



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2012-13/377

RPCD.CO.FSD. No. BC. 58 /05.04.02/2012-13

January 14, 2013

The Chairman/ Managing Director/  
Chief Executive Officer  
*All scheduled commercial banks & Local Area Banks*

Madam/Dear Sir,

**PERFORMANCE AUDIT OF AGRICULTURAL DEBT WAIVER AND DEBT RELIEF SCHEME, 2008**

As you are aware, the Performance Audit of the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 is being undertaken by the Office of the Comptroller and Auditor General (CAG). During the Exit Conference held with Officers of CAG on December 7, 2012, the following major observations were made with regard to implementation of the Scheme :

- (i) Ineligible accounts of farmers extended benefits under the Scheme. The audit has noted that to provide benefit to ineligible farmers, instances of tampering and over-writing, inadequate documentation, etc. had taken place.
- (ii) Benefit was only extendable to farmers directly but in some cases loans extended to MFIs were claimed and disbursed.
- (iii) Less/Excess benefit extended to eligible accounts.
- (iv) Reimbursement of inadmissible charges to banks.
- (v) Non-issuance of Debt Waiver and Debt Relief Certificates.
- (vi) Outcome relating to fresh loans not monitored.

2. In view of the above, the Government of India has desired that immediate corrective measures be taken by all the concerned Institutions. Details of specific cases scrutinized by CAG and their observations thereon are already available with Banks. You are, therefore, requested to take following action in such areas :

(i)	Ineligible accounts of farmers extended benefits under the Scheme. The audit has noted that to provide benefit to ineligible farmers, instances of tampering and over-writing, inadequate documentation, etc. had taken place.	(i) Recovery of such money from such ineligible beneficiaries. (ii) Fixing of responsibility of bank officials as well as auditors. (iii) Considering lodging of FIRs in cases of tampering of records.
(ii)	Benefit was only extendable to farmers directly but in some cases loans extended to MFIs were claimed and disbursed.	(i) Fixing of responsibility of the officials responsible for such disbursal. (ii) Recovery of such money.
(iii)	Less/Excess benefit extended to eligible accounts	(i) Recovery in cases of excess payment. (ii) Fixing responsibility of banks' officials as well as auditor responsible for such act.
(iv)	Reimbursement of inadmissible charges to banks.	(i) Recovery of such money (ii) Fixing of the responsibility of claimant institutions and disbursing officials.
(v)	Non-issuance of Debt Waiver and Debt Relief Certificates.	(i) In cases where such certificates have not been issued, these should be immediately issued. This should be completed by February 28, 2013.
(vi)	Outcome relating to fresh loans not monitored.	(i) Such monitoring should be immediately undertaken in respect of beneficiaries granted relief under the Scheme.

3. Please ensure that the action, as indicated above, be completed in one month from the date of issue of this Circular and be intimated to us, under advice to the Ministry of Finance, Department of Financial Services, Government of India.

Yours faithfully

(C.D. Srinivasan)  
Chief General Manager