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# Report of the Comptroller and Auditor General of India on Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana including District Mineral Foundation Trust

## Government of Chhattisgarh

### Report No. 05 of 2026

### (Performance Audit-Civil)

# Report of the Comptroller and Auditor General of India on Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana including District Mineral Foundation Trust

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# PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2024 has been prepared for submission to the Governor of Chhattisgarh under Article 151 of the Constitution of India, for being laid before the Legislature of the State.

This Report contains significant results of the Performance Audit of 'Implementation of *Pradhan Mantri Khanij Kshetra Kalyan Yojana* including District Mineral Foundation Trust' covering the period 2015-16 to 2023-24.

The instances mentioned in this Report are among those which came to notice during the course of test audit. Instances relating to the period subsequent to 2023-24 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

# EXECUTIVE SUMMARY

## Why we did this audit?

Government of India (GoI) launched (September 2015) the *Pradhan Mantri Khanij Kshetra Kalyan Yojana* (PMKKKY) with the objective of implementing various developmental programmes, for the welfare of the areas and people affected by mining related operations. These activities were to be financed from the District Mineral Foundation Trusts (DMFTs) funds. DMFTs receive contributions from the holders of a mining lease or a composite license or a quarry lease in the district at such percentage of the royalty as may be prescribed by the Central Government in the case of major minerals and the State Government in the case of minor minerals or any other funds received by the Trusts.

Government of Chhattisgarh (GoCG) notified (December 2015) Chhattisgarh District Mineral Foundation Trust (CGDMFT) Rules, 2015 and issued notification (January 2016, May 2020 and December 2022) for establishment of DMFTs in 33 districts.

DMFTs had received a total contribution of ₹13,101.65 crore up to the year 2023-24; of which ₹10,253.22 crore (78 *per cent*) was spent on various works/activities in the Chhattisgarh State.

This Performance Audit was conducted with the objective to assess the adequacy and effectiveness of the existing institutional arrangements in the State, mechanism for assessment, collection and management of funds; planning and execution of the projects/works; and monitoring and accountability mechanism.

## What we found?

The Khanijonline portal of the State Government facilitates payment of District Mineral Foundation (DMF) Contributions by lease holders along with royalty at the time of issue of online transit pass for major minerals. However, similar facility was lacking for minor minerals in khanijonline. Further, 'Form-2' being used for issue of transit pass for minor mineral transportation did not capture DMF payment details alongside royalty payment. This led to difficulties in ascertaining/verifying the lease-wise receipt of DMF contributions along with royalty payments.

The Mineral Resources Department has prepared the Khanijonline 2.0 portal for the timely receipt of royalty and DMF contributions pertaining to minor minerals, which is due for implementation.

***(Paragraph no.2.1.1)***

Audit found significant non-compliance to DMFT Rules as the Trust funds were utilised without preparation of budget and annual plan by test checked districts, Trust funds of ₹1.68 crore was transferred to the State-level DMF Cell contrary to GoI orders (July 2021) and an amount of ₹10.82 crore remained outstanding as of March 2024 with the State-level DMF Cell. The Trusts kept the funds in savings accounts without opting for auto-sweep or flexi deposits, missing out opportunities to optimise interest earnings. Social Audits of the works/activities of the Trust were also not conducted.

***(Paragraph nos.2.2.1, 2.2.2, 2.2.3 & 2.2.5)***

Audit observed deviations in framing the CGDMFT Rules, 2015, from the PMKKKY Guidelines, 2015, potentially diluting intended benefits for mining-affected communities. Key issues include:

- Modification of the definition of 'Affected People' in CGDMFT Rules, 2015, expanding the scope to include all people living or working in affected areas, in addition to the provisions outlined in the PMKKKY, extending coverage to entire area and individuals within mining-affected districts, without specific limitations. Funds of ₹709.47 crore were allocated by the Trusts for distributing free items among the people living in both directly and indirectly affected areas, of which, audit test-check of 30 cases amounting to ₹28.11 crore revealing that the distributions were made randomly by the implementing agencies without establishing a clear criteria or identifying targeted beneficiaries. These variances led to funds being utilised on broader community schemes without focusing on mining-affected population, contrary to the scheme objectives.
- Omission of the provision for laying Annual Reports before the State Legislature as stipulated in the PMKKKY, 2015. Therefore, Annual Report of DMFTs comprising annual accounts alongwith auditor's report was not submitted to respective Zila Panchayat and State Government for laying in the State Legislature.

***(Paragraph no.3.1.1)***

Although the Trusts utilised ₹4,536.58 crore (81 *per cent*) of funds; 754 (44 *per cent*) out of 1,734 directly affected-villages remained uncovered in 11 sampled districts. The funds were utilised without preparing master plans/vision documents/annual plan to ensure long term sustainable livelihoods for the affected people in mining areas.

