

Chapter IV

Employment Generation

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The job card, an identity document that records workers' entitlements under MGNREGS, was pending issue for 34,499 beneficiaries who had applied for jobs, as of March 2024. Audit also observed in test-checked districts that the job cards did not adhere to the prescribed format and special job cards were not issued to differently abled persons.

Though MGNREGA guarantees 100 days of employment to each demanding household, the demand for employment from the registered households did not go beyond 48 *per cent* of the issued job cards during the period 2019-20 to 2023-24. Moreover, the number of households who were provided with at least 100 days of employment during 2019-20 to 2023-24 was only five *per cent* and majority of households were provided only 1 to 30 days of employment.

The percentage of differently abled persons provided with employment under the Scheme was lower than the national average indicating deficiencies in their identification. Further, NREGASoft did not have provision to record the data of employment demanded by/provided to other vulnerable groups such as nomadic tribals, HIV positive persons, *etc.* Audit scrutiny of the data of differently abled and vulnerable group beneficiaries maintained under the housing schemes indicated significant exclusion of such beneficiaries under MGNREGS.

Audit observed that vendors/agencies were hired and paid for manual (labour-oriented) components under the Scheme resulting in denial of employment opportunities to the beneficiaries. There was a shortfall in conducting Information Education and Communication activities as well as Rozgar Diwas resulting in lack of awareness among beneficiaries regarding the rights/entitlements under the Scheme.

The unemployment allowance to be provided to the beneficiaries could not be assessed accurately due to non-maintenance of demand register and incorrect recording of the demand for labour in the test-checked Grama Panchayats. The Department has not even paid the beneficiaries the unemployment allowance assessed for the period 2019-20 to 2023-24, amounting to ₹1.28 crore.

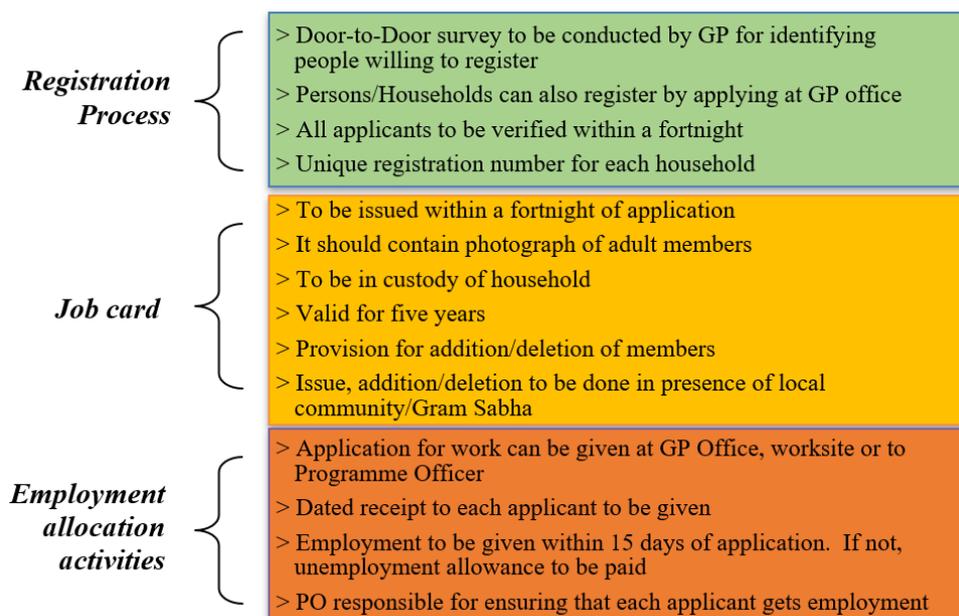
Provision of minimum 100 days of guaranteed wage employment and strengthening the livelihood resource base of rural poor require that the implementers pay close attention to generating awareness among potential wage-seekers and set up systems that facilitate and rigorously record registration for work, issuance of job cards and applications on demand for work. Further, the objective of enhancing the livelihood security of the poor households in rural areas of the country can be met only if special attention is focussed on vulnerable sections of the rural society.

