GUIDELINES
for
TIMELY PAYMENT of WAGES

ABBREVIATIONS

1	Accredited Bank	Bank where MoRD's account is maintained
2	AE	Asst. Engineer
3	BDO	Block Development Officer
4	CBS	Core Banking Service
5	DDO	Drawing & Disbursement Officer
6	DSC	Digital Signature Certificate
7	DEO	Data Entry Operator
8	DoP	Department of Posts
9	e-MR	Electronic Muster Roll
10	MB	Measurement Book
11	FTO	Fund Transfer order
12	GoI	Government of India
13	GP	Gram Panchayat
14	GRS	Gram Rojgar Sahayak
15	JE	Junior Engineer
16	MoRD	Ministry of Rural Development
17	MIS	Management Information System used interchangeably with NREGASoft.
18	NIC-DRD	National Informatics Centre- Department of Rural Development
19	NREGASoft	MIS system of MGNREGA
20	NeFMS	National Electronic Fund Management System
21	NPCI	National Payments Corporation of India
22	PAO	Pay & Account Office
23	PFMS	Public Financial Management System
24	PIA	Project Implementing Agency
25	PO	Programme Officer
26	RBI	Reserve Bank of India
27	SEGF	State Employment Guarantee Fund
28	SOP	Standard operating Procedure
29	Sponsor Bank/ Nodal Bank	Banks where States SEGF NeFMS account is maintained
30	TA	Technical Assistant
31	US	Under Secretary

Contents

Chapter-1

Provisions in MGNREG Act & Schedules

1.   The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 under Section 3(3) entitles the MGNREGA worker to receive their daily wages on a weekly basis and in any case not later than a fortnight after the date on which such work was done. In case the wage is not paid within the stipulated period of 15 days from the date of closure of muster roll, the MGNREGA worker is 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 the closure of muster roll as per the Schedule II, para 29 (1) of the Act. The State Government shall pay the compensation upfront after due verification within the time limit and recover the compensation amount from the functionaries or agencies who are responsible for the delay in payment.

2.   For payment of wages to workers and compensation for delayed payment, following provisions are there in the Act and Schedule of the Act:

"Section-3, Sub section-3: The disbursement of daily wage shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done.*

Para 16, Schedule-I of the Act: Payments shall only be made based on the measurements taken at the worksite by the authorized personnel within three days of closure of the muster roll.*

Schedule II, Para 29

29.   (1): In case the payment of wage 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 calculate culpability of various functionaries/ agencies, the States shall divide the processes leading to determination and payment of wages into various stages such as -*

  - *measurement of work;*
  - *computerising the muster roll;*
  - *computerising the measurement;*
  - *generation of wage list; and*

- *uploading Fund Transfer Orders (FTOs),*

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

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

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

(e) It is the duty of the District Programme Coordinator or the 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.

(2) Effective implementation of sub-paragraph (1) shall be considered necessary for the purposes of the section 27 of the Act."

Chapter-2
Supreme Court's Judgment

The issue pertaining to timely payment of wages was considered by the Hon'ble Supreme Court in the case Writ Petition (Civil) No. 857 OF 2015 Swaraj Abhiyan (VI) vs Union of India & Ors. The relevant paragraphs relating to timely payment of wages from the Judgement of Hon'ble Supreme Court dated 18th May 2018, are reproduced below:

31 *"A perusal of Section 3(3) read with Section 3(4) and paragraph 29 of Schedule II of the Act mandates timely payment and compensation for delayed payment. This needs to be emphasized."*

39 *"Notwithstanding the large number of pay orders, we are afraid delays are simply not acceptable. The law requires and indeed mandates payment of wages not later than a fortnight after the date on which the work was done by the worker or labourer. Any reason for the delay in receiving wages is not at all the concern of the worker. He or she is entitled to get the due wages within a fortnight of completion of the work. If there are any administrative inefficiencies or deficiencies or laxity, it is entirely for the State Government and the Ministry of Rural Development to sort out the problem. Bureaucratic delays or red tape cannot be pedalled as an excuse to deny payment of wages to the workers. It is precisely to overcome any inefficiency or deficiency that payment of compensation is postulated, otherwise the purpose of Section 3 and paragraph 29 of Schedule II of the Act would get completely defeated. "*

40 *"We may add that delayed payment adds several crores to the compensation bill. This is to nobody's advantage and merely adds an avoidable financial burden on the Central Government."*

41 *"We also cannot countenance the view advanced by the Central Government that it has no responsibility after the second signature is placed on the FTO. The wages due to the worker in terms of Stage-II above must be transferred immediately and the payment made to the worker forthwith failing which the prescribed compensation would have to be paid. The Central Government cannot be seen to shy away from its responsibility or taking advantage of a person who has been placed in the unfortunate situation of having to seek employment under the Act and then not being paid wages for the unskilled manual labour within the statutorily prescribed time. The State Governments and Union Territory Administrations may be at fault, but that does not absolve the Central Government of its duty."*

42. *"Learned Counsel for Petitioner…... Surely, the Central Government cannot violate its own Master Circular and seek to otherwise absolve itself of any liability."*

43 *"Apparently realising its responsibility, it is stated in the written submission of 13th April, 2018 that the Ministry of Rural Development is making all efforts for improving*

the Stage-I and Stage-II of the wage payment process. Due to the concerted efforts, the Stage-I timely payment has increased from 26.85% in FY 2014-15 to 86% in FY 2017-18 and Stage-II has increased from 17% in FY 2016-17 to 43% in FY 2017-18. While there is some improvement, it is not enough. There cannot be any justifiable reason to delay payment of wages or justifiable denial of compensation for delayed payment of wages. Any delay in payment of wages or compensation violates statutory provisions."

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 for the day 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. "

45 "In view of the above, we direct the Central Government through the Ministry of Rural Development, in consultation with the States/UTs to prepare an urgent time bound mandatory program to make the payment of wages and compensation to the workers. This is not only in the interest of the workers who have expended unskilled manual labour but also in furtherance of the rule of law which must be followed in letter and spirit."

Chapter-3

Process flow for payment of Wages

The payment process starts with the closure of the muster roll at the worksite and ends with the crediting of the wages into the bank account of the workers. The following diagram indicates the various steps along with the agencies/officials involved in the payment process.
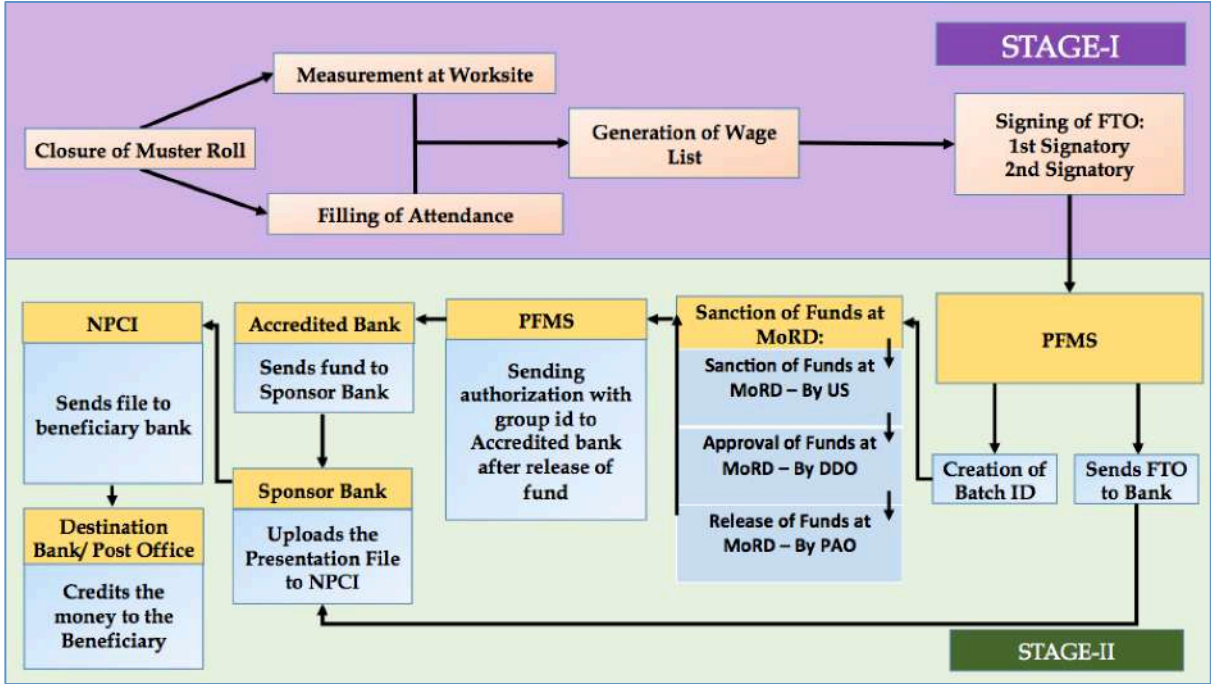

Figure 1. Flow diagram of Timely Payment process

The entire process can be subdivided into two stages. Those activities that commence at Gram Panchayat (GP)/PIA level and end with signature of the second signatory are categorised as 'Stage-I'. During Stage-I, the workers' attendance is checked, the quantum of work done is measured, amount payable as wages is calculated and a Fund Transfer Order 'FTO' is sent to PFMS after approval of program officer (PO). It can be seen that Stage–I activities involve travelling to worksite by different field functionaries and the data entry into NREGASoft.

The subsequent steps are related to release of funds by MoRD through PFMS, processing by the accredited Bank, Nodal bank, NPCI and actual crediting of the account of beneficiaries by Destination Bank/ Post office. These activities are classified as 'Stage–II' and these are performed on various e-platforms.

To ensure that the workers receive wages within fifteen days, both stages have been allocated time within which they have to complete the activity. The following is the timeline:

Table 1: Distribution of Timeline for Different Stages of Payment Process

Stage	Timeframe	Allotted Time
Stage-I	From muster roll closure to 2nd signatory sign	**8 Days**
Stage-II	From receipt of FTO at PFMS to account credit date	**7 Days**

In the previous years, the Ministry had discussed with various stakeholders the timeline for each activity involved in Stage-I. After due deliberations, the Ministry issued a SOP on 30th May, 2017 which laid out the timelines for Stage-I only. This SOP did not discuss the strategy and timeline for the effective implementation of Stage-II.

Subsequently, the Ministry of Rural Development issued a "Framework of implementation – National electronic Fund Management System (NeFMS)" on 23rd May, 2018. This framework provided for completion of Stage-II activities in 48 hours (T+2) after issue of the FTO. This framework did not elaborate on the timelines for MoRD officials and agencies (Stage-II) involved in crediting the wages into the accounts of the workers. The performance of above officials and agencies during Stage-II was analysed for the FY 2018-19 and also was discussed with various stakeholders. The timelines envisaged in the aforementioned framework requires a revision because most of the stakeholders could not complete their activity in the prescribed timeline.

In the Financial Year (FY) 2018-19 and in the current FY 2019-20, the Ministry has been making constant efforts to ensure timely payments. It has held several consultations with the States, PFMS, NPCI and Banks regarding performance under Stage-II. There has been a significant improvement in the performance but more efforts are needed. The following table gives the national picture for the FY 2018-19.

Table 2: National Performance of Timely Payment Process in FY 18-19

(As on 31st March 2019)

S. No.	Activity	Time Allowed	Performance within allotted Time
1.	Stage-I	8 Days	64.0%
2.	Stage-II	7 Days	49.7%
3.	Overall (Stage-I + Stage-II)	15 Days	47.5%

The State-wise details are at Annexure 1.

It has been noticed that there is a wide variation in performance on timely payment across the States and in different sponsor banks. To align the performance of all officials and agencies, towards the goal of timely payment, this SOP is being issued. This distributes the entire payment process across both Stage-I & Stage-II into several steps, assigns timelines for performance and also indicates the expected outcomes. This guideline replaces all earlier instructions issued in this regard.