***(Paragraph no.3.1.2)***

The 'affected areas' were identified with a delay ranging from five to 65 months post-Trust establishment and ₹1,060.70 crore were allocated for works without identifying areas. Moreover, the list of identified villages under 'directly affected areas' were issued through office order by the District Collectors but not notified as prescribed under DMFT Rules.

***(Paragraph no.3.1.3)***

The lack of adequate planning, monitoring and due diligence in undertaking works/activities from the Trust fund resulted in unfruitful expenditure of ₹41.80 crore on incomplete works and unutilised assets such as Art and Culture Centre, Biogas driven Power Generation Plants, Poultry and Mushroom Production Centres etc. indicating deficiencies in implementing work/activities under PMKKKY.

***(Paragraph no.3.2.1)***

The Trust funds of ₹30.73 crore were utilised for construction/ renovation/beautification works, procurement etc. for various Government offices which were outside the priority area stipulated in PMKKKY.

***(Paragraph no.3.2.2)***

The implementing agencies procured items and services amounting to ₹17.49 crore on the basis of limited quotations without inviting open tenders and ₹38.82 crore without stipulating technical specification, thereby not complying with the provisions of the Chhattisgarh Store Purchase Rules, 2002.

***(Paragraph no.3.2.4)***

The State Level Monitoring Committee (SLMC) and the State Level Review Committee (SLRC) meetings fell short of mandated frequencies. Audit review of websites of 12 sampled districts revealed that the key information such as composition of Trust, list of areas and people affected by mining, quarterly details of contribution received, status of works undertaken, annual plan and budget, minutes of meetings etc., were not disclosed/updated on the websites. There was shortage of skilled manpower and key posts such as Project Coordinator, Assistant Project Coordinator, Accountants and Assistants were not filled. There was 100 *per cent* manpower shortage in Bemetara and Mahasamund districts and over 50 *per cent* shortage in four districts namely Balod, Bilaspur, Raigarh and Rajnandgaon.

***(Paragraph no.4.1.1, 4.1.2, 4.2 & 4.3)***

The SLMC had not prescribed formats for record-keeping as required under the Rule 25 of CGDMFT Rules, 2015. The Trusts have also failed to maintain key records such as register of administrative sanctions, utilisation certificates; the records were in editable digital formats (Excel). The procurement records were kept in loose files by the implementing agencies.

***(Paragraph no.4.4)***

**What we recommend?**

With an aim to improve the functioning of the DMFTs and implementation of the PMKKKY in the State in an efficient and effective manner; Audit recommends that the State Government may:

- ***prepare list of 'Affected People' immediately and notify the same along with 'affected areas' in the Chhattisgarh Gazette for ensuring that benefits reach the intended recipients.***
- ***ensure coverage of directly affected villages for equitable distribution of resources in mining affected areas.***
- ***prepare a long-term Master Plan and vision document aligning activities with the PMKKKY's objectives addressing requirements of mining affected areas and people for implementation.***
- ***ensure preparation of annual plan and budget by Trusts duly approved by Governing Council for financial discipline.***

- ***plan to conduct Social Audit and assess the effectiveness of DMFTs in implementing the PMKKKY and to identify areas for improvement.***
- ***establish a monitoring mechanism to ensure that DMFTs are operating in accordance with the legal framework and the PMKKKY including effective coordination between the Trust and implementing agencies.***

# CHAPTER-I

## INTRODUCTION

# CHAPTER-I

# INTRODUCTION

## 1.1 District Mineral Foundation and PMKKKY

The Government of India (GoI) by amendment (March 2015) in the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, inserted provision for establishment of a trust by the State Government to be called the District Mineral Foundation (DMF) with the object to work for the interest and benefit of persons and areas affected by mining or mining-related operations as may be prescribed by the State Government.

The GoI has framed (16 September 2015) the *Pradhan Mantri Khanij Kshetra Kalyan Yojana* (PMKKKY) to be implemented by the DMFs from the funds accruing to them in terms of the MMDR Act, 1957.

The objectives of the PMKKKY are (a) to implement various developmental and welfare projects/programs in mining affected areas, and these projects/programs will be complementing the existing ongoing schemes/projects of the State and Central Government; (b) to minimise/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economic condition of the people in mining districts and (c) to ensure long-term sustainable livelihoods for the affected people in mining areas. The GoI in the national interest directed the State Governments to incorporate the PMKKKY into the rules framed by them for the DMFs and to implement the said scheme.

In exercise of powers conferred under the MMDR Act, 1957, the State Government notified Chhattisgarh District Mineral Foundation Trust (CGDMFT) Rules, 2015, in December 2015 and issued notification for (January 2016, May 2020 and December 2022) establishment of District Mineral Foundation Trusts (DMFTs) in 33 districts.