Audit analysed the data of selected districts, taluks and GPs and observed that receipt of applications, verification thereof and process of issuance of job cards were not done as prescribed in the guidelines. The findings are discussed in the succeeding paragraphs.

4.1 Registration and issue of job cards

The first step in guaranteeing the beneficiary’s right to 100 days of employment under MGNREGS was ensuring registration of the household with the GP. Under Paragraph 2 of Schedule-II of the Act, it was the duty of the GP to register the household, after making suitable enquiries, and issue a job card. The process for registration of households, issue of job cards and employment allocation is detailed in **Chart 4.1** below:

Chart 4.1: Registration process, Job card and Employment allocation



4.1.1 Non-issue of job cards

It was seen that 79,43,273 households had applied for job cards, against which 79,08,774 job cards were issued (as of March 2024). Thus, job cards were not issued in respect of 34,499 registered households in the State. In the absence of job cards, the beneficiaries were deprived of their basic right to assured employment of 100 days.

The State Government accepted (May 2025) the observation and stated that monitoring would be done to avoid such occurrence in future.

4.1.2 Non-issue of prescribed job cards

Paragraph 3.1 of Operational Guidelines, 2013, stipulated that the Job Card was a key document that recorded workers’ entitlements under MGNREGA. It legally empowered the registered households to apply for work, ensured transparency and protection against fraud. Further, the Indicative Framework for MGNREGA job cards formulated (August 2017) by MoRD prescribed basic requirements which included content, layout, cost and implementation.

Audit observed that 5,403 (67 per cent) out of 8,053 registered/active job cards in seven¹⁴ out of eight test-checked GPs in Tiptur and Turuvekere Taluks (Tumakuru District) were issued online job cards instead of the printed

¹⁴ Dasarahalli, Gyaraghatta, Hindiskere and Sarthavalli (Tiptur Taluk); Bytharahosahalli, Hadavanahalli and Hullekere (Turuvekere Taluk)

(prescribed) job cards (detailed in **Appendix 4.1**). The issue of prescribed job cards in one remaining GP (Dandinashivara of Turuvekere Taluk) was not verifiable as the GP did not furnish the information to Audit.

GPs stated (September 2024) that online job cards were issued due to shortage of printed job cards. Audit, however, observed that these GPs did not communicate the shortage of job cards to TPs/ZP. The printed job cards were an important part of the framework issued by MoRD which facilitated manual updating of the information. By resorting to issue of online job cards, GPs not only rendered updating of job cards difficult but also contravened the Indicative Framework/Operational Guidelines, 2013. Thus, the registered households in these GPs were put to hardship and deprived of their basic entitlement.

The State Government accepted (May 2025) the observation and stated that all ZPs would be instructed to avoid the issue of online job cards.

4.1.3 Non-issue of special job cards to differently abled persons

Schedule II of MGNREGA and Indicative Framework for MGNREGA job cards formulated (August 2017) by MoRD stipulated that special job card of a distinct colour should be issued to the job seeker who is a single woman or disabled person or aged person or released bonded labour or belonging to particularly vulnerable tribal group. This would ensure special protection in providing work, work evaluation and work site facilities to them, as the case may be. The Commissioner, MGNREGS, also instructed (August 2014) that person with disabilities (PwD) should be treated as a household and issued a separate job card.

In a survey of 400 beneficiaries conducted (July to September 2024) by the Audit in test-checked 40 GPs, it was observed that 42 beneficiaries belonged to differently abled group but special job cards as envisaged were not issued in 26¹⁵ (65 *per cent*) GPs. The non-issue of special job cards to such vulnerable groups carries the risk of non-provision of special protection/facilities at workplace.

The State Government while accepting the observation stated (May 2025) that differently abled people were not deprived of employment. The fact remains that the provision of Operational Guidelines was not followed.

