



REPORT OF THE
COMMISSIONER FOR ANDHRA PRADESH
OF INDIA

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

GOVERNMENT OF INDIA, NEW DELHI



सत्यमेव जयते

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**UNION GOVERNMENT
No. 10 (COMMERCIAL) OF 1992**

STATE FARMS CORPORATION OF INDIA LIMITED

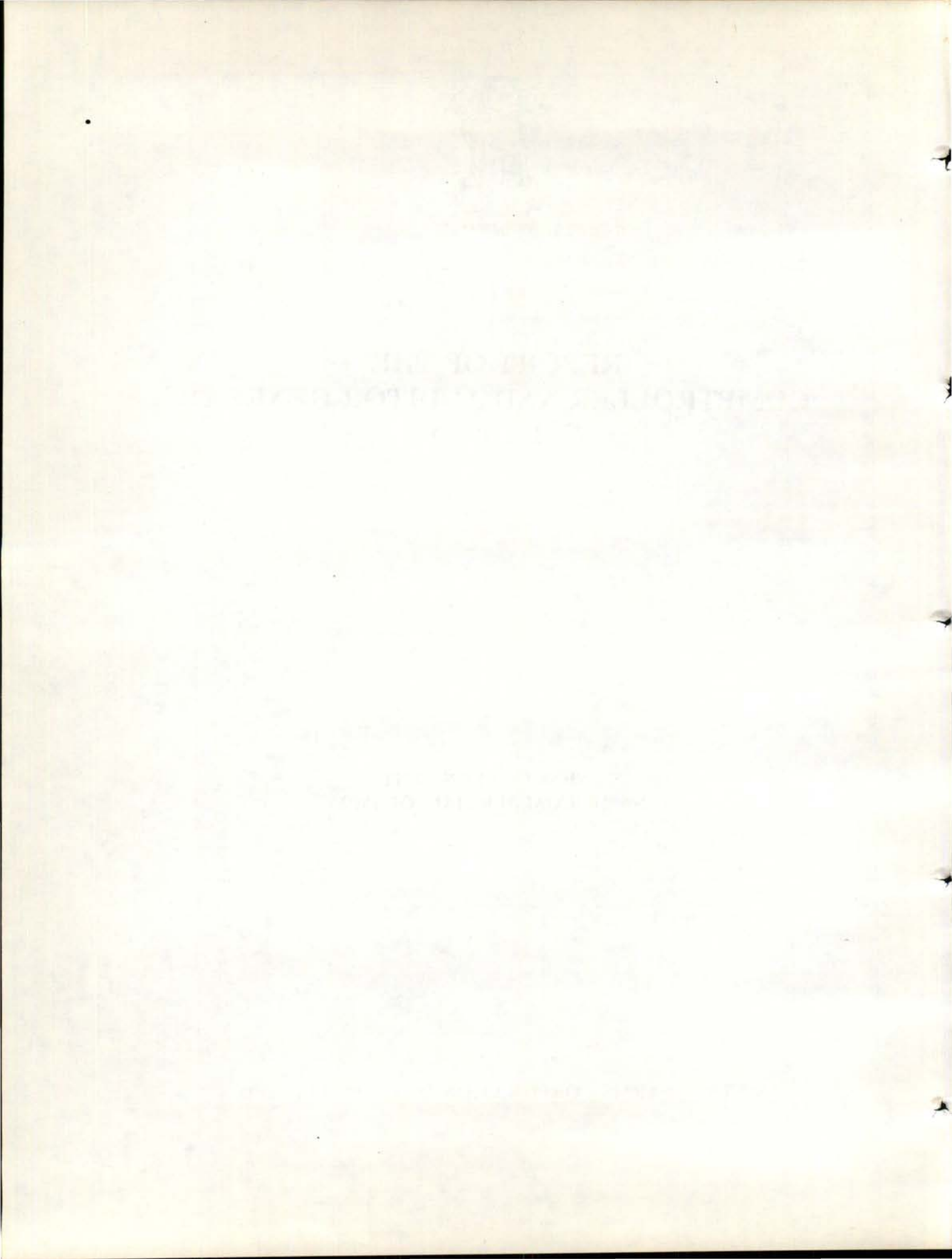


TABLE OF CONTENTS

<u>Sl.No</u>	<u>CHAPTER</u>	<u>PAGE NO</u>
	PREFACE	11
	OVERVIEW	iv
1.	Introduction	1
2.	Objectives	3
3.	Organisation	5
4.	Financial Performance	6
5.	Farm Performance	10
6.	Marketing Management	17
	Annexures	22

Page

Chapter

Page

1	Introduction	1
2	Chapter I	15
3	Chapter II	35
4	Chapter III	55
5	Chapter IV	75
6	Chapter V	95
7	Chapter VI	115
8	Chapter VII	135
9	Chapter VIII	155
10	Chapter IX	175
11	Chapter X	195
12	Chapter XI	215
13	Chapter XII	235
14	Chapter XIII	255
15	Chapter XIV	275
16	Chapter XV	295
17	Chapter XVI	315
18	Chapter XVII	335
19	Chapter XVIII	355
20	Chapter XIX	375
21	Chapter XX	395
22	Chapter XXI	415
23	Chapter XXII	435
24	Chapter XXIII	455
25	Chapter XXIV	475
26	Chapter XXV	495
27	Chapter XXVI	515
28	Chapter XXVII	535
29	Chapter XXVIII	555
30	Chapter XXIX	575
31	Chapter XXX	595
32	Chapter XXXI	615
33	Chapter XXXII	635
34	Chapter XXXIII	655
35	Chapter XXXIV	675
36	Chapter XXXV	695
37	Chapter XXXVI	715
38	Chapter XXXVII	735
39	Chapter XXXVIII	755
40	Chapter XXXIX	775
41	Chapter XL	795
42	Chapter XLI	815
43	Chapter XLII	835
44	Chapter XLIII	855
45	Chapter XLIV	875
46	Chapter XLV	895
47	Chapter XLVI	915
48	Chapter XLVII	935
49	Chapter XLVIII	955
50	Chapter XLIX	975
51	Chapter L	995

PREFACE

Audit Boards are set up under the supervision and control of the Comptroller and Auditor General of India (C&AG) to undertake comprehensive appraisal of the performance of the Companies and Corporations subject to audit by C&AG.

The part time members of Audit Boards are appointed by the Government of India (by the respective Ministry or Department controlling the Company or Corporation) with the concurrence of the Comptroller and Auditor General of India.

2. The report on State Farms Corporations of India Limited was finalised by an Audit Board consisting of the following members:

Shri.N.Sivasubramanian	Deputy Comptroller and Auditor General-cum-Chairman, Audit Board.
Shri.V.Srikantan	Principal Director of Audit. (Food)
Shri.A.K.Chakraborti	Principal Director of Commercial Audit-II New Delhi
Shri.K.S.Menon	Principal Director (Commercial) & Member-Secretary, Audit Board.
Shri.B.K.Sharma	Managing Director, Rajasthan State Seeds Corporation (Retd) -Part Time Member
Shri.S.N.Joshi	Adviser, Agro-climatic Regional Planning Unit Planning Commission, India, Sardar Patel Institute of Economic & Social Research, Ahmedabad -Part Time Member

3. The Audit Board held discussions with the representatives of the Ministry of Agriculture, Department of Agriculture & Cooperation.

4. The Comptroller & Auditor General of India wishes to place on record his appreciation of the work done by the Audit Board.

OVERVIEW

1. The State Farms Corporation of India Limited (SFCI) was incorporated on 14th May, 1969 with an authorised capital of Rs. 700 lakhs and paid up capital of Rs. 62.33 lakhs. As on 31st March, 1992, the authorised capital of the Company was Rs. 2,500 lakhs and its paid up capital was Rs. 2,320.34 lakhs. 13 farms were being managed by the Company having a total area of 36,664 hectares, out of which 26,047 hectares were cultivable. There is also a small development unit in Suratgarh farm for hiring out machines.

(Para 1.1, 1.2 & 4.1)

2. The main objectives of the Company are to run agricultural farms primarily for production of seeds of food-grains, fibre crops, oil seeds, fruits etc., to set up cattle breeding farms, to undertake development of lands, to carry on business of agricultural produce of all kinds including dairy, poultry, horticulture produce etc. and to give machinery belonging to the Company on hire. The Company had not prepared any corporate plan. The Company had an important role to play as, presently, the seed production in the country was nowhere near meeting the demand for good quality of seeds. The Company was designed to provide improved quality of seeds to the farmers. The Company had not been able to plan and coordinate production to demand for various seeds. Test check revealed that on many occasions seeds were sold as commercial grain for want of demand, entailing revenue loss.

