

## Aadhaar, loan waiver software help Karnataka government save Rs 5,500 crore

By Anusha Ravi | Express News Service | Published: 16th June 2019 02:29 AM



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BENGALURU: The mandatory Aadhaar linkage and the Crop Loan Waiver system software that was developed to implement the scheme may have just saved at least Rs 5,500 crore of taxpayers money. Multi-level audits, right from the level of banks, the verification process of self-declaration made by farmers through the CLWS software and mandatory Aadhaar linkage to bank accounts, ration cards and land revenue documents has helped the government identify anomalies, including false information, in about 7.8 lakh cases.

With government hoping to pay off all commercial bank loans under the scheme by June and clear payments to cooperative banks by July for eligible loans, TNSE puts together the process through which this was achieved.

In all, 22 lakh loan accounts were first identified by commercial banks while cooperative banks had sent lists of 19 lakh but after a thorough audit for eligibility and validation, around 16.3 lakh accounts from commercial banks were found eligible. This was further brought down to 12.1 lakh as 4.2 lakh farmers were discovered to be ineligible as they had loan accounts with commercial banks as well as co-operative banks.

A simple cross check with the CLWS data and Aadhaar and other documents threw up this information. Around 99.6 per cent of farmers out of this figure submitted self-declaration forms to avail the waiver. Document verification further pointed out 1.9 lakh claimants who had furnished wrong information. "In Haveri alone, some 30% claimants said they did not have a ration card- the one document that is crucial to draw a family tree," said an officer involved with the loan waiver process. Village accountants were sent door-to-door to verify account holders in case of 1.9 lakh false declarations but to no avail. Government sources said some account holders could have shifted and the banks had to find them. "The government will pay off the waiver if the banks are able to identify the beneficiary at the end of the line," the official added.

Of the remaining 10.2 lakh accounts, verification of loan papers at the bank showed that 48,000 accounts were given loans before April 1, 2009, the cut off date. Renewals of loans had been marked as fresh loans in these cases. Another 50,000 loan accounts were pending with bank managers for verification, around 8,000 farmers claimed to be government employees in their declarations, while some 5,000 declared themselves to be tax-payers making them ineligible for the waiver. As of Saturday, the waiver money has already been released to 7.49 lakh loan accounts in the commercial sector at a cost of Rs 2,735.85 crore. In the co-operative bank sector, the CLWS and Aadhaar linkage exposed repetition and dual entries of at least 50,000 accounts. The waiver for 12.89 lakh eligible accounts had been released by Saturday at a cost of Rs 5,620.68 crore. Of the remaining 6.1 lakh accounts, payments for some 2.3 lakh loans are not yet due with 1.94 lakh due in June and 45,000 in July.

The government has decided to pay off the waiver only after the loans come to be due. In the case of the remaining 4.5 lakh accounts, 1.4 lakh farmers have yet again given wrong or false information while 1.86 lakh farmers haven't repaid interest for loans exceeding one lakh. The government can waive the loan only if farmers have paid interest that has been compounded to the principal loan, making these farmers ineligible for the waiver scheme.

Overall, sources say, the Aadhaar and CLWS linkage has helped the government save at least Rs 5,500 crore.