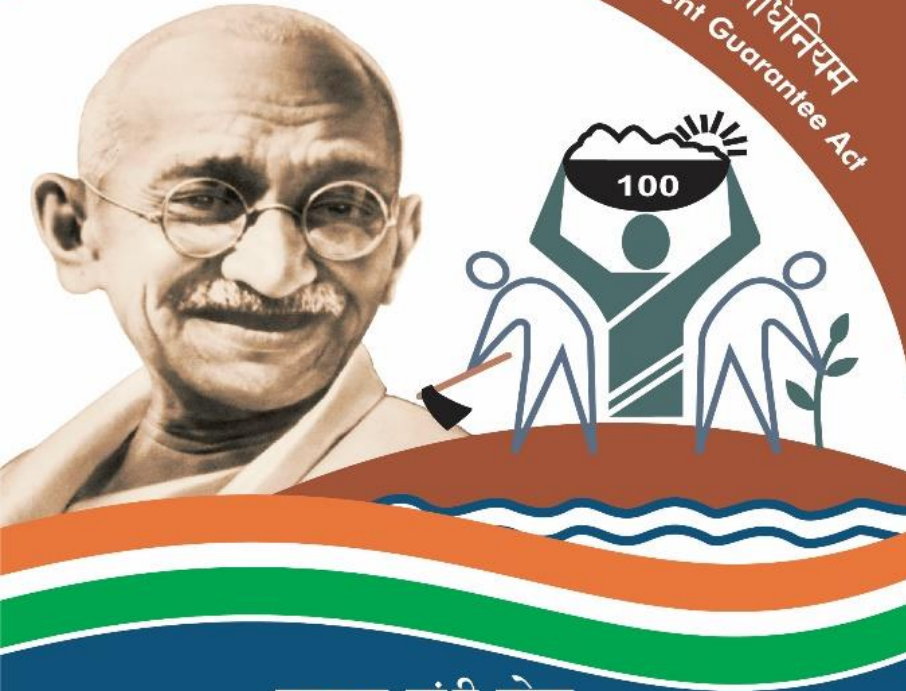


महात्मा गांधी राष्ट्रीय ग्रामीण रोजगार गारंटी अधिनियम
Mahatma Gandhi National Rural Employment Guarantee Act



