on natural rubber.

“The Kerala Chief Minister has also asked Sharma to take steps to protect the interest of domestic growers of cashew and cardamom. Huge imports of cardamom are taking place from Guatemala,” the official added.

Kerala accounts for about 90 per cent of the rubber produced in India.

Prices of the commodity have fallen to about Rs 160 a kg from last year’s Rs 230 a kg. This has caused worries among the farmers and growers.

Natural rubber is mainly imported by tyre manufacturers.

According to estimates, natural rubber imports stood at 1.31 lakh tonne during the first-half of the current fiscal.

India is the fourth largest rubber producer in the world.

The existing duty is Rs 20 a kg, or 20 per cent, whichever is lower.

Domestic rubber prices have gone down by 20-25 per cent in the last five months and imports have increased. India imports natural rubber from Malaysia, Thailand and Indonesia.

## **Coconut oil recovers on buying at low levels**

**KOCHI, MARCH 5:** The coconut oil market recovered from lower levels in Kerala and Tamil Nadu this week after witnessing a selling trend.

Prices in Kerala touched Rs 63 levels quoted last week after sliding to Rs 61 per kg in the last few days. In Tamil Nadu, it bounced back to Rs 60 after trading low at Rs 58.50 per kg. Prices quoted at Tamil Nadu last week was Rs 60.

Prakash B. Rao, Vice-President, Cochin Oil Merchants Association (COMA), cited bottom level buying from traders coupled with slight demand for edible copra from North Indian markets as the reasons for the recovery.

Prices, he said, are expected to be more or less steady in the coming days due to holding of more quantity at these levels on the expectations of better crops (raw nuts and conversion of copra).

Copra prices are ruling at Rs 4,400 per quintal in Kerala (Rs 4,500) and Rs 4,300 per quintal in Tamil Nadu (Rs 4,350).

The other edible oils such as palm oil and palm kernel oil remained at the same level quoted last week at Rs 52 and Rs 53 per kg respectively. Piling up of edible oil stocks with large scale importers was the reason for the prices remaining stagnant, he added.

Thalath Mahamood, former President, COMA, said that the market is witnessing a selling trend with traders in Tamil Nadu started liquidating copra due to new arrivals. The validity of stocking copra is three months and after that there would be changes in specification affecting the quality.

He also reiterated the demand to intensify copra procurement by government agencies to get a better price for the raw material.

Bharat N.Khona , former Board Member, COMA was of the view that the market is showing an upward trend in spite of demand from corporates and upcountry buyers, which is unprecedented.

On the reports of adulterated coconut oil from Tamil Nadu to Kerala, Rao said though COMA had taken up the issue with the authorities on several occasions all are in vain.

However, the association now urged to take up the matter more seriously to help the industry and farmers to get a better price.

Meanwhile, the Food Safety authorities said that they had collected several samples of coconut oil from traders in Kochi, Kozhikode and Thiruvananthapuram and sent it for testing in NABL accredited labs. Further action will be taken based on the reports from the labs.

A senior official in Kerala said that they had taken up the adulteration issue with the authorities concerned as it is difficult to meet the competition due to selling of certain brands below the market price.

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