GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

LOK SABHA
UNSTARRED QUESTION NO. 2731
ANSWERED ON 04/08/2026

FINANCIAL CRISIS ON STATES UNDER VB-G RAM-G

2731. Adv. Adoor Prakash:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government has noted the concerns raised by various States regarding the mandatory 40 percent funding by the States under Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission-Gramin (VB-G RAM-G);
(b) if so, the details thereof;
(c) whether the Government is planning any relaxation in this provision considering the severe financial crisis of States;
(d) if so, the details thereof;
(e) whether an amount of Rs. 17144 crores were due for release to States/UTs while the Government replaced MGNREGS with VB-G RAM G; and
(f) whether the Government has taken any decision to release the pending dues to States and UTs, if so, the details thereof?

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

(a) to (d): Under Viksit Bharat – Guarantee for Rozgar and Aajeevika Mission (Gramin): VB–G RAM G Act, 2025, the programme cost is shared in the ratio of 60:40 between the Central and State Governments for General States and 90:10 for the North-Eastern States, Himalayan States and specified Union Territories. The funding pattern is consistent with the framework applicable to Centrally Sponsored Schemes and is intended to strengthen State ownership, accountability and effective implementation of rural development programmes.

For the financial year 2026–27 (01.07.2026 to 31.03.2027), a provision of ₹95,692.31 crore has been made for the Central share for Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin),

which is among the largest ever allocations for rural employment programmes in the country at budget estimate stage. For the Current Financial Year (2026–27, financial sanctions for various components amounting to ₹25,844.97 crore have already been issued to the States/UTs as the first instalment under the scheme. The States/UTs have reported that budget provisions have been made towards their share accordingly. In case of Kerala an interim allocation of Rs 3136.44 crore has been made as Central Share for FY 2026-27 for the period between 01.07.2026 to 31.03.2027. Subsequently, Mother Sanctions amounting to Rs. 925.33 crore have been issued as first instalment for various component under VB-G RAM G based on the proposal received from the State.

(e) & (f): With regard to settlement of pending liability under Mahatma Gandhi NREGS it is stated that release of funds to the States/UTs towards settlement of pending liabilities under the scheme is a continuous process. Funds are released from time to time based on the demand for funds, utilization of funds already sanctioned, and receipt of complete proposals from the States/UTs along with the requisite documents.

In the current financial year 2026–27, pending liabilities of the wage component amounting to ₹9,711.98 crore have been released which includes all admissible pending liabilities for wage component for FY 2025-26. For the material component, the Ministry has issued a financial sanction amounting to ₹7,765.68 crore as the first installment to all States/UTs for release of material liabilities. Out of this an amount of ₹5,842.96 crore has so far been utilized by the States/UTs.

The Central Government has requested all States/UTs, to submit proposals for pending liabilities, if any for previous financial years to enable this Department to examine the same and release all eligible payments expeditiously.

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