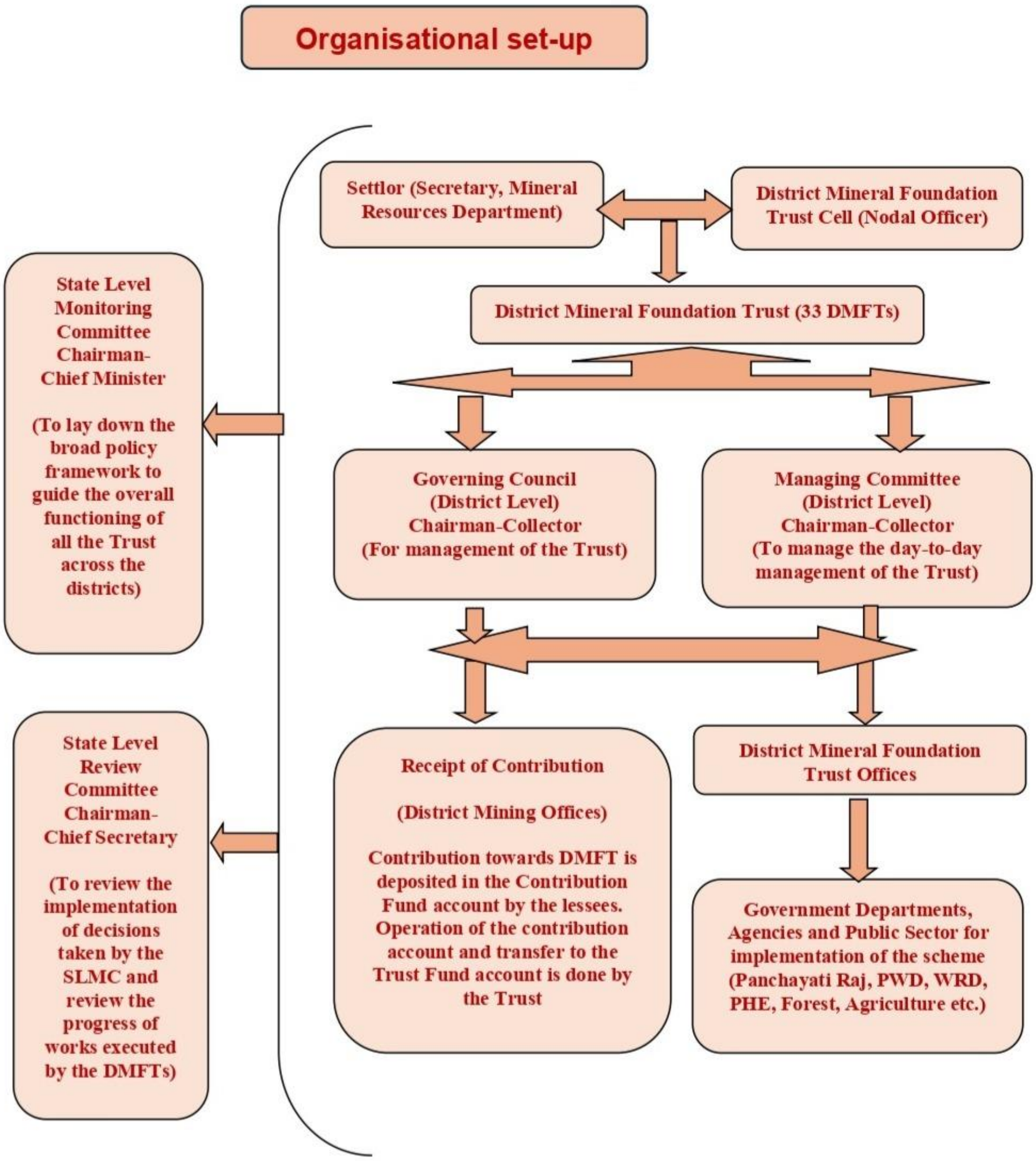
The State Government vide notification dated 12 September 2025, amended the CGDMFT Rules, 2015 and incorporated the revised PMKKKY, 2024 guidelines, issued (15 January 2024) by GoI, Ministry of Mines. However, the State Government didn't include the audit provision from the PMKKKY, 2024, which says DMFT accounts should be audited by the Comptroller and Auditor General of India (CAG) as per the CAG's schedule.

## 1.2 Organisational Set-up

Mineral Resources Department, Government of Chhattisgarh (GoCG) is the administrative department for coordinating the implementation of the PMKKKY scheme with Trusts. Besides, as per Rule 17 of CGDMFT Rules, 2015, the State Level Monitoring Committee (SLMC) was constituted (January 2016[1]) under the Chairmanship of the Chief Minister to lay down the broad policy framework to guide the overall functioning of all the Trusts across the

[1] No formal orders have been issued by the GoCG, represented by the Secretary, Mineral Resources Department (Settlor), however first meeting of SLMC was held in January 2016.

