

Chapter 8: Scheme for Homestead Sites

As part of the IAY, a scheme for providing homestead sites to those rural BPL households who had neither agriculture land nor a house sites was launched in August 2009.

8.1 Implementation of scheme for homestead sites

According to para 8.1 (x) of the IAY guidelines, first instalment of the funds was to be released only after the state had certified that it had (1) no land to provide to rural BPL either (a) through regularization (b) through transfer (2) it had identified the land meant for acquisition/purchase. Subsequent instalments were to be released when state had taken possession of the identified land. Further, as per para 8.1 (vi) of the IAY guidelines, ₹ 10,000 per beneficiary or actual cost whichever was less would be provided for purchase/acquisition of a homestead site of an area around 100-250 sq.mt. Funding was to be shared by Centre and states in the ratio of 50:50 while in the case of UTs it was fully funded by Central Government. If the amount per beneficiary falls short, the balance amount would be contributed by the state government.

8.1.1 Non-implementation of scheme for homestead sites

Scheme for homestead sites was not implemented in 17 states/UTs viz., **Assam, Arunachal Pradesh, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Tamil Nadu, Uttarakhand, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep** during 2009-13.

We observed that in five states and one UT, (**Assam, Manipur, Meghalaya, Punjab, Uttarakhand** and **A&N Islands**) some selected districts initiated the proposal for purchase of land under the homestead site scheme, but the proposals could not fructify. State-wise observations are discussed in **Annex-8.1**

8.1.2 Irregularities in implementation of scheme for homestead sites

One of the socio-economic targets as per the XIth Five Year Plan (FYP) document was to 'provide homestead sites to all by 2012'. As per estimates made on the basis of National Sample Survey Organisation (NSSO) report of

58th and 59th round, there were 77 lakh rural BPL households who did not have sites for construction of house in the country. To fulfill the target set by the GoI for providing homestead sites to all by 2012, estimated requirement of 75 per cent of 77 lakh households was to be met by the state governments by regularizing their occupied land, if any, or allotting surplus government land. Thus, there was need for purchase/acquisition of land for remaining 25 per cent (19.25 lakh) of the estimated households not having house sites.

For this purpose Central allocation proposed for the XIth FYP was ₹ 1,000 crore (₹ 200 crore for 2009-10, ₹ 300 crore for 2010-11 and ₹ 500 crore for 2011-12).

(i) Against the proposed Central allocation of ₹ 1,000 crore, ₹ 347.47 crore was released to nine states (₹ 157.47 crore to **Bihar, Karnataka, Kerala, Rajasthan** and **Sikkim** during 2009-10 and ₹ 190 crore to **Andhra Pradesh, Karnataka, Maharashtra** and **Uttar Pradesh** during 2010-11) based on the proposals sent by these states to the Ministry. Funds were not released during 2011-12 and 2012-13 to any state. State-wise releases are given in **Annex-8.2**.

(ii) The Ministry released funds to **Andhra Pradesh, Bihar, Karnataka, Kerala, Maharashtra Rajasthan** and **Uttar Pradesh** in one instalment without ensuring possession of land by these states and the funds were not utilised or utilised partially. Unutilised homestead funds were subsequently adjusted against regular IAY and instances of diversion of funds were also noticed. State-wise details are given in **Annex-8.3**. Moreover, land less BPL families¹ were deprived of the benefits of the scheme.

The Ministry stated that homestead scheme was a demand driven scheme and funds under the scheme were released only to those states which demanded the same by submitting proposals in this regard along with requisite documents/certificates as per the scheme guidelines. The Ministry also added that in case states could not purchase the land at the rate at which funds were provided, they made a subsequent request for adjusting the released amount against regular IAY allocation.

The reply of the Ministry only substantiates the audit observation and does not address the issue of failure of the homestead site scheme.

¹ In five districts (Bundi, Bhilwara, Sikar, Sriganganagar and Udaipur) alone out of eight selected districts Rajasthan had 2,10,770 landless rural BPL families.