4.1.4 Beneficiaries' responses regarding issue of job cards

Out of 400 beneficiaries surveyed, 126 (32 *per cent*) had submitted written and 274 (68 *per cent*) beneficiaries had submitted oral requests for registration. However, 55 beneficiaries (14 *per cent*) responded that particulars required for issue of job cards (such as village name, name of the head of the household, house number, *etc.*) were not noted by the concerned GP official. The survey

¹⁵ Bhodhan, Hirolli, Kamalanagar and Kinni Sultan (Aland Taluk); Ambalga, Babalad (IK), Okali and Sonth (Kamalapura Taluk); Kesarhatti, Marali and Vaddarhatti (Gangavathi Taluk); Geddigeri, Gunnal, Hirevankalkunta and Talakeri (Yelburga Taluk); Chikkarasinakere (Maddur Taluk); Ganadalu, Kannali, Mudagandoor and Muthegere (Mandya Taluk); Dasarighatta and Sarthvalli (Tiptur Taluk); Hadavanahalli and Hullekere (Turuvekere Taluk); Hirenelluru and Padavagodu (Sagar Taluk).

showed that job cards of 24 out of 361 beneficiaries¹⁶ in 11 GPs of five TPs (Aland, Kamalapur, Maddur, Mandya and Tiptur) were issued after the stipulated 15 days.

The survey also showed that while no photograph had been affixed in 15 *per cent* of the job cards, 29 *per cent* of the job cards carried the joint photograph of the households and another 56 *per cent* had the photograph of only the sampled worker.

Analysis of beneficiaries' job cards showed that payment entries were not up to date in 33 *per cent* of the job cards, days on which the household had worked were not updated in 34 *per cent* and signature columns were blank or partly blank in 42 *per cent* of the job cards. Such omissions would not enable verification of the job cards or social audit of employment generated.

The State Government accepted (May 2025) the observation and submitted that directions would be issued to all field officers to mandatorily address the issues and monitoring would be undertaken strictly.

Recommendation 6: The Department should take action to issue the job cards in prescribed format to all job seekers under MGNREGS and completion of all required entries.

4.2 Employment generation

The details of employment demanded and provided in the State under MGNREGS during the period from 2019-20 to 2023-24 are shown in **Table 4.1**.

Table 4.1: Details of employment demanded and provided under MGNREGS in the State

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total Job cards issued (in lakh)	63.68	71.31	75.95	78.15	79.09
Household demanded employment (in lakh)	24.77 (39%)	32.96 (46%)	36.81 (48%)	32.72 (42%)	32.41 (41%)
Employment provided to household (in lakh)	22.38 (90%)	30.15 (91%)	33.85 (92%)	29.59 (90%)	29.96 (92%)
Total person days generated (in lakh)	1118.63	1480.27	1632.10	1258.25	1385.01
Person days per household	49.99	49.09	48.21	42.52	46.23
Household provided 100 days of employment (in lakh)	1.87	2.40	1.76	0.32	0.43

Source: Information furnished (June 2024) by the Department and MIS data (November 2024).

It could be observed that not even half of the registered households had demanded work during the audit period from 2019-20 to 2023-24. Though there was a decline in demand for employment, the department could not meet the reduced demand even.

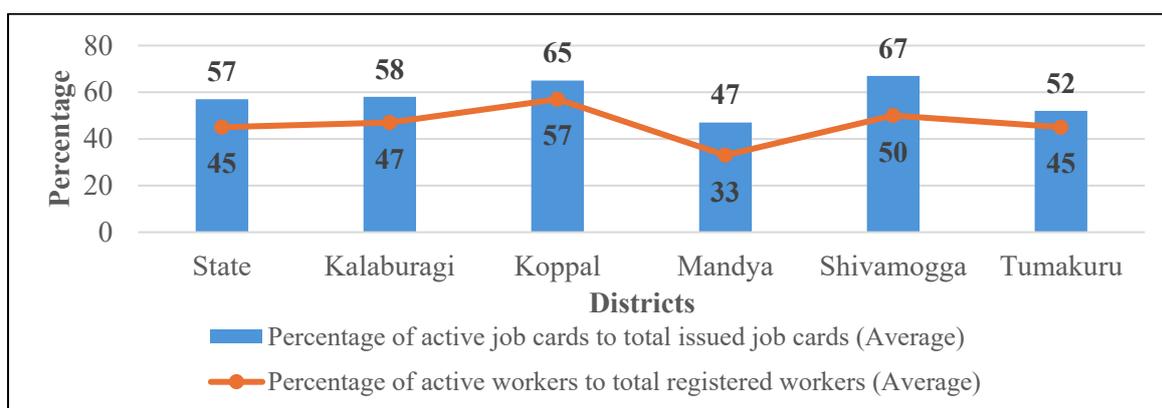
The State Government accepted (May 2025) the observation and cited multiple reasons such as inactive job cards, migration of workers, *etc.*, for less demand against the job cards issued. It was further stated that action would be taken to provide employment to all the workers who seek employment.