State. The SLMC comprises the Chief Minister as the *ex-officio* Chairman, nine[2] *ex-officio* members and the Secretary, Mineral Resources Department as the *ex-officio* Member Secretary.




## 1.3 Source and Management of District Mineral Foundation Trusts (DMFTs) Fund

Sections 9B and 15(4)(c) of the MMDR Act, 1957 stipulate that the holder of a mining lease or a prospecting license-cum-mining lease shall, in addition to the royalty, pay trust contributions to the DMFTs, at such rates as may be prescribed by the Central and State Government in case of major and minor minerals respectively.

[2] Minister for Finance, Minister for Agriculture, Minister for Forest, Minister for Panchayati Raj and Rural Development, Minister for Public Health and Engineering, Minister for Tribal Development, Minster for School Education, Minister for Health and Family Welfare Department, Chief Secretary are the *ex officio* Member.

For major minerals, the rates of DMFT Contributions were notified (17 September 2015) by the GoI in Rule 2 of Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 at 10 *per cent* of the royalty paid in respect of mining leases granted on or after 12 January 2015 and 30 *per cent* of the royalty paid in respect of mining leases granted before 12 January 2015.

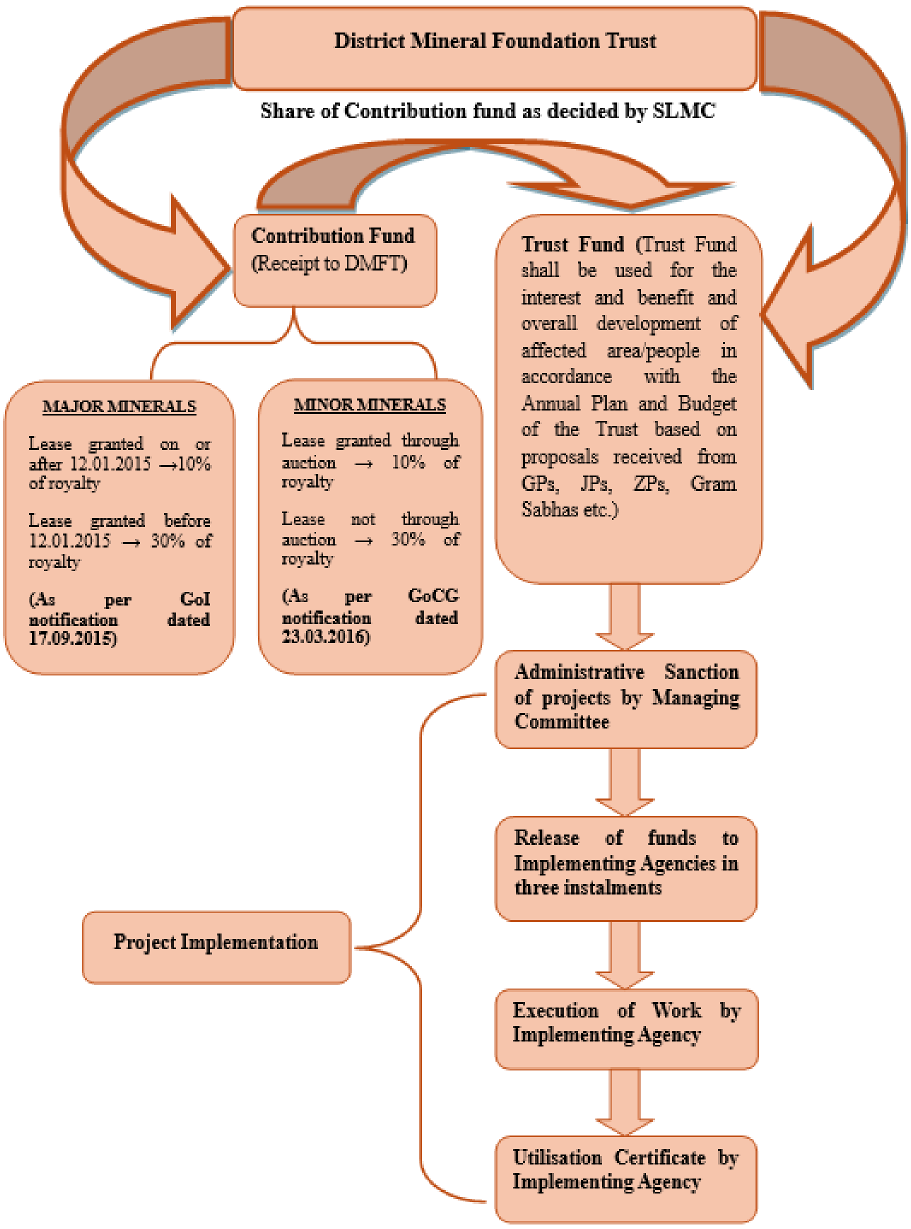
Similarly, for minor minerals, the State Government notified (23 March 2016) the rates of contributions in Rule 50 (4) of Chhattisgarh Minor Mineral Rules (CMMR), 2015 at 30 *per cent* of the royalty, if the lease has not been granted through auction and 10 *per cent* of the royalty if the lease has been granted through auction.