(Para 2.1 to 2.4 & 6.4)

3. As on 31st March, 1992, the Company had accumulated losses of Rs.373.25 lakhs. Amounts of Rs.395.21 lakhs and Rs.851.75 lakhs were overdue for payment to Government of India towards repayment of instalments and interest thereon respectively. The interest included penal interest of Rs. 400.40 lakhs.

(Para 4.2 & 4.4)

4. The SFCI farms still have several constraints despite huge investments made for removing them. Inadequacy of the existing irrigation facilities is the major constraint.

(Para 5.3)

5. The irrigated area had decreased from 48% in 1985-86 to 33% in 1991-92. The area irrigated in SFCI farms was less than the area irrigable on the basis of available water. In respect of most of the crops produced by the Company, targets were hardly ever achieved and the percentage of achievement varied from 55 to 84. The average yield per hectare in some of the farms of the Company was less than the average yield obtained in the concerned Districts and States where the farm is situated.

(Para 5.1 5.2 & Para 5.6)

6. The company took over 2 farms (Babai and Khammam) from State Governments without proper study of their economic viability and ultimately abandoned them after incurring huge losses.

(Para 5.8 & Para 5.9)

7. With a view to remove the constraints of low productivity in horticulture industry and to collect and maintain germ plasm of various fruit crops the Government of India established, during the Sixth Five Year Plan, 'Elite Progeny Orchard-cum-Nursery' in 10 farms of the SFCI funded wholly by the Government. The Company covered 248.76 ha. of land for collection of elite specimens against 150 ha. targeted under the scheme. The Company could not utilise all the funds provided towards compensation to farmers for obtaining propagation materials, or as prize money in competitions or in construction of green houses.

(Para 6.6)

CHAPTER 1

INTRODUCTION

1.1 The State Farms Corporation of India Limited (SFCI) was incorporated on 14th May, 1969 and 6 Central State Farms at Suratgarh and Jetsar in Rajasthan, Jharsaguda in Orissa, Jalandhar in Punjab, Raichur in Karnataka and Hissar* in Haryana, were taken over by it from the Government of India. Between 1969 and 1992 the Company set up 10 new farms in locations given below:-

*Mizoram	- 1970
Cannanore in Kerala	- 1970
*Ladhowal in Punjab	- 1971
*Kokilabari in Assam	- 1971
*Chengam in Tamil Nadu	- 1971
Khammam in Andhra Pradesh	- 1972
*Bahraich in Uttar Pradesh	- 1973
*Rae Bareli in Uttar Pradesh	- 1973
*Barpeta in Assam	- 1982
Babai in Madhya Pradesh	- 1984

(* on leased lands)

Ladhowal farm was started in place of the one in Jalandhar where the Company could not take possession of land. The Company closed the farm at Jharsaguda in 1971 because of labour problems and encroachments. Two newly established farms at Khammam and Babai were also closed down as not commercially viable in 1975 and 1986 respectively. For better management, the Company bifurcated (1976) the Suratgarh farm into two farms, i.e. Suratgarh farm and Sardargarh farm. Thus, in all 13 farms are being run after 1986. There is also a small development unit in Suratgarh farm for hiring out machinery.

As on 31st March, 1992, the area in 13 farms managed by the Company was 36664 hectares out of which 26047 hectares were cultivable. 8 of the farms marked by asterisk above are on leased lands covering 14410 hectares. The farm at Mizoram is managed on agency basis for the Government of India.

1.2 The SFCI is controlled by the Department of Agriculture under the Ministry of Agriculture which also controls another public sector undertaking viz. National Seeds Corporation (NSC) which is focussing on procurement and distribution of seeds rather than in engaging in production of seeds. The State Governments in the following States are also running State Seeds Corporations:-

1. Assam
2. West Bengal
3. Bihar
4. Uttar Pradesh
5. Madhya Pradesh
6. Haryana
7. Punjab
8. Maharashtra
9. Gujarat
10. Andhra Pradesh
11. Karnataka
12. Rajasthan
13. Orissa

CHAPTER II

OBJECTIVES

2.1 The main objectives of the SFCI are

- to set up and run agricultural farms for the production of seeds
- to set up cattle breeding farms
- development, reclamation and improvement of lands
- to carry on business of farmers, producers, processors, exporters, packers and importers of agricultural produce of all kinds including dairy, poultry, garden and horticulture produce and

to give machinery on hire.

According to the Management, the quality seeds produced by SFCI were of high order and enjoyed good reputation. The Company is concentrating mainly on seed production. This involves obtaining breeder seeds from Indian Agricultural Research Institute/State Agricultural Universities, production of foundation seeds therefrom and from foundation seeds producing the certified seeds which are sold to farmers for raising crops.

2.2 In 1989-90, the SFCI used 14% (364 tonnes) of breeder seeds produced in the country and produced 11% of foundation seeds (4511 tonnes) and 4% of certified seeds (16433 tonnes) used in the country.

2.3 The Company was still to prepare a corporate plan. It was stated (September 1992) that a corporate plan was now being prepared.

2.4 On the rationale of having Public Sector Undertakings in the area of seed production and distribution, the following policy considerations were advanced by the Ministry:-

- the present production of seeds in the country was nowhere near meeting the demand for good quality seeds.
- SFCI and NSC are Public Sector Undertakings of the Ministry designed to provide improved seeds to farmers whether or not this activity is carried on by the private growers who are guided by the profit motive and may not hesitate to exploit farmers.
- private sector suppliers are mainly concentrating on growing high value hybrid seeds, also for horticulture and vegetables.
- the hybrid seeds are required to be procured anew every year because they cannot regenerate good seeds. But the seeds distributed by SFCI can be used for 10 years by regeneration; 10% of the seeds being replaced anew every year to ensure quality.
- Provision of quality seeds and replacement of inferior seeds of the farmers was the need of the day.

CHAPTER III

ORGANISATION

3. The management is vested in a part-time Chairman, a Managing Director and three part-time Directors. Each farm is headed by a Director.

As on 31st March, 1992, the Company employed 1802 persons on regular employment and 4843 on casual employment.

CHAPTER IV

FINANCIAL PERFORMANCE

4.1 The authorised and paid up capital of the Company on its formation on 14th May, 1969 were Rs.700 lakhs and Rs. 62.33 lakhs respectively. These have gone upto Rs. 2500.00 lakhs and Rs. 2320.34 lakhs respectively as on 31st March, 1992. Shares worth Rs. 250 lakhs were issued to the Government in lieu of assets taken over from the Government of India. The net value of assets taken over in August, 1969 was in excess of net liabilities by Rs.98.63 lakhs(Provisional) for which additional shares have not been issued by the Company to Government.

4.2 The financial performance of the Company in recent years is given below:—

(Rupees in lakhs)

<u>I.LIABILITIES</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
A.Paid-up capital	1324.36	1414.36	1620.34	1910.34	2320.34	2320.34	2320.34
B.Reserves & Surplus	158.64	183.85	262.93	292.48	327.24	362.64	388.65
C.Borrowings							
1.From Govt of India	388.67	388.67	398.67	423.67	423.67	423.67	423.67
2.From Banks & Financial Institutions	1010.62	993.82	832.45	799.00	905.83	1321.32	1563.23
3.From Others	0.22	0.21	0.20	0.19	0.18	0.18	0.16
D.Deferred payment liability to the machinery suppliers	16.20	13.29	10.47	9.09	6.38	3.75	2.09
E.Trade dues & Current Liabilities	1307.66	1421.02	1602.57	1977.11	2145.70	2266.28	2461.00
Total:	4206.37	4415.22	4727.63	5411.88	6129.34	6698.18	7159.14
<u>II.ASSETS</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
F.GrossBlock	1950.02	2007.05	3118.04	3304.42	3763.32	4204.85	4556.29
Less:Depreciation	944.62	989.31	1075.81	1148.76	1216.99	1296.08	1397.64
G.NetBlock	1005.40	1017.74	2042.23	2155.66	2546.33	2908.77	3158.65
H.Capital-works-in-progress	30.67	31.04	32.12	41.07	70.51	121.32	162.79
I.Machinery in transit	3.54	0.03	-	1.12	1.12	-	-

