

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2412
ANSWERED ON:23.08.2013
IRREGULARITIES IN DEBT WAIVER SCHEME
Azad Shri Kirti (Jha)

Will the Minister of FINANCE be pleased to state:

- (a) whether any irregularities have been noticed in loan waiver and relief to farmers under Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) implemented by the Government since 2008;
- (b) if so, the details thereof along with the persons found involved therein and the estimated amount involved in the said irregularities;
- (c) whether the Government has conducted any inquiry/investigation in this regard; and
- (d) if so, the details and the outcome thereof?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (d): The Performance Audit of the Agriculture Debt Waiver and Debt Relief Scheme, 2008 was undertaken by the Comptroller and Auditor General (CAG) of India. The Report of the Audit was laid on the Table of both the Houses of Parliament on 5.3.2013 and referred to the Public Accounts Committee (PAC). During the Exit Conference with officials of CAG on 7.12.2012, some observations with regard to implementation of the Scheme were made, which inter-alia included various irregularities like no/less benefits given to eligible farmers, benefits granted to ineligible beneficiaries, excess benefits extended to beneficiaries, charges/interest claimed/debited which were not as per guidelines and instances of tampering of records.

Accordingly, the Government instructed the Reserve Bank of India(RBI) and National Bank for Agriculture & Rural Development(NABARD), the implementing agencies of the Scheme, on 11.1.2013 to take remedial measures which, in turn, issued directions to the lending institutions to examine the cases of any irregularities and take corrective steps, including recovery of such amounts from ineligible beneficiaries, recovery of any excess payment and fixing responsibility of the bank staff in appropriate cases, non-issuance of debt waiver and debt relief certificates and ensure monitoring of fresh loans to the beneficiaries.

The Government had also on 15.2.2013 directed RBI, NABARD and all Public Sector Banks(PSBs) to take immediate corrective action based on the observations of audit and also re-verify all the claims reimbursed while implementing ADWDRS, 2008. Lending institutions have commenced re-verification of all claims.

As reported by lending institutions, as on June, 2013, the cases of benefits granted to ineligible beneficiaries in Public Sector Banks(PSBs) have been reported to be 15,054 cases amounting to Rs. 3586.82 lakhs, 200 cases in Regional Rural Banks(RRBs) amounting to Rs. 57.82 lakhs and 2297 cases amounting to Rs. 551.89 lakhs in cooperative banks. Out of these cases, recoveries have been made to the tune of Rs. 214.76 lakhs in 761 cases in PSBs, Rs. 44.57 lakhs in 190 cases in RRBs and Rs. 360.16 lakhs in 1096 cases in Cooperative Banks. The PSBs/ Cooperative Banks have reported initiation of disciplinary action against staff in 3526 cases and fixing the responsibility of auditors in 501 cases. FIRs have also been filed in cases of tampering of records.