

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

**LOK SABHA
UNSTARRED QUESTION NO. 252
ANSWERED ON 02/12/2025**

BUDGET ALLOCATION UNDER MGNREGS

252. Shri K C Venugopal:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the total budget allocated for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the financial years 2023-24, 2024-25 and 2025-26 along with the reasons for maintaining it stagnant since 2023-24 despite rising inflation, increased rural demand, and pending liabilities of wage payment, State-wise;**
- (b) the measures taken in response to the Parliamentary Standing Committee's report, highlighting the delays in wage payments and the insufficiency of 100 guaranteed work days in discouraging participation and fueling rural migration, particularly in states like Kerala where the scheme supports over twenty lakh households annually, State-wise; and**
- (c) whether the Government proposes to implement a raise in the minimum guaranteed work days to 150 and revise wages as per the inflation, if so, the timeline and funding implications thereof?**

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI KAMLESH PASWAN)**

(a): The details of funds allocation at Budget Estimate stage, Revised Estimate stage and fund released under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) in the last five years are given below:

(Rs. in crore)

Sl. No.	Financial Year	Budget Estimate	Revised Estimate	Fund released
1	2023-24	60,000.00	86,000.00	89,268.30
2	2024-25	86,000.00	86,000.00	85,838.76
3	2025-26	86,000.00	-	68,503.77*

(*As on 26.11.2025)

Since Mahatma Gandhi NREGS is a demand driven wage employment Scheme, budgetary outlay is determined based on the anticipated demand for employment in a particular financial year. The Ministry undertakes regular assessments of fund requirements based on demand and seeks additional funds from the Ministry of Finance as and when required for meeting the demand for work on the ground. In the FY 2025-26 (as on 27.11.2025), 99.81% of the eligible rural households have been offered employment against their demand.

Here, it is also to be noted that for the financial year 2024-25, budget allocation of ₹86,000 crore was 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 the scheme.

State/Union Territory (UT)-wise details of pending liabilities for wage component under Mahatma Gandhi NREGS as on 26.11.2025 are given at Annexure.

(b) & (c): With regard to the Committee's observations on delays in wage payments, it is submitted that, as per the provisions of the Act, beneficiaries are entitled to receive wage payments within 15 days of work completion. In order to ensure timely payment, the Government of India has issued a comprehensive Standard Operating Procedure (SOP) to all States/UTs, which defines fixed timelines for each stage of the wage payment process—from muster roll uploading to FTO approval. The Ministry along with the States/UTs has been making concerted efforts for improving the timely payment of wages. States/UTs have been advised to generate pay orders in time.

The Ministry has taken various steps to ensure timely payment of wages to workers under (Mahatma Gandhi NREGS). These include:

- Improvement of National Electronic Fund Management System (Ne-FMS)**

- **Intensive consultation with State Governments and other stakeholders for ensuring timely payment of wages, verification of pending and delay compensation claims etc.**
- **Formulation of Standard Operating Procedure for monitoring of timely payment and payment of delay compensation.**
- **Reviewing the status of timely payment and payment of delay compensation with the States/ UTs during periodic meetings, Performance Review Committee meetings, Mid-term Reviews etc.**

Further, continued efforts have been undertaken by the Ministry through various technological interventions for ensuring timely payments of wages. Some of the key interventions include:

- **Direct Benefit Transfer (DBT): Wages are transferred directly from the central account to workers' bank accounts, minimizing the role of intermediaries and reducing fund misappropriation. This has proven to be effective in enhancing transparency and preventing leakages. Almost 100% of the funds are managed electronically with the wage payment made entirely through Direct Benefit Transfer (DBT) protocol.**
- **Aadhaar Payment Bridge System (APBS): APBS conversion is a major reform process where benefits are credited directly into the bank accounts based on the Aadhaar of the workers, preferably through Aadhaar Payment Bridge System, cutting several layers in the delivery process. APBS helps in better targeting, increasing the efficiency of the system and reducing the delays in payments, ensuring greater inclusion by curbing leakages thereby promoting greater accountability and transparency.**
- **National Mobile Monitoring System (NMMS): Real-time attendance capture through geo-tagged photographs at the worksite ensures accurate and timely recording of attendance, which helps in timely payment of wages.**

During the current financial year 2025-26 (as on 27.11.2025), 99.83% of Fund Transfer Orders (FTOs) have been generated within 15 days of muster roll closure in Kerala under the Mahatma Gandhi NREGS.