J. Investment	14.86	15.07	15.07	15.07	15.73	17.20	79.04
K. Current Assets,							
Loans and							
Advances	1736.69	1775.59	1635.12	2335.65	2721.54	3008.95	3348.69
L. Capitalised							
Expenditure							
(Misc)	647.31	813.21	48.95	49.86	51.09	60.54	36.72
M. Accumulated							
Losses	<u>767.90</u>	<u>762.54</u>	<u>954.14</u>	<u>813.45</u>	<u>723.02</u>	<u>581.40</u>	<u>373.25</u>
Total:	<u>4206.37</u>	<u>4415.22</u>	<u>4727.63</u>	<u>5411.88</u>	<u>6129.34</u>	<u>6698.18</u>	<u>7159.14</u>
N. Capital Employed	1434.43	1372.31	2074.78	2514.20	3122.17	3651.44	4046.34
O. Networth:	(-)90.85	(-)161.39	(+)617.25	1047.03	1546.23	1678.39	1910.37
P. Networth per rupee							
of paid-up Capital	(-)0.07	(-)0.11	0.38	0.55	0.67	0.72	0.82

	(Rs. in lakhs)						
WORKING RESULTS	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
1. Income	1553.91	1709.09	1415.48	1804.03	2387.32	2592.91	3044.36
2. Expenditure	1274.29	1375.39	1236.42	1378.77	1880.78	2040.18	2237.59
3. Excess of income over expenditure	279.62	333.70	179.06	425.26	506.54	552.73	806.77
4. Profit after interest & Depreciation	(-)	(-)	(-)				
5. Profit before tax	50.52	12.56	141.41	156.09	102.85	127.11	243.50
6. Provision for tax	2.17	8.48	7.44	7.53	7.40	9.50	22.45
7. Profit/loss after tax	52.69	21.04	148.85	148.56	95.45	117.61	221.05
8. Prior period adjustments	(+)	(+)	(-)	(-)	(-)	(+)	(-)
9. Profit/Loss as per accounts	29.05	26.40	42.75	7.87	5.01	24.01	12.90
	(-)	(+)	(-)	(+)	(+)	(+)	(+)
	23.64	5.36	191.60	140.69	90.44	141.62	208.15
10. Dividend paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil

4.3 PROFITABILITY OF FARMS:

The unitwise working results for the last five years ending 1991-92 are given in Annexure-I except for Mizoram farm. The performance of the farm at Rae Bareli is particularly poor. The farms in Hissar, Kokilabari and the Land Development Unit at Suratgarh earned profits in the last five years. The Company stated (September 1992) that all the existing farms except that in Mizoram farm were potentially viable, but the reasons for the loss in the farms were not intimated to Audit. Of the farm in Mizoram, it was stated that the loss was borne by the Government of India.

The value of five owned farms at Rs.36.73 crores is not reflected in the assets of the Company as the title to the land vests in the Government of India and not in the Company. Therefore, the profit of Rs.2.08 crores in 1991-92 is not based on Rs. 40.46 crores of capital employed as given above but something more. The Ministry indicated that the cost of acquiring the land to Government was Rs. 1 crore and they are proposing to charge SFCI a cost of Rs.4 crores.

4.4 LOANS:

As on 31st March 1992, instalments and interest overdue for payment to Government of India stood at Rs. 395.21 lakhs and Rs. 851.75 lakhs respectively. The interest included penal interest of Rs. 400.40 lakhs.

The Company had defaulted in repayment of loans to banks amounting to Rs. 232.65 lakhs and overdue interest of Rs. 443.32 lakhs as on 31st March 1992.

4.5 Sundry Debts:

The break-up of sundry debts recoverable by the Company as on 31st March, 1992 was as under :-

(Rs. in lakhs)

Outstanding for	From Govt. departments and NSC	Others	Total
Upto 6 months	146.08	1.91	147.99
From 6 months to one year	22.62	-	22.62
1 to 2 years	17.09	0.76	17.85
2 to 3 years	1.56	-	1.56
More than 3 years	61.26	12.00	73.26

			263.28

Sundry debts represented 1.34 months sales in 1991-92.

4.6 DISINVESTMENT:

SFCI stands included in the list of Companies on which some shareholding is to be disinvested by the Government.

CHAPTER V

FARM PERFORMANCE

5.1 From the performance of the 13 farms given in Annexure II it will be seen that of 36664 hectares (ha.) in the farms 26047 ha. (71%) are cultivable of which 8542 ha. (33%) were irrigated, the balance (17505 ha.) was dependent on rain water. The irrigated area had decreased from 48% in 1985-86 to 33% in 1991-92. Even on the basis of available water the area irrigated was less than what was irrigable as given below:-

Farm	Water requirement (in cusecs)	Water available (in cusecs)	Area irrigable on available water (in hectares)	Area irrigated (in hectares)	Source of irrigation
1.Suratgarh	138.80	45.73	1949	1350	Bhakra Canal system
2.Sardargarh	99.90	48.14	2051	940	-do -
3.Jetsar	135	53.66	2143	1650	Indira Gandhi Nahar Pariyojna
4.Hissar	80	61.65	2092	1610	Bhakra Canal System
5.Ladhowal	---	74 tube wells 60 cus.	---	600	Farm Tube wells
6.Raichur	48	23	1418	675	Tungbhadra Distributory
7.Chengam	150	69 wells 66 Cus.	1795	210	Open wells

8.Kokilabari	40	--	--	--	High rainfed area. No irrigation necessary
9.Bahraich	Not assessed	67 tubewells 66 Cus	--	1050	15 more tube wells are at various stages of completion
10.Cannanore	Not assessed	--	--	252	Perennial Stream Lift irrigation systems
11.Rae Bareli	Not assessed	--	--	158	Sarda Irrigation System. No irrigation problem
12.Mizoram	Not assessed	--	--	47	No irrigation required
13.Barpeta	Not assessed	--	--	--	No irrigation required

The Management stated that irrigation is one of the major constraints and the Company is already taking necessary steps to improve irrigation efficiency and avoid waste of water in the farms. The Ministry stated (September 1992) that funds are being provided under a scheme for adding to irrigation. A canal is being constructed linking the Ghaggar Depressions for irrigating the Company's farms in Rajasthan. The original estimated cost of the construction was Rs.2 crores, the estimate of which has since gone upto Rs. 4 crores.

5.2 TARGETS AND ACHIEVEMENTS:

The achievements in recent years against targets set for seed production in the farms of the Company are given below:-

Year	TARGETS			ACHIEVEMENTS			
	Cultivable	Area	Produce-	Area	Produce	%age achievement	
	AreaCultivated (Ha.)	(Ha.)	lakh Qtls cultivated (seeds in brackets)	(Ha.)	in lakh Qtls (seeds in brackets)	Produce	Seed
1985-86	26899	29757	6.80(3.42)	27685	4.16(2.17)	61.18	63.45
1986-87	26899	26961	5.57(2.64)	26710	4.35(1.92)	78.09	72.73
1987-88	25837	25442	5.56(2.24)	17135	3.06(1.07)	55.04	47.77
1988-89	25837	26629	5.93(2.98)	26769	4.62(2.34)	77.90	78.52
1989-90	26047	27242	6.65(3.12)	24519	4.41(2.13)	66.32	68.27
1990-91	26047	26404	6.03(3.03)	26043	4.33(2.00)	71.81	66.01
1991-92	26047	31154	6.47(2.90)	28436	5.47(2.12)	84.54	73.10

Cropwise details are given in Annexure-III. Large shortfall in total production and also in production of seeds has continued, even when shortfall in area cultivated was not large.

5.3 In the year 1985-86 to 1988-89, the Company suffered a loss of Rs. 614.28 lakhs of which Rs. 45.37 lakhs were on 1372.60 hectares where sowings failed and Rs. 568.91 lakhs on area of 74059.16 hectares where yield was poor. On the shortfall in achieving targets the following constraints in the farms were mentioned by the Company:

- (a) Suratgarh, Sardargarh Lack of proper irrigation facilities or shortage of water for irrigation.
- (b) Chengam - do -
- (c) Jetsar i) Shortage of water for irrigation
ii) Seepage and water transmission
- (d) Bahraich Micro-nutrients imbalance
- (e) Raichur i) Frequent breaches in the canal
ii) Erratic water supply/closure of canal
iii) Non-availability of labour for night irrigation because of black cotton soil.

