

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3288
ANSWERED ON:30.08.2013
IRREGULARITY IN NABARD
Das Gupta Shri Gurudas;Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has unearthed any irregularity in the allocation of grants by National Bank for Agricultural and Rural Development (NABARD) to the rural poor;
- (b) if so, the details thereof for the last three years and the current year, State/UTwise;
- (c) whether the Government has conducted any inquiry in this regard;
- (d) if so, the details and outcome thereof along with the action taken against the persons found involved therein; and
- (e) the other remedial measures taken/ being taken by the Government in this regard?

Answer

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

(a) to (e) :-The National Bank for Agriculture and Rural Development (NABARD) partners with Self Help Promoting Institutions such as Non Government Organisations(NGOs), Regional Rural Banks(RRBs), Cooperative Banks, individual Rural Volunteers, Self-Help Group(SHG) Federations and Primary Agricultural Cooperative Societies(PACS) etc. for promoting SHGs and provides Grant Support to these agencies.

Caution and due diligence is exercised by NABARD while entertaining proposals from these agencies for grant support which, inter alia, include verification of past record of the agency, field enquiries, consideration of proposals by Project Sanctioning Committee/Advisory Board, further release of funds based on progress made, etc.

The Inspection Department of NABARD also conducts periodic inspections of the concerned departments handling various grant support.

However, a news item was published in 'The Hindu' on 3.7.2013 titled "NABARD's largesse takes rural poor for ride", a rebuttal to which was sent by NABARD to the Newspaper on 3.7.2013.