

Executive Summary

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The National Rural Employment Guarantee Act, 2005, was notified in September 2005, by Government of India (GoI), which was subsequently renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2009. The mandate of the Act is to enhance the livelihood of rural population by providing at least 100 days of guaranteed wage employment in a financial year to every rural household, whose adult members volunteer to do unskilled manual work.

In Maharashtra, the Employment Guarantee Act was enacted in 1977, with the objective of securing the right to work by guaranteeing employment to all adults who volunteered to do unskilled manual work in rural areas in the State of Maharashtra.

In terms of Section 28 of MGNREGA, the Government of Maharashtra (GoM) amended the Maharashtra Employment Guarantee Act, 1977 (MEGA) from time to time to make it consistent with the provisions of MGNREGA. The Employment Guarantee Scheme (EGS) formulated (January 1979) under MEGA was renamed (July 2011) as Mahatma Gandhi National Rural Employment Guarantee Scheme (Scheme).

The objectives of the Performance Audit were to review the adequacy of planning process and financial management practices, employment generated, creation and maintenance of durable and useful assets while ensuring convergence with other programmes/schemes. The Performance Audit also assessed the adequacy of monitoring, social audit and grievance redressal system. Audit examined the records of six selected districts *viz.* Ahilyanagar, Amravati, Chhatrapati Sambhajnagar (CSN), Dharashiv, Nagpur and Palghar, 12 Blocks (two Blocks from each districts) and 48 Gram Panchayats (Four GPs from each Block) for the year 2019-20 to 2023-24.

The results of the Performance Audit on Mahatma Gandhi National Rural Employment Guarantee Scheme in Maharashtra including important findings and recommendations have been narrated in brief in the following paragraphs.

Planning and Financial Management

There were delays in the submission of Annual Action Plan and Labour Budgets. The Annual Action Plan and Labour Budgets did not include details about the quantum and timing of the demand for work. Baseline survey to assess the quantum and timing of demand for employment in the Gram Panchayat was to be done once in every five years. Government of Maharashtra had not conducted any baseline survey.

Gram Rozgar Sahayaks (GRS) to assist the Gram Panchayat (GP) in executing the works at Gram Panchayat level were not appointed in 2,258 GPs out of 28,279 GPs in the State. As per Operational Guidelines, for helping the GRS in managing worksite facilities including attendance of the workers a Mate should be appointed for each work. Out of the selected 48 GPs, mates were not appointed in 26 GPs during 2021-22 to 2023-24.

Out of total funds of ₹13,957.47 crore received (including opening balance) during the year 2019-20 to 2023-24, an expenditure of ₹13,518.30 crore was incurred on the scheme. The release of State's share amounting to ₹415.73 crore (45 per cent), out of ₹926.51 crore released during 2022-23 and 2023-24 was delayed between four days and 242 days.

Registration of workers and payment of wages

During the period 2019-20 to 2023-24, there was 46 per cent increase in the number of households registered under the Scheme. Out of registered households of 117.98 lakh (average), only 21.97 lakh (19 per cent) of the households demanded employment. Out of 21.97 lakh (average of the five years) households, which demanded employment, 21.91 lakh (99.73 per cent) households were offered employment during the period 2019-20 to 2023-24. However, out of 19.65 lakh households (average of the five years) which availed employment during 2019-20 to 2023-24, only 1.71 lakh households (8.70 per cent) have availed employment of 100 days and above. Door to door surveys to identify households under the Scheme were not conducted in 22 (46 per cent) out of the 48 test-checked GPs. Application register showing the date of receipt of application for job cards, details of job cards issued etc. was not maintained/updated in 47 out of 48 selected GPs. Deficiencies in the maintenance of job cards such as the absence of photos of registered members, non-recording of details of demand for work etc., were noticed.

Out of 15,077 registered households during 2019-20 to 2023-24 in the 48 selected GPs, 13,728 (91 per cent) registered households were issued job cards till January 2025. Further, there were delays in the issue of 7,771 job cards (52 per cent) during 2019-20 to 2023-24 in the selected GPs. In 44 out of 48 selected GPs, 577 job cards had the name of the head of household for which a job card had already been issued. The NREGASoft, a web-enabled application, did not have checks to prevent registration of job cards having the same name of the head of the household.