The funds collected through contribution from the holders of a mining lease or a composite license in the case of major minerals or a mining lease or a quarry lease or a quarry permit in the case of minor minerals or any other funds received by the Trusts constitutes Contribution Fund, which shall be maintained by the Managing Committee of the Trust and should be kept in one or more scheduled commercial banks.

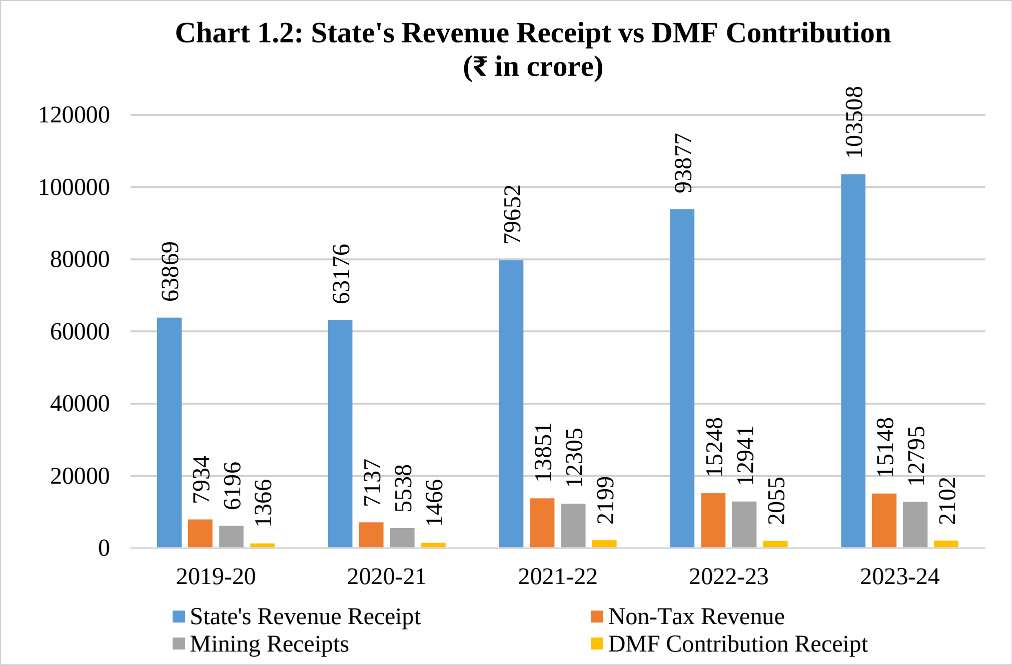
The fund received at initial settlement[3] made by the Settlor; any grant; contribution or other capital assistance received from the Settlor or from any other agency, institution or person; share of Contribution Fund as decided by the SLMC; investment and other deposits and the interest accrued thereon etc. shall constitute Trust Fund and should be kept in one or more scheduled commercial banks approved by the Reserve Bank of India for keeping such public funds only in the name of the Trust. The flow of funds for utilisation has been depicted in ***Chart 1.1.***

[3] A sum of ₹1,000 placed by the Settlor while establishing the DMFTs under the control of the Trustees has been referred as the "Initial Settlement".

**Chart 1.1: Flow of funds for utilisation under PMKKKY**




The DMFTs had received a total contribution of ₹13,101.65 crore up to the year 2023-24; of which ₹10,253.22 crore (78 *per cent*) was spent on various works/activities in the Chhattisgarh State. During the period 2019-20 to 2023-24, the State's mining receipts was ₹49,776.28 crore and DMFT Contribution fund receipts was ₹9,188.17 crore, which was 18.45 *per cent* of the total mining receipt of the State. State's revenue receipts, non-tax revenue, mining receipts and DMF Contribution is depicted in the ***Chart 1.2.***




## 1.4 Audit Objectives

The performance audit was conducted with the following audit objectives:

- Whether the system of assessment, demand and collection of receipts under DMF was reliable and efficient.
- Whether fund management of DMFT was economic and efficient.
- Whether effective planning and institutional arrangements were made for the implementation of the scheme in accordance with provisions of CGDMFT Rules, PMKKKY guidelines.
- Whether the PMKKKY was implemented effectively to achieve desired outcomes and could bring positive changes in the affected areas and lives of people.
- Whether monitoring and supervision of the implementation of the scheme was adequate and evaluation effective.

