

GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2047**  
TO BE ANSWERED ON 03.03.2020

**Misuse of MGNREGS Funds**

**2047. DR. PRITAM GOPINATHRAO MUNDE:**

Will the Minister of **RURAL DEVELOPMENT** be pleased to state:

- (a) whether the funds under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is siphoned off in a majority of cases as there are not appropriate checks and balances in place in some States, if so, the names of those States and the reaction of the Government thereto;
- (b) whether the Government proposes to rationalize the allocation of funds to the States under the MGNREGS to check large-scale misappropriation of funds in some States and if so, the details thereof; and
- (c) the steps taken by the Government for better utilization of funds?

**ANSWER**  
**MINISTER OF RURAL DEVELOPMENT**  
**(SHRI NARENDRA SINGH TOMAR)**

(a)&(b): Whenever instances of misuse of Mahatma Gandhi NREGS funds are reported, the Ministry promptly inquires into those through local inspections, internal audits, social audits etc. and initiates necessary corrective measures. The Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005 is a demand driven wage employment programme. Hence, no allocation is made State/UT-wise. Fund release to the States/UTs is a continuous and dynamic process and Central Government is committed to making funds available keeping in view the demand for work. The Ministry releases funds to the States periodically in two tranches with each tranche consisting of one or more installments based on agreed to Labour Budget (Persondays), opening balance with the State, pace of utilization of funds, pending liabilities of the previous year, if any, overall performance and submission of requisite documents by the State.

(c): Various steps have been taken for better utilization of funds which include geo-tagging of assets, Direct Benefit Transfer (DBT), National electronic Fund Management System (NeFMS), Aadhar Based Payment System (ABPS), Software for Estimate Calculation using Rural rates for Employment (SECURE), Performance Review Committee meetings of the Ministry, Common Review Missions, regular video conferencing and establishment of independent social audit units.

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