8.2 Incentive for additional houses under homestead

According to para 8.1(xii) of the IAY guidelines, the state governments were to be incentivised by allocating additional funds under the IAY to the extent beneficiaries were provided with homestead sites by way of regularization, allotment or purchase/acquisition of the land. The states were expected to provide funds for the proposed scheme over and above their existing budget for similar initiative. This was also subject to the condition that the states should continue to allocate for the scheme an amount not less than their previous year's budget. The BPL families allotted land through purchase was to be, to the extent feasible, provided house construction assistance in the same year.

Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tripura and West Bengal (10 states) were released ₹ 1,750.92 crore during 2009-13 as incentive for additional houses under homestead. State-wise releases are given in **Annex-8.4**.

8.2.1 Irregularities in construction of additional houses

We observed that funds were released to seven states for construction of additional houses under the homestead incentive and remained unutilised or were diverted towards construction of houses of beneficiaries having land under the regular IAY as detailed in **Table-14**.

Table-14: Irregularities in construction of additional houses

Chhattisgarh	As per the orders (February 2012) of the Development Commissioner, Raipur, assistance under the IAY homestead Incentive was to be given to BPL homeless families who had received land under Forest Rights Act (<i>Vanpatta Dharak</i>). Financial assistance of ₹ 12.64 crore was released to 5,270 beneficiaries in the two selected districts (Bastar: 4,486 beneficiaries and Durg: 784 beneficiaries) during 2011-12. In GPs Ghanghari and Nandmali of block Ambikapur (district Sarguja), 20 beneficiaries who were not recipients of <i>Van Adhikar Patta</i> under the FRA were provided financial assistance of ₹ 9.70 lakh under homestead incentive. The fact was brought to the notice of block Ambikapur by the respective GPs alongwith the request to cancel the sanction made to these ineligible beneficiaries. Instead of cancelling the sanction, block Ambikapur released the second instalment to these beneficiaries. No specific reply was furnished by CEO JP Ambikapur. Gol released ₹ 10.88 crore to ZP Bastar as first instalment of the IAY assistance in respect of 4,486 beneficiaries at the rate of ₹ 24,250 per beneficiary. ZP Bastar transferred funds to the beneficiaries in March 2012. Second instalment to these beneficiaries could not be provided till July 2013 due to non-release of funds by the Ministry though these were demanded by ZP Bastar in November 2012. This resulted in delay in construction of houses.
Gujarat	The Ministry released (March 2010, July 2010, August 2010 and January 2011) ₹ 58.71 crore to five selected districts (Anand, Banaskantha, Dahod, Surat and Surendranagar) under homestead incentive for 18,597 houses. Audit observed that none of the selected districts had ensured the utilisation of this fund towards those beneficiaries who were provided the home sites under the scheme but these funds were utilised for payment of assistance for construction of houses to beneficiaries who were already having land. This deprived of benefit of the scheme to landless BPL beneficiaries.
Jharkhand	Six selected districts released ₹ 47.15 crore (Central release : ₹ 35.36 crore and state share: ₹ 11.79 crore) to blocks for construction of houses, out of which in three districts (Garhwa, Godda and Palamu) funds remained