The Stage–I process ranges from the closure of muster roll till the signing of 2nd signatory. The date of closure of Muster roll is termed as "**T**" and the activities involved upto the signing of 2nd signatory is to be completed in 'T+8' days. The allowed timeline for timely payment from the closure of muster roll till 2nd signatory for the Stage-I process is prescribed in Figure 2 given below.
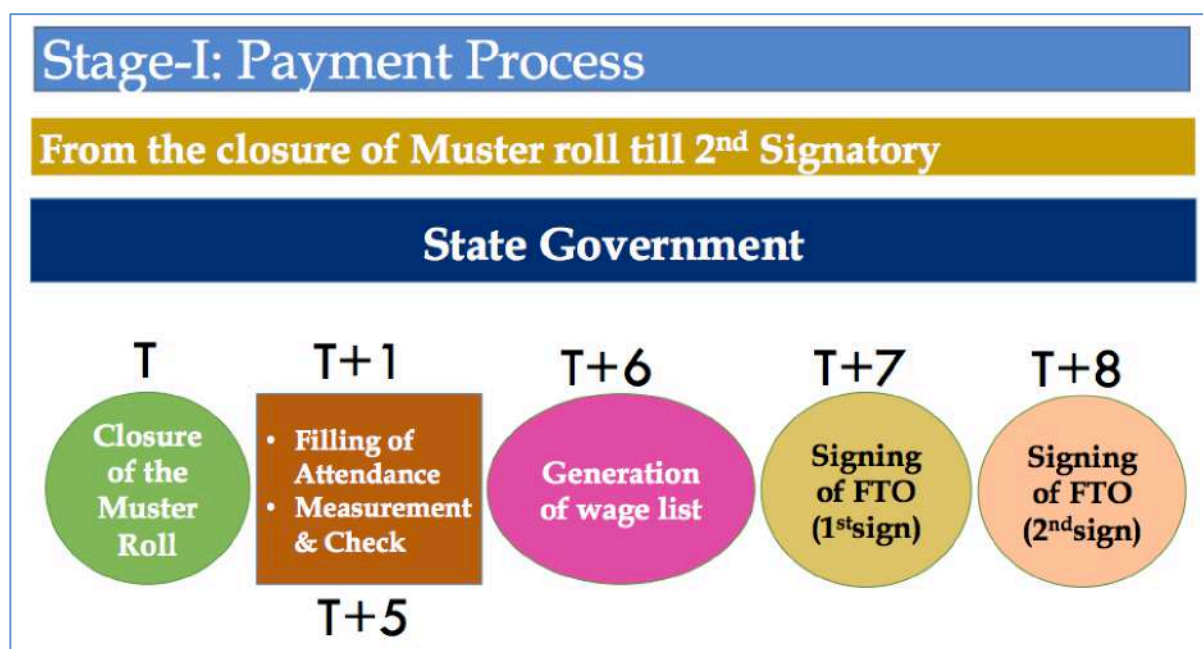

Figure 2. Stage-I Payment Process

4.1.1 As per Para 21 of Schedule-II of the Act, employment shall be provided for at least fourteen days continuously with not more than six days in a week. Accordingly, muster rolls are issued for a duration of 6 days or 14 days as per the specific work requirements. The programme officer (PO) supplies each Gram Panchayat with the muster roll for the works sanctioned to be executed by it.

4.1.2 Muster roll at the PO Level is electronically generated and the printed copies after authorization are given to the Gram Rojgar Sahayak (GRS) of the respective Gram Panchayats or any other person authorized by the State Government. The GRS/ authorized representative can collect the same from the PO's office or can take printouts at GP office. Further the work is opened and employment is provided to the households demanding work. During execution of the work, the GRS records attendance every day either himself/ herself or through the mate in the prescribed muster roll. The filled in muster is collected on the date of closure of muster roll and further sent to the Panchayat office for authorization. Thereafter the GRS/authorized

personnel brings it back to the Programme Officer for entry in NREGASoft. In a few States, the entry is done at the Panchayat level itself.

4.2 Activities in Stage-I and Timelines:-

As per the processes outlined in the Schedule-II, para 29.1 (b) of the Act, the states shall divide the processes leading to determination and payment of wages into various stage as provided below:

- Date of closure of Muster roll by GRS is termed as "**T**";
- Data Entry Operator fills the attendance in MIS;
- Technical Assistant receives the filled in muster and moves to the site for measurement;
- Technical Assistant takes the measurement and fills the Measurement Book (MB);
- Data Entry operator enters the measurement value in MIS giving reference to the Measurement Book number and date of measurement;
- Data entry operator generates the Wage list and the Accountant/ Asst. Programme Officer authenticates the wage list;
- The 1st signatory generates the FTO and send it to the Programme Officer/ authorised personnel for 2nd signature.
- The 2nd signatory approves the FTO and pushes to the FTO to PFMS.
- The above process should be completed in 8 days timeline.

The following table summarises the processes and timeline for Stage-I:

Table 3: Stage-I Activities Timeline

S. No.	Process/Activities	Maximum time (in days)	Remark
1	Closure of the muster roll	-	Defined as "T"
2	Filling of Attendance in MIS, Measurement & Check	T+1 to T+5	To be completed by DEO, TA or JE
3	Generation of Wage list and authentication of wage list;	T+6	To be completed by DEO & Accountant/Asst. Programme Officer
4	Signing of FTO (1st Signatory) & it to be send to Second Signatory	T+7	By the 1st signatory
5	Signing of FTO (2nd Signatory) & sending to PFMS	T+8	By PO

4.2.1 Stakeholders at Stage-I

For payment of wages, following Stakeholders are involved as shown in Table 4 as under:

Table 4. Stakeholders at Stage-I

Stage-I Stakeholders
1. State Government
2. District Programme Coordinator
3. Programme Officer, Assistant Programme Officer.
4. Line Department acting as Project Implementing Agency
5. Junior Engineer/ Asst Engineer
6. Technical Assistant/ Barefoot technicians
7. Data Entry Operator
8. Gram Rojgar Sahayak
9. Mates/ worksite supervisor
10. Gram Panchayat officials such as Panchayat President/ Panchayat Secretary
11. Ministry of Rural Development (NIC-DRD)

4.3 Performance at Stage-I in the FY 2018-19

Ministry has been consistently monitoring the performance of the State on Stage-I of payment process. There has been a constant improvement in performance and for FY 2018-19 it stands at 64%. The Stage-I performance across the States are different and a pictorial representation of the performance is at Annexure 2.

Chapter-5
Stage-II of Payment Process

The Stage-II process starts on T+8 (after the 2nd signatory sign) till the wage is credited to the bank/post office account of the worker. The stakeholders in Stage-II are MoRD, PFMS, Accredited Bank, Sponsor Bank, NPCI and Destination Bank/Post Offices and their sequence of activities are as given in Figure 3.
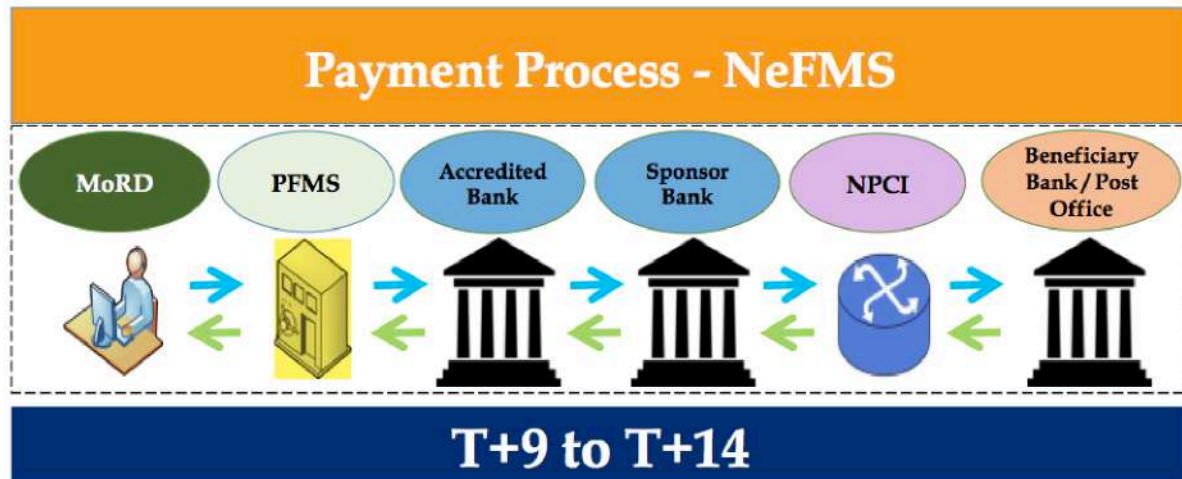

Figure 3. Stakeholders at Stage–II Payment Process

5.1.1 The permitted timeline for timely payment for various stakeholders from the signing of 2nd signatory till credit of wage in bank/post office account of the worker is provided below in figure 4.
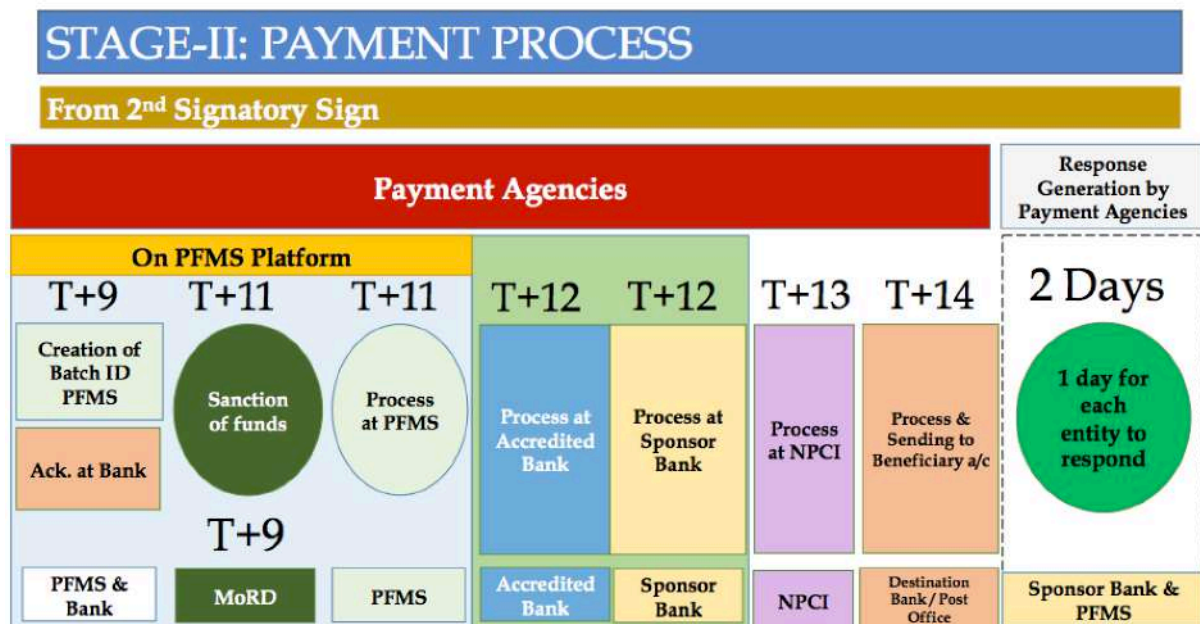
Figure 4. Timeline for Stage-II Process

Note: One day time could be saved due to the automated system at Stage-II and it could be utilised for mitigating upto one day delay in entire payment process and in turn it will help in avoiding the delay payment.

5.2 Activities in Stage-II

The sequence of activities are as follows:

PFMS

After PFMS receives the FTO, it does the following two activities simultaneously:

(i) Send the FTO to the State nodal bank, and

(ii) All the FTOs received by 11:59 PM on 'T+8' day are formed into State-wise batches and made available to MoRD for sanction by 8:00 AM on next day i.e. 'T+9' day.

MoRD

In the MGNREGA Programme Division-

1)   firstly the Under Secretary (US) sanctions the batches of FTO depending on the availability of the funds for the respective states;
2)   it is then sent for approval to Drawing and Disbursement Officer (DDO); and
3)   then released by Pay and Accounts Officer (PAO).

The process flow for sanction of funds at MoRD is given below in Figure 5.

Figure 5. Process flow for sanction of funds at MoRD

PFMS

The PFMS then sends authorization with Batch ID to Accredited bank after the release of fund.

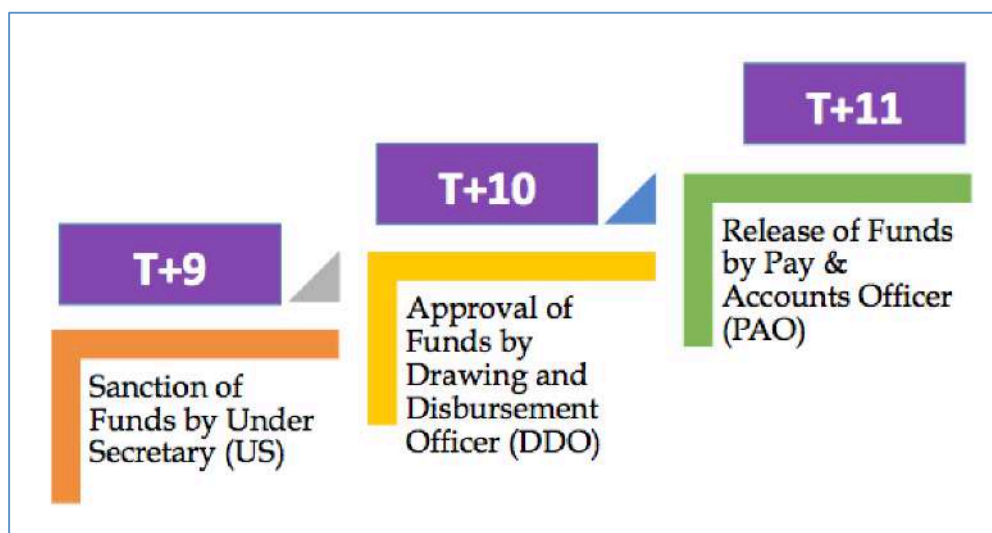**Accredited Bank**

The Accredited Bank sends the funds to the Sponsor Banks (State Nodal Banks) in the respective states.

