

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:984
ANSWERED ON:16.08.2012
MINIMUM BALANCE IN BANK ACCOUNT
Singh Shri Uday Pratap

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether there is a provision to maintain a balance of Rs. 4 lakh in the bank account of every Gram Panchayats to ensure the funding availability constants under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA);
- (b) if so, whether the States have right to issue orders for reducing the said amount;
- (c) if not, whether the Madhya Pradesh Government has reduced the amount to Rs. 2.50 lakh by issuing an order; and
- (d) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a): No. sir.

(b) to (d): Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is demand based. As per Section 3 (1) of the Act, it is for the concerned State Government to provide to every household whose adult members volunteer to do unskilled manual work up to one hundred days of such work in a financial year in accordance with the Scheme made under the Act. All State Governments are required to provide employment and make wage payment to the beneficiaries in accordance with the provisions of 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. 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 ensure adequacy of funds with Gram Panchayats and other implementing agencies and the Central Government has not issued any instructions to this effect.