¹⁶ Out of 400 beneficiaries, 39 did not respond regarding the number of days taken by GPs for issue of job cards.

4.3 Active job cards

MIS Reports (*R1.1.1 – Category-wise household/workers*) contained the details of active households/workers. Active household is defined as household whose member had worked any one day in either the last three financial years or in current financial year. Scrutiny showed that the (average) percentage of active workers to total registered workers in the State during the period from 2019-20 to 2023-24 was only 45 *per cent*, evidencing that majority of the registered workers (55 *per cent*) did not work under MGNREGS. In the test-checked districts, the percentage of active workers varied from 33 *per cent* in Mandya to 57 *per cent* in Koppal (depicted in **Chart 4.2**).

Chart 4.2: Percentage (average) of active job cards and active workers in the State and test-checked districts during 2019-20 to 2023-24



Source: MIS data (R1.1.1 accessed on 26.07.2024)

Low percentage of active job cards/workers could be attributable to the existence of ghost workers, failure of GPs to undertake annual updating exercise of job cards, poor awareness levels of entitlements among potential beneficiaries, *etc.*

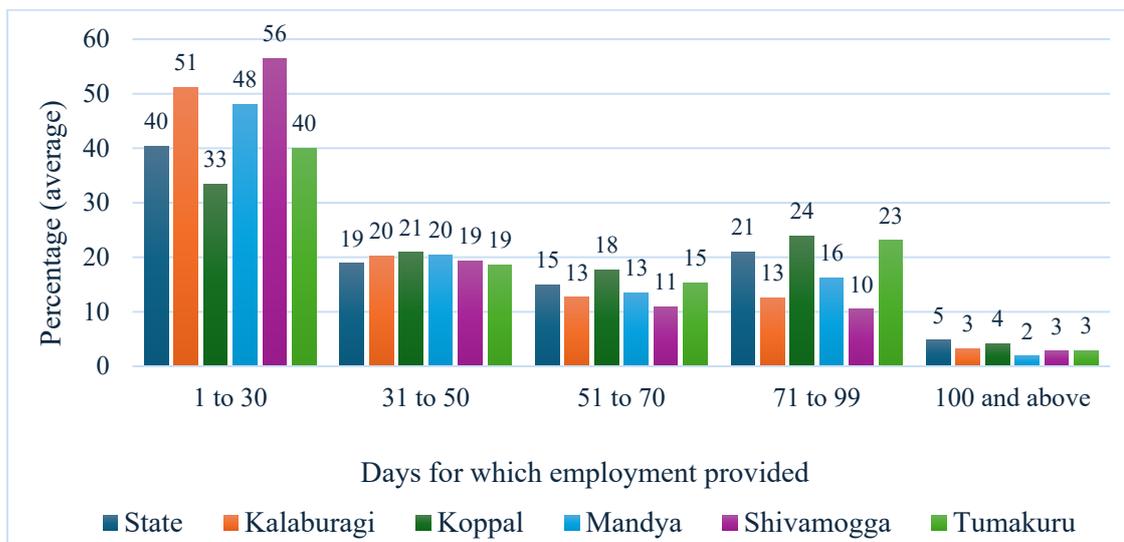
The State Government accepted (May 2025) the observation and attributed it primarily to reluctance of workers' participation in community works, migration *etc.*

4.4 Non-provision of 100 days employment

Audit observed that total number of households who were provided with 100 days of employment during the period from 2019-20 to 2023-24 was very low. At the State level, it ranged from 0.32 lakh to 2.40 lakh households during the period from 2019-20 to 2023-24. The average person days provided to households during the audit period showed that majority (40 *per cent*) of the households were provided employment for 1 to 30 days and only five *per cent* households were provided employment of 100 days and above.