Sponsor Bank

After receiving the funds, the Sponsor Bank further uploads the presentation file to NPCI who in turn sends the file to the Destination bank/ Post Office.

NPCI

NPCI will transmit to the Destination bank / Post Office all input files received from Sponsor Bank.

Destination bank / Post Office

The Destination bank / Post Office credits the money to the respective Worker's (beneficiaries) account. The activities in Stage-II and timeline is provided in Table 5 below:

Table 5: Activities in Stage-II of payment process

S. No.	Process/Activities	Maximum time (in days)	Remark
1.	• PFMS to create state-wise Batches of the FTOs received till 11:59 PM of T+8 and make them available to MoRD by 08:00 AM of next day. • Send FTOs to bank. • Bank gives acknowledgement when they receive the Batch ID.	T+9	To be done by PFMS & Bank
2.	• Official in Programme Division of MoRD to push the release and Sanction order:	T+9 to T+11	By MoRD
	• Sanction of Funds at MoRD by US	T+9	
	• Approval of Funds at MoRD by DDO	T+10	
	• Release of Funds at MoRD by PAO	T+11	
3.	Sends authorization with Batch-Id to Accredited bank after the release of fund.	T+9 to T+11	By PFMS
4.	Fund advice file to be sent to sponsor bank	T+12	By Accredited Bank
5.	Uploads the presentation file to NPCI	T+12	By Sponsor Bank

S. No.	Process/Activities	Maximum time (in days)	Remark
6.	Send the file to the Destination bank/ Post Office	T+12 to T+13	By NPCI
7.	Processes the FTOs and credit the amount in the worker's bank account.	T+13 to T+14	By Destination bank/ Post Office

The above process in Stage-II should be completed in 7 days timeline.

The timeline for receipt of response file at NREGASoft after Stage–II is given below:

Table 6: Activities and Timeline for Response of payment

S. No.	Process/Activities	Maximum time (in days)	Remark
	Receipt of response file at NREGASoft ● Banks send response to PFMS ● PFMS send response to NREGASoft	T+15 to T+16 T+15 T+16	Sponsor Bank, PFMS

5.3 Current Performance Status in Stage-II

Currently at national level, 59% of the Stage-II payments for NeFMS states are done on time within the allotted timeline of 7 days as can be seen in Figure 6 below.
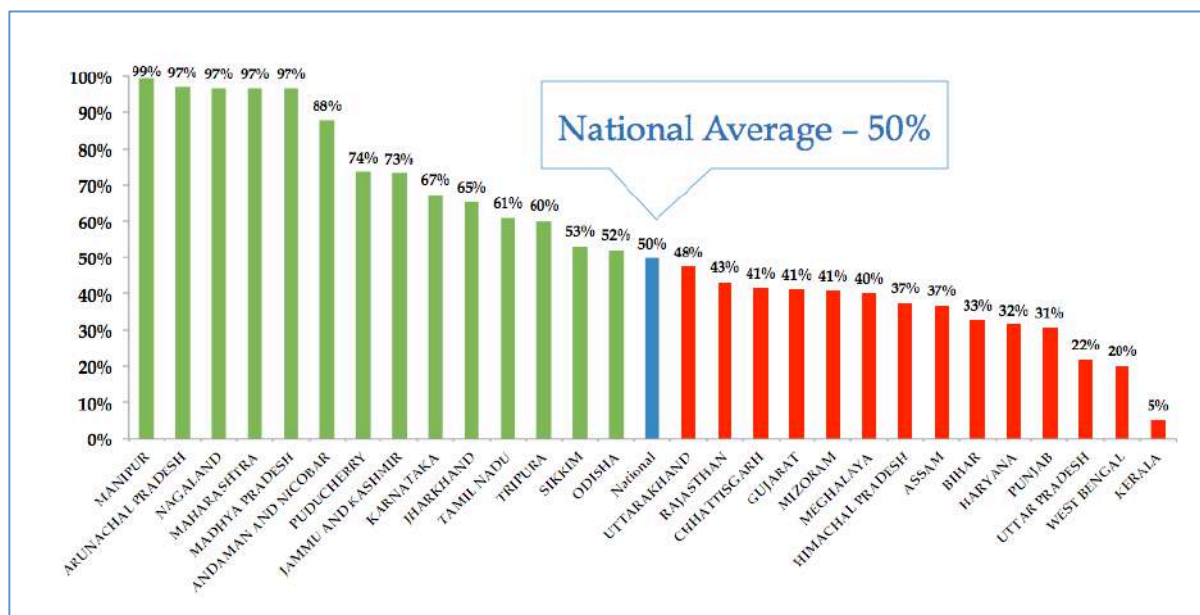
(As on 31st March 2019)

Figure 6. State-wise Stage-II Payment within 7 days

5.4 Overall Performance of the Payment System

The entire system is designed such that the wages are credited within the stipulated time. Sometimes the Stage-I may overshoot its prescribed time but Stage-II may finish earlier resulting in overall timely payment of wages and vice-versa.

Overall, while taking into the account both the stages only 54% of credit to beneficiary is being made in 15 days after closure of muster rolls as shown in figure 7 below.

(As on 31st March 2019)

Figure 7. State-wise Percentage Credit within 15 days

5.5 Problems in Stage-II:

Pending Transaction: - The pending transactions arised when MoRD's bank account has been debited but confirmation is not received that the wages have been credited or not into the account of the wor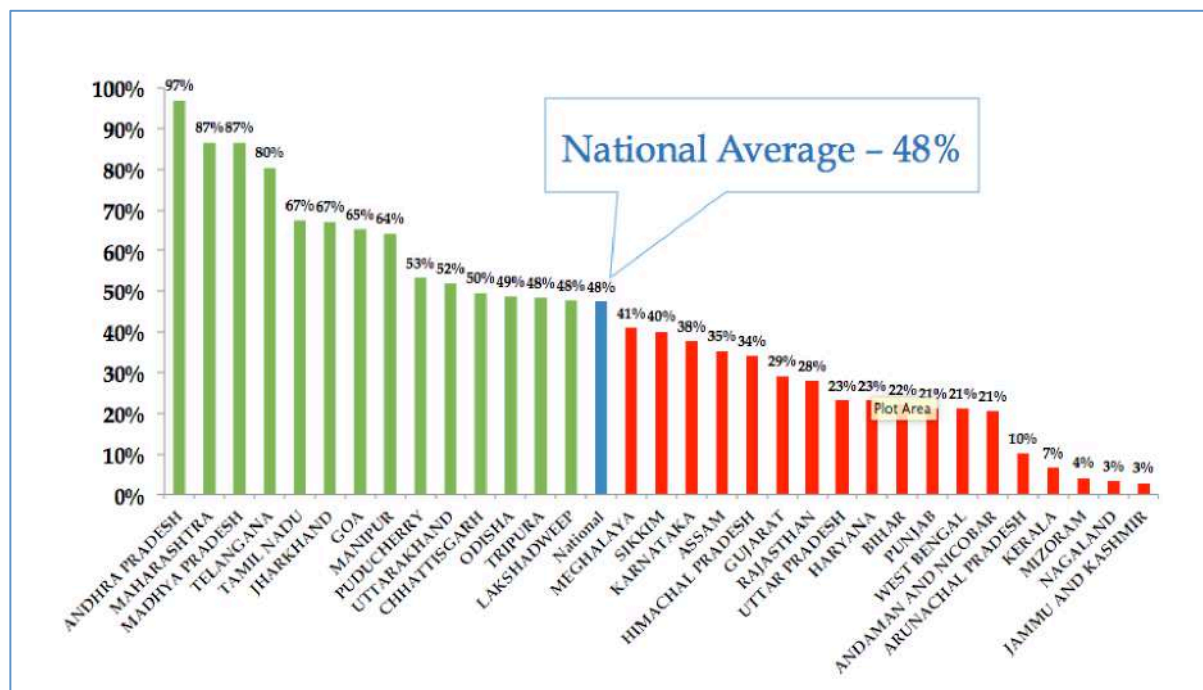kers. The PO is unable to take any further action towards crediting of wages in this case. The principal causes for pending transactions: (a) wages have been credited in the worker's account and bank has informed PFMS but PFMS database has not been updated; (b) the wages have been credited, the databases of PFMS and Banks are synchronised but PFMS-NREGASoft are not synchronised; (c) the PFMS failed to send the FTOs to the bank for payment.

The following steps to be taken by PFMS, Banks, NIC-DRD to reduce pendency:

1. ACK-NACK of files sent from NIC-DRD to PFMS and vice versa

2. ACK-NACK of files sent from PFMS to Banks and vice versa

3. PFMS to consume the response on bank scroll on rejected transaction sent from sponsor banks

4. ACK NACK between NIC-DRD and PFMS to ensure the correctness of digital signature of PO at the time of movement of FTOs from NREGASoft to PFMS.

Chapter-6
Regeneration of Rejected Transaction

Rejection of payment transaction occurs when the workers details regarding his bank, a/c number, Aadhaar number etc do not match with the details present with the Destination bank. In such cases the PO has to regenerate the FTO with the correct worker's bank details and ensure payment.

6.2 Regeneration of rejected transaction should be done in a time bound manner and field functionaries must ensure cent percent (100%) success of regeneration of the rejected transactions within 2 days from the receipt of rejected transaction in PO login except the rejection occurring due to the error attributable to the worker. The detailed protocol for handling of rejected transactions is given below:

Table 7: Protocol for handling of rejected transactions:

S. No.	Activity	Outer Timeline	Remark
1.	**Procedure when rejection occurs due to the error NOT attributable to the worker**		
1.1	Rejected transaction available in PO login	T + 16	'T' is date of closure of Muster Roll
1.2.	Regeneration of rejected Transaction – 1st Signatory	T + 17	If the correction for the rejected transaction is possible at the level of PO, otherwise as per Item-2 below.
1.3.	Regeneration of rejected Transaction – 2nd Signatory	T + 18	
1.4.	Crediting of successfully regenerated rejected transactions into the Bank/ Post office account of the worker.	T + 24	
2.	**Procedure when rejection occurs due to the error attributable to the worker**		
2.1	Rejected transaction available in PO login	T + 16	'T' is date of closure of Muster Roll
2.2	On receipt of rejected transaction PO will contact the worker	T+17	
2.3	Submission of correct records by worker	T_1	'T_1' is date of correction by the worker
2.4	Regeneration of rejected Transaction – 1st Signatory	$T_1 + 1$	
2.5	Regeneration of rejected Transaction – 2nd Signatory	$T_1 + 2$	
2.6	Crediting of successfully regenerated rejected transactions into the Bank/ Post office account of the worker.	$T_1 + 8$	

6.3 Delay compensation for rejected transaction:

1. If the reason for rejection of a transaction is due to some functionaries at block level, it will be counted as delay at Stage –I and the delay compensation will be computed, approved and paid as prescribed in chapter 9.

2. If the PO finds that the reason for rejection of a transaction is due to some agency at Stage-II level, then the delay compensation will be computed, approved and paid as prescribed in chapter 9.

3. In case, the rejection occurs due to the error attributable to the worker, then no delay compensation will be paid.

6.4 The following actions are recommended for reduction in delays regarding payment of rejected transactions.

1. The return/reject transactions will be available in NREGAsoft with standard descriptions. The field functionaries should take the suggested measures/advise the beneficiaries to ensure transactions do not get rejected in the subsequent months.
2. If the reason for rejection requires corrective action to be undertaken by the workers, then they must be contacted and guided through the process.
3. State is directed to monitor the Stage-II payments with their nodal bank using NREGASoft and ensure that wages are credited within 15 days of closure of Muster rolls.
4. Many nodal banks including SBI have created a special portal (dbt.onlinesbi.com/enquiry) through which FTOs can be tracked. If the States nodal bank has not created such a portal, the state must ask the bank to create the same utility.
5. Nodal banks are willing to provide the services of 2-3 IT professionals for monitoring of timely payment in Stage-II. The state may utilize the service of such professional.
6. Currently, the PFMS communicates reason for rejection (in words) along with codes which leads to confusion. Sometimes the reasons are not clear and they do not match with the standard codes provided by NPCI. This creates confusion at the PO level while regenerating the FTOs. PFMS will ensure that reason for rejection is conveyed through standardised error code as per RBI guidelines and same is uploaded on PFMS.

6.5 The SOP on **"Handling Return Transactions for Direct Benefit Transfer (DBT)"**, which contains rejection codes, their description, reason for rejection and action to be taken by worker (beneficiary)/field functionary, have been issued vide **letter no. M-12014/03/2017-RE-I (357571) dated 18th July, 2018 is at annexure-4 for ready reference**.

6.6 The state wise details of regeneration of rejected transaction can be monitored through R.8.1.5 (Rejected Transaction Reconciliation) of NREGASoft.