## 1.5 Audit Criteria

The source of audit criteria comprised the provisions contained in the following Acts and Rules:

- Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY), 2015.
- Mines and Minerals (Development and Regulation) (MMDR) Act, 1957.
- Chhattisgarh District Mineral Foundation Trust (CGDMFT) Rules, 2015.
- Chhattisgarh Minor Mineral Rules (CGMMR), 2015.
- GoI’s Mines and Minerals (Contribution to DMF) Rules, 2015
- Provision of Chhattisgarh Treasury Code, Finance Code, Store Purchase Rules, Works Department Manual, Delegation of Financial Powers and any other circular, notifications and guidelines issued by GoCG and GoI from time to time.

## 1.6 Audit Coverage and Methodology

In order to arrive at a representative sample, five districts (Korba, Balod, Bilaspur, Mahasamund and Mungeli) had been selected through stratified random sampling. Besides, seven more districts (Raigarh, Rajnandgaon, Sukma, Raipur, Kondagaon, Bemetara and Bastar) were also included pursuant to the Public Interest Litigation Petition-WP (PIL) 68 of 2023 filed in the High Court of Chhattisgarh at Bilaspur.

Subsequently, three blocks were selected in each district; from each block, five Gram Panchayats (GPs) were selected. Further, for test-check and joint physical inspection, a maximum of five projects in each GPs were selected where the number of projects in a selected GP exceeded five, through judgmental sampling.

The audit methodology adopted for achieving the audit objectives with reference to audit criteria was examination of data available in DMO office on royalty received vis-a-vis DMF Contribution; examination of records at SLMC; State Level Review Committee (SLRC) and Trust offices of the districts responsible for planning, monitoring, evaluation, and remedial action taken. Besides, examination of records submitted by implementing agencies on execution of works/activities was carried out.

The Performance Audit covered the period up to March 2024, from the inception of the Trusts (2015-16). The audit focused on assessing the utilization of Trust funds for the benefit of people and areas affected by mining-related operations. Audit also examined compliance with administrative and accountability mechanisms governing fund utilisation.

An Entry Conference was held (October 2024) with the Special Secretary, Mineral Resources Department, GoCG to discuss the audit objectives, criteria, scope and coverage and other issues in connection with the Performance Audit. The report was forwarded to the State Government on 12 June 2025; the replies from the State Government were received on 22 August 2025. After that an Exit Conference was held with the Secretary, Mineral Resources Department, GoCG on 25 August 2025, wherein the audit findings were discussed. The Government's replies were incorporated into the report.

## 1.7 Status of Fund

The status of Contribution Fund collected through contribution from the holders of mining lease, fund received into the Trust Fund account of all the districts of the State and expenditure incurred therefrom is detailed in ***Table-1.1***.

**Table 1.1: Status of Funds received and Expenditure therefrom**

*(₹ in crore)*

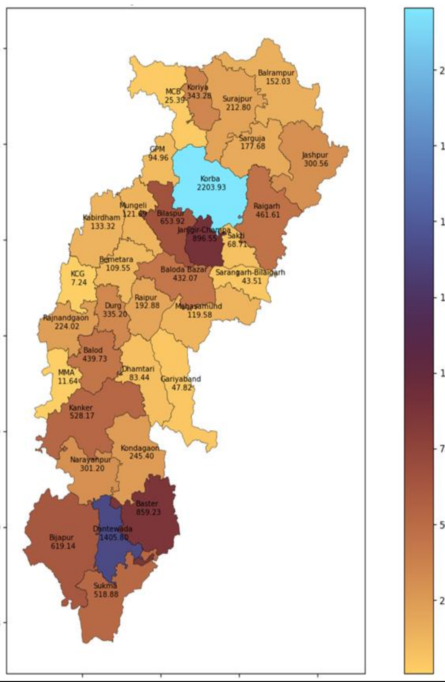
| Year | Receipt in Contribution Fund | Amount transferred into Trust Fund | Total available Trust fund | Expenditure from Trust Fund | Unspent balance in Trust fund | Percentage of expenditure from Trust Fund |
|---|---|---|---|---|---|---|
| 2015-16 | 266.72 | 150.94 | 150.94 | 0 | 150.94 | 0 |
| 2016-17 | 1279.18 | 876.63 | 1027.57 | 707.11 | 320.46 | 69 |
| 2017-18 | 1133.69 | 1481.82 | 1802.28 | 1304.48 | 497.80 | 72 |
| 2018-19 | 1233.89 | 1061.56 | 1559.36 | 1171.19 | 388.17 | 75 |
| 2019-20 | 1365.83 | 1345.12 | 1733.29 | 747.96 | 985.33 | 43 |
| 2020-21 | 1466.3 | 1269.1 | 2254.43 | 1170.91 | 1083.52 | 52 |
| 2021-22 | 2198.77 | 2262.17 | 3345.69 | 1503.68 | 1842.01 | 45 |
| 2022-23 | 2055.31 | 2008.24 | 3850.25 | 2060.57 | 1789.68 | 54 |
| 2023-24 | 2101.96 | 1915.35 | 3705.03 | 1587.32 | 2117.71 | 43 |
| **Total** | **13101.65** | **12370.93** | **3705.03** | **10253.22** | **2117.71** | **83** |