In the test-checked districts, the percentage of households who were provided with employment for 1 to 30 days ranged from 33 *per cent* (Koppal) to 56 *per cent* (Shivamogga). Households ranging between 10 *per cent* (Shivamogga) and 24 *per cent* (Koppal) were provided employment for 71 to 99 days whereas only 2 *per cent* to 4 *per cent* households were provided employment for 100 days and above. The details are depicted in **Chart 4.3**. This proves the ineffective implementation of the Scheme with failure to achieve the very purpose of the Scheme.

Chart 4.3: Period-wise employment provided to households during the period from 2019-20 to 2023-24 (average)



Source: MIS Report (R5.1.1) dated 16.11.2024

The State Government accepted (May 2025) the observation and stated that the actual employment provided depends on individual demand and willingness to work. Other reasons include the workers disinclination towards community based works.

4.5 Employment provided to special category persons

Paragraph 9.3.9 of Operational Guidelines, 2013 stipulated that a special drive should be initiated to identify all persons with disability and other vulnerable persons (such as nomadic tribal group, HIV positive persons, internally displaced persons, etc.) and provide them 100 days of work in all the villages within a specified timeframe. Paragraph 9.2.2 mandated that each State Government should designate one officer in each District as a Coordinator (Vulnerable Groups) who would exclusively look after the needs and requirements of the special categories and create enabling conditions for their inclusion in MGNREGS works. The Co-ordinator (Vulnerable Groups) should hold a monthly meeting to review the progress of such implementation with Block/Gram Panchayat level officials and submit monthly and quarterly progress reports to the District Programme Coordinator.

However, Audit observed gaps in special drives/campaigns as detailed below:

- i) Instead of designating one exclusive officer in each district to create enabling conditions for inclusion of special categories under MGNREGS, mates, *Thanda Rozgar Mitra* and *Gram Kayaka Mitra*¹⁷ were entrusted with the additional responsibility of mobilising labourers and creating awareness.
- ii) The percentage of employment provided to disabled persons at the State level increased from 14 per cent (2019-20) to 32 per cent (2023-24) but it was still less than the national average during the period from 2019-20 to 2023-24 (detailed in **Table 4.2**).

¹⁷ These are hired on honorarium basis for assisting the PDOs in implementation of Scheme.

Table 4.2: Details of employment provided to disabled persons

Year	No. of disabled persons registered	No. of disabled persons worked	Percentage at State level	National average
2019-20	77,296	10,621	14	21
2020-21	97,887	20,354	21	27
2021-22	1,15,595	27,375	24	25
2022-23	86,673	26,862	31	35
2023-24	87,893	28,139	32	37

Source: Information furnished (June 2024) by the Department and MIS data (01.08.2024)

- iii) NREGASoft did not have the provision to generate report depicting the details of vulnerable persons identified and employment provided to them except for disabled persons. In respect of disabled persons also, details of such persons who demanded works were not shown in NREGASoft.

As per the information furnished (June 2024) by the Department, there were 87,893 disabled persons (physically handicapped) registered under MGNREGS, 'nil' HIV persons, and 475 tribal persons during the year 2023-24. Audit scrutiny of the data of houseless beneficiaries available on Rajiv Gandhi Housing Corporation Limited (RGHCL) website (November 2024) revealed that there were 5,70,830 disabled, 44,861 HIV and 2,813 tribal houseless beneficiaries in the State. This indicated significant exclusion of such vulnerable categories under MGNREGS and the absence of a reliable database of such beneficiaries under the Scheme. Moreover, 100 days of work in a year was not provided to any of the surveyed disabled beneficiaries in 26 test-checked GPs.

The State Government accepted (May 2025) the observation and stated that all CEOs of ZPs have been advised to have plans with special focus on vulnerable section under the Scheme.

Recommendation 7: Department should conduct special drives and utilise available data with various line departments to identify vulnerable persons and provide employment under the Scheme.