Chapter-7

Role of different Functionaries and Agencies in the Wage Payment Process

In order to ensure timely payment of wages (Within 15 days of closure of muster roll (MR)) to the workers, it is essential that all stakeholders in the system adhere to the suggestive timeline. This broadly categorized into the following:

a. Field functionaries involved up to the generation and sending of FTOs to PFMS;
b. MoRD officials involved in release of Fund order (In case of Ne-FMS);
c. Agencies (PFMS/Banks/NPCI/Post Office/NIC-DRD) involved in the movement, processing of FTOs, crediting into the accounts of the workers and consumption of response file in NREGASoft.

The role of each stakeholder in the process of payment of wages and delay compensation is described in the following table:

Table 8: Role matrix for various stakeholders

Outer Timeline	Responsible functionary	Works to be Done	Do's and Don'ts
Before start of Work	Gram Rozgar Sahayak (GRS)	● Collect e-MR duly authorized by PO Office ● Verify the e-MR against the Job Card and the Wage Seekers name. ● Visit to the Work site ● Inform the Wage Seekers applied for job ● Select a mate from the labour group working for the Muster Period and handover the Muster for daily attendance or the GRS may fill it himself in the absence of mate	
Stage-I of Payment Process			
T (Closure of MR)	Gram Rozgar Sahayak (GRS)	● Visits to the work site ● Check the attendance of workers filled in the e-MR by the mate. ● Collect completed e-MRs from the mate. ● Submit the filled in muster to the GP office for authorization and further action	

Outer Timeline	Responsible functionary	Works to be Done	Do's and Don'ts
T+1 to T+2	Gram Rozgar Sahayak (GRS)	●Submit the MR copy to the data entry operator placed in GP/ Block office for entry.	Not to delay beyond 1 day of closure of MR.
	Data Entry Operator (DEO)	●Receive e-MRs from the GRS. ●Check the completeness of the manual attendance entries made in the e-MRs submitted by GRS. ●Mark attendance entries in the e-MR in the NREGA MIS. ●Handover the copies of the e-MRs to Technical Assistant/ Junior Engineer for measurement.	Not to delay entry of attendance in MIS beyond 2 days of closure of MR.
T+3 to T+5 (between 3rd to 5th day from the date of closure of MR.	Technical Assistant/ Junior Engineer	●Collect e-MR from DEO ●Visits to the work site ●Take the measurement of the work done for the muster period ●Calculate the wage to be paid based on work done as per the SOR. ●Calculate the volume of materials used on the work as per SOR for the muster period ●Complete the recording of the measurement in the back side of the e-MR ●Complete the recording of the measurement in the Measurement Book/ e-MB ●Submit the e-MR and MB to the Junior Engineer/ Assistant Engineer for check measurement (case to case basis)	The Measurement to be completed within 3 days of closure of MR and check measurement within 5 days of closure of MR.
	Junior Engineer/ Assistant Engineer	●Collect the e-MR and MB from the TA/ JE. ●Visit to the work site ●Check the measurements recorded in the back side of the e-MR and MB by the TA/ JE ●Correct the measurement taken, if there is a discrepancy in the measurement by the TA/ JE	

Outer Timeline	Responsible functionary	Works to be Done	Do's and Don'ts
Contd…	Contd…	● Certify the measurement in the back side of the e-MR and MB ● Submits the e-MR and MB/e-MB to the DEO for data entry into the NREGA MIS	
T+6 (on 6th day from the closure of MR	Data Entry Operator (DEO)	● Collect the e-MR and MB/ e-MB from the TA/ JE/ AE. ● Make entries of the measurements taken into the NREGA MIS ● Generate the wage list for the muster period and push the wage list for the generation of the FTO.	Wage list to be generated within 1 day of measurement entry in MIS.
T+7 (on 7th day from the closure of MR)	First Signatory	● Receives the wage list generated from the NREGA MIS. ● Verify the wage list for correctness of the Job Card number, Worker's bank account number etc. ● Prepare FTO combining single/ multiple wage lists. ● Digitally sign the FTO and send to the second signatory for approval.	
T+8 (on 8th day from the date of closure of MR)	Second Signatory	● Receives the FTO after duly signed digitally by the first signatory. ● Verify the FTO vis-à-vis the wage list compiled for generating the FTO. ● Digitally sign to approve the FTO. ● Push the FTO to the Ne-FMS server for payment.	
Stage-II of Payment Process			
T+9	PFMS Bank	● PFMS to create state-wise Batches of the FTOs received till 11:59 PM of T+8 and make them available to MoRD by 08:00 AM of next day. ● Send FTOs to bank. ● Bank gives acknowledgement when they receive the Batch ID.	
T+9 to T+11	PFMS, MoRD	● PFMS to take the FTO files from NREGA soft server, processes it for making the sanction order in the PFMS window for Programme Division of MoRD.	

Outer Timeline	Responsible functionary	Works to be Done	Do's and Don'ts
Contd…	Contd…	• Official in Programme Division of MoRD to push the release and Sanction order.[1]	
T+9	US	○ Sanction of Funds at MoRD by US	
T+10	DDO	○ Approval of Funds at MoRD by DDO	
T+11	PAO	○ Release of Funds at MoRD by PAO	
T+9 to T+11	PFMS	• To send e-payment file (authorisation) with Batch ID to Accredited Bank after the release of fund by MoRD.	
T+12	Accredited bank and Sponsor bank	• The PFMS then sends authorization with Group- Id to Accredited bank after the release of fund. • The Accredited Bank sends the funds to the Sponsor Banks (State Nodal Banks) in the respective states. • After receiving the funds, the Sponsor Bank further uploads the presentation file to NPCI who sends the file to the Destination bank/ Post Office	
T+13	NPCI	• NPCI will transmit to the Destination bank/ Post office all input file received from Sponsor Bank up to 1:00 pm on Day 13 as per the existing protocol.	
T+14		• The Destination bank/ Post Office Credit the amount in the workers bank account on real time basis and share the response to PFMS confirming the credit of wage in the workers account.	

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[1] In case of E-FMS, the step i.e MoRD officials signing daily sanction against the FTOs generated is not followed.

Outer Timeline	Responsible functionary	Works to be Done	Do's and Don'ts
T+15 to T+17			
T+15	Bank	Uploading of scroll and response file	
T+16	PFMS	Uploading of response file	
T+17	NIC-DRD	Consumption of response file	

In case of works executed by the Line Department (Project Implementing Agency), the entire process i.e starting from closure of MR to pushing of FTOs to be completed by the authorised personnel of the PIA. In NREGASoft, provision is being enabled to track the process/ stage of pendency in works executed by PIAs.

The payment of wages of MGNREGA workers in time is a complex activity which involves seamless flow of information starting from NREGASoft moving to PFMS, NPCI and Banks/Post Office. Though, all these transactions are automated, but constant monitoring is required to attain the goal of timely payments.

The Ministry has constantly reviewed timely payment process with all stakeholders involved in the implementation of MGNREGS and requested them to improve their performance in Stage-I / Stage-II.

The activities of Stage-I fall well within the domain of State government and they were asked to review their performance using the reports of NREGASoft for timely payment of wages. The following are the reports which needs to be reviewed in daily basis to ensure timely payment of wages:

1. **Report R 14.3:** Delay Monitoring dashboard to stage-wise pendency of MR across the T+8 Timeline.
2. **Report R 4.1 :** Muster rolls issued Vs Muster filled
3. **Report R 14.5:** Status of Delay in Stage-I
4. **Report R 14.2:** No. of Musters pending for payment beyond T+15 days
5. **R8.1.5:** (Rejected Transaction Reconciliation) of NREGASoft. This report can be further drilled down to get list of FTO pending reconciliation
6. **R8.1.6:** No. of Transaction Pending Reconciliation

The activities of Stage-II are performed by various agencies and their combined output determines the success of this stage. It has been noticed that the performance of Stage-II has wide variations across States/UTs and this has a direct impact on timely payment of wages. Therefore, the States/UTs have been asked to monitor the performance of Stage-II also **a provision has been made in NREGASoft to view the complete status of payment up to second stage in the State Database Administrator (DBA) login.** Many nodal banks including SBI have created a special portal (dbt.onlinesbi.com/enquiry) through which status of FTOs can be tracked.

The monitoring parameters to be used by state governments, MORD, PFMS, Banks etc is as follows:

For Stage-I:

- **State**
  - States need to monitor the various steps within Stage-I and ensure that that the functionaries are completing the tasks in time
  - States are to issue guidelines for timely payment and delay compensation based on this SOP and should ensure that FTO is generated in 8 days itself
  - State to ensure refresher training of relevant personnel as and when required.
  - State to monitor on daily basis the reports of NREGASoft on timely payment.

For Stage-II:
- **State:**
  - Tracking the FTO and ensuring the suggested timelines are adhered to ensuring that no FTO is pending for payment beyond 15 days.
  - The State is also directed to monitor the Stage-II payments with their nodal bank using NREGASoft and ensure that wages are credited within 15 days of closure of Muster rolls. Many nodal banks including SBI have created a special portal (dbt.onlinesbi.com/enquiry) through which FTOs can be tracked. If the States nodal bank has not created such a portal, the state must ask the bank to create same utility.
  - The state may also use the services of 2-3 IT professionals provided by the nodal bank for monitoring of timely payment in Stage-II.
  - The states are advised to ensure regeneration of all rejected transaction within one day of the response on NREGASoft.

- **MORD**
  - Director/Deputy Secretary in programme division will monitor on regular basis about the sanction of funds, approval of funds and release of funds at MORD.

- **PFMS**
  - PFMS would monitor time bound creation of batch ID and sending of FTOs to sponsor bank on daily basis.
  - PFMS would monitor the process for pulling of FTO from NREGASoft, its processing for making the sanction order in the PFMS window for programme division of MORD on daily basis.
  - PFMS would monitor uploading of response file, as received from sponsor bank, on real time basis.
  - PFMS would monitor uploading of scroll against a rejected transaction as received from sponsor bank through accredited bank on real time basis.

- **Accredited Bank**
  - o Accredited bank would monitor the transfer of fund advice on real time basis.
  - o Accredited bank would monitor transmission of scroll against the rejected transaction from sponsor bank to PFMS through accredited bank on real time basis.

- **Sponsor Banks and Post Offices**
  - o Sponsor bank and Post Office will share the response file within one day from the success of the transaction to PFMS which in turn will share the same with NREGASoft within one day of the receipt of the response file.
  - o Sponsor bank and Post Office will share the scroll file within one day from the failure of the transaction to PFMS which in turn will share the same with NREGASoft within one day of the receipt of scroll.

- **NPCI**
  - o NPCI will monitor the transmission of every input file received from sponsor bank to Destination bank on real time basis.

- **NIC-DRD**
  - o NIC-DRD would monitor the function of NREGASoft server on real time basis.
  - o NIC-DRD would ensure the consumption of response file as received from PFMS on real time basis.

Chapter-9

Delay Compensation

9. 1 Delayed Payment

As per the provisions mentioned in Schedule-II of the Act, in case the payment of wage is not made within 15 days from the closure of muster roll, it will be treated as delayed payment and the wage seeker shall be entitled for a compensation for the delay.

9. 2 Calculation of delay compensation:

As per the provisions mentioned in Schedule-II of the Act, wage seekers are entitled to receive payment of compensation for the delay, at the rate of 0.05% of the unpaid wages per day for the duration of delay beyond the sixteenth day of closure of muster roll. The NREGASoft has a provision to automatically calculate the compensation payable to the MGNREGA worker based on the date of closure of muster roll, the date of generation of pay order for paying wages and the date of credit to the beneficiaries' account. The delay wage payment logic of NREGASoft examines the following in order to arrive at the compensation payable to MGNREGA workers:

(a) Date of payment of wages
(b) Date of closure of muster roll
(c) The duration of delay, if any?
(d) Total delayed wage payment
(e) Quantum of compensation [i.e. = (c)x(d)x0.05%]

The compensation would have to be paid only if the total time of Stage-I and Stage-II exceeds 15 days.

9.2.1 Identification of delayed activities and duration in Stage-I

As described earlier in this SOP, the second signatory of the state will have to sign the FTO within 8 days from the closure of muster roll. For every activity under Stage-I, a suitable timeline as per the provisions of the Schedule–II of the Act has been prescribed in the SOP. Through this timeline, delay in completion of an activity by an official can be computed and a provision has been made in NREGAsoft to

capture such delay. NREGASoft will automatically calculate the compensation due and further action will be as described in succeeding paragraph.

In case, the FTO could not be generated by the first signatory or second signatory due to downtime of NREGASoft then the decision of MoRD in this regard will be final. The one day cushion within the payment timeline of T+15 days will be utilised for this delay. NIC-DRD will be responsible for delay in payment process at Stage-I beyond one day downtime, if it is affecting the total timeline of T+8 days.

9.2.2 Identification of delayed activities and duration in Stage-II

In the SOP, 7 days has been made available to complete the payment process by ensuring the credit of wage payment into the account of NREGA wage worker starting from 9th day from the closure of muster roll. In the process at Stage-II, office/agencies involved are Ministry of Rural Development, GoI, Office of CGA, Ministry of Finance, GoI (through PFMS), Accredited bank, NPCI, Sponsor Bank, Destination Bank/ Post office. The timelines for different activities related to the concerned office/agencies have been outlined in the SOP. Through this timeline, delay in completion of an activity can be computed and a provision has been made in NREGASoft to capture such delay. The compensation will be calculated as per the provisions under the Schedule of the Act.