महात्मा गांधी नरेगा

Mahatma Gandhi NREGA

ग्रामीण विकास मंत्रालय, भारत सरकार
Ministry of Rural Development, Govt. of India

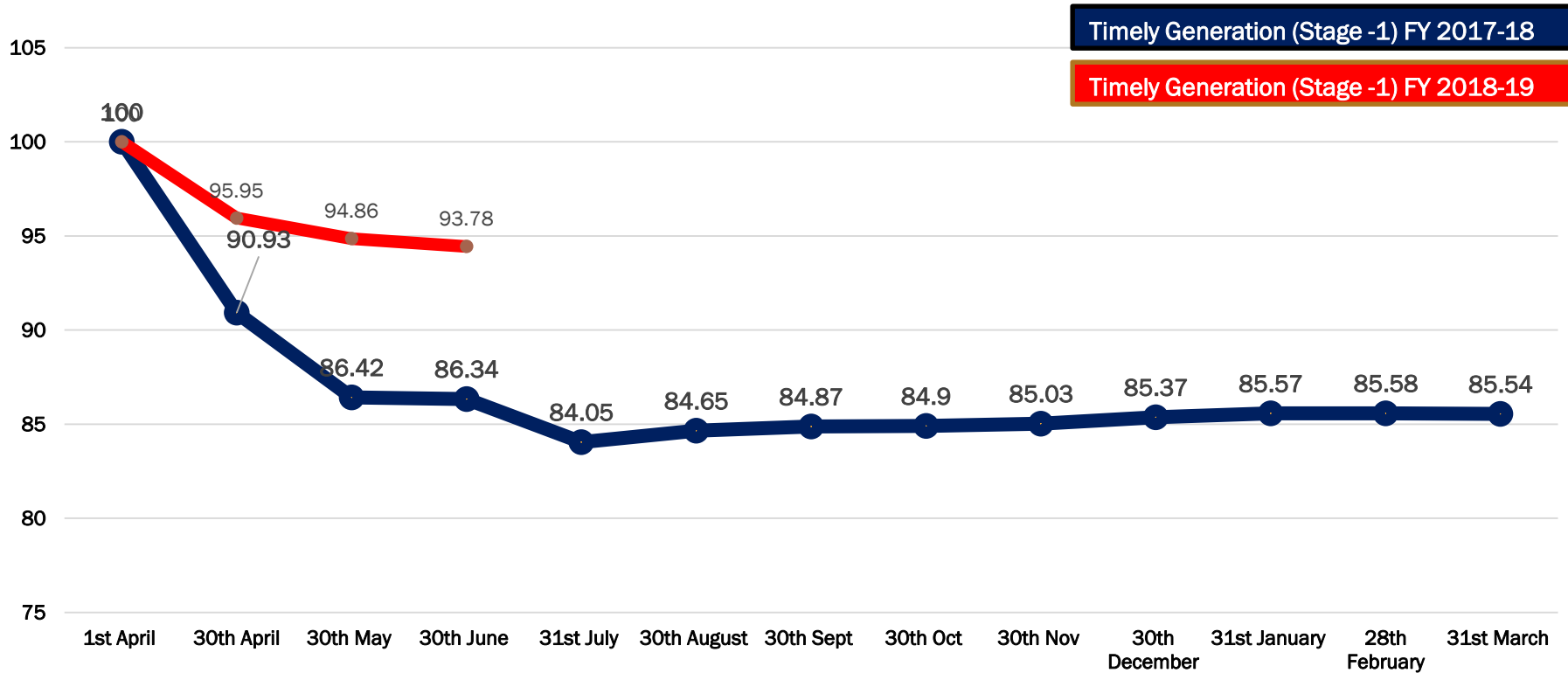
WORKSHOP TO STRATEGIZE TIMELY PAYMENTS & COMPENSATION FOR DELAY

27th June 2018

JUDGMENT BY HON'BLE SUPREME COURT IN WP CIVIL 857/2015

- **Para 45:** ... we direct the Central Government through the Ministry of Rural Development, in consultation with the State Governments and Union Territory Administrations **to prepare an urgent time bound mandatory program to make the payment of wages and compensation to the workers.**
- **Para 44:** We, therefore, make it clear and direct that in terms of the Act and Schedule II thereof a worker is entitled to payment of wages within a fortnight of the date on which the work was done, failing which the worker is entitled to the compensation as prescribed in paragraph 29 of the Schedule II of the Act. The burden of compliance is on the State Governments and Union Territory Administrations as well as the Central Government. One entity cannot pass on the burden to another and vice versa.

TRENDS:TIMELY GENERATION OF PAYMENTS FY 2017-18 & 2018-19



Stage-II status as on June 2017 → 43%

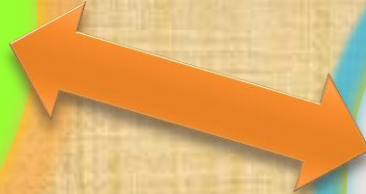
Stage-II status as in June 2018 → 73%

TWO KEY COMPONENTS

Timely
Payment of
wages
(Stage-I and II)