4.6 Denial of scheme benefits to MGNREGS workers

Paragraph 21 of Schedule-I of MGNREGA stipulated that the work executed should be done without engaging any contractor. Paragraph 22 stipulated that as far as practicable, works executed by the Programme Implementation Agencies (PIAs) should be performed by using manual labour and no labour displacing machines should be used.

Audit accessed (August 2024) Report "*S5.13-Vendor wise expenditure*" available on NREGASoft which contained details of material payments. Analysis of material components included in reports of selected 40 GPs showed that vendors/agencies were hired for manual (labour-oriented) component such as watering, weeding, watch and ward, *etc.* Nature of such activities did not warrant any specialisation and hence should have been executed through unskilled workers of MGNREGS.

Such hiring of vendors/agencies was attributable to inconsistencies in the data sheets of line departments. It may be noted that in respect of works executed by line departments (Social Forestry, Horticulture, *etc.*), office of the

Commissioner, MGNREGS approved the data sheets every year. These data sheets provided the rates of work components including the portion of labour and material. Scrutiny showed that there was no consistency in apportioning the cost of labour and material during the period from 2019-20 to 2023-24 for example, cost of conveyance of polythene/High Density Polyethylene (HDPE) bagged seedlings in data sheet of Social Forestry was categorised as material component during 2019-20 to 2021-22 whereas it was changed to labour component during 2022-23 and 2023-24. Similarly, watch and ward was categorised as labour component during 2019-20 but it was apportioned (with varying percentages) among labour and material during the period from 2020-21 to 2023-24. While approving the data sheet for the year 2024-25, the cost of watch and ward was again categorised as 100 *per cent* labour component. Illustrative cases of Social Forestry data sheets are given in **Appendix 4.2**.

As a result, vendors/agencies were extended undue benefits aggregating ₹3.87 crore in selected 39 GPs (except Kannali of Mandya Taluk). GP-wise details are given in **Appendix 4.3**.

Thus, the department failed to augment wage employment and instead extended undue benefits aggregating ₹3.87 crore to agencies in 39 test-checked GPs. This also deprived the rural households of enhancing their livelihood security.

The State Government accepted (May 2025) the observation and stated that directions would be given to all implementing departments to take up such activities under the wage component only.

Recommendation 8: The Department should take necessary action to remove anomalies in the data sheets and ensure that due weightage is given to labour components under MGNREGS.

4.7 Information, Education and Communication (IEC) activities

4.7.1 IEC activities under MGNREGS

The Operational Guidelines, 2013 recognised that an important precondition to ensure effective implementation of MGNREGS was the creation of awareness among rural people and other stakeholders, particularly MGNREGS workers, in respect of the scheme provisions as well as their rights and entitlements. Paragraph 5.4.2 of Operational Guidelines, 2013 stipulated that all States should develop an IEC plan of the scheme with focus on reaching out to the registered workers as well as other groups which could benefit from the scheme. The IEC plan should clearly indicate State, District, Block and local level activities. The States were to evolve creative mix of interpersonal communication, mid media and mass media methods to disseminate the chosen message. Paragraph 11.6 of Annual Master Circular (AMC) 2019-20 stipulated that State IEC Nodal officers were to be nominated by the States to oversee the IEC activities in the State.

Audit observed that the State had prepared annual IEC plans for the period from 2019-20 to 2023-24. A dedicated State IEC nodal officer was appointed during the year 2020-21 whereas in other years, this post was held as additional charge by Joint Director, Horticulture (2019-20 and 2021-22) and Joint Director, Administration (2022-23 and 2023-24). As per the IEC plans, the State had proposed mix of interpersonal communication (IPC), mid media and mass media

methods. The details of amount/cost as per IEC plans and expenditure incurred during the period from 2019-20 to 2023-24 are given below (**Table 4.3**):

Table 4.3: Expenditure incurred on IEC activities
(₹ in crore)

Year	Amount/Cost as per IEC Plan	Expenditure incurred on IEC activities	Percentage of expenditure to total cost as per IEC Plan
2019-20	18.75	3.03	16
2020-21	33.87	13.39	40
2021-22	37.55	26.03	69
2022-23	42.88	20.40	48
2023-24	40.76	4.59	11
Total	173.81	67.44	39

