

Monsoon defying El Nino threat boosts crops, economy

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Bloomberg

PLANTING of crops from rice to cotton and soybeans in India is gathering pace as farmers benefit from an increase in monsoon rains, defying forecasts that a developing El Nino would curb rainfall.

Almost 80 per cent of India received excess or normal downpours since June 1, allowing farmers to begin sowing of rice, cotton, corn and soybeans in the south, west and central regions, according to the meteorological department. The good showing is set to continue through June, it estimates.

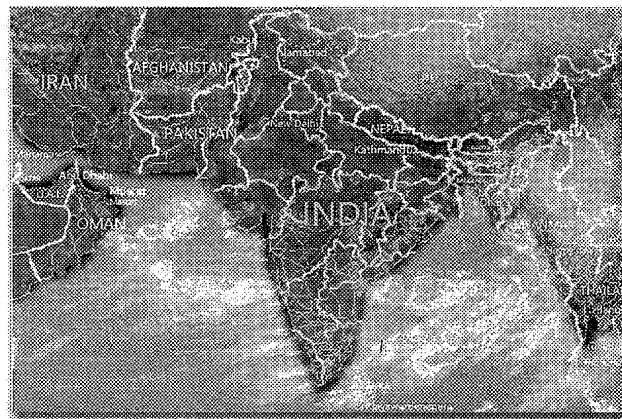
A better-than-expected start to the monsoon in an El Nino year has eased concerns of dry weather fuelling

inflation in Asia's third-largest economy, where food costs represent almost half of the consumer price index.

Normal rainfall is critical for prime minister Narendra Modi's plan to accelerate economic growth in a country where smartphone makers to gold jewellery retailers derive the bulk of their sales from 833 million people living in villages, most of whom depend on farming. "We can't thank god enough for the good rains so far," said Rao Saheb Devrao Ingole, a 53-year-old cotton farmer from Maharashtra.

Good rainfall in June has always helped sowing. Farmers depend on the monsoon, which accounts for more than 70 per cent of annual rainfall, to grow crops and produce hydropower, and for drinking water. The rainfall

Chasing the monsoon



Progress of monsoon clouds at 8.30 pm IST on June 18

during the June-September season waters more than half of farmland, where sowing begins in June.

While rainfall has been 11 per cent more than the average between 1951 and 2000, showers in July hold

the key to a bumper harvest, says TransGraph Consulting, a Hyderabad-based commodity consultant.

Precipitation in July accounts for more than a third of the season's total of

89 cm (35 inches), according to the weather bureau.

The developing El Nino will curb monsoon rainfall to 88 per cent of average this year, the second back-to-back shortfall in three decades, the meteorological department says, while private forecaster Skymet Weather Services predicts precipitation will be 102 per cent of the average.

"The recent rains have eased concerns and we expect good progress in crop sowing," said Nagaraj Meda, MD of TransGraph Consulting. Most crops, except pulses, are available in abundance. Global supply is also good for most of the crops and if rains fail, India can import and control inflation.

Consumer prices jumped 5.01 per cent in May while food costs rose 4.8 per cent,

the statistics ministry said on June 12.

Reserve Bank of India governor Raghuram Rajan, who cut interest rates three times this year, has said further action will hinge on the monsoon rain. He flagged a shortage of precipitation as the biggest risk to the economy because agriculture accounts for about 15 per cent of gross domestic product.

El Nino poses a risk for the global economy in the second half because the event may hurt crops and boost world food inflation, Citigroup said this week.

In India, forecasts for a weak monsoon after a heatwave in parts of the country should be a warning to policymakers as it could have an impact on rural consumption and food prices, HSBC Holdings said.

Vaghela overruled NTC decision

FAISAL MALIK
MUMBAI, JUNE 18

A day after the CBI registered a case against former Union textile minister Shankarsinh Vaghela for selling the Madhusudan Mills at Lower Parel, it has emerged that the then minister had overruled the opinion of senior NTC officials over settling of the assets and liabilities while taking over. Consequently, Mr Vaghela allegedly approved the transfer of 35 per cent of the mill land to Kamlesh Mehta, director Hall and

Anderson Ltd, causing a loss of more than ₹700 crore to NTC, according to CBI officials.

Meanwhile, the CBI has found a fixed deposit (FD) of ₹1.65 crore in the name of former NTC chairman and managing director K. Ramachandran Pillai. The CBI has also found a fixed deposit (FD) of ₹45 lakh from another accused the then director (technical) with the NTC R.K. Sharma, the then senior manager (legal) M.K. Khare. The investigation agency has also seized ₹13 lakh from Mr Vaghela's residence at

Gandhinagar, sources revealed.

The CBI on Wednesday registered an FIR against Mr Vaghela, Mr Pillai, Mr Sharma, Mr Khare and Mr Mehta. The FIR has also named Hall and Anderson Ltd, a Kolkata-based firm in the case, in connection with an irregular transfer of mill land to the developer.

Madhusudan Mills was originally owned by private people but was declared sick and nationalised under the Sick Textile Undertakings (Nationalisation) Act, 1974.

'NDA shouldn't try to settle scores'

● **Former Union minister Shankarsinh Vaghela warned the NDA government not to settle scores of public life. Today they are there (in power) and tomorrow, someone else will be there and nobody will be spared,' Mr Vaghela said.**



INAUGURATION (CCIC)

Alok Kumar, IAS, Development Commissioner (Handlooms), Ministry of Textiles, GoI inaugurated 'Fashionably Benaras' exhibition cum sale in presence of Pramod Nagpal, MD, CCIC & senior officials at Central Cottage Industries Emporium, New Delhi.