94%
73%

Verification
and payment of
Delay
Compensation



TWO STAGES PAYMENT PROCESS

Stage-I

Upto FTO signing by 2nd
Signatory

T+8 days



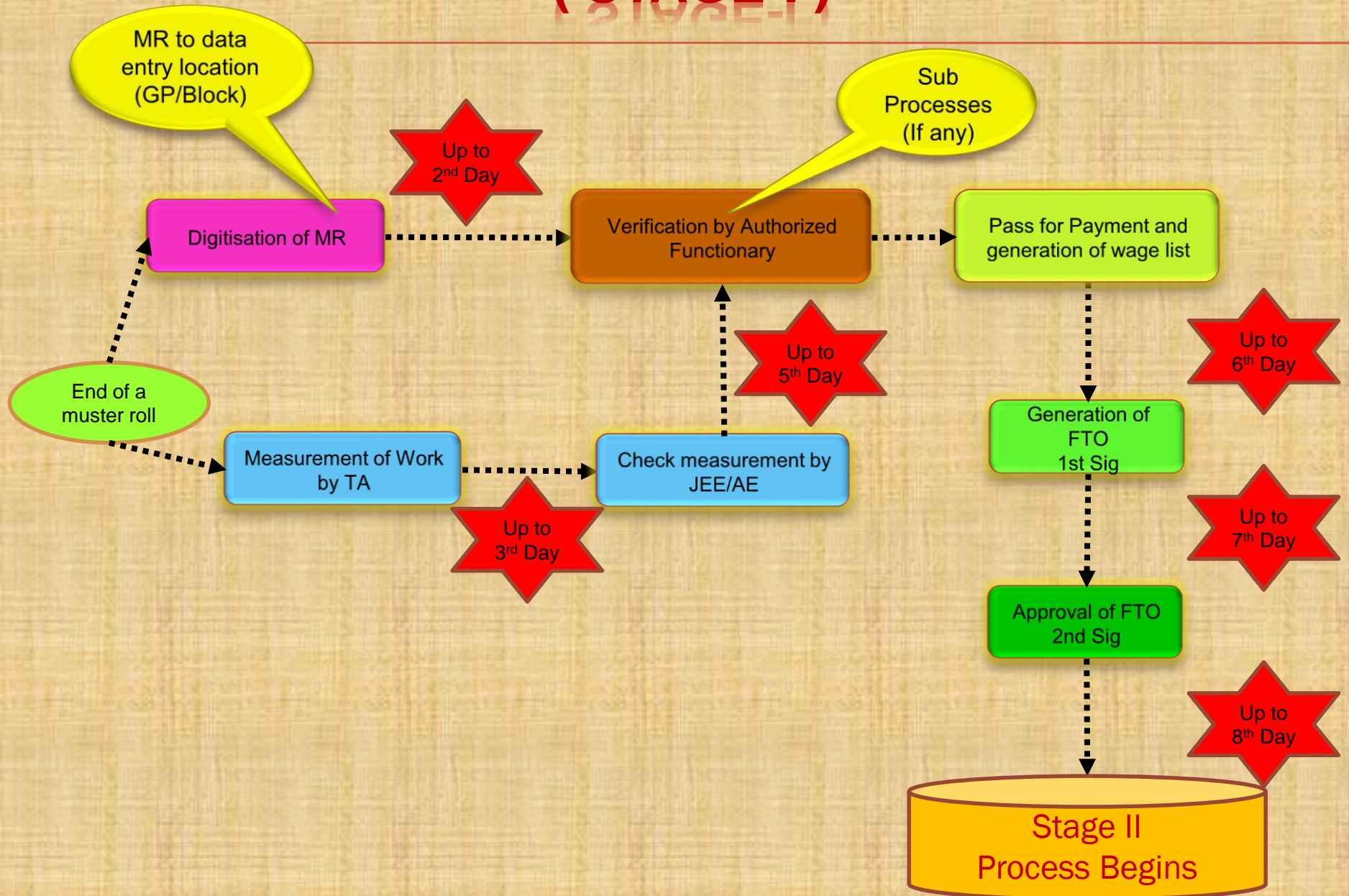
Timely
