

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4685  
ANSWERED ON:21.02.2014  
LINKING OF MNREGS WITH THE BANKING SYSTEM  
Reddy Shri Modugula Venugopala

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has any proposal to link the social programmes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and other similar programmes with the banking system;
- (b) if so, the details thereof;
- (c) the role played by cooperative banks and short term cooperative credit institutions in this regard;
- (d) whether the said banks and institutions are not compensating the expenses incurred by them for their linkage with the said schemes;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the steps taken/being taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) and (b) : As per information received from the Ministry of Rural Development (MoRD), all the wage payments under Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) are to be made through accounts in the Banks or Post Offices. As per Paragraph 30 of the revised Schedule II, notified recently under the MGNREG Act 2005, the payment of wages shall be made only through the accounts in the banks or post offices, unless specifically exempted.

(c) to (f): Nearly 74.38 lakh accounts have been opened in the cooperative banks for disbursement of wages. MoRD has informed that and there is no provision for any additional compensation to these institutions, for disbursement of wages under MNREGS.