

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3118  
ANSWERED ON:15.03.2013  
RECOVERY OF BANK LOANS  
Bundela Shri Jeetendra Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has directed all the Public Sector Banks (PSBs) in the country to recover money from the persons who got their loans waived off by fraudulent means in connivance with bank officials;
- (b) if so, the details along with the companies status thereof, bank-wise;
- (c) whether any persons/officials have been found involved in such frauds;
- (d) if so, the details thereof, bank-wise; and
- (e) the action taken/being taken by the Government against the guilty officials?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (e): Based on the observations made by the Office of the Comptroller and Auditor General of India (C&AG) on the implementation of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, the Government had issued instructions to the Reserve Bank of India (RBI) to advise banks to take immediate corrective measures. Accordingly, circulars have been issued to all Public Sector Banks, Private Sector Banks, Urban Cooperative banks and Local Area Banks, for which RBI was the Implementing Agency for the Scheme, to comply with the Government directions. It has, inter-alia, been advised as under:

- i) The beneficiaries` lists need complete verification with priority being given to areas where indebtedness was high.
- ii) Administrative/accounting lapses on the part of the officials, internal auditors and statutory auditors who were responsible for verification, certification, or for passing the claims be identified and accountability fixed for the lapses.
- iii) Cases of extending benefits to ineligible beneficiaries must be dealt with on top priority and full recoveries as per law must be made to ensure no loss to the exchequer.
- iv) All cases of tampering of records or alteration, etc. must be identified and scrutinized by higher authority. Stringent action under relevant sections of law against those responsible must be initiated.

Banks have been, inter alia, advised to indicate specifically, in terms of the monthly reporting format, if any criminality has been detected and if any FIRs have been lodged, etc.