credit
into
account

Stage-II

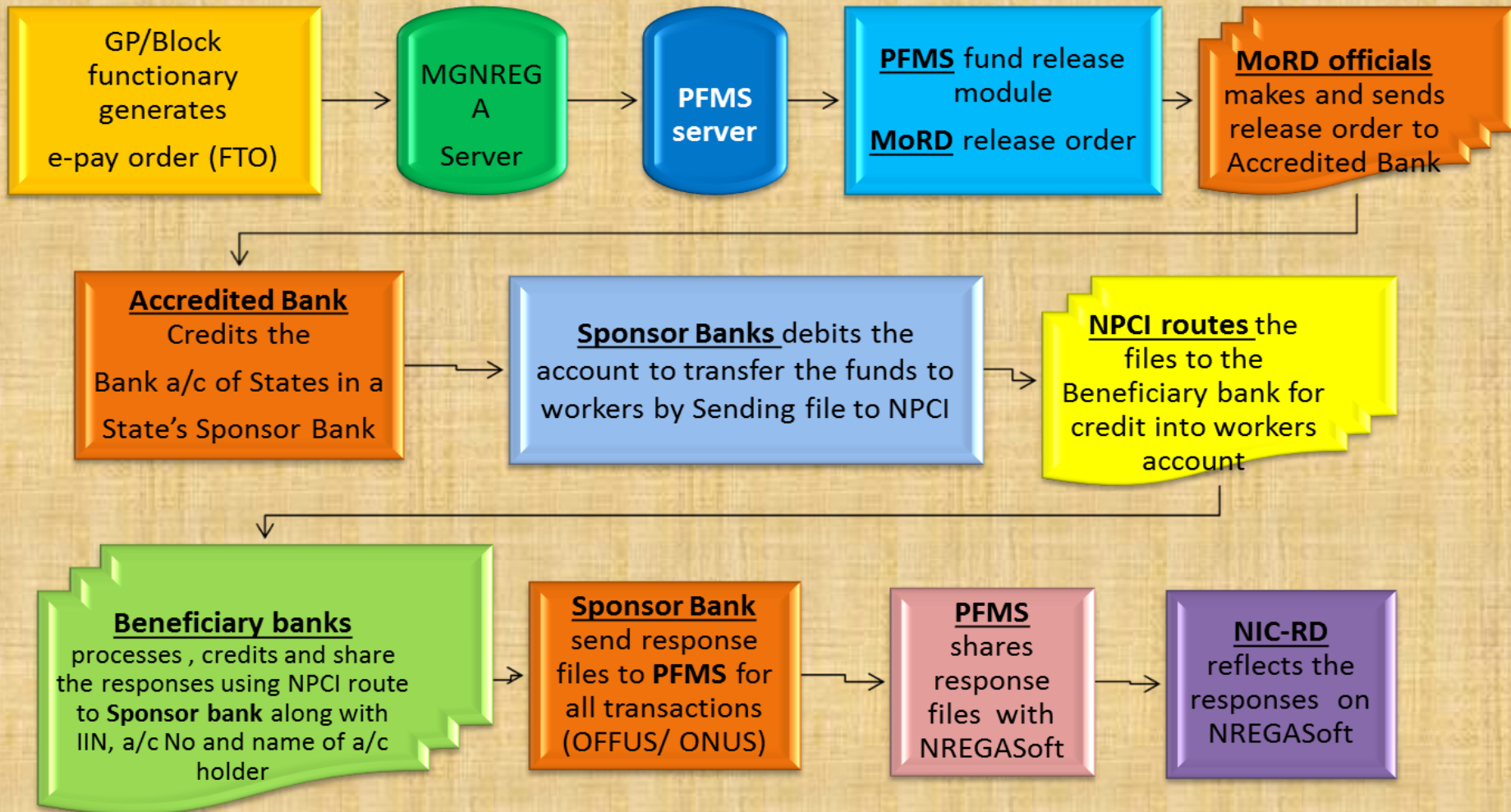
After FTO signing by 2nd
Signatory till Credit

T+9 to T+15 days

SUGGESTIVE WAGE PAYMENT- PROCESS FLOW (STAGE-I)