9.3 Computation of Delay Compensation if compensation is due because of delays at both Stage-I & II

Computation of delay compensation will be done for each day of delay as per Para 8.2.1 and 8.2.2 read along with Para 8.2 above as per the computation provision made in NREGASoft. Accordingly, compensation dues will be recovered proportionately from the agency (s) due to which the delay has occurred. An illustration of proportionate distribution of compensation is provided as below:

Illustration: Suppose, there was a delay for one day in payment of wage to a worker.

Hence, the delay compensation (DC) = Total wage due for the worker through that particular transaction x 1 (No. of days of delay in credit) x 0.05%.

Case1: Let us presume that, there was 1-day delay at Stage-I and 1-day delay at Stage-II (Due to PFMS), but the total delay was of 1 day (due to the good performance of other entities).

So compensation will be paid by State and PFMS proportionately (50% each).

Case 2: In case of 1-day delay at Stage-I and 2-days delay at Stage-II (Due to Destination bank/ Post office), but the total delay was of 1 day (due to the good performance of other entities).

So 1/3rd of the compensation will be paid by State and 2/3rd of the compensation will be paid by Destination bank/ post office proportionately.

9.4 Prompt verification of the delay compensation:

9.4.1 Stage-I - Every programme officer (PO) shall, within 15 days from the date of the delay compensation became due, decide whether the compensation (due to the delays occurring at Stage-I) that has been automatically calculated by the NREGASoft is payable by the State(?). The POs will ensure that compensation claims are settled during this time and such claims will not be allowed to be accumulated without decision. The DPC will monitor this regularly. In case of rejection, the PO shall give detailed reasons for rejection in the MIS.

9.4.2 Stage-II - Every Director or Deputy Secretary of MGNREGA Programme Division shall monitor the delay compensation occurring at Stage-II and decide whether the compensation that has been automatically calculated by the NREGASoft is payable by MoRD or not? It will be ensured by the MGNREGA programme division that recovery of the delayed compensation will be made from the agency due to which the delay has occurred. In case of rejection, the Director or Deputy Secretary of MGNREGA Programme Division shall give detailed reasons for rejection in the MIS. The decision of MoRD in this regard will be available with PO for further action.

9.4.3 For the above purpose, compensation payable will be decided by the PO for Stage-I or Director MGNREGA Programme Division for Stage-II except for the following circumstances:

(a) Compensation not due i.e. wages have been paid in time but details not reported in MIS;
(b) Natural calamities;
(c) Situations beyond the control of officials and agencies like holidays, law and order situation etc.;
(d) In case compensation not due when the FTO gets rejected due to incorrect information provided by the worker for his/her bank account/post office account detail including Aadhaar number etc.

All cases approved for payment of compensation as stated above shall be moved for generation of "delay compensation list" followed by generation of FTO and routing the same through the separate SEGF eFMS account opened for this purpose only in the concerned state.

9.5 Financing Compensation:

i.   For accounting for the compensation paid, a separate account of SEGF shall be maintained and reflected in MIS under e-FMS. This account need to be register with PFMS and the same should be updated in NREGASoft MIS. The state shall ensure sufficient balance in this fund.

ii. For compensation arising from delays in Stage-I only, the state government will make payments upfront and will recover the same from the relevant officials under its jurisdiction.

iii. For compensation arising from delays in Stage-II, after approval of the Director/DS MoRD, the state shall make the payments upfront. Thereafter the State Government will claim reimbursement of the compensation amount so paid along with the documents being submitted for release of various tranches from the MoRD. The MoRD will create a separate budget head for payment of delay compensation to be given as reimbursement to the states on account of delay in Stage-II.

iv. It is the duty of each DPC or PO to recover the compensation amount so paid under Stage-I from the functionaries/ agencies responsible for such delay in payment of wages. The amount so recovered shall be deposited into the account opened for the purpose of payment of compensation.

v. The Ministry of Rural Development (MoRD), GoI will recover delay compensation amount due to the delays at Stage-II from the concerned agency/officials (Banks/Post Offices/PFMS/NPCI).

9.6 Recovery of Delay Compensation from Agencies involved at Stage-II

i. **Recovery from NPCI, Sponsor banks, Destination Banks and Post Offices:** MoRD will recover the compensation amount due from the service charges payable to NPCI in case the compensation has occurred due to the delays by Sponsor bank, Destination bank, Post Office and/or NPCI. If the compensation amount due is more than the payable service charges, it shall be recovered from the future payments to be paid to NPCI.

ii. **Recovery from Accredited Bank:** MoRD will recover the compensation amount due from the accredited bank in case the compensation has occurred due to the delays by Accredited Bank through office of Controller General of Civil Accounts (CGA) in consultation with RBI.

iii. **Recovery from PFMS:** MoRD will recover the compensation amount due from the PFMS in case the compensation has occurred due to the delays by PFMS through Ministry of Finance, GOI. This recovery may be done through authorisation mode of payment. The payment as received from Ministry of Finance will be credited into a separate head of account under the budget head of Department of Rural Development for the payment of recovery/penalty

iv. **Recovery from MoRD:** MoRD will reimburse the compensation amount due from the MORD in case the compensation has occurred due to the delays at MORD except due to non-availability of funds. In case some officials are found to be responsible, recovery will be made as per the extant rule.

v. **Financing Compensation in Case of Lack of Funds:** A separate budget head shall be opened for MGNREGA in which provision shall be made for compensation amount arising due to non availability of funds. The Director in MoRD shall be competent to decide that Stage-II delay has occurred due to lack of funds and in this case the above budget head will be utilised to reimburse the states.

Frequently Asked Questions

1. **What do you mean by timely payment of wages?**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 under Section 3 entitles the MGNREGA worker to receive their daily wages on a weekly basis and in any case not later than a fortnight from the date of closure of muster. This means, payments credited into the account of the wage seeker within 15 days of closure of muster roll is treated as timely payment of wages.

2. **What happens when the Wage not paid in Time?**

In case the Wage are not paid within the stipulated period of 15 days from the date of closure of Muster Roll, the MGNREGA worker are 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.

3. **What is an FTO?**

FTO refers to 'Fund Transfer Order'. The attendance details are marked on the printed copy of the e-MR and then entered in the MIS. The technical assistant/field functionary measure the work done and calculates the amount payable as wages. Thereafter the MIS generates a 'wage-list' and a 'Fund Transfer Order' (FTO) is generated after digital signature of two authorised functionaries.

4. **What is an accredited bank?**

Accredited bank refers to the bank which is appointed to transact business of the Government pertaining to the Ministry.

5. **What is a Sponsor/Nodal Bank?**

Sponsor Bank refers to the bank where the state SEGF NeFMS account is maintained.

6. **What is the T+8 and T+15 timeline?**

The ideal process for payment of wages to workers within 15 days of closure of Muster Roll requires pushing of FTOs signed by 2nd Signatory in T+8 days and amount credited in the account by T+15 days.

7. **How the muster rolls are filled in the work site?**

Once the GRS carries the E-MR to the worksite, the Mate (One of the Worker among the group of workers working during a muster period), physically mark the attendance in the e-MR. On the last day of the Muster Period, the GRS visits the worksite and collect the e-MR from the Mate, verifies the e-MR to ensure completeness of the filling of attendance in the e-MR and collects the e-MR from the Mate and submit it to the Data Entry Operator (DEO) based at the PO office.

8. **What happens after the submission of the e-MR by GRS?**

After the GRS submits the filled in e-MR at the PO office, the DEO enters the data in the NREGA MIS and mark the attendance against the workers. Once the attendance are marked in the MIS, the e-MRs are given to the Technical Assistant/ Junior Engineer (JE) for measurement of the work done for the Muster Period.

9. What does the Technical Assistant/ Junior Engineer do after receiving the e-MR from the DEO?

The Technical Assistant/ Junior Engineer visits to the work site along with the e-MR for measurement of work done. Measurement of work done includes the calculation of the volume of work completed based on the Schedule of Rate (SOR). This also calculates the amount of wage to be paid to the workers for the volume of works completed and volume of materials used in the work during the muster period. These calculations are recorded in the Measurement Book for future reference. The Measurement of Work shall be completed within 5 days of the closure of Muster Roll.

10. What is Check Measurement and why it is needed?

Check Measurement is a process of re checking the volume of work done for a muster period. This could be done in a sample basis by the Junior Engineer/ Assistant Engineer/ Executive Engineer based on the amount of work done. Different States have kept different threshold limits for such Check Measurements.

11. How the work measurement is entered into the NREGA MIS?

After completion of the measurement of work by the TA/ JE and check measurement by JE/ AE (if needed), the e-MR along with the Measurement Book (MB) deposited to the DEO at the PO office. The DEO enters the measurement recording into the NREGA MIS and give reference to the Measurement Book number and date of measurement. This process shall be completed by 5th of from the closure of Muster Roll.

12. How the Wage List is generated?

The Wage List is the document prepared after the attendance and measurement/ check measurement filled into the NREGA MIS. This is a process of rechecking the entries, comparing the work done against the total bill of wages and material generated, checking the worker details such as job card, bank account number etc. After completion of these verifications, the wage list is created within the NREGA MIS for a particular duration and pushed in the system for preparation of the Fund Transfer Order (FTO).

13. How Fund Transfer Order (FTO) are generated and pushed for payment?

The FTOs are prepared by consolidating the Wage Lists generated for a particular Muster Period. FTOs can be generated for a single Wage List or for multiple Wage Lists in the NREGA MIS. Once the FTOs are prepared it has to be digitally signed by the first signatory duly authorising the payment. Once the first signatory completes the process, the FTO is pushed to the second signatory

for approval by 7th day from the closure of Muster Roll. The second signatory authenticates the FTO by his/ her digital signature and push it to NeFMS site for payment of wages to the bank accounts of the NREGA Worker listed in the FTO.

14. What is a 'Pending Transaction' at Stage-II and Why it occurs?

'Pending Transaction' arises when money is debited from MoRD account but information is not received within T+17 days that account of beneficiary has been credited. This is not actionable as PO cannot regenerate payment as status is not clear. The principal reason for pending transaction is due to communication problem / information gap between IT systems of banks and PFMS.

As an example if a transaction fails, the bank communicates the same to PFMS and refunds the money via a 'bank scroll', many a time PFMS fails to consume the bank scroll and leads to pending transaction. There have also been cases where the communication between PFMS and bank was perfect, but the communication between PFMS and NREGASoft was faulty leading to pending transactions.

15. What is ACK-NACK and why it is important?

An ACK (acknowledgment) is a confirmation of receipt. When file is sent from one entity to another, the recipient can acknowledge that it received the file. If an entity receives a file that is corrupted, it can return a NAK (negative acknowledgment) to the sender. This helps in knowing the status of a transaction regarding its successful receipt at the receiving end or return by the receiver to the sender due to some error in file.

It also helps in retrieving the missing files (data loss), due to communication gap/ IT failures, by providing the status of receipt and non-receipt of files.

16. What is rejection of transactions and how is it regenerated?

When a transaction gets rejected due to violation of standard financial protocols as prescribed by RBI (Standard codes for rejection), it is termed as rejection of transactions. Rejection of transaction can occur due to several reasons like inactive Aadhaar, account mismatch, dormant a/c etc.

A rejected transaction returns to the account of PO login in NREGASoft and subsequently the account of beneficiary gets unfreezed. Then, the reason for rejection gets addressed by PO followed by freezing of a/c of the beneficiary. After this a new FTO is being regenerated by first signatory and pushed into NREGASoft by the 2nd signatory.

17. How the Delay Compensation is calculated?

As per the provisions under Para 29(b) of the Schedule II of the MGNREGA, the delay compensation are paid to the NREGA worker in case the wage payment are not made to the worker within 15 days from the closure of Muster Roll. From the 16th day till the date of payment of wages, the worker entitled to receive

delay compensation at the rate of 0.05% of the unpaid wage. The delay compensation is calculated by the NREGA MIS automatically and displayed in the public portal of NREGA.

18. Who pays the Delay Compensation?

As per the MGNREG Act, the workers have to be paid delay compensation, if their wages are not credited within fifteen days from the closure of the muster roll. In case the delay occurs due to Stage-I, the State Government has to pay the Delay Compensation to the worker and subsequently recovers the amount from the responsible functionary/ institution who have caused the delay. For example if the delay is caused due to the late submission of the measurement of work done, the delay compensation has to be recovered from the Technical Assistant/ Junior Engineer who made the measurement.

In case the delay occurs due to Stage-II, the state government shall pay the delay compensation after approval of the Director at MoRD. The compensations paid by the state government on account of delays in Stage-II will be reimbursed by MoRD.