Source: Information furnished (August 2024 and April 2025) by the Department

As observed in **Table 4.3**, allocation earmarked for IEC activities (₹173.81 crore) was only 0.59 *per cent* of the total expenditure of ₹29,634.37 crore under MGNREGS during the period from 2019-20 to 2023-24. Even the earmarked allocation of ₹173.81 crore was not fully spent as the expenditure incurred was only ₹67.44 crore (39 *per cent*). It ranged between 11 *per cent* to 69 *per cent* of the proposed expenditure over the period from 2019-20 to 2023-24. This indicated that the Department did not ensure adherence to the approved IEC plans and failed to conduct all the planned IEC activities. Activities with major shortfall (along with period of shortfall) in planned activities are detailed below:

- a) Shortfall in displaying information on hoardings to widely publicize campaign efforts ranged from 23 *per cent* (2021-22) to 100 *per cent* (2019-20).
- b) KSRTC bus branding to inform passengers about scheme benefits and raise awareness among village residents was not done during 2019-20, 2021-22 and 2023-24. The planned activity of display on buses was achieved during 2020-21 and 2022-23.
- c) Video documentaries to promote and motivate the beneficiaries, especially the people who returned to the villages to make a living due to hardship of Covid-19 pandemic, were not prepared during 2019-20, 2022-23 and 2023-24.
- d) Exhibitions to showcase MGNREGS works and increase public awareness were not held during 2019-20 and 2020-21.
- e) MGNREGS jingles were not telecasted in All India Radio to inform listeners about 100 days of unskilled work and availability of tollfree helpline service (2019-20 to 2023-24).
- f) No Civil Society Organisations were engaged for support and strengthening of IEC activities for creating awareness about rights, entitlements, demand work and demand wage payments on time as well as mobilizing workers as envisaged in Operational Guidelines, 2013.

Similar shortfall in test-checked districts was also observed as detailed in **Appendix 4.4**.

It was noteworthy that models of rural development work under MGNREGS were displayed at Mysuru Dasara Art Exhibition during the year 2023-24 and RDPR exhibition had won the first prize.

The State Government attributed (May 2025) the shortfall to Covid-19 pandemic and delays in release of administrative expenses.

4.7.2 Shortfall in conducting Rozgar Diwas

Paragraph 3.3 of Operational Guidelines, 2013 stipulated that every GP should organise an 'Employment Guarantee Day (*Rozgar Diwas*)' at least once every month. At this event, the GP should pro-actively invite applications for work from potential workers for the current as well as subsequent quarters. The *Rozgar Diwas* should be earmarked for processing work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances. The State Government would receive and review the district reports on the conduct of the *Rozgar Diwas* (Paragraph 4.5.1(d) of AMC, 2019-20).

Audit observed that all the test-checked districts except Koppal, failed to achieve the envisaged target of conducting monthly *Rozgar Diwas* during the period 2019-20 to 2023-24. In remaining four test-checked districts (Kalaburagi, Mandya, Shivamogga and Tumakuru), the shortfall in organizing the *Rozgar Diwas* ranged between 7 per cent and 65 per cent (Details in **Appendix 4.5**). As a result, these districts failed to fully utilise one of the important means available to GPs for registering demands, creating awareness and redressing grievances.

The State Government cited (May 2025) Covid-19 pandemic for the shortfall during 2019-20 and 2020-21. It was also stated that the data furnished to Audit did not include *Rozgar Diwas* which were conducted jointly with door to door visits. The reply is not acceptable as the data was compiled from the information furnished by ZPs to the Commissioner, MGNREGS.

Results of beneficiaries' survey about the awareness and IEC

- 87 beneficiaries (22 per cent) were not aware of the number of days of work, a household was entitled to in a year;
- 81 beneficiaries (20 per cent) were not aware of the timelines of payment of wages;
- 45 beneficiaries (11 per cent) were not aware about making request/demand for employment to authority concerned after getting job cards;
- 209 beneficiaries (52 per cent) were not aware about being entitled to unemployment allowance in case work was not provided within 15 days of demand of work;
- 234 beneficiaries (59 per cent) were not aware about the types of machines which were permissible for use in MGNREGS works.
- 98 beneficiaries (25 per cent) stated that details of the MGNREGS works were not painted or written on the Panchayat Office building walls and notice boards.

