

Management Function" to enable, among others, effective investigation of fraud cases and prompt as well as accurate reporting of them to appropriate regulatory and law enforcement authorities including RBI.

RBI, as a part of its supervisory process also takes the following measures to prevent/reduce the incidence of frauds:

- (i) Sensitizes banks from time to time about common fraud prone areas through issuance of modus operandi circulars on various types of frauds and the measures to be taken by them.
- (ii) Issues caution advises in respect of borrowers who have defaulted the banks.

In the past considering various concerns arising out of bank's operations, including incidence of frauds, RBI has advised banks to:

- (a) Introduce a system of concurrent audit;
- (b) Review working of internal inspection and audit machinery in banks by the Audit Committee of the Board of Directors;
- (c) Constitute a Special Committee of the Board to exclusively monitor frauds of Rs.1 crore and above.
- (d) In order to make third parties and professionals accountable, who have played a vital role in credit sanction/disbursement or facilitated the perpetration of frauds, banks have been advised *vide* circular dated March 16, 2009 to report to Indian Bank's Association (IBA). IBA in turn will prepare caution lists of such parties for circulation among the banks.

Illegal waiver of farmer loans in Uttar Pradesh

1290. SHRI PRABHAT JHA:

SHRI ARVIND KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has received representation from MPs regarding non-recovery of illegally waived agricultural loans to ineligible farmers under Agriculture Debt Waiver Scheme from SBI, Central Bank of India and Purvanchal Bank (erstwhile Ballia-Etawa Gramin Bank) in Uttar Pradesh;

(b) if so, the details thereof;

(c) whether Government has enquired into the illegally waived loans in these banks and have recovered the loans in UP;

(d) if so, the details thereof, bank-wise and representation-wise; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) Yes, Sir. References were received from MPs (*viz.* Yashvir Singh, Smt Kusum Rai and Shri Arvind Kumar Singh) regarding alleged illegal waiver of agricultural loans of ineligible farmers under Agricultural Debt Waiver & Debt Relief Scheme (ADWDRS), 2008 by some Banks in UP.

The Purvanchal Bank has reported that they conducted re-verification of all eligible accounts in their branches and have found that under ADWDRS, 2008, 511 accounts with an amount of Rs. 44.52 lakh had claimed in excess and the same has since been refunded.

The Central Bank of India has also informed that out of 1505 accounts amounting to Rs. 363.14 lakh in Uttar Pradesh, an amount of Rs. 142.29 lakh in 480 accounts has already been recovered.

As regards SBI, the Bank has informed that re-verification of claims under ADWDRS, 2008 has been completed in all the concerned 573 branches of SBI in U.P and irregularity in 824 cases was identified for recovery amounting to Rs.85.93 lakh.

Investment in Agriculture

1291. SHRI DEVENDER GOUD T.: Will the Minister of FINANCE be pleased to state:

(a) the public investment in proportion to GDP in agriculture in the last five years, year-wise;

(b) whether public investment in agriculture is now stagnant at just 3 per cent of the GDP;

(c) if so, the reasons therefor; and

(d) what efforts his Ministry is making and bringing innovative policies to attract more public investment in agriculture?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) As per the Central Statistics Office (CSO) estimates Public Investment in terms of Gross Capital Formation (GCF) at constant (2004-05)