

[24 August, 2004]

RAJYA SABHA

Monitoring of large value frauds by RBI

2144. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India is considering a proposal to monitor only large value frauds in banks which have systemic implications;

(b) if so, the details thereof;

(c) the reasons for such a proposal; and

(d) which agency would be monitoring other frauds in banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) to (d) Do not arise.

Waiver of interest on crop loans

2145. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) the decision of Government regarding waiver of interest to farmers on their kharif 2002 crop loans and full re-imbursement thereof by the Central Government, as announced earlier in view of wide-spread drought and in view of NABARD not implementing Government assurances of total waiver of interest specially in Andhra Pradesh; and

(b) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Considering the severe drought during the Kharif 2002, Hon'ble Prime Minister announced in the parliament on 18th December, 2002 to convert the short term Kharif crop loan, 2002 along with its interest into 4/5 years term loan and to waive of first year deferred liability of interest subject to a maximum of 20% of total interest as a one-time measure to mitigate the hardship of drought affected farmers. AS a follow up, RBI *vide* their circular dated 27th December, 2002 advised all scheduled commercial banks