

CAG finds lapses in Rs 52,000-cr farm debt waiver scheme

Expressing serious concern over the implementation of Rs 52,000-crore farm debt waiver scheme, government auditor CAG today said in several cases ineligible farmers were given benefit while deserving ones were left out.

Comptroller and Auditor General (CAG) has also found instances of tampering of records and pulled up the Department of Financial Services (DFS) in the Finance Ministry for deficient monitoring of the multi-crore scheme.

"Overall, the Performance Audit revealed that in ...(22.32 per cent of cases test checked) there were lapses/errors which raised serious concern about the implementation of the scheme", said the CAG report tabled in Parliament today.

The report deals with Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS) 2008 under which 3.69 crore small and marginal farmers and 60 lakh other farmers were given debt relief to the extent of Rs 52,516 crore.

The CAG report said in several cases "farmers who had taken loan for non-agricultural purposes or whose loans did not meet eligibility conditions, were given benefits under the scheme."

It said several farmers who were eligible for the benefit under the scheme were not considered for loan waiver by the lending institutions.

Besides other observations, the report said the Micro Finance Institutions (MFIs) were given benefit under the scheme in violation of the debt waiver guidelines.

The banks, it said, also claimed undue benefits like penal interest, legal charges, miscellaneous charges from the government. Under the scheme, banks were supposed to bear these charges themselves.

Referring to the issue tampering of records, CAG suggested DFS should review such cases and take "stringent action" against erring officials and banks.

(Economic times)