Out of total unemployment allowance of ₹34.85 lakh computed by NREGASoft, for inability to provide employment during the period 2019-20 to 2023-24, only ₹2,268 was paid. The representation of women in employment under the Scheme at the State level and in six selected districts was more than one-third of the total employment generated. In 21 out of 48 selected GPs, special drives were conducted to identify persons with disability and other vulnerable persons during the period 2019-20 to 2023-24.

Separate Schedule of Rates for women, the elderly, people with disabilities and people with debilitating ailments were not prepared by the State Government as stipulated in Maharashtra Employment Guarantee Act.

On an average, seven per cent of the wages paid during the period 2019-20 to 2023-24 was delayed. Compensation to workers for delayed payment of wages amounting to ₹5.88 crore was rejected by the Joint Program Officers on account of natural calamities and compensation not due, though there was no provision under Maharashtra Employment Guarantee Act for such rejection. Compensation was also payable for any delay in payment of compensation for delay in payment of wages. However, neither NREGASoft had provision to

calculate such compensation nor did the State Government work out the amount payable on delay in payment of such compensation.

Wages to unskilled workers amounting to ₹35.32 crore for the period 2019-20 to 2023-24 were pending for payment (October 2024). Aadhar number seeding of 99.33 *per cent* of the active workers in the State was completed as of September 2025 while NPCI (National Payments Corporation of India) mapping of 96.43 *per cent* of active workers was completed for making Aadhaar based payments. Audit scrutiny of convergence work revealed generation of muster rolls and payment of ₹51.82 lakh to workers even after the date of completion of works under Pradhan Mantri Awaas Yojana in the selected 48 Gram Panchayats.

Execution of works

Out of 25.72 lakh works approved during 2019-20 to 2023-24 in the State, 5.03 lakh works (19.57 *per cent*) were incomplete while work had not commenced in respect of 7.10 lakh works (27.62 *per cent*). In addition, 3.03 lakh works pertaining to the period prior to 2019-20 were incomplete. The State Government had not fixed the cap on the number of works that could be taken up at any given time in the GPs.

During physical verification of 336 works, Audit noticed that display Boards containing the details of works were not available at 219 works sites (65 *per cent*). Geo-tagging of 30 *per cent* of the works were pending as of August 2024. The pending liability towards payment of skilled wages, material cost and taxes for the period 2019-20 to 2023-24 was ₹541.92 crore (October 2024).

Monitoring, Social Audit and Grievance redressal

The Maharashtra State Employment Guarantee Council was constituted for monitoring the implementation of the Act and the Scheme. However, regular meetings of the Council were not held. For quality monitoring of the works, the Director, State Quality Monitoring was appointed at the State level, however, State Quality Monitors (SQM) for each district were not appointed. The shortfall in conducting Social Audit with respect to the total number of GPs ranged between 72.43 *per cent* and 95.67 *per cent* during 2019-20 to 2023-24. Out of ₹11.22 crore to be recovered in 1,084 misappropriation cases pointed out by the Social Audit Unit during 2019-20 to 2023-24, action for recovery in 314 cases amounting to ₹4.44 crore was pending. Evaluation study to assess the impact of the Scheme on enhancing livelihood security, income level was not conducted by the State Government.

Recommendations:

- ***Government may take appropriate action to conduct baseline survey to ensure assessment of quantum and timing of demand of works to be included in the Annual action plan and labour budget.***
- ***The Government may take action to appoint Gram Rozgar Sahayaks in all Gram Panchayats, to strengthen the execution and monitoring capacity at the grassroots level.***
- ***The Government may issue directions to all the Gram Panchayats to issue job cards as per the time specified in Maharashtra Employment***

Guarantee Act and also take prompt action to delete duplicate job cards registered.

- *The Government may ensure that the unemployment allowance, compensation for delay in payment of wages is paid as per the provisions of Maharashtra Employment Guarantee Act.*
- *The Government may strengthen monitoring and set up a suitable mechanism to prevent generation of muster rolls after completion date of works under Pradhan Mantri Awaas Yojna.*
- *The Government may issue directions to follow the prescribed provisions for sanctioning of new works in Gram Panchayats.*
- *The Government may expedite the appointment of State Quality Monitors in all districts.*
- *The Government may conduct Social Audits as per prescribed norms and may expedite the recovery of financial misappropriation pointed out by the Social Audit Unit as per the provisions of Maharashtra Employment Guarantee Act.*