

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2821
ANSWERED ON:18.08.2011
MINIMUM BALANCE IN GRAM PANCHAYAT ACCOUNT
Verma Shri Sajjan Singh

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether there is a provision to maintain a balance of four lakh rupees in the bank account of every gram panchayat to ensure funding to gram panchayats under MGNREGA;
- (b) if so, the details thereof;
- (c) whether Madhya Pradesh Government has issued an order to reduce the maximum limit of the said amount from 4 lakh to 2.50 lakh rupees;
- (d) if so, the provisions under which the said order has been issued; and
- (e) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a)to(e): Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is demand based. As per Section 3 (1) of the MGNREG Act, it is for the concerned State Government to provide to every household whose adult members volunteer to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the Scheme made under the Act. Section 3(3) of MGNREG Act provides that the disbursement of wages shall be made on weekly basis or in any case not later than a fortnight after the date on which such work was done. All State Governments are required to provide employment and make wage payment to the beneficiaries in accordance with the provisions of the Act. As per Section 4 of the Act, every State Government shall notify a Scheme for giving effect to the provisions of section 3 of the Act. It is, therefore, the responsibility of the concerned State Governments to devise their own methodology to deal with the adequacy of funds to be maintained with gram Panchayats and other implementing agencies and the Central Government has not issued any instructions to this effect.