(iv) Occasional cyclonic weather
(v) High incidence of pest attack like white fly.
(vi) Lack of proper communication system and arrangement for marketing of products though the State Govt. at the time of setting up the farms expressed willingness to construct an approach road upto the farm.
- (f) Rae Bareli Saline and alkaline soil
- (g) Kokilabari i) Uncertainty about the continued availability of land owing to likely transfer to Forest Department.

ii) Predominantly rainfed area

iii) Distance of about 70 KMs from the nearest marketing centre for disposal of farm produce.

(h) Hissar Uncertainty about the continued availability of land due to non-renewal of lease.

These shortfalls were continuing despite a total investment of Rs. 4.47 crores made by the Company upto 31st March 1992 for removing them. The Company stated that targets are formulated well in advance of sowing season and fixed on the assumption of normal monsoon and normal availability of water for irrigation. But there were variations in water received every year which were responsible for shortfall in achievement as compared to targets.

5.4 Mizoram farm is being run by the Company on behalf of the Government of India and the accounts of this farm are not incorporated in the Company's accounts. The losses incurred in Mizoram farm are reimbursed by the Government every year. In 1991-92, the loss in this farm was Rs.31.27 lakhs. The accumulated loss was Rs.331.00 lakhs as on 31st March, 1992.

5.5 NON-CULTIVABLE AREA:

Out of 36664 ha., 5566 ha. (15%) are called 'cultivable waste' and 5051 ha. (14%) are called under layout. Under layout means area under buildings, canal, hillocks etc. The cultivable waste of 1076 ha. in Kokilabari farm is "reserve forest". In Jetsar farm cultivable waste area is 1182 ha. (21.9%).

5.6 PRODUCTION YIELDS:

The average yield per Ha. in some farms of the Company was less than the average yield obtained in the District and the State in which the farm is situated, as given in Annexure IV.

5.7 EXCESS USE OF SEEDS AND LABOUR OVER NORMS:

The consumption of seed and labour exceeded the prescribed norms per hectare for seeds and mandays of labour, as detailed in Annexure V and VI. Management stated that norms were mere guidelines and due to drought, flood, frost, hailstorm etc. there were variations.

5.8 BABAI FARM:

The farm was taken over by the Company as per instructions of Government in 1983-84. A Committee of officers of the Company opined, in November 1984, that the farm was a liability, needed heavy investments on land development, irrigation resources and plantation and would yield results only after five years. By June 1985, the farm had incurred a loss of Rs. 29.44 lakhs in addition to loss of Rs.1.60 crores accumulated by the farm before the Company took it over. Further loss of Rs. 30.35 lakhs was incurred in 1985-86. A Committee appointed by the Government opined in March, 1986 that there was no logic in taking over the farm without proper study and that it should be returned to the State Government. Farm was returned to the State Government on 15th April, 1986. The Company approached the Government for reimbursement of losses but the latter declined.

5.9 KHAMMAM FARM:

The farm comprised two blocks of land and was selected for the following reasons :

- (a) existence of sufficient and suitable underground water for irrigation purposes,
- (b) despite poor fertility, the soil could be well developed both for rain-fed and irrigated crops,
- (c) ideal temperature for growing a variety of crops, and
- (d) the farm would be economically viable and commercially successful with an expected return of 5.22% on investment in the third year, increasing to 14.83% in the fifth.

The farming operations were taken up from November, 1972. The operating loss in 1972-73 was Rs.0.42 lakh, Rs.3.73 lakhs in 1973-74, Rs.5.53 lakhs in 1974-75, Rs.15.38 lakhs in 1975-76 and Rs.14.53 lakhs in 1976-77. The farm was closed down thereafter for the following reasons:-

- a) bad management
- b) poor soil conditions
- c) inadequate irrigation facilities
- d) precarious and uncertain rainfall
- e) only small portion of land was cultivable; there was no prospect for the farm to become economically viable.

CHAPTER VI

MARKETING MANAGEMENT

6.1 SFCI is a bulk producer of quality seeds, and National Seeds Corporation (NSC) has necessary marketing expertise. The two had a common Chairman to coordinate their activities till August, 1981. From September, 1982 a separate Chairman was appointed for SFCI as the tie up on marketing arrangements did not suit both the Companies. It was decided that SFCI should market its produce, so that it is not denied remunerative prices for its products. Prior to 1977-78 the NSC was handing over the sales realisations to SFCI after deducting service charges. But from 1977-78 to 1980-81 SFCI acted as a contract grower of the NSC which denied the margins on sales to SFCI. Though Government felt that prices could be mutually agreed upon for sale by SFCI to NSC, in practice there was no agreement between the two Companies about the quality of the seeds produced and their prices. Both the Companies favoured the new arrangement which is in effect from 1982.

6.2 SFCI sells seeds to National Seeds Corporation (NSC), State Seeds Corporations (SSCs) and Government Departments (Central and States). Non-seed produce are sold through auction. The Company appointed distributors in Assam from April 1986, in West Bengal, Bihar and Orissa from August 1987 and in North-Eastern States from 1990-91. These distributors get a commission of 2 to 3% on the turnover. On the marketing strategy it was stated (September 1992) that in future, farms were going to adopt open tender system for sale of seeds.

6.3 The pricing was done on a thumb rule of cost plus 25%. The pricing of seed is decided by the Management and the Ministry does not control it. The SFCI prices are ex-farm prices while those of NSC were ex-delivery point. The State Seed Farms fix their prices by reference to NSC's prices. It was stated that the system had thus a built in mechanism against exploitation of farmers by high prices and the Public Sector Undertakings getting remunerative prices if their costs were comparable with those of others. Sale of seeds in the North-Eastern States by SFCI was negligible and the Company was also not well represented in the States of

Andhra Pradesh, Karnataka and Maharashtra where State Public Sector Undertakings operate. NSC was planning to cater to the needs of the North-Eastern States and also to some extent of Orissa. Presently, SFCI is catering to the needs of the States in which its farms are located and of nearby States.

6.4 In 1985-86 the Company sold 25,389 quintals. of wheat seeds from Hissar and Sardargarh farms as commercial grain at a loss of Rs. 45.55 lakhs. In the year 1988-89, the Company sold 18,097 quintals of seed of gram, mustard, wheat and moong from Sardargarh farm as commercial grain at a loss of Rs.70.18 lakhs. In 1989-90, the Company sold 23,758 quintals. of seeds of wheat, gram and mustard from Hissar, Suratgarh and Jetsar as commercial grain at a loss of Rs. 67.44 lakhs.

The above three cases illustrate the need for the Company to estimate the demand for seeds and produce accordingly. This requires a good marketing wing in the Company. On the Company approaching the Government for reimbursement of loss due to excess production of seeds and selling excess as commercial produce, in 1985-86, the Ministry of Agriculture partly compensated the loss to the Company in March, 1987. The Company had to sell seeds as commercial grain prior to 1985-86 also.

6.5. MACHINE UTILISATION:

(i) **Tractors:** As on 31st March 1992 the Company was having 281 wheel type (of 28 to 90 hp) tractors of which 142 had been used for more than 10,000 hours and had outlived their useful life. The Company was also having 13 crawler tractors of which 9 were more than 10 years old and had outlived their useful life.

The utilisation of tractors for the last three years in respect of tractors which have not covered their prescribed life is as per details in Annexure VII. It would be seen therefrom that whereas utilisation of tractors of 80 HP was below norms during the three years.1988-89 to 1990-91, the utilisation of tractors of 28 HP and 40 HP was below norms during 1990-91 and 1991-92 and from 1988-89 and 1989-90 respectively.

The shortfall in utilisation of tractors (farmwise) against norm of 1000 hours per tractor per year is indicated in Annexure VIII.

ii) **Combines:** The Company was in possession of 51 self-propelled combines and harvesters as on 31st March 1992. These are used primarily for harvesting and threshing of wheat, gram and paddy crops. The combines are also used for stationary threshing of Jowar, moong and other oilseed crops like Sunflower, Safflower etc. 41 of these combines had already outlived their effective life of 3000 hours. The utilisation of the combines was 21322, 20290 and 18683 hours during 1989-90, 1990-91 and 1991-92 respectively.

iii) **Repair of machines:** A tractor should not remain in a workshop for more than 10 days for minor repairs and 30 days for major repairs. In 15 cases in 1987-88 and 21 cases in 1988-89, tractors were held up in workshop for periods ranging between 3 months to 12 months. At Raichur, repairs of farm machines took one to 18 months during 1985-86.

