

Chapter-6
Economic Services

CHAPTER 6

Economic Services

Good infrastructure is a necessity to enhance the growth potential of the district and bridging gap between urban and rural areas. It brings the remote and backward areas closer to the district headquarters, enhancing the growth of the economy.

6.1 Roads

The availability of road is essential for enhancing the growth of the district. It brings the remote and backward areas closer to the District Headquarters and brings about equity and inclusive growth of the economy. The district has well connected all weather roads. Road length of the district as on March 2012 was 720 kms and all the villages were connected with metallic roads. In the district, 63 works of strengthening, widening and construction of new roads were taken up and completed under the Pradhanmantri Gram Sadak Yojna and State schemes during 2007-12 and against approved cost of ₹ 48.43 crore an expenditure of ₹ 45.01 crore was incurred during this period.

6.1.1 Physical verification

The State Government is responsible for regular maintenance of roads. The condition of roads was physically verified in 21 villages out of which 11¹ roads were found to be unsatisfactory as there was water logging which causes immense difficulties to vehicular traffic as evident from the following photographs:



The Department while admitting the audit findings during the exit conference assured that regular maintenance of roads would be done in future.

¹ (i) Harchandpur, (ii) Abhaypur, (iii) Dhujilla to Berka road, (iv) Nimoth-Ballabgarh near Vidvaka, (v) Ghangola, (vi) Bilhaka, (vii) Rampura, (viii) Hayatpur to Kankarola, (ix) Garhi Harsaru Station Road, (x) Badha and (xi) NH-8 to Tauru (village Navrangpur).

6.1.2 Excess expenditure over estimate

Financial rules provide that no expenditure should be incurred without technical sanction for estimate. Excess expenditure over estimate should be got approved from the competent authority. Test check of records of Provincial Division (B&R) in the district revealed that as against the approved estimated cost of ₹ 91.38 lakh, an amount of ₹ 194.75 lakh was incurred on three works. An expenditure of ₹ 103.37 lakh was incurred in excess of sanctioned estimate (*Appendix III*). The revised estimates for these works had not been prepared as of February 2012. The Department stated during the exit conference that excess expenditure over estimate would be got regularized from the competent authorities shortly.

Recommendation

The Government/District Administration may consider:

- *evolving a proper mechanism for undertaking repair and maintenance of roads in a timely manner.*

6.2 Public Distribution System

The Public Distribution System (PDS) was evolved by GOI on 26 January 1997 and started in Haryana on 1 May 1997. Main objective of the PDS is to ensure regular supply of essential commodities at reasonable prices, particularly to the weaker sections of the society/community as well as for enhancing the food security for the poor.

The GOI strengthened PDS by introducing (June 1997) the scheme of Targeted Public Distribution System (TPDS). Under this, special cards were issued to Below Poverty Line (BPL) families and food grains were provided to them at specially subsidized rates.

During 2008-12, ₹ 3.44 crore were allocated for District Gurgaon as subsidy to Below Poverty Line (BPL) ration card holders out of which ₹ 3.39 crore were utilized by the District Food and Supplies Controller (DFSC), Gurgaon.

6.2.1 Allocation and lifting of wheat

The category-wise allocation and lifting of TPDS wheat under PDS during the last five years is given in Table 21.

Table 21: Quantity of wheat allocated and lifted

(Quantity in MT)

Year	Above Poverty Line		Below Poverty Line		Antodya Anna Yojna	
	Allocated	Lifted	Allocated	Lifted	Allocated	Lifted
2007-08	4020	Nil	2580	2416.50	2376	2202.00
2008-09	1344	Nil	7667	6811.30	3288	3057.50
2009-10	2410	1904.50	10188	10035.10	4044	3938.60
2010-11	14320	5778.20	10596	10304.00	4106	3913.10
2011-12	7634	3093.00	10982	10717.10	4287	3983.30
Total	29728	10775.70	42013	40284.00	18101	17094.50

Source: Data obtained from DFSC, Gurgaon.

There was short distribution of 1,006.50 MTs wheat involving subsidy of ₹ 83.32 lakh under Antodya Anna Yojna (AAY). Similarly, under BPL, there was short distribution of 1729 MTs wheat involving subsidy of ₹ 94.09 lakh depriving the BPL families of the benefit.

Above Poverty Line (APL) families are also provided with the food grains through APL Family Identity Cards. The quantum of eligibility of wheat under the APL category has been fixed at 15 Kg per family per month at ₹ 6.86 per Kg. No wheat was lifted against the allocation of 5364 MT involving subsidy of ₹ 1.08 crore during 2007-09.

The District Food and Supplies Controller (DFSC), Gurgaon attributed (January 2012) non-lifting of wheat by APL families to their cautiousness about quality and small difference of rate in the market price and issue price. It was further stated that the allocation of wheat for this category was not regular. The reply was not convincing as wheat was not lifted at all by APL families during 2007-09. Thus, adequate awareness was not created by the department among the beneficiaries about the benefits of the scheme.

6.2.2 Non-revision of list of BPL/AAY beneficiaries

The Government was required to update the data of eligible BPL and AAY beneficiaries every year. The data of BPL/AAY beneficiaries had not been revised after September 2008. As per the survey conducted (October 2008) by GOI, the number of BPL families including AAY was 0.22 lakh in the district whereas DRDA and District Urban Development Agency (DUDA) had identified 0.36 lakh BPL families in the district during their survey conducted in September 2008. Since there was a wide variation, a fresh review and checking of the households of beneficiaries was required to be done as this involved a subsidy of ₹ 3.15 crore from September 2008 to March 2012 as given in Table 22.