PAYMENT PROCESS FLOW (STAGE-II)



SUGGESTIVE TIMELINE FOR ENSURING TIMELY PAYMENT

Processes	Cycle	Action in Days
STAGE - I	T+8	
Last date of Muster roll as per e-muster	T	0
Data entry of attendance into MIS	T+2	2
Measurement of the work and entering the same in NREGASoft	T+5	3
Generation of wage list.	T+6	1
Generation of FTOs (1st Signatory).	T+7	1
Approval of FTO for payment (2nd Signatory).	T+8	1
STAGE - II	T+9 to T+15	
Signing of Pay Orders by designated officers in Programme Division & approval by DDO & PAO	T+9 - T+11 (By 11 AM)	3 days including weekends
PFMS to push the transactions to banks	T+10 - T+12	2
Sponsor Banks/ NPCI and destination banks/ DoP to credit and share the reverse MIS to PFMS		1
<ul style="list-style-type: none"> •PFMS to ensure that responses are sent by PFMS to NIC •NIC to consume responses and reflect in NREGASoft. 		1

1. SUGGESTIVE REPORTING PROVISIONS IN MIS

- In the Programme MIS, Stage-I Timely Payment to be calculated on the basis of T+8 days.
- Report R 14.4 to be modified and to show both the Stages of Payment. Suggestive **Format**:

S No.	State	Total Number of Musters issued till date	No. of Musters filled	No. of MRs Pending for FTO generation for more than 8 days	Delayed by 9-15 days	Delayed by 16-30 days %	Delayed by 30+ days %	Status of Timely Payment (Stage-I)	Status of Timely Payment (Stage-II)
1	2	3	4	5	6	7	8	9	10

STATE & STAGE WISE PERFORMANCE IN TIMELY PAYMENT FOR FY 2017-18 & 2018-19

State	FY 2017-18		FY 2018-19	
	Stage I	Stage I	Stage I	Stage II
NAGALAND	17.32	100.00	100.00	100.00
PUDUCHERRY	99.14	100.00	100.00	47.74
ODISHA	86.71	99.96	99.96	76.79
TAMIL NADU	99.17	99.76	99.76	75.32
UTTARAKHAND	94.78	99.71	99.71	80.83
JHARKHAND	94.9	99.37	99.37	88.96
ANDHRA PRADESH	88.33	98.96	98.96	96.85
KERALA	97.35	98.71	98.71	42.55
CHHATTISGARH	93.53	97.92	97.92	82.47
TELANGANA	85.33	97.80	97.80	93.81
HIMACHAL PRADESH	92.68	97.30	97.30	80.02
KARNATAKA	77.08	97.15	97.15	59.63
ASSAM	81.99	96.47	96.47	74.64
NATIONAL	84.97	94.06	94.06	72.81
GUJARAT	80.13	93.52	93.52	51.64
WEST BENGAL	88.02	93.47	93.47	79.15
ARUNACHAL PRADESH	26.56	93.31	93.31	90.62
HARYANA	83.05	92.27	92.27	60.06
MAHARASHTRA	74.34	91.26	91.26	78.05
BIHAR	58.97	90.16	90.16	49.31
MADHYA PRADESH	83.26	89.10	89.10	71.29
UTTAR PRADESH	64.2	88.52	88.52	44.71
TRIPURA	84.52	86.21	86.21	67.20
MEGHALAYA	42.32	84.70	84.70	70.13
LAKSHADWEEP	38.22	84.68	84.68	84.68
SIKKIM	73.54	83.87	83.87	52.11
PUNJAB	69.99	82.22	82.22	66.39
MANIPUR	76	77.44	77.44	64.68
GOA	63.69	69.79	69.79	69.79
RAJASTHAN	92.12	67.88	67.88	32.18
JAMMU AND KASHMIR	10.91	19.99	19.99	17.74
MIZORAM	7.17	8.32	8.32	12.66
ANDAMAN AND NICOBAR	25.03	5.91	5.91	2.95