	<p>unutilised as of March 2013. While in other three selected districts (Deoghar, East Singhbhum and Ranchi), ₹ 15.44 crore was spent as of March 2013. Audit observed that beneficiaries who already had land were selected for providing financial assistance. Thus, purpose of the scheme to provide shelter to rural BPL households who had neither agricultural land nor house sites had been defeated.</p>
Odisha	<p>The Ministry released ₹ 181.13 crore (March 2012) and state government released its matching share of ₹ 60.38 crore (July 2012) to 28 districts as first instalment in respect of construction of 99,986 additional houses under the homestead incentive. State government released (March 2013) in anticipation its matching share in respect of second instalment of Central share, the same was not released by the Ministry. Financial assistance under the homestead incentive was available to all BPL beneficiaries, however, audit noted that the state government chose to provide assistance to only members of scheduled tribe and other traditional forest dwellers (Recognition of Forest Rights) Act, 2006. State government did not explore the possibility of allotting land for other eligible BPL families by alienating the government land or encroached land and also through purchase of land.</p> <p>Audit noted that against receipt of ₹ 8.40 crore (Central and state share) as first instalment for providing financial assistance to 3,432 beneficiaries by eight blocks (Nilagiri, Barkote, Tilaibani, Digapahandi, Chikiti, Komma, Sinapali and Jamankira) of five selected districts, only 3,042 beneficiaries were provided assistance of ₹ 5.12 crore.</p>
Rajasthan	<p>First instalment amounting to ₹ 154.30 crore (Central share of ₹ 115.72 crore and state share of ₹ 38.58 crore) was released (February 2013) to the respective ZPs (RD Cell) of 18 districts in respect of 68,578 houses (under the Forest Right Act, 2006 for 25,447 houses in five districts² and under the primitive vulnerable tribal groups for 43,131 houses in 13 districts³ @ ₹ 45,000 per house) to ST BPL families included in permanent IAY waitlist in districts accordance with their priority. Audit noted that funds remained in the account of respective ZPs (RD Cell) till January 2014. Thus, 68,578 beneficiaries were deprived of the benefit of homestead incentive.</p>
Tripura	<p>For implementation of homestead scheme no land was acquired by the state, the traditional forest dwellers who were allotted forest land under provisions of Forest Right Act 2006 were allotted the IAY house with the approval of the Gol. Only ST beneficiaries were provided the IAY house under the homestead incentive except a few variations in the district West Tripura and the beneficiaries were selected from the permanent IAY waitlist.</p> <p>Second instalment of ₹ 15.43 crore under homestead incentive during 2011-12 to four DRDAs in the state was not released by the Ministry though the proposals for the same were duly sent by the state government in time. As a result 7,072 houses remained incomplete due to non-receipt of funds by the beneficiaries. Expenditure of ₹ 17.14 crore (Central share ₹ 15.43 crore and state share ₹ 1.71 crore) released in first instalment to the beneficiaries also remained unfruitful.</p>
West Bengal	<p>The Ministry released ₹ 39.54 crore during 2011-12 for construction of additional 22,310 houses under homestead incentive. In GP Mallickpur of block Suri-I (district Birbhum), a waste land⁴ was allotted (2012-13) to 20 beneficiaries as 'Patta' under 'Nijo Griha Nijo Bhumi scheme'. First instalment totaling of ₹ 4.73 lakh was released to them for construction of houses. Audit noted that beneficiaries did not construct houses on the land even after one year of grant of financial assistance as the land was low lying and prone to erosion. No action was taken by the block to either recover the amount or compel them to start construction. Further, in nine GPs⁵, 52 beneficiaries were selected outside permanent IAY waitlist and ₹ 14.94 lakh was disbursed to them under homestead incentive for construction of houses. In block Mayureswar-II, one beneficiary who had already received two instalments from Kaleswar GP was again selected as a beneficiary under homestead scheme and irregularly paid ₹ 22,500.</p>

² Banswara: ₹ 21.66 crore, Dungarpur: ₹ 7.86 crore, Pratgarh: ₹ 12.98 crore, Sirohi: ₹ 3.31 crore and Udaipur: ₹ 11.45 crore

³ Baran: ₹ 8.90 crore, Bhilwara: ₹ 11.49 crore, Bundi: ₹ 2.09 crore, Chittorgarh: ₹ 7.69 crore, Dausa: ₹ 3.00 crore, Jalore: ₹ 5.79 crore, Karuali: ₹ 5.15 crore, Pali: ₹ 6.83 crore, Pratapgarh: ₹ 4.62 crore, Rajsamand: ₹ 6.41 crore, Sawaimadhapur: ₹ 2.76 crore, Tonk: ₹ 4.11 crore and Udaipur: ₹ 28.20 crore

⁴ Land was low lying and filled by 'fly ash' with the assistance of the West Bengal Power Development Corporation Limited to make it suitable for the construction.