Table 22: Financial implication of subsidy under BPL and AAY

Year	Quantity of wheat (In MT)	Provision made in State Budget (₹ in lakh)	Expenditure incurred (₹ in lakh)
2008-09 (September 2008 to March 2009)	2596	58.19	53.56
2009-10	4253	94.78	86.24
2010-11	4263	94.78	86.46
2011-12	5496	88.77	88.77
Total	16608	336.52	315.03

Source: Data obtained from DFSC, Gurgaon.

Audit observed that had the review been conducted annually, ineligible BPL families would have been detected initially and payment of subsidy to them would have been avoided. A survey conducted by the Department on the directions (July 2011) of Punjab and Haryana High Court, brought out (October 2011) 7,112 ineligible card-holders in urban areas and 1,293 in rural areas in the district. Government directed (March 2012) all the Deputy Commissioners to give adequate opportunities to the ineligible families before deletion of their BPL cards and then submit the report regarding deletion of ineligible BPL families latest by 22 March 2012. The Department had, however, not updated (May 2012) the data of BPL card-holders as per the survey conducted in October 2011. The Department admitted the audit findings during the exit conference.

6.2.3 *Bogus ration cards in TPDS*

On the basis of independent evaluation of TPDS in the States by the Programme Evaluation Organization of the Planning Commission and AC Nielsen ORG-MARG Research Ltd., a nine-point action plan was evolved by GOI to weed out bogus ration cards, which was to be implemented by the State Governments from July 2006.

As per the survey conducted by the DRDA/DUDA, there were only 1,90,095 families in the district, but the DFSC office had issued 2,39,068 ration cards to beneficiaries under the three categories APL, BPL and AAY in the district. As such, there were 48,973 bogus ration cards in the district which were not cancelled by DFSC Gurgaon as of July 2012. The Department while admitting the audit findings stated during the exit conference that more ration cards were issued due to existence of migratory workers in Gurgaon.

6.2.4 *Fair price shops*

The number of fair price shops in the district is given in Table 23.

Table 23: Details of Fair price shops in the district during 2008-12

Fair Price Shops	2008	2009	2010	2011	2012
Rural	132	125	125	124	131
Urban	34	53	53	58	59
Total	166	178	178	182	190

Source: Data obtained from DFSC, Gurgaon.

As per State Government's decision (November 1992), one FPS was to be set up in each village so that consumers could avail the facility at their doorstep. Further,

as per State Government orders (September 2005), not more than 1,200 ration cards were to be allotted to any FPS. In contravention of above orders, ration cards between 1,208 and 2,423 were allotted to 28 FPSs. Against the requirement of 291 FPS, (one each for 291 villages in the District), there were only 131 FPS in rural areas as on March 2012, which shows that the intended facility of FPSs was not available in all villages of the district. The number of ration cards increased from ₹ 1.24 lakh in 2008 to ₹ 1.78 lakh in 2012 in rural areas, the number of FPSs decreased from 132 in 2008 to 131 in 2012 which clearly shows that PDS items were not made available to the beneficiaries at their villages.

While admitting the audit findings, the Department stated during the exit conference that very few people were coming for opening of FPSs as the margin earned by them was very low.

6.2.5 Deficiencies in distribution of food grains

In accordance with the guidelines issued by the Director, Food and Supplies, it was to be ensured that food grains were made available to the beneficiaries during the first week of the month. A test check of records of 22 FPSs of two blocks out of 182 FPSs in the district revealed that:

- sugar was not regularly distributed and its door step delivery was not made in 73 per cent FPSs by Haryana State Federation of Consumers Co-operative Wholesale Stores Limited,
- food grains and kerosene oil were being sold to the beneficiaries from 8th to 20th date of the month by 77 per cent FPSs depriving the families of timely availability of foodgrains,
- quality was not good in respect of 27 per cent FPSs,
- quantity allotted to 18 per cent FPSs was not proper,
- stock boards were not displayed by 18 per cent FPSs,
- stock boards were not updated daily by 27 per cent FPSs; and
- list of beneficiaries was not available with 6 per cent FPS dealers.

Further, out of 348 beneficiaries called for interaction, only 235 beneficiaries responded and their comments on PDS were as under:

- 54 per cent beneficiaries stated that FPSs did not open regularly.
- 36 per cent beneficiaries stated that PDS items were not provided to them on first visit.
- 43 per cent beneficiaries complained regarding non-display of availability of stock on boards.
- 27 per cent beneficiaries complained that FPSs sold stock at higher rates.

- 17 per cent beneficiaries complained that behavior of FPS owners was not good.

6.2.6 Quality Control and Supervision Mechanism of PDS

(i) The Directorate of Food and Supplies directed (October 2008) the DFSC to constitute Quality Control and Supervision Committees at District, Block and Village/Ward levels. Audit, however, observed that State, District and Block level committees had not been constituted as of March 2012.

(ii) Central Vigilance Committee on PDS headed by Justice Wadhwa recommended (July 2011) that an effective complaints redressal system for PDS related grievances be initiated wherein the beneficiaries may register and also follow-up their complaints as there was no effective and systematic complaint redressal mechanism for the common people. The committee also felt that awareness is very important for functioning of PDS. To create awareness among the people, it must be ensured by the District Administration that a press release is issued at the beginning of the month indicating the quantity issued to the FPSs, entitlement of various categories of the beneficiaries, rates of commodities to be charged by the FPS dealer, so that people can know their rights and entitlements.

Audit observed that neither the complaint redressal system was put in place nor any awareness programme was undertaken in the district. The Department stated (January 2013) during the exit conference that action had been taken against eight FPSs, out of which security amount in respect of two cases had been forfeited and supply had been suspended in one case. Action against the remaining five FPSs was pending.

Recommendation

The Government/District Administration may consider:

- *strengthening the public distribution system and efforts should be made to weed out bogus ration cards.*