

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:63
ANSWERED ON:11.07.2014
ADWDRS
Shetti Shri Raju alias Devappa Anna

Will the Minister of FINANCE be pleased to state:

- (a) the details of the guidelines/norms notified by the Government under the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 for the farmers;
- (b) whether these guidelines/norms were reportedly formulated after notification of the said Scheme, if so, the details thereof and the reasons therefor;
- (c) the number of farmers benefitted under the Scheme and the amount involved thereunder; and
- (d) whether several irregularities were reported in the implementation of the said scheme, if so, the details thereof and the corrective measures taken by the Government in this regard?

Answer

FINANCE MINISTER (Shri Arun Jaitley)

(a) to (d) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 63 to be answered on 11th July, 2014 regarding ADWDRS, 2008 tabled by Shri Raju Shetti, MP.

(a) to (d) The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) was announced in the Union Budget 2008-09. Thereafter, based on the consultations with various stakeholders and their suggestions, the detailed Guidelines for ADWDRS, 2008 were issued on 28.5.2008.

Reserve Bank of India (RBI) was designated the nodal agency for the implementation of the Scheme for the Scheduled Commercial Banks, Urban Cooperative Banks and Local Area Banks, while National Bank for Agriculture & Rural Development (NABARD) was the nodal agency for Regional Rural Banks (RRBs) and Cooperative Credit Institutions.

The guidelines issued by the Government for the implementation of the Scheme, inter alia, prescribed procedure for preparation of lists of beneficiaries, responsibility of the lending institutions for correctness of the details of eligible beneficiaries, establishment of grievance redressal mechanism and statutory, concurrent or special audit of claims as may be directed by RBI/NABARD.

All direct agricultural loans disbursed to farmers between 31.3.1997 and 31.3.2007, overdue as on 31.12.2007 and remained unpaid until 29.2.2008, were covered under the Scheme. Farmers cultivating agricultural land upto 1 hectare were classified as 'marginal farmers' and those between 1 to 2 hectares as 'small farmers'. Farmers cultivating agricultural land in excess of 2 hectares were classified as 'other farmers'. Full debt waiver of the eligible amount was given to 'small and marginal farmers' and one-time settlement rebate of 25% was extended to 'other farmers' against payment of balance 75% in not more than three instalments.

The Scheme benefitted 3.73 crore farmers to the extent of Rs. 52,259.86 crore. The Performance Audit of the Scheme was carried out by the Comptroller & Auditor General of India (CAG) from April, 2011 to March, 2012 which reported various errors of inclusion and exclusion at the beneficiary level.

Based on the feedback during Exit Conference with CAG on 7.12.2012, the Government on 11.1.2013 directed all institutions to take immediate corrective action and re-verify all the claims under the Scheme. NABARD and RBI had issued directions to the lending institutions on 11.1.2013 and 14.1.2013 respectively 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.