- States/UT are requested to analyse the reasons of Stage II delays.
- Ministry is doing so at its level.
- GJ,KN,MG,MZ,PB,RJ, SK,TR- ample funds but Stage II delays

2. DELAY COMPENSATION POINTS FOR DISCUSSION/ COMMENTS

- ◎ The delay compensation should be calculated for the duration of delay from the time MR is filled to payment is credited in to the account.
- ◎ 4 Possibilities:

1	FTO pushed in T+8 days and payment credited within T+15 days	No compensation
2	FTO pushed in T+8 days but payment credited after T+15 days	Compensation to be recovered from the stage-II Stakeholders responsible for delay
3	FTO pushed in a delayed time but Stage-II processes completed in time. (Beyond T+8 days)	Compensation for the Stage-I to be recovered from the Stage-I functionaries.
4	FTO Pushed in a delayed time and Stage-II process also got delayed	Compensation for both Stage-I and Stage-II to be calculated and recovered from the erring stakeholders.

STATUS OF DELAY COMPENSATION INSTRUCTION/ ADVISORY ISSUED BY THE STATE GOVERNMENTS

Sl. No.	Name of the State	Delay Compensation	Type	Date of Issue
1	Andhra Pradesh	Issued	<u>Government Order</u>	06.07.2011
2	Arunachal Pradesh	Issued	<u>Notification</u>	09.10.2015
3	Assam	Issued	<u>Notification</u>	07.08.2014
4	Bihar	Issued	<u>Rule</u>	06.04.2017
5	Chhattisgarh	Issued	<u>Notification</u>	24.12.2013
6	Gujarat	Issued	<u>Letter</u>	15.04.2017
7	Haryana	Issued	<u>Memorandum</u>	21.04.2016
8	Himchal Pradesh	Issued	<u>Notification</u>	01.06.2015
9	Jharkhand	Issued	<u>Notification</u>	22.04.2015
10	Karnataka	Issued	<u>Government Order</u>	06.02.2014
11	Kerala	Issued	<u>Circular</u>	06.02.2015
12	Madhya Pradesh	Issued	<u>Letter</u>	04.04.2017
13	Maharashtra	Issued	<u>Notification</u>	26.02.2014
14	Manipur	Issued	<u>Letter</u>	10.12.2013
15	Mizoram	Issued	<u>Notification</u>	10.04.2014
16	Odisha	Issued	<u>Letter</u>	06.02.2014
17	Punjab	Issued	<u>Government Order</u>	06.04.2015
18	Rajasthan	Issued	<u>Letter</u>	18.04.2017
19	Sikkim	Issued	<u>Circular</u>	10.03.2014
20	Tamil Nadu	Issued	<u>Letter</u>	12.04.2017
21	Telangana	Issued	<u>Government Order</u>	06.07.2011
22	Tripura	Issued	<u>Notification</u>	01.04.2017
23	Uttar Pradesh	Issued	<u>Letter</u>	12.04.2017
24	Uttarakhand	Issued	<u>Letter</u>	13.04.2015
25	West Bengal	Issued	<u>Letter</u>	20.06.2016
26	A & N Island	Pending		
27	Goa	Pending		
28	Jammu & Kashmir	Pending		
29	Lakshdweep	Pending		
30	Meghalaya	Issued	<u>Rule</u>	
31	Nagaland	Pending		
32	Puducherry	Issued	<u>Circular</u>	10.05.2017