The Management attributed (November 1990) the delay to non-availability of spare-parts. However, availability depends on materials management and reply is only a reflection of failure of Company in that area.

iv) **Unused Seed Drier:** The Company procured a seed drier in July 1984 at a cost of Rs. 1.05 lakhs and it was placed at site in December 1984. But it was not installed since it was defective. A dispute developed between Supplier and the Company as to who should bear the cost of replacement of defective parts needed for commissioning and the drier is lying unused so far.

6.6 NURSERY:

(i) Elite progeny orchard-cum-Nursery Scheme (EPO) was envisaged in 10 farms for collection, assessment and maintenance of germ-plasm of various fruit crops. The scheme which was initially sanctioned for a duration of four years, 1981 to 1985 at an estimated cost of Rs.200 lakhs was extended at an additional estimated cost of Rs. 141.70 lakhs over 1985-90. The expenditure till March 1985 was Rs.108.10 lakhs and Rs. 315 lakhs thereafter (upto 1989-90).

The funds provided for giving compensation to farmers and orchard owners for procuring quality propagation materials, and for giving out as prize money in competitions and on construction of green houses were not utilised fully. The expenditure on pay and allowances varied between 3 to 4% of total.

ii) The farms covered 248.76 ha. of land for use as collection blocks for elite specimens, against 150 ha. estimated in the scheme. This was to increase production of saplings and to generate additional income. But the Company did not generate even the estimated income during the year 1985-86 to 1989-90, nor was the target for production of planting material achieved.

iii) Only 27.81 ha were utilised for progeny tree against the estimate of 150 ha. in the 10 farms. The Management stated (June 1990) that achievement was to be seen after assessing the nature of outstanding tree in collection block and the outstanding varieties which were to be procured from prize winners (Udyan Pandits) and were required to be planted in collection blocks and not the trees raised in the EPO.

iv) The Company did not establish model nurseries in any of the farms till 1984-85. The Company produced 3.34 lakh saplings in 1985-89 against a target of 10.26 lakh fixed by the Government. Out of these, 1.36 lakh saplings were sold to outside parties, 0.42 lakh were planted in own farms and 0.11 lakh died. Out of 3.34 lakhs saplings produced, 1.24 lakh were produced at Kokilabari farm where the collection block itself was restarted after April 1988 and covered only 3 and 5 ha. at the end of 1987-88 and 1988-89 respectively. Due to high mortality of plants the site selected at Kokilabari farm in November 1982 by a team of experts was changed in 1985-86. It was again changed in March 1988 after incurring expenditure of Rs. 13.48 lakhs.

v) The Company did not hold any State level competition for collection of propagation material out of prize winning trees. The Management stated that State level competitions would be held on schedule in the subsequent years. But no such competition was, in fact, held.

vi) There was high mortality of 60% in plants in nursery blocks of Raichur farm upto June 1988. Plants of Grapes, Anona and Jackfruit were grown which were not envisaged in the scheme and suffered cent percent mortality. The Management attributed the high rate of mortality to lack of experience in cultivation and scarcity of water. The reply reflects failure of technical management.

vii) The scheme envisages production of vegetable seeds but in Kokilabari farm vegetables were produced for sale from 1982-83 to 1986-87 in the area earmarked for production of vegetable seeds.

viii) The Company grew pulses in the gap fillings even though the scheme envisaged production of vegetable seeds therein. Expenditure of Rs. 1.20 lakhs incurred in Raichur farm during 1987-88 on growing pulses resulted in loss as the crop failed due to heavy rains.

The Management/Ministry stated (September 1992) that steps were taken to optimise utilisation of land. This again reflects failure in technical management, if not in planning also.

New Delhi
The

N. Sivasubramanian
(N.SIVASUBRAMANIAN)
Deputy Comptroller and Auditor General
-cum-Chairman, Audit Board

29 MAR 1993

Countersigned

New Delhi
The

C.G. Somiah
(C.G. SOMIAH)
Comptroller and Auditor General of India

29 MAR 1993

ANNEXURE I

STATEMENT SHOWING UNITWISE WORKING RESULTS FOR THE RECENT YEARS
(Referred to in Para 4.3)
(Rupees in lakhs)

Year	Income	Expenditure	Excess of Income over expenditure	Profit(+)/ Loss(-) after interest and depreciation	Profit(+)/ Loss(-) before tax	Tax Prov- ision	Profit(+)/ Loss(-) after tax	Prior period adjust ments	Profit(+)/ Loss(-) as per accounts
1. SURATGARH FARM									
1987-88	219.07	212.22	(+) 6.85	(-) 36.31	(-) 36.31	0.24	(-) 36.55	(+)9.59	(-) 26.96
1988-89	482.81	289.99	(+)192.82	(+)157.98	(+)157.98	0.04	(+)157.94	(-)2.98	(+)154.96
1989-90	567.65	418.57	(+)149.08	(+)96.87	(+) 96.87	0.52	(+) 96.35	(-)0.50	(+) 95.85
1990-91	570.04	484.16	(+) 85.88	(+)27.90	(+) 27.90	1.50	(+) 26.40	(+)2.82	(+) 29.22
1991-92	541.28	464.27	(+) 77.01	(+) 2.00	(+) 2.00	8.55	(-) 6.55	(+)0.34	(-) 6.21
2. SARDARGARH FARM									
1987-88	110.74	106.19	(+) 4.55	(-) 18.44	(-) 18.44	0.25	(-) 18.69	(+)0.65	(-) 18.04
1988-89	291.89	159.63	(+)132.26	(+)111.13	(+)111.13	nil	(+)111.13	(-)1.81	(+)109.32
1989-90	337.76	232.94	(+)104.82	(+) 73.13	(+)73.13	0.21	(+) 72.92	(+)2.74	(+) 75.66
1990-91	294.23	254.74	(+) 39.49	(+) 4.20	(+) 4.20	nil	(+) 4.20	(+)6.60	(+) 10.80
1991-92	289.73	278.15	(+) 11.58	(-) 36.88	(-) 36.88	0.21	(-) 37.09	(-)8.04	(-) 45.13
3. JETSAR FARM									
1987-88	152.83	151.98	(+) 0.85	(-) 20.41	(-) 20.41	0.43	(-) 20.84	(-)10.91	(-) 31.75
1988-89	127.52	155.58	(-) 28.06	(-) 46.87	(-) 46.87	0.01	(-) 46.88	(-) 1.30	(-) 48.18
1989-90	175.72	203.74	(-) 28.02	(-) 62.03	(-) 62.03	0.13	(-) 62.16	(+) 0.06	(-) 62.10
1990-91	157.12	221.39	(-) 64.27	(-) 95.05	(-) 95.05	0.04	(-) 95.09	(+) 2.53	(-) 92.56
1991-92	283.40	237.66	(+)45.74	(+) 12.06	(+) 12.06	nil	(+) 12.06	(+) 7.40	(+) 19.46

