

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

LOK SABHA
UNSTARRED QUESTION NO. 2701
TO BE ANSWERED ON THE 4TH AUGUST, 2026

MISAPPROPRIATION OF FUNDS UNDER PMFBY

2701. SHRI NEERAJ MAURYA:

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

- (a) whether the attention of the Government has been drawn to the crop insurance scam exposed in Uttar Pradesh, where compensation worth crores of rupees was misappropriated on the basis of fake land records (Khatauni) without actual agricultural land;
- (b) whether insurance claims were distributed to four times the number of actual farmers in several villages and 90% of the fraudulent activities were carried out in the names of non-loanee farmers;
- (c) the role played by the collusion of bank officials and insurance companies in this matter, and whether the Government will conduct a technical investigation into the portals that automatically approved fake data numbers; and
- (d) whether the Government proposes a comprehensive action plan to ensure the data security of farmers in the future?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) State Government of Uttar Pradesh has informed that the instances of fraudulent insurance obtained through forged means by certain persons under the Pradhan Mantri Fasal Bima Yojana (PMFBY) in certain districts of the State have come to the notice of the Government. The cases were immediately investigated and necessary action, as per rules, has been taken against the persons found guilty. The details are as under:

- In district Mahoba, a total of 06 First Information Reports (FIRs) have been registered, 60 persons have been named and 50 persons have been arrested.
- In district Jhansi, 02 FIRs have been registered, 11 persons have been named, and 01 person is in judicial custody. Recovery process of the compensation amount obtained through wrongful means has also been effected in respect of 10 persons pertaining to Simardha Gram Panchayat and in Naya Gaon.
- In district Hamirpur, 1,145 insurance policies pertaining to 391 non-loanee farmers for Kharif 2025 season were found to be incorrect during investigation and have since been cancelled.
- In district Farrukhabad, during Rabi 2024-25, 35 persons from 03 villages of the district wrongfully obtained compensation. During investigation, 02 FIRs have been registered against 03 Tehsil Coordinators of insurance companies, 06 Bank Branch Managers and 21 farmers among others.

- In district Mathura, upon detection of cases of duplicate insurance during Rabi 2021-22, investigation revealed that compensation had been obtained through 267 applications submitted by 152 persons. Recovery amounting to ₹27,52,123.13 relating to 22 applications of 17 persons has been made. Further, compensation amounting to ₹14,34,382.55 received against 15 applications relating to 06 other persons has been refunded. Thus, a total amount of ₹41,86,505.68 has been recovered in the district.
- In the State, following investigation under PMFBY, 1,19,531 insurance applications for Kharif 2025 season and 36,247 insurance applications for Rabi 2025-26 season have been cancelled.

(b) : No, Sir. State Govt. of Uttar Pradesh has informed that no such case has come to the notice of the State Government so far.

(c) & (d) : During investigation by the State Government, the involvement of personnel of banks/insurance companies has been found in the districts of Jhansi, Mahoba and Farrukhabad.

The Government of India has also taken cognizance of the matter and has issued necessary directions to all insurance companies implementing the Scheme, CSC e-Governance India Limited, and all participating banks to strengthen scrutiny of enrolment proposals and ensure strict compliance with the Operational Guidelines of PMFBY.

Land records data of Uttar Pradesh has already been integrated with National Crop Insurance Portal (NCIP). Further, from the ensuing crop season, a provision has been made under the NCIP whereby all applications pertaining to consolidation (Chakbandi)/non-digitized villages shall be accepted by the concerned insurance company only after verification and approval by the District Level Monitoring Committee (DLMC) headed by the District Magistrate.

Necessary instructions have already been issued to the insurance companies and the States/Union Territories in respect of localised crop loss assessment. As per these instructions, crop loss assessment is required to be conducted in the presence of the designated Government field functionary, keeping transparency while recording the assessment and a copy of the survey report is mandatory to be handover to the concerned farmer. Further, the process of localised crop loss assessment is done through the Crop Loss Assessment Process (CLAP) module under PMFBY.

In order to prevent fraudulent applications under the scheme, various verification and validation protocols have been implemented at the stage of enrolment of farmers under the scheme in National Crop Insurance Portal (NCIP) such as Aadhar validation of farmers, bank account validation through PFMS, land record validation through ROR of the States/UTs, AgriStack farmer ID validation and insured Crop validation with Digital Crop Survey, etc.