*(Source: Directorate, Geology and Mining, Government of Chhattisgarh, Raipur)*

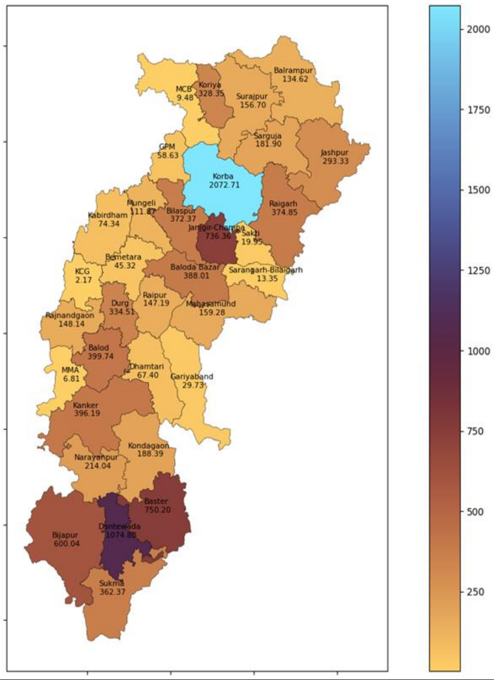
During 2015-16 to 2023-24, Contribution Fund amounting to ₹13,101.65 crore was collected from the holders of mining lease and an amount of ₹12,370.93 crore was transferred into the Trust fund accounts of the Trusts of all districts of the State for implementation of the PMKKKY, of which ₹10,253.22 crore was released for various works/activities by the Managing Committees.

The district-wise receipts and expenditure incurred from Trust Fund is shown in heat map given below:

**District-wise total receipt in Trust fund (₹ in crore)**

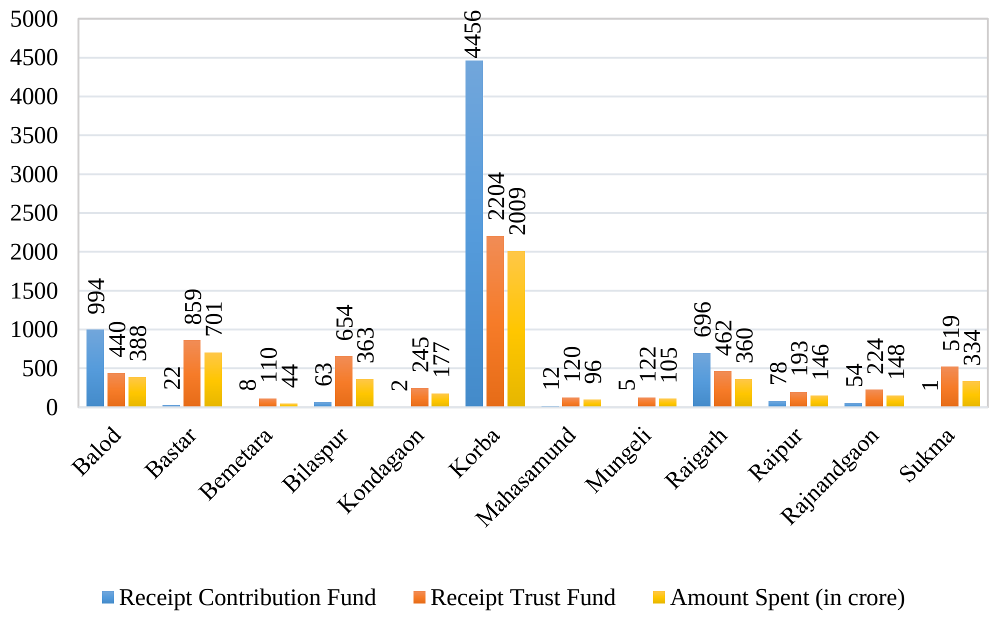



**District-wise total expenditure from Trust fund (₹ in crore)**



Further, the Trusts in sampled 12 out of 33 districts collected an amount of ₹6,391.22 crore as Contribution Fund. In the Trust fund, an amount of ₹6,150.42 crore was transferred, of which ₹4870.19 crore was utilised for execution of 35,754 number of works and activities up to March 2024 as depicted in the ***Chart 1.3.***

**Chart 1.3: Contribution Fund and Trust Fund Receipts and fund allocated by sampled DMFTs (₹ in crore)**



# CHAPTER-II

## COLLECTION AND MANAGEMENT OF CONTRIBUTION FUND

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# COLLECTION AND MANAGEMENT OF CONTRIBUTION FUND

## 2.1 Assessment, Demand and Collection of receipts under DMF

### *2.1.1 Framework for collection of Fund*

Rule 15 and 19 of the CGDMFT Rules, 2015 stipulated that the Contribution Fund collected from the holders of mining lease in the district should be maintained by the Managing Committee of the Trust. The Managing Committee should ensure timely collection of Contribution Fund from the concerned lease holders in accordance with the provisions of the MMDR Act, 1957 and in the manner provided by the Settlor. The books of accounts of the Contribution Fund should be maintained by the Managing Committee.