YEAR	INCOME	EXPENDITURE	Excess of income over expenditure	Profit(+)/ Loss(-) after interest and depreciation	Profit(+)/ Loss(-) before tax	Tax Provision	Profit (+)/ Loss(-) after tax	Prior period adjustments	Profit(+)/ Loss(-) as per accounts
4. HISSAR									
1987-88	274.11	171.99	(+)102.12	(+) 73.80	(+) 73.80	0.72	(+) 73.08	(-)0.13	(+) 72.95
1988-89	307.75	212.42	(+) 95.33	(+) 74.63	(+) 74.63	0.05	(+) 74.58	(-)0.39	(+) 74.19
1989-90	347.75	267.19	(+) 80.56	(+) 48.16	(+) 48.16	0.38	(+) 47.78	(-)0.63	(+) 47.15
1990-91	429.63	265.26	(+)164.37	(+)130.53	(+)130.53	0.03	(+)130.50	(+)1.89	(+)132.39
1991-92	507.38	289.22	(+)218.16	(+)167.39	(+)167.39	0.01	(+)167.38	(+)1.32	(+)168.70
5. BAHRAICH FARM									
1987-88	146.20	161.36	(-) 15.16	(-) 52.67	(-) 52.67	0.08	(-) 52.75	(-)0.20	(-) 52.95
1988-89	102.86	73.02	(+) 29.84	(+) 4.04	(+) 4.04	0.01	(+) 4.03	(-)0.32	(+) 3.71
1989-90	283.23	225.98	(+) 57.25	(+) 17.48	(+) 17.48	0.20	(+) 17.28	(+)0.38	(+) 17.66
1990-91	300.87	249.14	(+) 51.73	(+) 14.10	(+) 14.10	0.18	(+) 13.92	(+)3.27	(+) 17.19
1991-92	440.75	306.16	(+)134.59	(+) 72.47	(+) 72.47	0.04	(+) 72.43	(-)1.25	(+) 71.18
6. RAICHUR									
1987-88	27.49	74.30	(-) 46.81	(-) 65.22	(-) 65.22	0.02	(-) 65.24	(-)1.55	(-) 66.79
1988-89	25.08	73.52	(-) 48.44	(-) 59.58	(-) 59.58	0.02	(-) 59.60	(-)1.74	(-) 61.34
1989-90	105.15	103.01	(+) 2.14	(-) 15.51	(-) 15.51	0.21	(-) 15.72	(-)3.64	(-) 19.36
1990-91	168.10	133.91	(+) 34.19	(+) 14.05	(+) 14.05	0.18	(+) 13.87	(+)0.38	(+) 14.25
1991-92	164.43	140.53	(+) 23.90	(+) 3.84	(+) 3.84	0.38	(+) 3.46	(-)0.39	(+) 3.07
7. CHENGAM									
1987-88	68.33	42.66	(+) 25.67	(+) 4.97	(+) 4.97	0.03	(+) 4.94	(+)1.06	(+) 6.00
1988-89	82.28	93.59	(-) 11.31	(-) 30.60	(-) 30.60	0.10	(-) 30.70	(+)0.02	(-) 30.68
1989-90	43.33	90.39	(-) 47.06	(-) 76.01	(-) 76.01	0.09	(-) 76.10	(+)0.58	(-) 75.52
1990-91	115.47	81.11	(+) 34.36	(+) 3.80	(+) 3.80	0.01	(+) 3.79	(-)2.86	(+) 0.93
1991-92	153.98	105.88	(+) 48.10	(+) 5.80	(+) 5.80	0.10	(+) 5.70	(-)0.09	(+) 5.61

YEAR	Income	Expenditure	Excess of income over expenditure	Profit(+)/ Loss(-) after int. & depreciation	Profit(+)/ Loss(-) before tax	Tax Provision	Profit(+)/ Loss(-) after tax	Prior Period adjustments	Profit(+)/ Loss(-) as per accounts
8. CANNANORE									
1987-88	99.91	32.07	(+) 67.84	(-) 6.02	(-) 6.02	nil	(-) 6.02	(-)0.09	(-) 6.11
1988-89	60.84	27.88	(+) 32.96	(-) 42.30	(-) 42.30	nil	(-) 42.30	(-)0.28	(-) 42.58
1989-90	155.96	50.16	(+)105.80	(-) 0.42	(-) 0.42	0.03	(-) 0.45	nil	(-) 0.45
1990-91	168.62	52.94	(+)115.68	(+) 5.55	(+) 5.55	0.06	(+) 5.49	(+)1.87	(+) 7.36
1991-92	192.18	96.45	(+) 95.73	(-) 38.72	(-) 38.72	0.17	(-) 38.89	(-)1.23	(-) 40.12
9. RAIBARELI									
1987-88	7.88	15.64	(-) 7.76	(-) 12.61	(-) 12.61	nil	(-) 12.61	(+)0.38	(-) 12.23
1988-89	5.88	16.68	(-) 10.80	(-) 13.42	(-) 13.42	0.01	(-) 13.43	(-)0.03	(-) 13.46
1989-90	15.61	23.43	(-) 7.82	(-) 13.82	(-) 13.82	0.01	(-) 13.83	(+)1.17	(-) 12.66
1990-91	17.49	21.77	(-) 4.28	(-) 9.78	(-) 9.78	nil	(-) 9.78	(-)0.17	(-) 9.95
1991-92	26.93	27.39	(-) 0.46	(-) 6.00	(-) 6.00	nil	(-) 6.00	(+)0.81	(-) 5.19
10. KOKILABARI									
1987-88	125.76	111.50	(+) 14.26	(+) 9.77	(+) 9.77	0.11	(+) 9.66	(-)0.14	(+) 9.52
1988-89	152.04	133.33	(+) 18.71	(+) 7.28	(+) 7.28	2.67	(+) 4.61	nil	(+) 4.61
1989-90	126.49	104.76	(+) 21.73	(+) 9.51	(+) 9.51	0.57	(+) 8.94	(-)3.12	(+) 5.82
1990-91	103.62	80.10	(+) 23.52	(+) 11.32	(+) 11.32	nil	(+) 11.32	nil	(+) 11.32
1991-92	156.52	114.59	(+) 41.93	(+) 24.88	(+) 24.88	0.16	(+) 24.72	nil	(+) 24.72
11. BARPETTA									
1987-88	12.10	12.54	(-) 0.44	(-) 0.53	(-) 0.53	nil	(-) 0.53	nil	(-) 0.53
1988-89	5.60	6.53	(-) 0.93	(-) 0.98	(-) 0.98	nil	(-) 0.98	nil	(-) 0.98
1989-90	9.60	10.28	(-) 0.68	(-) 0.75	(-) 0.75	nil	(-) 0.75	nil	(-) 0.75
1990-91	10.21	10.44	(-) 0.23	(-) 0.30	(-) 0.30	nil	(-) 0.30	nil	(-) 0.30
1991-92	13.57	13.02	(+) 0.55	(+) 0.47	(+) 0.47	nil	(+) 0.47	nil	(+) 0.47

YEAR	Income	Expenditure	Excess of income over expe- & depre- ciation	Profit(+)/ Loss(-) after interest & depreciation	Profit(+)/ Loss(-) before tax	Tax Provi- sion	Profit(+)/ Loss(-) after tax	Prior Period adjust- ments	Profit(+)/ Loss(-) as per accounts
12. LODHOWAL									
1987-88	109.44	109.67	(-) 0.23	(-) 14.09	(-) 14.09	0.04	(-) 14.13	(+) 0.64	(-) 13.49
1988-89	89.82	87.89	(+) 1.93	(-) 6.45	(-) 6.45	nil	(-) 6.45	(+) 0.37	(-) 6.08
1989-90	130.25	118.98	(+) 11.27	(-) 1.88	(-) 1.88	0.15	(-) 2.03	(+) 0.03	(-) 2.00
1990-91	147.82	123.99	(+) 23.83	(+) 8.67	(+) 8.67	0.25	(+) 8.42	(+) 0.81	(+) 9.23
1991-92	163.32	139.84	(+) 23.48	(+) 5.63	(+) 5.63	nil	(+) 5.63	(+) 1.00	(+) 6.63
13. DEVELOPMENT UNIT SURATGARH									
1987-88	42.51	18.19	(+) 24.32	(+) 13.94	(+) 13.94	0.16	(+) 13.78	(-) 0.21	(+) 13.57
1988-89	34.88	16.57	(+) 18.31	(+) 10.91	(+) 10.91	1.60	(+) 9.31	(-) 0.13	(+) 9.18
1989-90	57.16	25.28	(+) 31.88	(+) 24.03	(+) 24.03	2.31	(+) 21.72	(+) 0.10	(+) 21.82
1990-91	74.66	36.83	(+) 37.83	(+) 23.52	(+) 23.52	2.35	(+) 21.17	(-) 0.10	(+) 21.07
1991-92	67.91	31.20	(+) 36.71	(+) 18.27	(+) 18.27	0.71	(+) 17.56	(-) 0.03	(+) 17.53
14. HEAD OFFICE									
1987-88	30.98	27.98	(+) 3.00	(-) 17.59	(-) 17.59	5.36	(-) 22.95	(-) 41.84	(-) 64.79
1988-89	27.05	24.41	(+) 2.64	(-) 9.68	(-) 9.68	03.02	(-) 12.70	(+) 0.72	(-) 11.98
1989-90	34.78	9.19	(+) 25.59	(+) 4.09	(+) 4.09	2.59	(+) 1.50	(-) 2.18	(-) 0.68
1990-91	37.34	26.72	(+) 10.62	(-) 11.41	(-) 11.41	4.90	(-) 16.31	(+) 6.98	(-) 9.33
1991-92	45.43	(-)4.32	(+) 49.75	(+) 12.28	(+) 12.28	12.11	(+) 0.17	(-) 12.74	(-) 12.57