19. How to monitor whether the functionaries are adhering to the T+8 Timeline or not in NREGA Soft?

The NREGA Soft has provisions for generating report to track the status of the e-MR across the T+8 Timeline to ensure Timely Payment of Wages to the NREGA Workers. Following are the reports which needs to be reviewed in daily basis to ensure timely payment of wages

7. Report R 14.3: Delay Monitoring dashboard to stage-wise pendency of MR across the T+8 Timeline.

8. Report R 14.2: No. of Musters pending for payment beyond T+15 days

9. Report R 4.1 : Muster rolls issued Vs Muster filled

10. Report R 8.1.1: FTO Status report to see No. of FTOs pending for signature at 1st and 2nd Signatory level

11. Report R 14.5: Status of Delay in Stage-I

12. Report R 14.1: Delay Compensation (Amount payable, Amount verified, Pending for verification, Amount paid etc.

Annexure 1

National Performance of Timely Payment Process in FY 2018-19

(As on 31st March 2019)

State	Stage-I		Stage-II	Total
	Within 8 Days	Within 15 Days	Within 7 Days	Payment in 15 Days
ANDHRA PRADESH	95.50%	99.00%	N.A	96.80%
ARUNACHAL PRADESH	6.70%	11.40%	97.10%	10.10%
ASSAM	67.20%	95.50%	36.70%	35.20%
BIHAR	44.40%	87.40%	32.60%	22.20%
CHHATTISGARH	72.50%	95.60%	41.40%	49.50%
GOA	29.20%	65.20%	N.A	65.20%
GUJARAT	45.00%	90.40%	41.20%	29.10%
HARYANA	49.30%	90.40%	31.50%	23.10%
HIMACHAL PRADESH	56.40%	94.10%	37.40%	34.20%
JAMMU AND KASHMIR	1.50%	3.80%	73.30%	2.80%
JHARKHAND	81.80%	98.90%	65.30%	67.00%
KARNATAKA	53.00%	76.60%	67.30%	37.70%
KERALA	67.10%	98.60%	5.10%	6.50%
MADHYA PRADESH	70.40%	90.70%	96.70%	86.50%
MAHARASHTRA	54.70%	93.90%	96.70%	86.50%
MANIPUR	52.00%	68.80%	99.40%	64.20%
MEGHALAYA	69.00%	84.90%	40.10%	40.90%
MIZORAM	28.90%	48.80%	40.90%	4.20%
NAGALAND	1.80%	3.30%	96.70%	3.30%
ODISHA	69.70%	99.90%	52.00%	48.70%
PUNJAB	51.00%	80.10%	30.60%	21.20%
RAJASTHAN	39.70%	87.30%	43.10%	27.90%
SIKKIM	54.80%	80.00%	53.00%	40.20%
TAMIL NADU	69.50%	98.60%	61.00%	67.40%
TELANGANA	79.40%	91.50%	N.A	80.30%
TRIPURA	64.00%	86.50%	60.10%	48.40%
UTTAR PRADESH	59.70%	88.70%	21.80%	23.10%
UTTARAKHAND	88.00%	99.80%	47.50%	52.00%
WEST BENGAL	62.17%	81.10%	20.00%	21.10%
ANDAMAN AND NICOBAR	13.20%	24.20%	87.90%	20.50%
DADRA & NAGAR HAVELI	N.A	N.A	N.A	N.A
DAMAN & DIU	N.A	N.A	N.A	N.A
LAKSHADWEEP	26.50%	47.70%	N.A	47.70%
PUDUCHERRY	46.80%	82.80%	73.60%	53.30%
National	**64.00%**	**90.70%**	**49.76%**	**47.50%**

State-wise performance at Stage-I in the FY 2018-19

(As on 31st March 2019)

STAGE-I: TIMELY PAYMENT GENERATION WITHIN 8 DAYS (%)

National Average – 64%

State	%
ANDHRA PRADESH	96%
UTTARAKHAND	88%
JHARKHAND	82%
TELANGANA	79%
CHHATTISGARH	73%
MADHYA PRADESH	70%
ODISHA	70%
TAMIL NADU	70%
MEGHALAYA	69%
ASSAM	67%
KERALA	67%
TRIPURA	64%
National	64%
WEST BENGAL	62%
UTTAR PRADESH	60%
HIMACHAL PRADESH	56%
SIKKIM	55%
MAHARASHTRA	55%
KARNATAKA	53%
MANIPUR	52%
PUNJAB	51%
HARYANA	49%
PUDUCHERRY	47%
GUJARAT	45%
BIHAR	44%
RAJASTHAN	40%
GOA	29%
MIZORAM	29%
LAKSHADWEEP	27%
ANDAMAN AND NICOBAR	13%
ARUNACHAL PRADESH	7%
NAGALAND	2%
JAMMU AND KASHMIR	2%

#	Rejection Reason (All State)	%
1	Inactive Aadhaar	25.7
2	No Such Account	24.5
3	No such Account	9.3
4	A/c Blocked or Frozen	7.7
5	Account Closed or Transferred	7.4
6	Inactive Aadhaar	5.6
7	Customer to refer to the branch	4.8
8	Account Closed	2.5
9	R11	1.9
10	Aadhaar Number not Mapped to Account Number	1.8
11	Aadhar mapping does not exist/Aadhaar number not mapped to IIN	1.2
12	AccountBlockedFrozen	0.8
13	AccountInoperative	0.6
14	Dormant A/c (No Transactions for last 6 Months)	0.6
15	Acct closed or transferred	0.4
16	Transaction not permitted to card holder (DCC should reject the transaction)	0.4
17	Account Holder Expired	0.4
18	AccountDormant	0.4
19	A/cBlockedorFrozen	0.4
20	Participant not mapped to the product	0.3
21	AccountClosedorTransferred	0.3
22	AadhaarNumbernotMappedtoAccountNumber	0.3
23	Customerrefertobranch	0.2
24	CMNE005,	0.2
25	Invalid account(NRE/PPF/CC/Loan/FD)	0.2
26	AccountHolderNameInvalid	0.2
27	Invalid Account	0.1
28	Amount Exceeds limit set on Account by Bank for Credit per Transaction	0.1
29	Financial transaction has been approved (DCC should go ahead and complete the transaction)	0.1
30	FTO Rejected	0.1
31	A/c Inactive (No Transactions for last 3 Months)	0.1
32	Participantnotmappedtotheproduct	0.1
33	Account Description Does not Tally	0.1
34	Account reached maximum Credit limit set on account by Bank	0.1
35	Account Holder Name Invalid	0.1
36	Invalid Bank Identifier	0.1
37	R03	0.1
38	Aadhaar not mapped to account no	0.1
39	A/c in Zero Balance/No Transactions have Happened, First Transaction in Cash or Self Cheque	0.1
40	R10	0.1
41	Account Closed	0.0
43	InvalidAccount(NRI/NRE/PPF/CC/LOAN/FD)	0.0
44	Invalid AC	0.0
45	AccountDescriptionnottally	0.0
46	Network Failure (CBS)	0.0
47	Invalid AC Number	0.0
48	Account Blocked or Frozen	0.0
49	Miscellaneous-Account reached maximum credit limit set on account by bank	0.0
50	A/cInactive(NoTransactionsforlast3Months	0.0
51	DormantA/c(NoTransactionsforlast6Months)	0.0
52	Customertorefertothebranch	0.0

File No: M-12014/03/2017-RE-I (357571)

Government of India

Ministry of Rural Development

Department of Rural Development

Krishi Bhawan, New Delhi

Dated the 18th July, 2018

To

The Principal Secretary/Secretary/Commissioner

(In- Charge MGNREGA)

Rural Development Department/Panchayati Raj,

(All States)

Subject: Standard Operating Procedure (SoP) - Handling return transactions for Direct Benefit Transfer (DBT)-reg.

Sir/Madam,

I am directed to forward herewith a copy of the Standard Operating Procedure (SoP) on "Handling return transactions for Direct Benefit Transfer (DBT)" for information.

Yours faithfully,

Encl.: as above

(S. N. Mishra)

Under Secretary (MGNREGA)

Tel. No. 23782560

Copy to:

1. Shri Prashant Kumar Mittal, Sr. Technical Director, NIC (RD) - for uploading the SoP on the nrega website.

No.M-12014/02/2017-RE-I
Government of India
Ministry of Rural Development
Department of Rural Development
****

Krishi Bhavan, New Delhi
Dated the 28th May, 2018

OFFICE MEMORANDUM

Subject: - Standard Operating Procedure (SOP) – Handling return transactions for Direct Benefit
Transfer (DBT)

The undersigned is directed to forward herewith a copy of the Standard Operating
Procedure (SOP) on "Handling return transactions for Direct Benefit Transfer (DBT)" duly
approved by the Integrated Financial Division of this Ministry for information and appropriate
action.

Encl: as above.

(S.N. Mishra)
Under Secretary to Govt. of India
Tel: 23782560

To

Shri A.S. Singh,
Chief Controller of Accounts,
Ministry of Rural Development.
Krishi Bhawan, New Delhi

Copy to:

1. Shri Subodh Mathur,
   Addl. CGA(PFMS)
   Mahalekha Niyantrak Bhawan, CGO Complex, Block E, Aviation Colony,
   INA Colony, New Delhi – 110023

2. Shri P.K. Mittal,
   Sr. Technical Director, NIC-RD), Krishi Bhawan, New Delhi.

3. Giridhar G.M., VP - NACH & CTS Operations
   National Payments Corporation of India
   C/O ICICI Towers, 6th Floor, Tower I, North Wing,
   Plot No. 12, Financial District, Nanakram Guda,
   Hyderabad, Telangana 500032.

Copy for information to:

1. PPS to AS(RD)

2. PS to JS(RE)

SOP – Handling return transactions for DBT

Background and objective of NeFMS:

As per section 22(1) of the Mahatma Gandhi National Rural Employment Guarantee Act 2005, Central Government is mandated to meet the cost of wages for Un-skilled manual work under the Scheme and part of material and administrative expenses within a defined timeframe of two working days.

There have been concerns on two counts (a) banks closing the lifecycle within the stipulated service level arrangements (b) reject/return of transactions reporting issues and delays. The return transactions have not been reported consistently with standard codes and description which has been making the system of handling returned transactions difficult.

In order to streamline and optimize the process and timely completing the transactions lifecycle efficient, it was suggested to adopt a National e-FMS, e-platform which would ensure transfer of wages to the workers' account within maximum two working days of the issue of Fund Transfer Orders (FTO).

The standard process flow of payments to beneficiaries under MGNREGA scheme:

1. After the process of approval by PAO and DDO, PFMS will send to:
   (i)   Accredited Bank an e-payment file to release fund to states' account with Sponsor Banks.
   (ii)   Beneficiary credit details to Sponsor Banks
2. Accredited Bank will transfer the funds to Sponsor Banks
3. Sponsor bank process the payment files using NPCI platform (APBS/NACH) or as directed by Department of Expenditure from time to time.
4. Sponsor banks share the response to PFMS on the same day for as received from NPCI.
5. Sponsor bank returns the funds of returned transactions to SBI (CMP) along with "reason of return" of returned transactions next day of settlement.
6. SBI (CMP) will send retuned transactions details in eScroll to PFMS next day of receiving funds as per present protocols of eScroll.
7. PFMS will pass on the response file details to NREGAsoft on the day of receipt.
8. NREGAsoft consumes the responses to be reflected in public domain as per their processing cycle.

9. Any late return of transactions will be returned to sponsor banks by destination banks using received transactions key information details as per RBI guidelines if any.

The process flow at NPCI:

1. Sponsor bank uploads the transactions to NPCI platform during the presentation sessions.
2. Sponsor bank receives acknowledgement from NACH system for each file uploaded. The acknowledgement file provides the status of acceptance or rejection of each file as well as record uploaded by the sponsor bank.

Sponsor bank should monitor the acknowledgement files and in case of rejections should take corrective action wherever required.

3. NPCI after closure of the presentation sessions generate and send the inward files to the destination banks based on the IIN available in mapper in case of APBS or IFSC code in case of ACH (account based).
4. NPCI does presentation settlement for transfer of funds from sponsor bank to the destination banks.
5. Destination banks after receipt of inward files, process them for affording credit to the beneficiaries' account after due verification on the same day of receipt.
6. Destination banks upload files presented to them back to NPCI platform with status of Success or Failure within return time window.
7. Failed transactions are reported with appropriate standard return reasons code prescribed for APBS or ACH.
8. Successful transactions APBS transactions are reported with beneficiary account number, name as per bank records and IIN (bank code) while failed APBS transactions are reported with IIN.
9. NPCI, closes return window, generates return settlement files to pull back the funds pertaining to failed transactions from destination banks for credit to the Sponsor banks.
10. NPCI provides response files for each transactions – Success or failure with unique reference number and status code to Sponsor banks before EOD.
11. Sponsor Banks report status of all transactions (without any change/substitution) – Success, Failure, Reject with standard status codes received from NPCI to PFMS for onward transmission to NREGAsoft.
12. Response flags 3-99 and 3-98 are introduced for interim status for closure within T+2 days to handle deemed status. Sponsor banks should return confirmed status of transactions only.

