

**Bill No. 224 of 2016**

THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT  
GUARANTEE (AMENDMENT) BILL, 2016

By

DR. Udit RAJ, M.P.

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**BILL**

*further to amend the Mahatma Gandhi National Rural Employment  
Guarantee Act, 2005.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Mahatma Gandhi National Rural Employment Guarantee (Amendment) Act, 2016.

Short title and commencement.

5 (2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

42 of 2005.

**2.** In the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, in Schedule 1, in para 20, for the words “forty per cent.”, occurring at both the places, the words “sixty per cent.” shall be substituted.

Amendment of Schedule I.

## STATEMENT OF OBJECTS AND REASONS

Para 20 of Schedule I of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 provides that for all works taken up by the Gram Panchayats and other implementing agencies, the cost of the material component including the wages of the skilled and semi-skilled workers shall not exceed forty per cent at the Gram Panchayat or the district level, as the case may be. Since the scheme has come into force, it is observed that there is a great difficulty in maintaining the expenditure ratio in terms of material in the given prescribed limits and in some cases it exceeded to more than fifty per cent. The social audit of the scheme implementation has also indicated that the work is not being undertaken within prescribed ceiling in the Act. So, under the existing limit of forty per cent. good quality work cannot be undertaken by the Gram Panchayat or the district authorities for creating better social infrastructure in the rural areas. Hence, the Bill seeks to increase the material component limit upto sixty per cent. so as to enable creation of better infrastructure in rural areas.

Hence this Bill.

NEW DELHI;  
*July*, 8, 2016.

UDIT RAJ

*ANNEXURE*

EXTRACT FROM THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT  
GUARANTEE ACT, 2005

(42 OF 2005)

[SCHEDULE-I]

MINIMUM FEATURES OF A RURAL EMPLOYMENT GUARANTEE SCHEME

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20. For all works taken up by the Gram Panchayats, the cost of the material component including the wages of the skilled and semi-skilled workers shall not exceed forty per cent. at the Gram Panchayat level. For works taken up by the implementing agencies other than Gram Panchayats, the overall material component including the wages of the skilled and semi-skilled workers shall not exceed forty per cent. at the district level.

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Guarantee Act, 2005.

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*(Dr. Udit Raj, M.P.)*