During the current financial year 2025-26 (as on 27.11.2025), 98% of Fund Transfer Orders (FTOs) have been generated within 15

days of muster roll closure under the Mahatma Gandhi NREGS in all States/UTs.

Regarding the Committee's observations on the insufficiency of 100 guaranteed work days under the scheme and proposal to increase guaranteed number of days of employment from 100 days to 150 days it is stated that the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, is an Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work, as a fall back option when no better employment opportunities are available.

The Ministry mandates the provision of additional 50 days of wage employment (beyond the stipulated 100 days) to every Scheduled Tribe Household in a forest area, provided that these households have no other private property except for the land rights provided under the Forest Rights Act (FRA), 2006.

In addition to this, there is a provision for up to additional 50 days of wage employment in a financial year in drought/natural calamity affected notified rural areas. Recently Ministry allowed additional 50 days of guaranteed employment in the State of Himachal Pradesh, Punjab and UT of Jammu & Kashmir owing to natural calamities faced by these States/UTs.

Further as per Section 3 (4) of the Act, the State Governments may make provision for providing additional days of employment beyond the period guaranteed under the Act from their own funds.

With regard to revisions of wages, it is stated that as per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour(CPI-AL). The wage rate is made applicable from 1st April of each financial year.

Using the present methodology of wage rate calculation, the Central Government has notified the wage rate and it has increased by around 5% (average) over the last year and around 29% (average) in the previous 5 years. However, State Governments can provide wages over and above the wage rate notified by the Central Government, from its own sources.

Annexure

Annexure referred to in reply to part (a) of Lok Sabha Unstarred Question No. 252 dated 02.12.2025.

State/Union Territory (UT)-wise details of pending liabilities for wage component under Mahatma Gandhi NREGS as on 26.11.2025 (Rs. in crores)		
Sl. No.	States/UTs	Pending liabilities for wage component
1	Andhra Pradesh	381.02
2	Arunachal Pradesh	4.70
3	Assam	0.23
4	Bihar	7.04
5	Chhattisgarh	3.78
6	Goa	0.00
7	Gujarat	46.98
8	Haryana	0.38
9	Himachal Pradesh	15.18
10	Jammu & Kashmir	5.48
11	Jharkhand	5.83
12	Karnataka	8.94
13	Kerala	248.42
14	Madhya Pradesh	64.14
15	Maharashtra	14.32
16	Manipur	4.59
17	Meghalaya	4.13
18	Mizoram	91.43
19	Nagaland	0.79
20	Odisha	11.76
21	Punjab	0.12
22	Rajasthan	627.33
23	Sikkim	0.10
24	Tamil Nadu	111.54
25	Telangana	0.98
26	Tripura	2.93
27	Uttar Pradesh	5.98
28	Uttarakhand	0.41
29	West Bengal*	1457.22
30	Andaman & Nicobar	0.00
31	Lakshadweep	0.00
32	Puducherry	16.99
33	Ladakh	0.46
34	Dadra & Nagar Haveli & Daman & Diu	1.29
	Total	1687.27

*The proposal for upward revision of the Labour Budget for FY 2021-22 for the State of West Bengal was not approved by the Empowered Committee, National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), Department of Rural Development due to non-compliance with the directives issued by this Department.

Subsequently, the release of funds to the State of West Bengal under the Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) was also stopped with effect from 09.03.2022 by invoking the provisions of Section 27 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, owing to continued non-compliance with the directives of the Central Government by the State. Therefore, as per NREGASoft, the pending liability for wage component pertaining to the State of West Bengal (as on 08.03.2022) stands at ₹1457.22 crore. The admissibility of this liability is subject to verification by the Central Government.
