

Most Immediate
Hon'ble Supreme Court Judgement

F. No. B-18015/9/2016-MGNREGA-IV
Government of India
Ministry of Rural Development
Department of Rural Development

Krishi Bhawan, New Delhi
Dated: 26th May, 2016

To,

**All the Principal Secretaries/Secretaries-in-charge
of MGNREGA/Commissioner(MGNREGA) of all States and UTs.**

Subject: Payment of Compensation for delayed payment of wages to the workers in compliance with the Judgement passed by the Hon'ble Supreme Court of India in the Writ Petition (C) No. 857 of 2015 (Swaraj Abhiyan-(III) vs. Union of India & Ors.) on 13th May, 2016.

Sir/Madam,

I am directed to request you to refer to the above Judgement of the Hon'ble Supreme Court of India (copy available in the MGNREGA website www.nrega.nic.in) under "What's New".

2. The Hon'ble Supreme Court of India in the above Judgement has, inter-alia, passed the directions as under:-

"The Government of India is directed to ensure that compensation for delayed payment is made over to the workers whose wages have been delayed beyond 15 days as postulated by paragraph 29 of Schedule II of the NREG Act and the Guidelines for Compensation formulated pursuant thereto".

3. As you are aware, under paragraph 29 of Schedule II of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and the Guidelines thereof:-

(i) In case the payment of wages is not made within fifteen days from the date of closure of the muster roll, the wage seekers shall be entitled to receive

payment of compensation for the delay, at the rate of 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll;

(a) Any delay in payment of compensation beyond a period of fifteen days from the date it becomes payable, shall be considered in the same manner as the delay in payment of wages.

(b) For the purpose of ensuring accountability in payment of wages and to culpability of various functionaries or agencies, the State shall divide the process leading to determination and payment of wages into various stages such as-

- measurement of work;
- computerizing the muster rolls;
- computerizing the measurements;
- generation of wage lists; and
- uploading Fund Transfer Orders (FTOs),

and specify stage-wise maximum time limits alongwith the functionary or agency which is responsible for discharging the specific function.

(c) The computer system shall have a provision to automatically calculate the compensation payable based on the date of closure of the muster roll and the date of deposit of wages in the accounts of the wage seekers.

(d) The State Government shall pay the compensation upfront after due verification within the time limits as specified above and recover the compensation amount from the functionaries or agencies who is responsible for the delay in payment.

(e) It shall be the duty of the District Programme Coordinator or Programme Officer to ensure that the system is operationalised.

(f) The number of days of delay, the compensation payable and actually paid shall be reflected in the Monitoring and Information System and the Labour Budget.

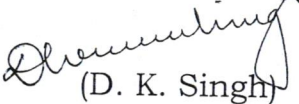
(ii) Effective implementation of Sub-paragraph (i) shall be considered necessary for the purposes of the section 27 of the Act.

4. In compliance with the aforesaid directions of the Hon'ble Supreme Court of India and in accordance with Para 29 of Schedule II of the Act, you are requested to kindly take immediate action for payment of compensation for delayed payment of wages to the workers and send the action taken report in

the matter to the Ministry and also keep the Ministry informed about the progress in this regard.

5. This may be accorded "Top Priority".

Yours faithfully,


(D. K. Singh)

Director (MGNREGA)

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1. Sr. PPS to Secretary(RD).

2. PS to AS(RD)

3. PSO to AS & FA

4. PS to CEA

5. PPS to JS(RE/SAGY)

6. All officers of the level of Under Secretary & above in MGNREGA Division.

7. NIC for uploading on the website

OTC
Issued
30/17/16