Process flow charts:

DBT- APB Transaction flow
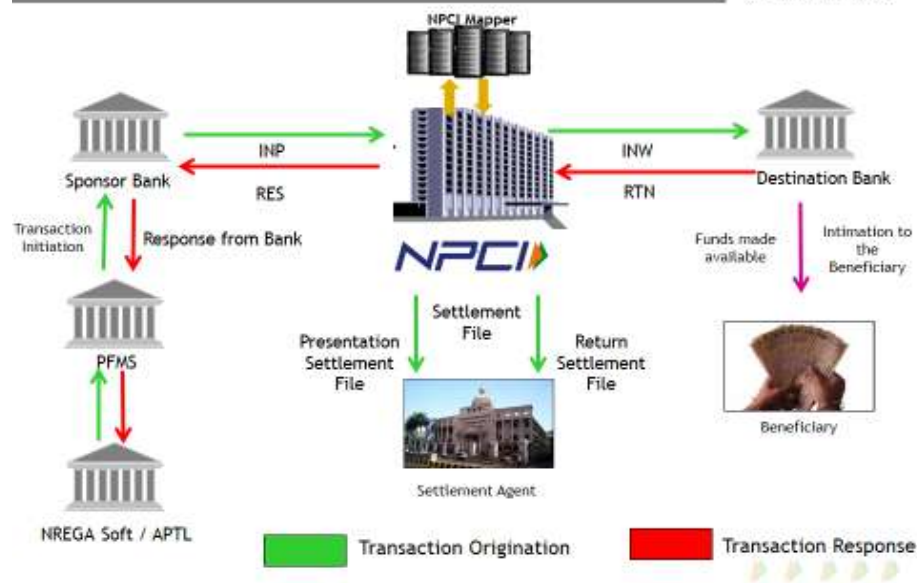
DBT- ACH Transaction flow

Session Timings – Direct Benefit Transfers
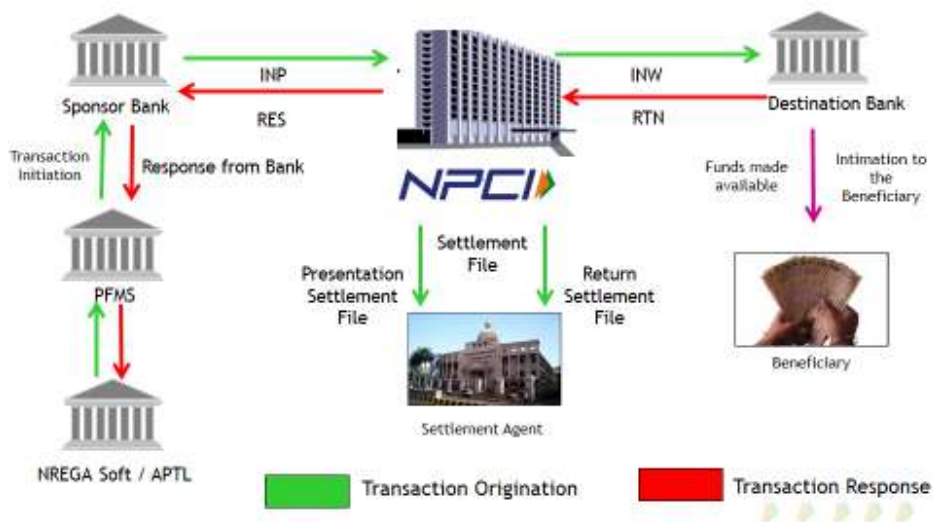
S.NO.	Session Timings	Presentation	Returns
1	APB 1	07:00 AM to 09:00 AM	10:00 AM to 03:00 PM
2	ACH 1	07:00 AM to 09:00 AM	10:00 AM to 03:00 PM
3	APB 2	10:00 AM to 11:45 AM	01:00 PM to 04:00 PM
4	ACH 2	10:00 AM to 11:45 AM	01:00 PM to 04:00 PM
5	APB 3	12:00 PM to 01:00 PM	02:00 PM to 05:00 PM
6	ACH 4	12:00 PM to 01:00 PM	02:00 PM to 05:00 PM

Note:
* Settlements take place within the same day of the transaction.(T+0)
* Returns reported with standardized return reason codes.
* Aadhaar based transaction (APB) response files contain both beneficiary name and account number.

Mapper process flow
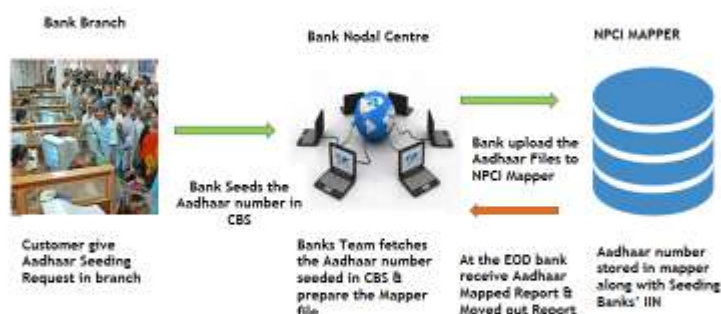
Aadhaar seeding process in NPCI mapper:

There are two steps involved in Aadhaar seeding process:

A. Linking the Aadhaar number to the account in core banking (after due verification of the documents and KYC as per the internal policies of the bank)

B. Updating the Aadhaar number in NPCI mapper (based on the informed consent of the customer as per the format issued by IBA).

The Aadhaar seeding process will not be completed unless both the above steps 'A' and 'B' are completed.

➤ Customer informed consent as per prescribed format mandatory for Aadhaar seeding

➤ **Previous bank name to which the Aadhaar is currently seeded should be mentioned in the consent form and input file of Aadhaar seeding in NPCI mapper**

➤ Re-seeding: If a customer whose Aadhaar number is de-seeded from NPCI mapper and showing inactive he/she should approach the same bank again for seeding his Aadhaar number, the bank should have the provision for such reseeding.

➤ **Banks are advised to check the rejections while uploading mapper file and take corrective action (mapper file rejection list attached).**

➤ **NIC-RD to take up the technical rejections (while doing demographic authentication) and take up with UIDAI Auth Support team (list attached).**

Returns/Rejects of DBT transactions Actions by field functionary/beneficiary:

The return/reject transactions will be available in NREGAsoft with standard descriptions. The field functionaries should take the suggested measures/advise the beneficiaries to ensure transactions do not get rejected in the subsequent months

Sr. No	Codes	APB CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			APB (Aadhaar Payment Bridge)	
1	1	Account Closed	The account with which the Aadhaar has been linked and seeded in NPCI mapper has been closed.	Beneficiary should link his Aadhaar number to another live bank account for seeding in NPCI mapper for updation in NREGA/Agency database
2	51	KYC Documents Pending	Beneficiary has not submitted the required KYC documents to the bank. For that reason the bank has frozen the account.	Beneficiary to approach branch of the bank for completion of the KYC process by submitting required KYC documents
3	52	Documents Pending for Account Holder turning Major	The account was opened when the beneficiary was minor with relaxed KYC documents or documents of parents/guardian. After becoming major the customer has not submitted the documents and hence account has been frozen.	Beneficiary turning major has to provide full KYC documents to bank branch and get the account active.
4	53	Account Inoperative	Beneficiary has not done any transaction in the account for a period of 2 years therefore the account has become inoperative.	Beneficiary to contact bank home branch and get the account operative by submitting the required KYC documents like ID proof.

APB (Aadhaar Payment Bridge)				
Sr. No	Codes	APB CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
5	54	Account dormant	Beneficiary has not done any transaction in the account for a period of 2years therefore the account has become dormant.	Beneficiary to contact bank home branch and get the account activated by submitting the required KYC documents like ID proof
6	55	A/c in Zero Balance/No Transactions have Happened, First Transaction in Cash or Self Cheque	Beneficiary has not carried out any transaction in the account after opening of account. As per the bank rules the beneficiary should first do a cash or cheque transaction before using the account.	Beneficiary to visit the bank home branch and get the account activated to be eligible to receive credit.
7	56	Small Account, First Transaction to be from Base Branch	As this is a basic savings bank account, Beneficiary should do the first transaction in case or with cheque in the base branch.	Beneficiary to visit the bank home branch and get the account activated to be eligible to receive credit.
8	57	Amount Exceeds limit set on Account by Bank for Credit per Transaction	These are Basic Savings Bank Account opened with simplified KYC. Bank has set up a transaction limit for these accounts as per RBI guideline.	Beneficiary to contact bank home branch with full KYC documents for conversion to regular Savings Bank account.
9	58	Account reached	These are Basic Savings Bank Account opened with	Beneficiary to contact bank home branch with

		APB (Aadhaar Payment Bridge)		
Sr. No	Codes	APB CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
		maximum Credit limit set on account by Bank	simplified KYC. Bank has set up a limit on the amount that can be credited to these accounts as per RBI guideline	full KYC documents for conversion to regular Savings Bank account.
10	59	Network Failure (CBS)	The destination bank could not process these transaction due to Network or CBS failure even by the extended timeline of T+2 days	Transaction to be re-initiated by Programme Division.
11	60	Account Holder Expired	The death of account holder reported to the bank.	Agency to decide whether the benefit is payable to legal heir. If yes, Aadhaar number of legal heir linked to his bank account and seeded in NPCI mapper should be updated in NREGA/Agency database. Implementing agency should not push any transaction in subsequent months with the same account number.
12	62	Account Under Litigation	The account has been frozen under instruction	Beneficiary to contact bank home branch to

		APB (Aadhaar Payment Bridge)		
Sr. No	Codes	APB CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			by competent authority due to dispute/litigation with the account holder.	get the account activated or advise Agency about another live and valid account for updation in NREGA/Agency database.
13	64	Aadhaar Number not Mapped to Account Number	The destination bank has not properly linked the Aadhaar number in their core banking system therefore returned the transaction.	Beneficiary to approach bank branch to link the Aadhaar number for seeding/re-seeding in NPCI mapper.
14	68	A/c Blocked or Frozen	The account has been blocked/frozen by the bank due to some reason and no transaction can happen in that account	Beneficiary to approach bank home branch to know the reason of credit freeze to get the account cleared or provide another live and valid account for updation in NREGA/Agency database
15	69	Customer Insolvent / Insane	The account holder has been declared insolvent/insane (not of sound mind) and the same has been reported to bank.	Implementing agency should not push any transaction in subsequent months as beneficiary has been declared insolvent or insane (not of sound mind), the agency may

Sr. No	Codes	APB CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			APB (Aadhaar Payment Bridge)	
				take this up with the beneficiary for verification and next course of action.
16	70	Customer to refer to the branch	For some reason the bank needs the customer to visit the branch where he/she has an account.	Beneficiary has to approach his bank home branch to know the reason of return from its DBT Processing Unit and take action as advised before re-originating any transaction by the Agency
17	71	Invalid Account type (NRE/PPF/CC/ Loan/FD)	Aadhaar number seeded with these types of account which should not be done for credit of benefits.	Beneficiary to link his Aadhaar number to other live and valid account for seeding in NPCI mapper to receive credit and the same to be updated in NREGA/Agency database

ACH (Account-IFSC based)				
Sr. No	Code s	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
1	1	Account Closed	The account has been closed by the account holder.	Beneficiary to provide another live and valid account NREGA/Agency database should be updated accordingly
2	2	No Such Account	The details – like account number, IFSC, name, type etc not matching as per bank records while allowing credit	The beneficiary should provide proper details of the account matching with bank records. NREGA/Agency database should be updated accordingly
3	3	Account Description Does not Tally	The name provided by the beneficiary is not matching with the records at the bank. There is an optional field in the input file as account type which should be correct if mentioned.	The beneficiary has to give exact name matching with bank records again for updation of NREGA/Agency database and transaction should be initiated after proper account validation.
4	11	Invalid IFSC/MICR Code	Transactions not initiated with proper details of account number and IFSC code	Beneficiary should provide correct details of account number and IFSC code for updation in

ACH (Account-IFSC based)				
Sr. No	Codes	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			duly validated. Remitting agencies/PFMS/Sponsor	NREGA/Agency database. MICR code can be ignored as not applicable for DBT
5	51	KYC Documents Pending	Beneficiary has not submitted the required KYC documents to the bank. For that reason the bank has frozen the account.	Beneficiary to approach branch of the bank for completion of the KYC process by submitting required KYC documents
6	52	Documents Pending for Account Holder turning Major	The account was opened when the beneficiary was minor with relaxed KYC documents or documents of parents/guardian. After becoming major the customer has not submitted the documents and hence account has been frozen.	Beneficiary turning major has to provide full KYC document to bank branch to get the account active.
7	53	Account Inoperative	Beneficiary has not done any transaction in the account for a period of 2 years therefore the account has become inoperative.	Beneficiary to contact bank home branch and get the account operative by submitting the required KYC documents like ID proof.