TIMELINES ISSUED BY STATE/UT- NECESSARY AMENDMENTS WHEREVER REQUIRED

Timeline as per Ne-FMS Guideline			Attendance		Measure ment		Check Measure ment	Wage List	1st FTO	2nd FTO
Sl. No	Name of the State	Circular/ Order/ Rule	T+1	T+2	T+3	T+4	T+5	T+6	T+7	T+8
1	Andhra Pradesh	<u>Government Order</u>			T+3		T+5	T+7	T+7	T+9
2	Arunachal Pradesh	<u>Notification</u>								
3	Assam	<u>Notification</u>		T+3	T+2			T+5	T+6	T+7
4	Bihar	<u>Letter</u>			T+3		T+4	T+9	T+10	T+11
5	Chhattisgarh	<u>Notification</u>			T+3		T+7	T+11	T+12	T+13
6	Gujarat	<u>Letter</u>								
7	Haryana	<u>Memorandum</u>		T+2	T+3			T+6	T+7	T+8
8	Himchal Pradesh	<u>Notification</u>			T+2		T+6-T+9	T+10	T+11	T+12
9	Jharkhand	<u>Notification</u>		T+7	T+2		T+5	T+11	T+12	T+13
10	Karnataka	<u>Government Order</u>			T+3		T+7	T+7	T+8	T+10
11	Kerala	<u>Circular</u>			T+3		T+7	T+11	T+12	T+13
12	Madhya Pradesh	<u>Letter</u>								
13	Maharashtra	<u>Notification</u>		T+2	T+6		T+8	T+11	T+11	T+12
14	Manipur	<u>Letter</u>			T+5			T+13	T+14	T+15
15	Mizoram	<u>Notification</u>			T+2			T+4	T+10	T+10
16	Odisha	<u>Letter</u>		T+1	T+3		T+4	T+5	T+6	T+6
17	Punjab	<u>Government Order</u>		T+2	T+7		T+8	T+11	T+13	T+13
18	Rajasthan	<u>Letter</u>		T+1	T+3			T+6	T+7	T+8
19	Sikkim	<u>Circular</u>								
20	Tamil Nadu	<u>Letter</u>		T+7	T+3		T+5	T+7	T+8	T+8
21	Telangana	<u>Government Order</u>			T+3		T+5	T+7	T+7	T+9
22	Tripura	<u>Notification</u>		T+2			T+5	T+6	T+7	T+8
23	Uttar Pradesh	<u>Letter</u>		T+2			T+5	T+6	T+7	T+8
24	Uttarakhand	<u>Letter</u>		T+2			T+5	T+6	T+7	T+8
25	West Bengal	<u>Letter</u>			T+3		T+5	T+6	T+7	T+8
26	Andaman and Nicobar Island									
27	Goa									
28	Jammu & Kashmir									
29	Lakshdweep									
30	Meghalaya	<u>Policy Note</u>		T+9	T+5			T+12	T+13	T+14
31	Nagaland									
32	Puducherry	<u>Circular</u>		T+2	T+3		T+5	T+6	T+7	T+8

Delay Compensation paid against approved since FY 2014-15 (%)

State/UT Name	Data
Andaman and Nicobar Islands	0.00%
Andhra Pradesh	87.30%
Arunachal Pradesh	78.04%
Assam	72.63%
Bihar	59.91%
Chandigarh	NA
Chhattisgarh	93.58%
Dadra and Nagar Haveli	0.00%
Daman and Diu	0.00%
Delhi	NA
Goa	97.69%
Gujarat	81.95%
Haryana	92.96%
Himachal Pradesh	95.43%
Jammu and Kashmir	0.75%
Jharkhand	79.22%
Karnataka	66.43%
Kerala	83.47%
Lakshadweep	0.00%
Madhya Pradesh	91.08%
Maharashtra	96.10%
Manipur	11.79%
Meghalaya	97.14%
Mizoram	98.80%
Nagaland	0.00%
Odisha	92.85%
Puducherry	100.00%
Punjab	73.50%
Rajasthan	93.23%
Sikkim	99.68%
Tamil Nadu	97.78%
Telangana	100.00%
Tripura	99.88%
Uttarakhand	99.50%
Uttar Pradesh	0.00%
West Bengal	70.46%
Lowest (Red) to Highest (Green)	



