

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3293**  
TO BE ANSWERED ON THE 16<sup>TH</sup> MARCH, 2021

**DELAY IN RELEASE OF PMFBY FUNDS**

3293. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has taken note that there is inordinate delay in the release of funds by the Central and State Governments to pay farmers under Pradhan Mantri Fasal Bima Yojana (PMFBY);
- (b) if so, the details thereof;
- (c) the details of funds released during the last two years, particularly to the State of Andhra Pradesh;
- (d) the reasons for the delay and the steps being taken for early release of funds?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d) : As per provisions of Operational Guidelines of Pradhan Mantri Fasal Bima Yojana (PMFBY) premium subsidy is to be paid to the insurance companies on the basis of Government liability calculated on National Crop Insurance Portal (NCIP) by considering approval of individual application of farmers by concerned insurance companies.

Central Government share of funds is made available in advance to the fund routing agency i.e. Agriculture Insurance Company of India Ltd. (AIC), which in turn releases the funds to concerned insurance companies on receipt of funds from the concerned State Government. However, release of State Government share of premium subsidy is delayed in many cases due to budget considerations and delay in finalization of business statistics on portal etc.

This Department is regularly monitoring the implementation of PMFBY including timely release of premium subsidy and has revised the Operational Guidelines of the scheme to include the timelines for release of funds and penalty provision against defaulting States. Defaulting States/UTs are also being asked in writing from time to time to release their respective share in premium subsidy. Moreover, provisions of penal interest @12% were made in the Revised Operational Guidelines for delay in release of their share in premium subsidy by States/UTs. Further, as per revamped guidelines w.e.f. Kharif 2020, the states delaying the release of subsidy beyond stipulated timelines can not participate in upcoming seasons.

Contd.....2/-

Being a Central Sector Scheme, State-wise allocation/release is not made under the scheme. The requisite funds are released to the Central fund routing agency i.e. Agriculture Insurance Company of India Ltd. (AIC) which in turn releases the Central Government's share in premium subsidy on receipt of respective State Government's share, to the concerned insurance companies. Year-wise details of budget provided by the Central Government and actual expenditure during last two years i.e. 2019-20 and 2020-21 under PMFBY is given below :

(Rs. in crore)

<b>Year</b>	<b>Budget Estimates</b>	<b>Revised Estimates</b>	<b>Actual Release</b>
2019-20	14000.00	13640.85	12638.32
2020-21	15695.00	15307.25	13902.79

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