Contents			
	Subject	Page No.	
	Preface	iii - iv	
	Executive Summary	v - ix	
Chapter-1	Introduction		
1.1	Background	1	
1.2	Roles of various entities	3	
1.2.1	Government of India	3	
1.2.2	Implementing Agencies	3	
1.2.3	State Governments	4	
1.2.4	Bank/Financial Institutions	4	
1.3	Audit objectives	6	
1.4	Audit scope and sampling	6	
1.5	Audit methodology	7	
1.6	Audit criteria	7	
1.7	Acknowledgment	7	
Chapter-2	Financial management		
2.1	Introduction	8	
2.2	Budget allocation and expenditure	8	
2.3	Savings under NAIS with Agriculture Insurance Company	9	
	of India Limited (AIC)		
2.4	Release of funds to private insurance companies without	10	
	verification		
2.5	Non-availing of re-insurance cover for claims share of	11	
	governments	'	
2.6	Utilisation Certificates (UCs)	12	
2.6.1	Non-submission of UCs by IAs to states	12	
2.6.2	Non-submission of UCs by Bank/FIs to AIC	12	
	Conclusion and Recommendations	13-14	
Chapter-3	Implementation of schemes		
3.1	Introduction	15	
3.2	Non-maintenance of data-base of farmers	15	
3.3	Coverage of farmers	16	
3.4	Adoption of defined area/unit area for insurance	23	
3.5	Delay in issue of notifications by state governments	24	
3.6	Deprival of benefits to farmers due to delayed submissions	24	
	of declarations by the Banks/ FIs		

i

Report No. 7 of 2017

3.7	Crop Cutting Experiments	25
3.8	Functioning of Automatic Weather Stations	27
3.9	Delay in providing weather data to Agriculture	28
	Department	
3.10	Area insured in excess of area sown	29
3.11	Status of claims	32
3.12	Deficiencies in the performance of Bank/FIs	33
3.13	Deficiencies in the performance of insurance companies	35
3.14	Incorrect selection of insurance companies	36
	Conclusions and Recommendations	37 - 38
Chapter-4	Monitoring and awareness of schemes	
4.1	Introduction	39
4.2	Poor monitoring by the GOI and state governments	39
4.3	Poor monitoring by Implementing Agencies	40
4.4	Non-provision of government audit of funds released to	40
	private insurance companies	
4.5	Impact of capping of premium in MNAIS and WBCIS	41
4.6	Lack of awareness of crop insurance schemes in farmers	41
4.7	Absence of grievance redressal system	42
	Conclusions and Recommendations	42-43
	Appendices	45-50
	Annexes	51-68
	Glossary of Terms and Abbreviations	69-71