Annexure II

TOTAL AREA UNDER POSSESSION, CULTIVABLE AREA, CROPPED AREA AND CROPPING INTENSITY
AT VARIOUS FARMS FOR THE RECENT YEARS
(In Hectare)

Particular	Year	Surat- garh	Sardar- garh	Jet- sar	His- ar	Lodho- wal	Bahra- Ich	Raeba- barell	Rai- chur	Chen- gam	Canna- nore	Kokila- barl	Barpe- ta	Mizo- ram	Total SFCI
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Total area with the farms	1985-86	6297	4595	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36715
	1986-87	6297	4595	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36715
	1987-88	6297	4595	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36715
	1988-89	6297	4595	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36715
	1989-90	6297	4548	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36664
	1990-91	6293	4548	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36664
	1991-92	6293	4548	5393	2715	1163	3828	191	2960	3904	3060	1986	100	523	36664
Total cultivable area	1985-86	5708	3993	2763	2489	892	2516	148	2430	2429	2510	710	85	227	26899
	1986-87	5708	3993	2763	2489	892	2516	148	2430	2428	2510	710	85	227	26899
	1987-88	5708	3993	2789	2489	892	2516	148	2430	1335	2510	710	85	227	25837
	1988-89	5708	3993	2789	2489	892	2516	148	2430	1335	2510	710	85	227	25837
	1989-90	5704	4077	2789	2489	892	2589	158	2430	1357	2510	740	85	227	26047
	1990-91	5704	4077	2789	2489	892	2589	158	2430	1357	2510	740	85	227	26047
	1991-92	5704	4077	2789	2489	892	2589	158	2430	1357	2510	740	85	227	26047
Total Cropped area	1985-86	5458	4508	3837	4229	1324	3610	224	1410	858	2192	1209	178	166	29203
	1986-87	6375	4254	4012	3911	1316	3141	239	1455	897	2253	1385	140	195	29573
	1987-88	2527	1195	2834	2383	1169	2945	201	1421	1447	2230	1510	175	193	20230
	1988-89	6527	4325	4405	3598	1265	3175	244	1276	1347	2287	1448	205	178	30277
	1989-90	6144	4116	3316	3264	1209	3057	247	1394	1345	2356	1341	174	175	28138
	1990-91	6536	4255	3791	3377	1197	2992	214	2108	1326	2349	1252	153	176	29726
	1991-92	5753	4043	3273	3484	1247	3282	214	2140	1124	2357	1344	175	175	28611
Cropping Intensity (percent)	1985-86	96	113	139	170	148	143	151	58	35	87	170	209	73	109
	1986-87	112	107	145	157	148	125	161	60	37	102	196	165	86	110
	1987-88	44	30	102	96	131	117	136	58	108	89	213	206	85	78
	1988-89	114	108	158	145	142	126	165	53	101	91	204	242	78	117
	1989-90	108	101	119	131	136	118	156	57	99	94	181	205	77	108
	1990-91	115	105	136	136	134	116	135	87	98	94	169	180	78	114
	1991-92	101	99	117	140	140	127	135	88	83	94	182	206	77	110

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
i) Irrigated	1991-92	1350	940	1650	1610	600	1050	158	675	210	252	--	--	47	8542
ii) Rainfall area	1991-92	4354	3137	1139	879	292	1539	--	1755	1147	2258	740	85	180	17505
Total (i)+(ii) cultivable area	1991-92	5704	4077	2789	2489	892	2589	158	2430	1357	2510	740	85	227	26047
i) Cultivable waste	1991-92	210	181	1182	14	126	679	23	205	1538	145	1076	10	177	5566
ii) Area under lay out	1991-92	379	290	1422	212	145	560	10	325	1009	405	170	5	119	5051
Total (i)+(ii) Uncultivable area	1991-92	589	471	2604	226	271	1239	33	530	2547	550	1246	15	296	10617
Percentage of cultivable waste area to total area	1991-92	3.34	3.97	21.92	0.51	10.83	17.74	12.04	6.93	39.40	4.74	54.1	10.00	33.84	15.18

Annexure III

Cropwise targets and achievements of Production
(referred to in para 5.2)

Crop	Year	TARGETS (Quintals)				ACHIEVEMENTS (Quintals)				PERCENTAGE ACHIEVEMENT			
		Area (Ha)	Seed	Non-Seed	Total	Area (Ha)	Seed	Non-Seed	Total	Area	Seed	Non-Seed	Total
	2	3	4	5	6	7	8	9	10	11	12	13	14
Wheat	1987-88	4,170	85,890	34,060	1,19,900	2,033	38,927	13,602	52,529	49	45	40	44
	1988-89	4,070	87,500	29,290	1,16,790	4,031	86,301	27,276	1,13,577	99	99	93	97
	1989-90	4,590	92,950	35,100	1,28,050	3,704	63,858	24,638	88,496	81	69	70	69
	1990-91	4,210	90,680	33,230	1,23,910	4,418	71,532	31,263	1,02,795	105	79	94	83
	1991-92	4,520	93,560	33,590	1,27,150	4,218	85,500	31,094	1,16,594	93	91	93	92
Gram	1987-88	7,870	64,550	21,050	85,600	1,794	7,864	2,509	10,373	23	12	12	12
	1988-89	7,525	63,610	16,013	79,625	7,946	58,717	20,940	79,657	106	92	131	100
	1989-90	8,070	70,040	17,560	87,600	7,711	55,521	19,908	75,429	96	79	113	86
	1990-91	8,550	69,560	23,150	92,710	8,258	30,046	25,510	55,556	97	43	110	60
	1991-92	8,000	62,650	20,850	83,500	5,851	29,460	16,838	46,298	73	47	81	55
Mustard & Toria	1987-88	2,700	17,180	6,920	24,100	2,492	11,952	5,085	17,037	92	70	73	71
	1988-89	2,760	17,935	7,685	25,620	2,721	13,512	4,798	18,310	99	75	62	71
	1989-90	2,580	15,250	6,530	21,730	2,161	8,777	3,494	12,271	84	58	54	56
	1990-91	2,135	12,590	5,370	17,950	2,095	10,478	4,805	15,283	98	83	89	85
	1991-92	2,510	14,890	6,210	21,100	3,050	9,846	9,727	19,573	122	66	157	93
Paddy	1987-88	1,830	38,450	16,665	55,105	1,908	25,883	17,283	43,166	104	67	104	78
	1988-89	2,620	65,550	28,180	93,720	2,407	48,633	24,532	73,165	92	74	87	78
	1989-90	2,793	69,540	29,780	99,320	2,228	48,441	19,068	67,509	80	70	64	68
	1990-91	2,700	69,735	30,015	99,750	2,607	57,078	25,117	82,195	97	82	84	82
	1991-92	2,515	62,570	26,750	89,320	2,047	49,848	18,669	68,517	81	80	70	77

	2	3	4	5	6	7	8	9	10	11	12	13	14
Cotton	1987-88	1,520		19,575	19,575	1,545	5,706	9,196	14,902	102	-	47	76
	1988-89	1,670	9,570	13,980	23,550	1,603	5,250	8,176	13,426	96	55	58	57
	1989-90	1,054	7,940	9,540	17,480	987	6,057	7,229	13,286	94	76	76	76
	1990-91	753	6,615	8,027	14,642	808	3,174	5,092	8,266	107	48	63	56
	1991-92	1,100	7,950	9,300	17,250	1,015	7,586	8,339	15,925	92	95	90	92
Moong	1987-88	665	1,955	635	2,590	1,439	1,741	795	2,536	216	89	125	98
	1988-89	1,630	7,620	2,030	9,650	2,204	3,923	2,606	6,529	135	51	128	68
	1989-90	2,033	9,315	3,103	12,418	2,142	3,608	2,933	6,541	105	39	95	53
	1990-91	2,065	9,905	3,305	13,210	1,548	2,819	1,958	4,777	75	28	59	36
	1991-92	1,830	7,290	2,410	9,700	1,313	3,124	1,517	4,641	72	43	63	48
Lentil	1987-88	595	2,725	695	3,420	587	1,154	503	1,657	99	42	72	48
	1988-89	500	2,240	560	2,800	438	399	805	1,204	88	18	144	43
	1989-90	450	1,800	600	2,400	335	609	314	923	74	34	52	38
	1990-91	440	1,650	550	2,200	2	-	-	-	0.15	-	-	-
	1991-92	250	825	275	1,100	69	170	67	237	28	21	24	22