⁵ Mallickpur(20), Purondorpur(7), Ruppur(6), Sattore(3), Sarpalehana-Albandha(2), Raipur-Supur(2), Bahiri-Panchshowa(3), Kasba(4), Singhee(5).

It implies that the Ministry released the funds to the states whatever they had demanded for the additional houses without adequate survey or without having a data on the additional requirement. It resulted into the accumulation of funds with the states and subsequently diverted towards the regular IAY.

In **Madhya Pradesh**, homestead sites were regularised under the provision of Madhya Pradesh Land Revenue Code 1959, by way of issuing *Bhoo Adhikar Praman Patra* to beneficiaries by *Teshsildar/Sarpanch*. Out of 13 selected districts, in two districts (Jabalpur and Narsinghpur) eligibility was ensured through survey conducted by team formed by ZP at block level, but no records of survey were produced to audit for verification.

We noted during joint physical verification that *Bhoo Adhikar Praman Patra* was not issued to beneficiaries of homestead. The *Bhoo Adhikar Praman Patra* was issued to beneficiaries having home site and agricultural land. Irregularities noted in audit are discussed in the following case study:

Case study: Implementation of homestead incentive in Madhya Pradesh

The Ministry decided to depute the NLMs in Sheopur, Narsinghpur and Jhabua districts in November 2011 to verify the allotment of homestead sites after releasing ₹ 180 crore as first instalment (March 2011) to 48 districts of **Madhya Pradesh** as incentive for 1,05,200 additional houses for BPL landless households. NLMs submitted their report in February 2012 without any conclusive evidence to show that homestead sites were provided with clear title. Meanwhile, the second instalment of ₹ 175.46 crore was released between September 2011 and March 2012.

In view of the inconclusive report of the NLMs, the Ministry decided (March 2012) to depute a team to conduct a detailed enquiry in districts Sheopur, Narsinghpur and Jhabua. Team was constituted in May 2012 and visited four districts namely Indore, Dewas, Sehore and Bhopal in October 2012 in place of three districts, i.e. Sheopur, Narsinghpur and Jhabua which were approved in March 2012 for enquiry. The team submitted its report in October 2012 and confirmed none of the beneficiary interviewed by the team, was landless for whom homestead sites were allotted. The Ministry again released first instalment of ₹ 53.18 crore under homestead incentive for additional houses of 30,998 and ₹ 92.11 crore for 53,360 houses under the Forest Right Act in February 2013.

Consequently, the Ministry asked the state government for sending the revised proposal for additional incentive but the Ministry did not receive the proposal till the date of audit.

Thus, the Ministry released ₹ 500.85 crore (₹ 180.10 crore + ₹ 175.46 crore + ₹ 145.29 crore) on the basis of irregular claim of the state government and without verification of the authenticity of the claim. Moreover, the amount of ₹ 320.75 crore (₹ 175.46 crore+ ₹ 145.29 crore) was released during the period of verification of the claims of the state. This suggests weak verification systems and controls in the Ministry.

The Ministry stated that homestead incentives were released as per scheme guidelines to those states which provided land to the rural landless BPL for construction of the IAY houses either by allotment of government land or by purchase/acquisition of land and claimed incentive as per scheme guidelines.

The Ministry further added that funds were released as an incentive over and above the normal allocation which was done by following the basic criteria of allocation.

The reply of the Ministry is incorrect as criteria for allocating funds (75 *per cent* weightage to rural housing shortage as per census of 2001 and 25 *per cent* weightage to poverty ratio of state/UT as fixed by the Planning Commission in 2004-05) was not followed and funds were released as demanded by the states.

Thus, the homestead scheme was not implemented effectively as the funds released under the scheme remained almost unutilised and the intended objective of providing houses to landless families was not achieved.