Virbhadra under CBI scanner

STATESMAN NEWS SERVICE

New Delhi, 18 June

The Central Bureau of Investigation today initiated an inquiry against the Himachal Pradesh Chief Minister, Mr Virbhadra Singh, his wife, Ms Pratibha Singh, his son, Mr Vikramaditya Singh and daughter, Ms Aparajita Singh, in a disproportionate assets case.

The agency has registered a preliminary enquiry which would be converted into an FIR against the HPCM and his family members if it finds prima facie evidence against them, said a senior officer of the agency. The CBI has also named an LIC agency which was also allegedly involved helping the accused persons in amassing wealth of Rs 6.1 crore.

It was alleged that Mr Singh while serving as the Union Minister for Steel and the Micro, Small and Medium Enterprises in the UPA government had invested Rs 6.1 crore in life insurance policies in his and his family members' names through LIC agent Chauhan. Mr Singh was allegedly unable to explain the transfer of such a huge amount.

Mr Virbhadra Singh is the longest serving Chief Minister of the state and has been accused of granting favours in return for unsecured loans obtained by his wife and children from some private companies. The CBI is also



probing various other allegations against him including graft, money-laundering and forgery.

He is the second UPA government minister who has been booked by the CBI in the past two days. Earlier, the agency had registered a case against the former Minister of Textiles, Mr Shankarsinh Vaghela, in connection with an irregular land transfer of prime land in Mumbai to a private developer that allegedly led to loss of Rs 709 crore to the NTC.

Cong rejects move: The Congress rejected the CBI's move against Virbhadra Singh and his family members as "another instance of political vendetta of the Narendra Modi government".

"Only yesterday the CBI moved against our Gujarat leader (Shankarsinh Vaghela) and today it has moved against our Himachal Pradesh CM. The High Court had given its verdict (in Virbhadra's favour) and this is political vendetta," said the All India Congress Committee (AICC) general secretary and senior spokesman, Mr CP Joshi here this afternoon.

UNESCO SELECTS BENGAL CRAFT FOR INTL ACCLAIM

Kolkata, 18 June: The chief minister Mamata Banerjee today posted on *Face Book* that UNESCO has selected some rural craft items produced by the state's micro small and medium enterprises and textile department.

She said: "Our state has received an honour by getting selected by UNESCO headquarters to showcase our artistes in Paris on 28 July."

She said that one artisan from each of the of the hub ~ Patachitra from Pingla, Sitalpati from Coochbehar, Wooden mask from Kushmundi, teracota from Panchmura, Dokra from Bikna~ along with Baul and Chau team will be visiting France to represent India at the prestigious Gannat festival during mid week of July.

"We want to spread rural crafts of Bengal across boundaries. I'm happy that our craft is getting another international acclaim." Miss Banerjee said. SNS

Apparel industry recovers ₹400 crore from defaulters

Negotiations on to recover ₹1,000-1,500 cr, says industry body

OUR BUREAU

Mumbai, June 18

The garment industry, which is reeling under severe cash crunch, has recovered ₹400 crore in last three months from retailers who had defaulted on payment due to weak demand.

The Clothing Manufacturers' Association of India has formed a separate committee to negotiate with retailers and recover the dues. The Association has also formed a system to alert the members on the credit profile of buyers so that they do not fall prey to wilful defaulters.

Rahul Mehta, President, CMAI, said the recovery committee of the association has taken up

long-pending cases and negotiating to recover ₹1,000-1,500 crore.

The growth in garment sector was hit by economic slowdown and demand for electronic items growing with attractive offers from e-commerce websites, he said, at a function to announce the 61st National Garment Fair starting on June 29. The largest-ever fair is expected to attract 780 brands and 40,000 retailers over three days.

"I believe that some sense will soon prevail in the working of ecommerce companies as they cannot keep on buying topline. The angle investors who had invested millions of dollars would start looking for the bottomline," he added.

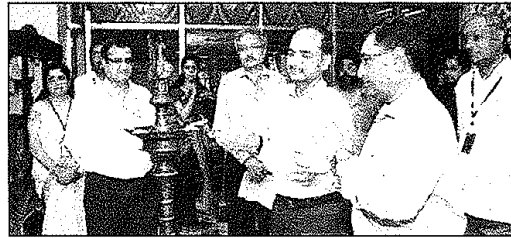
The domestic organised garment sector registered a growth of 12 per cent to ₹44,800 crore last fiscal against a growth of sev-

en per cent in fiscal 2013-14.

Skill India

As a nodal agency for the Government's 'Skill India' programme, the Association was trusted to set up 50 skill centres across India by March 2017 and train 35,000 workers. It has already opened 35 apparel training centres in Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Telangana and Maharashtra in last four months. In Maharashtra, there are two skill centres at Baramati and Tarapur while another one will go live at Kalyan, near Thane, on 100 acres early next year.

Babubhai Ayer, General Secretary, CMAI, said the skill centres are planned near the apparel industry so that trained people can be employed immediately. "We plan to set up another three centres at Vasai, Umargaon and Vapi-Daman region," he said.



Alok Kumar, Development Commissioner (Handlooms), Ministry of Textiles, inaugurated the 'Fashionably Benaras' exhibition-cum-sale, in the presence of Pramod Nagpal, MD, CCIC, and other senior officials from Ministry of Textiles at Central Cottage Industries Emporium