

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4524

ANSWERED ON:21.02.2014

IRREGULARITIES IN AGRICULTURAL DEBT WAIVER SCHEME

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have sought reports from various Public Sector Banks (PSBs) regarding irregularities in agricultural debt waiver scheme;
- (b) if so, the details thereof, bank-wise;
- (c) the number of persons found guilty in the matter along with instances where FIRs have been registered so far, bank-wise;
- (d) whether any deadline to submit reports has been fixed by the Government;
- (e) if so, the details and extent of compliance thereof, bank-wise; and
- (f) the details of action taken/being taken against such banks?

Answer

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

(a) to (f) The Performance Audit of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 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). The PAC has since presented its report to the Parliament on 6.2.2014.

During the Exit Conference with official 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 December, 2013, the action taken in the matter is as follows :-

Out of 3.71 crore re-verified accounts, irregularities were observed in 3.84 lakh accounts and a recovery of Rs. 161.62 crore has been made.

In addition, Rs. 164.60 crore has been recovered alongwith penal interest of Rs. 54.80 crore from ICICI Bank for claiming ineligible claims of MFIs.

In 5473 cases, disciplinary action has been taken against the staff by the lending institutions.

In 467 cases, the responsibilities of auditors has been fixed by the lending institutions.

In 4030 cases of tampering of records, 22 FIRs have been filed.