

**GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT**

**LOK SABHA
STARRED QUESTION NO. 32
ANSWERED ON 22/07/2025**

NON-RELEASE OF FUNDS UNDER MGNREGS

***32. SHRI SELVAGANAPATHI T.M.:**

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether it is a fact that many State Governments have raised a concern with regard to non-release of funds under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by the Union Government, if so, the details thereof;**
- (b) whether budget allocation to MGNREGS has been showing a steady decrease over the years, if so, the details thereof; and**
- (c) whether the Government is considering to wind up the said scheme and if so, the reasons therefor?**

**ANSWER
MINISTER OF RURAL DEVELOPMENT
(SHRI SHIVRAJ SINGH CHOUHAN)**

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 32 FOR 22.07.2025.

(a): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment Scheme. Under the Scheme wage payments are directly credited by the Central Government to the account of beneficiaries through Direct Benefit Transfer protocol.

With regard to Material and Admin components, States/UTs are required to furnish fund release proposals to the Government of India. The Central Government releases funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the “agreed to” Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the States/UTs.

In the current financial year 2025-26 (as on 17.07.2025) an amount of Rs. 44,323 crore has been released to the States/Union Territories, which includes funds for wage, Material and Admin components under Mahatma Gandhi NREGS.

(b): Regarding budget allocation for Mahatma Gandhi NREGS it is submitted that, for the financial year 2024-25, budget allocation of ₹86,000 crore has been made, which was the highest ever allocation for scheme at the Budget Estimate (BE) stage since inception. In the financial year 2025-26, the Government has retained this allocation at ₹86,000 crore, ensuring continued support for rural employment.

Here it is also submitted that keeping in view demand driven nature of the Scheme, the Ministry of Rural Development closely monitors demand for employment at ground level and seeks additional funds from the Ministry of Finance as and when required.

(c): There is no such proposal. In fact, continuous efforts are being made to strengthen the implementation of the scheme at the ground level so that the core objectives of the Scheme such as providing guaranteed employment resulting in creation of productive assets of prescribed quality and durability, strengthening livelihood resource base of the poor, proactively ensuring social inclusion and strengthening Panchayat Raj institutions are achieved.