ACTION POINTS

Role of States

- Data entry of Muster roll into MIS
- Measurement of the work and entering the same in NREGASoft
- Generation of wage list.
- Generation of FTOs (1st Signatory).
- Approval of FTO for payment (2nd Signatory)
- As per the revised timelines (T+8) States to customized Notification/ GO/ Rule on the Timely payment of wages and Delay Compensation. Timeline and responsibility of functionary to be outlined clearly.**

Role of NIC

- NIC to make necessary changes in MIS for calculation of Stage-I and Stage-II payment
- NIC to develop mechanism to calculate functionary/ stakeholder wise estimated delay compensation.
- NIC to make provisions to authenticate the reasons cited by functionaries while rejecting compensation claims for both the Stages
- MIS report to monitor Timely Payment (Stage I & II) and Delay Compensation.
- NIC to consume responses and reflect in NREGASoft.

ACTION POINTS

Role of PAO

- Signing of Pay Orders by designated officers in Programme Division & approval by DDO & PAO within the defined timelines. (3 days)

Role of PFMS

- PFMS to push the transactions to banks (2 day)
- PFMS to ensure that responses are sent by PFMS to nrega-soft (1 day)
- PFMS to make necessary changes in MIS for calculation of Stage-I and Stage-II payment

Role of Banks

- Sponsor Banks/ NPCI and destination banks/ DoP to credit and share the reverse MIS to PFMS(1 day)

Role of Ministry

- Regular and Timely release of funds.

State/UTs & Ministry

- Payment Process timeline for both the Stages to be frozen
- States to ensure timely and proper submission of documents.

OTHER SIGNIFICANT ISSUES

A. NON-RECEIPT OF RESPONSES FROM PFMS BY NREGA-SOFT

Response from PFMS received

- | | |
|---------------------------------|---------------------|
| ➤ Total Transaction in FY 17-18 | 32.78 cr |
| ➤ Response received | 32.11 cr (98.4%) |
| ➤ Response pending | 52.62 lakh (1.6%) |
| | |
| ➤ Total Transaction in FY 18-19 | 6.10 cr (till date) |
| ➤ Response received | 4.40 cr (72.01%) |
| ➤ Response pending | 1.39 cr (23.0%)* |

*All responses as above has been received from PFMS, nrega-soft will consume within 3 days.

B. REJECTION PERCENTAGE

- Rejection percentage in FY 2017-18 2.4%
- Rejection percentage in FY 2018-19 1.2%
- **SoP for handling rejected transactions done. To be implemented (Action- PFMS & NIC)**

Reasons Analyzed:

- ❖ Out of sample data of 55.9 Lakh rejected transactions which falls in 206 rejection reasons of banks.
- ❖ 52.28 Lakh (93%) transaction fall in following 7 Categories:
 - 1) Customer to refer to the branch.
 - 2) Account Closed or Transferred or Blocked.
 - 3) No such account
 - 4) Network Failure (CBS)
 - 5) Miscellaneous
 - 6) Invalid Aadhaar
 - 7) Aadhaar Not mapped

☉ **We have improved considerably on timely payment & delay compensation. However, more needs to be done:-**

- SoP for Timely payment will be revisited by the Ministry to incorporate the roles of Stage II stakeholders within T+15 timelines (**Action MoRD**).
- Delay Compensation amount & fixation of responsibilities for Stage I and Stage II (**Action State Govt. & MoRD**)
- Consequent necessary changes in Nrega-soft & PFMS (**Action PFMS & NIC**)
- Customization of GO/Notification for timely payment by State./UTs (**Action State/UTs**)
- Further improvement in Stage I timely generation of payment (**Action State/UTs**)
- Monitoring Dashboard creation for tracking FTOs/transactions (**Action NIC/PFMS**)
- Timely response by PFMS to Nrega-soft (**Action PFMS**)
- SoP for handling rejection to be implemented (**Action All stakeholders**)

THANKS....