Thus, shortfall in conduct of IEC activities resulted in ineffective communication strategy and poor dissemination of rights/entitlements available under MGNREGS among the beneficiaries. This was also reflected in the survey of 400 beneficiaries by Audit in the test-checked GPs. Lack of awareness on the basic entitlements under MGNREGS was a key barrier for access to rights-based employment.

Recommendation 9: The Department should take action to strengthen the IEC activities to create adequate awareness among the beneficiaries and public regarding the rights/entitlements available under MGNREGS.

4.8 Non-payment of unemployment allowance

Paragraph 3.5 of Operational Guidelines, 2013 stipulated that if an applicant was not provided employment within 15 days of receipt of his/her application seeking employment, he/she should be entitled to a daily unemployment allowance which would not be less than one-fourth of the wage rate for the first 30 days and not less than one-half of the wage rate for the remaining period of the financial year. Further, the State Government was to frame rules governing the procedure and make necessary budget provision for payment of unemployment allowance.

Audit scrutiny showed that the State Government had not made necessary budget provision during the period from 2019-20 to 2023-24 for payment of unemployment allowance. Physical records such as demand register for employment demanded and offered were either not maintained or maintained partially in the selected GPs. Audit observed that work demand (**Form-6**) as submitted by workers were not entered in the demand registers in respect of 172 (43 *per cent*) out of 400 test-checked works. Scrutiny of the MIS data showed that the demand for labour had been entered in most cases either on the same day or the preceding day of engagement of the worker as per the muster rolls without any reference to the **Form-6** submitted by workers. Therefore, the correctness of the data for demand for labour could not be vouched in Audit.

Even 218 (55 *per cent*) out of 400 beneficiaries surveyed, responded that they were not issued a dated receipt for the demand request submitted to GPs.

Illustration of denial of unemployment allowances in test-checked GPs due to incorrect capture of the demand for labour

Review of the job seekers application forms (Form-6) available in the selected works files along with the job card/employment register (R1.3) maintained in the MIS of the 12 test-checked GPs (details in **Appendix 4.6**) showed that though there was a work demand for 100 days each from 283 registered households, it had not been provided to them in violation of MGNREGA. Scrutiny also showed that demand captured and employment offered on MIS did not match with these application forms. Thus, there was no assurance on reliable recording of demand.

As these 283 households were not provided the requisite employment of 100 days, they were entitled for the unemployment allowance. Audit worked out that unemployment allowance aggregating ₹43.63 lakh was payable to these households. Incorrect capturing of demand deprived these households of the eligible unemployment allowance.

Thus, the beneficiaries eligible for unemployment allowance were deprived of the same due to the incorrect recording of demand for labour. Audit further observed that even in respect of unemployment allowance amounting to ₹1.28 crore indicated as payable in MIS for the period from 2019-20 to 2023-24, remained unpaid (October 2024). This was also corroborated in the beneficiaries' survey wherein 143 beneficiaries (36 *per cent*) responded that they were not paid unemployment allowance though work was not provided within 15 days from demand/application for work. Further, no action had been taken to identify the functionaries or agencies responsible for failure to provide employment on time and consequent recovery of amount from them.

The Department attributed (July 2024) non-payment of unemployment allowance to (i) no demand for payment of unemployment allowance from workers, (ii) issue with unemployment allowance account and its mapping with PFMS and (iii) death of worker/job card not existing due to GP upgradation or family moved out of GP.

This was not acceptable as right to unemployment allowance was legal entitlement and its payment should have been automated. The fact that there is no budget provision, this key clause of MGNREGS was not built in the Scheme implementation.

The State Government stated (May 2025) that directions would be issued to Districts/Blocks/GPs to strictly adhere to the guidelines regarding payment of unemployment allowance.

Recommendation 10: The demand for labour should be accurately recorded by the GPs and matched with the actual provision of labour to calculate the entitled unemployment allowance. Government shall take necessary action to provide budget allocation for payment of unemployment allowance.