		ACH (Account-IFSC based)		
Sr. No	Codes	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
8	54	Account dormant	Beneficiary has not done any transaction in the account for a period of 2years therefore the account has become inoperative.	Beneficiary to visit bank home branch and get the account activated by submitting the required KYC documents like ID proof
9	55	A/c in Zero Balance/No Transactions have Happened, First Transaction in Cash or Self Cheque	Beneficiary has not carried out any transaction in the account after opening. As per the bank rules the beneficiary should first do a cash or cheque transaction before using the account.	Beneficiary to visit the bank home branch and get the account activated to be eligible to receive credit.
10	56	Small Account, First Transaction to be from Base Branch	As this is a basic savings bank account, Beneficiary should do the first transaction in cash or with cheque in the base branch.	Beneficiary to contact bank home branch and get the account activated to be eligible to receive credit.
11	57	Amount Exceeds limit set on Account by Bank for Credit per Transaction	These are Basic Savings Bank Account opened with simplified KYC.

Bank has set up a transaction limit for | Beneficiary to contact bank home branch with full KYC documents for conversion to regular Savings Bank account. |

ACH (Account-IFSC based)				
Sr. No	Codes	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			these accounts as per RBI guideline.	
12	58	Account reached maximum Credit limit set on account by Bank	These are Basic Savings Bank Account opened with simplified KYC. Bank has set up a limit on the amount that can be credited to these accounts as per RBI guideline.	Beneficiary to contact bank home branch with full KYC documents for conversion to regular Savings Bank account.
13	59	Network Failure (CBS)	The destination bank could not process these transaction due to Network or CBS failure even by the extended timeline of T+2 days	Transaction to be re-initiated by Programme Division.
14	60	Account Holder Expired	The death of account holder reported to the bank.	Agency to decide whether the benefit is payable to legal heir. If yes, account number of legal heir should be updated in NREGA/Agency database. Implementing agency should not push any transaction in subsequent months with the same account

ACH (Account-IFSC based)				
Sr. No	Codes	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
				number.
15	62	Account Under Litigation	The account has been frozen under instruction by competent authority due to dispute/litigation with the account holder.	Beneficiary to contact bank home branch to get the account activated or advise Agency about another live and valid account for updation in NREGA/Agency database.
16	65	Account Holder Name Invalid	Account holder name did not match with bank records	The beneficiary has to give proper details matching with bank records again for updation of NREGA/Agency database and transaction should be initiated after proper account validation.
17	68	A/c Blocked or Frozen	The account has been blocked/frozen by the bank due to some reason

and no transaction can happen in that account | Beneficiary to approach bank home branch to know the reason of credit freeze to get the account cleared

or provide another live and valid account for updation in NREGA/Agency database |
| 18 | 69 | Customer Insolvent / Insane | The account holder has been declared insolvent/insane (not | Implementing agency should not push any transaction in |

ACH (Account-IFSC based)				
Sr. No	Codes	ACH CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			of sound mind) and the same has been reported to bank.	subsequent months as beneficiary has been declared insolvent or insane (not of sound mind) the agency may take this up with the beneficiary for verification and next course of action.
19	70	Customer to refer to the branch	The credit was not allowed due to some reason.	Beneficiary has to approach his bank home branch to know the reason of return from its DBT Processing Unit and take action as advised before re-originating any transaction by the Agency
20	71	Invalid Account type (NRE/PPF/CC/Loan/FD)	Credit to these types of account cannot go without other details.	Beneficiary to provide his other live and valid account to receive credit and the same to be updated in NREGA/Agency database

		APB/ACH CR Reject		
Sr. No	Code	APB & ACH CR Reject reason description	Why it happens	Actionable by Banks/NIC/PFMS
1	31	Duplicate Reference Number	User reference number and transaction reference number provided should be unique and it should not be duplicated in the file.	Provide the correct reference number in the file without any duplication
2	32	Invalid date	Date Invalid in the field in the input file	Provide valid date in the proper date format as per the technical specifications provided.
3	34	Invalid amount	Only numeric values accepted and should not exceed limit set by NPCI which is Rs 2 lacs. NPCI has introduced high value DBT (above Rs 2 lacs). Some banks can only process amount for Re 1 and above.	Upload transactions with proper transaction code prescribed for value upto Rs 2 lacs and above Rs 2 lacs. Some banks can process value of Rs. 1 and above.
4	76	Invalid Aadhaar Format	Transaction file contains Invalid Aadhaar No and did not pass validation of Vehroff Algorithm.	Project division should implement Vehroff Algorithm check at the time of accepting the Aadhaar number into MORD database. If Aadhaar number is invalid such entry should be rejected.

			APB/ACH CR Reject	
Sr. No	Code	APB & ACH CR Reject reason description	Why it happens	Actionable by Banks/NIC/PFMS
				Correct Aadhaar number should be provided in NACH file.
5	78	Invalid Bank Identifier	Bank identifier like IFSC is invalid	Provide correct IFSC code
6	80	Wrong IIN	This scenario occurs when a sponsor bank upload APB transaction file with wrong IIN of destination bank. (IIN is an optional field in transaction files)	Suggested not to provide IIN in input file as it is not required for routing a transaction. If provided it should be correct for bank where Aadhaar is seeded as per NPCI mapper.
7	85	Participant not mapped to the product	Destination Bank is not live as a participant or destination bank is barred from clearing.	Transaction cannot be routed to these banks in NACH. Contact NPCI for necessary support.
8	94	Amount is Zero	Amount field cannot be NULL or "0" or below Rs 1.	Provide correct amount in the Input file as prescribed in TSD (Technical Specification Document)
9	95	Inactive Aadhaar	Aadhaar number de-seeded by bank where it	Guide and help beneficiary to

APB/ACH CR Reject				
Sr. No	Code	APB & ACH CR Reject reason description	Why it happens	Actionable by Banks/NIC/PFMS
			was mapped due to closure of account or account ceased to be eligible for receiving any credit.	approach his bank to get his Aadhaar number re-seeded in NPCI Mapper
10	96	Aadhaar mapping does not exist/Aadhaar number not mapped to IIN	Aadhaar not updated in NPCI mapper/not updated against the IIN number given in the file.	Guide and help beneficiary to approach his bank to get his Aadhaar number seeded in NPCI mapper

NEFT/RTGS				
Sr. No	Codes	NEFT/RTGS-CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
1	R01	Account Closed	The account has been closed by the account holder.	Beneficiary to provide another live and valid account NREGA/Agency database should be updated accordingly
2	R02	Account transferred	The account has been transferred to another branch by the account holder.	Beneficiary to provide another live and valid account for the branch where he wants benefits or provide the IFSC code of the branch where

NEFT/RTGS				
Sr. No	Code s	NEFT/RTGS-CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
				account got transferred and NREGA/Agency database should be updated accordingly
3	R03	Account does not exist	The details – like account number, IFSC, name etc not matching as per bank records while allowing credit	The beneficiary should provide proper details of the account matching with bank records NREGA/Agency database should be updated accordingly
4	R04	No Such Account type	The account number and other field like account holder name and **type** did not tally as per bank records while processing credit. There is a field in the input file as account type which should be correct.	The beneficiary has to give proper details **(including account type – Savings, Current etc)** again for updation of NREGA/Agency database and transaction should be initiated after proper account validation.
5	R05	Beneficiary Name Differs	The name provided by the beneficiary is not matching with the records at the bank.	The beneficiary has to give exact name matching with bank records again for updation of NREGA/Agency

NEFT/RTGS				
Sr. No	Codes	NEFT/RTGS-CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
				database and transaction should be initiated after proper account validation.
6	R06	Account holder expired	The death of account holder reported to the bank.	Agency to decide whether the benefit is payable to legal heir. If yes, account number of legal heir should be updated in NREGA/Agency database. Implementing agency should not push any transaction in subsequent months with the same account number.
7	R07	Account under attachment	The account has been frozen under instruction by competent authority for attachment due to dispute/litigation with the account holder.	Beneficiary to contact bank home branch to get the account activated or advise Agency about another live and valid account for updation in NREGA/Agency database.
8	R08	Garnish order received	The account has been frozen under instruction by competent authority for attachment on	Beneficiary to contact bank home branch to get the account activated or advise

NEFT/RTGS				
Sr. No	Code s	NEFT/RTGS-CR Return reason descriptions	Why it happens	Actionable by beneficiary/field functionary
			receipt of garnish order.	Agency about another live and valid account for updation in NREGA/Agency database.
9	R09	Operation Suspended	Destination bank suspended barred from participation in clearing by RBI.	Beneficiary to provide details of another live and valid account with other bank for updation in NREGA/Agency database.
10	R10	Party's Instructions	Transaction recalled by the remitter bank	Beneficiary to contact Programme Division
11	R11	Any other reason	Actual reason available in the description	Beneficiary to take corrective action as per the guidance of the field functionary
12	R12	Credit to NRI account	These types of account not eligible for credit of benefits and credit cannot go without other details.	Beneficiary to provide his other live and valid account for updation in NREGA/Agency database to receive credit.

Errors and Descriptions for Aadhaar Demographic Verification by AUA

Sr. No	Error Code	Description	Why it happens	Action to be taken by Programme Officer
1	100	Pi (basic) attributes of demographic data did not match	Name/Gender/DOB sent in request differs from Aadhaar data	PO to update pi (person identity) attributes of the beneficiary in its data base based on Aadhaar - ex. - Name, gender and DoB
2	200	Pa (address) attributes of demographic data did not match	Address sent in request differs from Aadhaar data	It may not be required to be matched. However Programme Officer(PO) may update pa (person address) attributes of the beneficiary based on Aadhaar
3	300	Biometric data did not match	Biometric data sent in request differs from Aadhaar data	Use other finger or dual finger or IRIS or OTP for authorization. Else follow instructions vide DBT OM dated 19th Dec 2017 on exception handing for DBT scheme
4	310	Duplicate fingers used	In dual auth same finger used twice	In dual auth 2 different fingers need to be used instead of same fingers twice
5	311	Duplicate Irises used	In dual auth same iris is used twice	For auth other Irises to be used instead of same Irises twice
6	313	Single FIR record contains more than one finger	Multiple finger is used for auth. Capturing multiple	Person to capture one finger for auth.

Sr. No	Error Code	Description	Why it happens	Action to be taken by Programme Officer
			finger at the same time will show this error	
7	314	Number of FMR/FIR should not exceed 10	Scan of more than 10 fingers of Aadhaar holder sent in request. FMR (Finger Minutia Record)/FIR (Finger Image Record)	Operator/person should send scan of upto 10 fingers of Aadhaar holder.
8	315	Number of IIR should not exceed 2	Scan of more than 2 iris of Aadhaar holder sent in request	Operator/person should sendi scan of IIR (Iris image record) of maximum 2 in the request.
9	316	Number of FID should not exceed 1	Scan of more than 1 fingerprint sent in request	Need to capture one fingerprint instead of two.
10	330	Biometrics locked by Aadhaar holder	Resident has locked the biometric for some reason (for example while going abroad)	Resident to unlock biometric
11	563	Duplicate request (this error occurs when exactly same authentication request was re-sent by AUA)	Sent same request twice (Duplicate request id)	Should not send the same request twice

Sr. No	Error Code	Description	Why it happens	Action to be taken by Programme Officer
12	572	Invalid biometric position (This error is returned if biometric position hint value - posh attribute in Bio element - is not applicable for a given biometric type - type attribute in Bio element.)	Finger print not captured properly	Need to capture finger print properly
13	800	Invalid biometric data	Bio metric not captured properly	Need to captured biometric data correctly.
14	811	Missing biometric data in CIDR for the given Aadhaar number	This may occur in such a scenario where Aadhaar is issued for child less than 5 years old and fingerprint of some other individual has been scanned and included in request sent.	Retry after 15 minutes then if still fails may ask the resident to do biometric update at any Aadhaar enrolment center
15	812	Resident has not done Best Finger Detection. Application should initiate BFD application to help resident identify their best fingers. See Aadhaar Best	Not enabled yet	Currently this error is not implemented by UIDAI.

Sr. No	Error Code	Description	Why it happens	Action to be taken by Programme Officer
		Finger Detection API specification.		
16	901	No authentication data found in the request (this corresponds to a scenario wherein none of the auth data – Demo, Pv, or Bios – is present)	No data is sent in the request	Data has not been captured by the operator. Request may be initiated again after capturing the data properly.
17	995	Aadhaar suspended by competent authority	Aadhaar number has been suspended. Aadhaar is therefore invalid	PO to advise the resident to bring a valid Aadhaar or go for Aadhaar enrolment again Resident can also try biometric update.
18	996	Aadhaar cancelled (Aadhaar is not in authenticable status)	Aadhaar stands invalid	Invalid Aadhaar. PO to advise the resident to bring a valid Aadhaar or go for Aadhaar enrolment again
19	997	Aadhaar suspended (Aadhaar is not in authenticable status)	Aadhaar number has been suspended. Aadhaar is therefore invalid	PO to advise the resident to bring a valid Aadhaar or go for Aadhaar enrolment again Resident can also try biometric update.
20	998	Invalid Aadhaar number	Aadhaar stands invalid	Invalid Aadhaar. PO to advise the resident to bring a valid Aadhaar or go for Aadhaar enrolment again