Annexure IV

Average yield per ha. in quintals

(referred to in para 5.6)

		SFCI Farm	Distt. Ganga- nagar	State Rajasthan
<u>Suratgarh</u>				
Wheat	1986-87	19.86	21.84	18.45
Gram	1985-86	8.32	6.59	8.36
	1986-87	6.60	6.36	8.36
Cotton	1988-89	6.88	N.A.	10.23
<u>Sardargarh</u>				
Wheat	1986-87	16.72	21.84	18.45
Gram	1985-86	7.53	6.59	8.36
	1986-87	5.92	6.36	8.36
Cotton	1985-86	5.15	N.A.	7.27
	1986-87	9.37	11.04	9.78
	1987-88	2.51	3.30	3.24
	1988-89	4.26	N.A.	10.23
<u>Jetsar</u>				
Wheat	1986-87	17.54	21.84	18.45
	1987-88	15.96	18.97	18.97
	1988-89	16.26	N.A.	22.40
Gram	1986-87	8.0	6.36	8.36
	1987-88	4.5	6.00	6.01
	1988-89	4.82	N.A.	7.54
Cotton	1985-86	5.89	N.A.	7.27
	1988-89	9.54	N.A.	10.23
<u>Ladhowal</u>				
			Distt. Ludhiana	State Punjab
Wheat	1985-86	33.37	40.64	35.31
	1986-87	26.44	34.48	34.96
	1987-88	29.63	41.78	35.40
	1988-89	33.87	N.A.	36.68
Maize	1985-86	13.34	15.85	11.46
	1986-87	9.44	20.23	12.82
	1988-89	2.64	11.77	14.01
Potato	1987-88	120.10	192.49	158.69
	1988-89	81.86	206.35	158.70
<u>Raichur</u>				
		SFCI Farm	Distt. Raichur	State Karnataka
Maize	1985-86	7.44	21.87	11.46
	1987-88	3.38	24.42	10.29
	1988-89	11.21	26.47	14.01
Jowar	1985-86	2.04	6.36	6.33
	1986-87	4.76	7.75	5.76
	1987-88	4.50	6.37	7.62

ChengamDistt.
North ArcotState
Tamil Nadu

Maize	1985-86	15.52	17.27	18.58
	1986-87	5.58	16.00	14.12
	1987-88	7.14	16.00	15.37
Bajra	1985-86	3.83	8.30	11.62

Annexure V

USE OF SEEDS VIS-A-VIS NORMS PER HECTARE

(referred to in para 5.7)

Particulars	Prescribed As per norms	Actual Consumption				
		1987-88	1988-89	1989-90	1990-91	1991-92

SARDARGARH

(Figure :KGs per Hectare)

Paddy	30.00	65.39	21.08	34.49	30.78	NA
Wheat	100.125	111.30	114.46	129.00	128.00	NA
Bhindi	10.15	12.50	12.45	18.80	NA	NA

JETSAR

Arhar	15.00	NA	20.00	28.24	33.00	NA
Moth	15.00	17.82	20.00	14.94	15.00	NA

HISSAR

Arhar	15.00	17.78	15.29	24.14	24.34	NA
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BAHRAICH

Wheat	100.125	112.30	139.00	142.70	146.00	NA
Lantil	30.35	20.80	39.00	39.50	33.00	NA
Peas	70.75	107.00	93.00	88.00	NA	NA

KOKILABARI

Soyabean	75.80	197.58	76.51	76.87	114.49	NA
Wheat	100.125	128.20	137.61	149.05	128.00	147.17

RAICHUR

Cotton	25.00	3.15	10.80	5.12	3.78	4.29
Sunflower	10-12.50	8.91	12.41	11.22	16.15	15.18

CHENGAM

Malze	20.00	24.91	15.43	14.55	16.00	NA
Ground Nut	125.00	127.80	91.65	121.00	113.00	NA

Annexure VI referred to in para 5.7
USE OF LABOUR VIS-A-VIS NORMS

Particulars	Mandays As per norms	Mandays actually utilised				
		1987-88	1988-89	1989-90	1990-91	1991-92
(Mandays per Hectare)						
<u>Suratgarh</u>						
Paddy	31.25	59.03	27.03	41.98	42.02	N.A.
Cotton	49.00	44.71	25.37	53.46	43.53	N.A.
Wheat	18.80	25.84	16.51	16.69	21.03	N.A.
Gram	7.25	13.19	4.30	7.26	9.11	N.A.
<u>Sardargarh</u>						
Paddy	31.25	44.52	27.64	44.22	43.09	N.A.
Urd	14.00	23.58	32.76	19.70	N.A.	N.A.
<u>Jetsar</u>						
Cotton	49.00	69.70	50.00	85.90	N.A.	N.A.
Ground nut	51.25	54.77	54.63	67.71	102.54	N.A.
Wheat	18.80	26.18	25.05	43.17	32.93	N.A.
Gram	7.25	21.03	15.65	40.01	27.01	N.A.
Mustard	18.75	33.17	23.58	34.11	33.35	N.A.
<u>Hissar</u>						
Ground nut	51.25	54.17	59.04	80.56	133.70	N.A.
Toria	18.75	29.45	28.56	42.26	34.89	N.A.
<u>Ladhowal</u>						
Paddy	36.25	96.00	69.00	66.67	60.50	52.17
Maize	39.50	31.00	15.00	33.80	25.76	19.12
Wheat	21.30	28.96	12.96	26.87	21.75	17.18
Barley	13.35	20.00	10.54	27.86	19.94	15.99
<u>Bahraich</u>						
Urd	15.00	38.75	N.A.	N.A.	N.A.	N.A.
Soyabean	41.05	35.75	51.00	50.92	64.25	N.A.
<u>Raichur</u>						
Sunflower	15.50	43.92	27.80	45.46	68.13	66.82
Safflower	15.50	28.51	16.00	21.83	38.05	30.12
Bajra	39.50	61.69	26.97	57.56	N.A.	N.A.
<u>Chengam</u>						
Jowar	39.50	35.00	7.90	N.A.	N.A.	N.A.
Cowpea	25.55	102.00	10.70	13.40	82.04	N.A.
Cotton	89.50	111.00	186.00	93.80	198.3	N.A.

Annexure VII
UTILISATION OF TRACTORS WHICH HAVE NOT COVERED
THEIR PRESCRIBED LIFE
 (referred to in para 6.5(i))

H.P.	<u>1988-89</u>			<u>1989-90</u>			<u>1990-91</u>			<u>1991-92</u>		
	No. of tractors	Total hrs. as per norms	Actual hours run	No. of tractors	Total hours as per norms	Actual hours run	No. of tractors	Total hours as per norms	Actual hours run	No. of tractors	Total hours as per norms	Actual hours run
28	-	-	-	-	-	-	2	2000	1939	2	2000	1291
40	45	45,000	31,138	23	23,000	22,945	80	80,000	1,12,680	74	74000	118346
50	66	66,000	83,000	61	61,000	82,290	76	76000	91818	62	62000	84200
80	2	2000	1339	2	2000	363	2	2000	265	-	-	-
90	14	14,000	22,564	9	9000	13,659	3	3000	2458	1	1000	1268

Annexure VIII

Farmwise shortfall in utilisation of tractors during
1988-89 to 1991-92

(Referred to in para 6.5(i))

Name of farm	No. of tractors	Total hours as per norms	Actual hours run	Shortfall
<u>Suratgarh</u>				
1988-89	27	27,000	20,234	6766
<u>Sardargarh</u>				
1988-89	20	20,000	18732	1268
<u>Kokilabari</u>				
1988-89	14	14,000	9,652	4348
1989-90	9	9,000	8,882	118
1990-91	11	11,000	9135	1865
1991-92	10	10,000	9246	754
<u>Cannanore</u>				
1988-89	3	3,000	1459	1541
1989-90	4	4,000	2182	1818
1990-91	4	4,000	2147	1853
1991-92	4	4,000	2310	1690
<u>Mizoram</u>				
1988-89	4	4,000	2029	1971
1989-90	4	4,000	2207	1793
1990-91	4	4,000	2302	1698
1991-92	4	4,000	2115	1885