

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

STARRED QUESTION NO:476  
ANSWERED ON:25.04.2008  
IRREGULARITIES IN INDIRA AWAS YOJANA  
Adhalrao Patil Shri Shivaji;Chitthan Shri N.S.V.

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

(a) whether cases of financial irregularities have come to the notice of the Union Government in the construction of houses for the poor under the Indira Awas Yojana (IAY) during the last three years.

(b) if so, the details thereof, State-wise; and

(c) the corrective measures taken/proposed to be taken by the Government in this regard ?

**Answer**

MINISTER OF RURAL DEVELOPMENT(DR. RAGHUVANSH PRASAD SINGH)

(a) to (c) A statement is laid on the Table of the House.

Statement referred to in reply to part (a) to (c) of the Lok Sabha Starred Question No.476 due for answer on 25.4.2008

(a) to (c): Indira Awaas Yojana (IAY) Scheme is functioning satisfactorily. Whenever any irregularities in the implementation of IAY are brought to the notice of the Ministry, the matter is taken up with the concerned State Government/UT. However, if required, National Level Monitors (NLMs) on the panel of this Ministry are asked to investigate the complaints. In special cases the officials of the Ministry are also deputed for inquiry. If irregularities are established, the State Governments are instructed to take appropriate action. The details of the irregularities noticed in this regard during the last three years and the action taken thereon is given in the Annexure.

Annexure referred to in reply to part (a) to (c) of Lok Sabha Starred Question No. 476 due for answer on 25.4.2008

List of cases of financial irregularities noticed under Indira Awaas Yojana and action taken thereon  
Rajasthan

1. A complaint was received from Dr. Chandrasekhar Baid, MLA on 7/6/2006 regarding irregularities in the implementation of IAY in Churu district of Rajasthan. In the letter, it was alleged that IAY fund was used for construction of a shop instead of the house.

Action Taken

The matter was taken up with the State Government of Rajasthan on 7/7/2006. As informed by the district authorities, order was issued for recovery of IAY money from the erring beneficiary.

Orissa

1. A complaint was received on 3/8/2006 from Shri J.B. Patnaik, Leader of Opposition, Orissa Legislative Assembly regarding misuse of funds meant for victims of super cyclone in Orissa. A similar complaint was received from Shri Sitakanta Mohapatra, MLA.

Action Taken

The matter was got inquired into by two NLMs as also by the officers of this Ministry. While the NLMs had found no irregularity, the officers of the Ministry had noticed certain procedural irregularities. The inquiry reports were sent to the State Government of Orissa in November, 2006. The State Government was also asked to give a special report on the funds released for super cyclone.

Madhya Pradesh

1. A report was submitted by NLM on 7/9/2007 in respect of Satna District of Madhya Pradesh regarding non receipt of full amount by beneficiaries.

Action Taken

The matter was taken up with the State Government of Madhya Pradesh on 18/10/2007 for submitting the Action Taken Report in this regard. However, the reply is still awaited. A reminder was also sent on 22/4/2008.

Bihar

1. A complaint was received on 27/12/2005 from Smt. Kunti Devi, MLA, Bihar Vidhan Sabha regarding alleged misappropriation of funds under IAY in Gaya district of Bihar. It was alleged that no house was constructed with the funds drawn in gram panchyat Seedh, gram panchayat Sahoda and gram panchayat Jethian. It was also alleged that in Tettar gram panchayat, the allotment was done to the beneficiaries who belonged to the same caste as that of the Gram Pradhan.

Action Taken

A NLM was deputed to inquire into the matter who submitted his report on 10/4/2006. As per report of NLM, certain irregularities were noticed and the report was forwarded to State Government of Bihar for their comments on 1/5/2006. Comments of the State Government in this regard are awaited inspite of reminder on 31/5/2007.

2. A complaint was received on 2/1/2006 from Shri Sanjay Kumar Gupta, MLA, Bihar regarding misutilisation of funds under IAY in Sitamarhi district of Bihar. It was alleged that the allotment of houses under IAY was made to the undeserving beneficiaries and the deserving beneficiaries were denied of the benefit. Most of beneficiaries were exploited by the block officials and were forced to pay bribes in order to get sanction of the IAY house.

Action Taken

A NLM was deputed to inquire into the matter and who submitted his report on 25/4/2006. The report was forwarded to the State Government of Bihar for their comments on 16/5/2006. Comments of the State Government in this regard are awaited in spite of reminder on 31/5/2007.

3. A complaint was received on 12/4/2006 from the Shri Sita Ram Yadav, M.P.(Lok Sabha) forwarding the complaints of villagers of Gram Panchayat – Yujaar Madhya, Block – Katra, district-Muzaffarpur regarding irregularities in the implementation of IAY in Muzaffarpur district of Bihar. In the complaint, it is alleged that an amount of Rs.2000/- to Rs. 5000/- was charged from each and every beneficiary as bribe for allotment of the IAY house.

Action Taken

The matter was investigated by the NLM who found certain irregularities. The inquiry report was sent to the State Government of Bihar 14/6/2006. Status report is still awaited in spite of reminder dated 19/7/2006 and 31.5.2007.

4. A NLM Col. (Retd.) U. B. Singh visited Muzaffarpur district of Bihar in October, 2007 and it was found that there was misuse of funds, allotment of house to non-eligible candidates/ beneficiaries, double benefit to the same beneficiary under the IAY scheme and payment of bribe through middlemen.

Action Taken:

The inquiry report has been sent to the State Government of Bihar on 3rd January, 2008 for submitting the action taken report in this regard