As per directions issued (November 2015 and December 2015) by the State Government and the Director, Geology and Mining, Chhattisgarh the responsibility to ensure payment of DMF Contribution along with every royalty was vested with Collector (mining). Besides, the directions also included to open two separate bank accounts in nationalised banks viz., (i) District Contribution Fund Account for receiving and managing contribution payments, (ii) District Trust Fund Account for incurring expenditure and to ensure payment of DMF Contribution into the Contribution Fund account by every lease holders.

As per Rule 19 of CGDMFT Rules, 2015, the Managing Committee should maintain the books of accounts of Contribution Fund. The Trust was maintaining a cash book of the Contribution Fund in Balod district only and in remaining 11 districts, the Trusts didn't maintain cash book/any other books of accounts. Similarly, Detailed Classification Register (DCR) for monitoring the Contribution Fund was maintained only by the DMOs of Bastar, Korba and Raigarh and in remaining nine[1] districts, the DMOs didn't maintain the DCR. Due to non-maintenance of these records, lease-wise contribution funds receivable against the royalty due and paid by leaseholders on minor minerals cannot be ascertained.

Audit noticed that transit passes for major minerals were being generated through 'Khanijonline portal' after payment of royalty and DMF Contributions. However, for minor minerals, the District Mining Officer (DMO) issues transit passes manually based on application in Form-2 submitted by the lease holders along with original challans paid for the cost of Transit Passbook and royalty due on the minerals to be transported. The lease holders pay the DMF Contribution into the designated bank account of the Trust and submits the counter foil of bank receipt separately to the DMOs concerned.

Audit observed that the Form-2 did not have a column to ensure payment of DMF Contribution by the lease holders along with the royalty at the time of

[1] Balod, Bemetara, Bilaspur, Kondagaon, Mahasamund, Mungeli, Raipur, Rajnandgaon and Sukma

issue of transit passes. As the lease holders are required to pay contribution along with the royalty, Form-2 should be revised to ensure that DMF Contribution was paid before issuing transit pass.

The absence of column for payment of DMF Contribution along with royalty in Form-2 increases the risk of non-payment of Contribution by the leaseholder, prior to the issue of a transit pass.

During the Exit Conference, it was stated (August 2025) that for major minerals, the Khanijonline portal has been in use since 2018-19 for ensuring payment of DMF contribution along with every royalty. For minor minerals, the department will implement Khanijonline 2.0 portal shortly. It was also stated that although the DMOs did not maintain lease holder-wise royalty receipts, they had already been instructed to ensure payment of DMF contribution with every royalty at the time of issuing transit passes, and they are complying with this.

It was further stated that necessary modifications would be made to Form-2.

## 2.2 Budgeting and Financial Management

### *2.2.1 Non preparation of Annual Budget and Annual Plan*

As per Rule 12 (2) and 15 (5) of the CGDMFT Rules, 2015, the Managing Committee shall coordinate, consolidate and develop the Annual Plan of the Trust and the Annual Budget for the Trust along with the proposed schemes and projects. The Governing Council shall be responsible for approving the Annual Plan and the Annual Budget for the Trust, which are put up for approval by the Managing Committee. It was further provided the sum total of the past liabilities and commitments and the new schemes being proposed should not in any case exceed three times the expected inflows in the Trust Fund for the next financial year.

Audit observed that in 12 sampled districts, the Managing Committee did not prepare Annual Plan and Annual Budgets as mandated by the CGDMFT Rules, 2015 and utilised ₹4,870.19 crore (79.18 *per cent*) of the total receipts of ₹6,150.42 crore since inception without a budgetary framework.

The Managing Committee submits a list of proposed works and activities from implementing agencies to the Governing Council. Upon approval, the Managing Committee issues administrative sanctions. The utilisation of funds by the Trusts without budgetary framework may lead to lack of financial discipline, inability to prioritize spending, lack of clear goals and objectives.

Further, due to non-preparation of annual plan and budget, the same were not forwarded to the Zila Panchayat, and District Administration for publication on the respective websites as required under Rule 25 of CGDMFT Rules, 2015.

During the Exit Conference, it was stated that a few amendments are proposed in this regard, in accordance with the new PMKKKY guidelines, 2024.

For optimum utilisation of resources and to maintain financial discipline, the Trusts funds should be spent based on approved annual budget and annual plan with clear goals and objectives.

### *2.2.2 Irregular transfer of Contribution Fund into State Level DMF Cell*

Director, Geology and Mining, Chhattisgarh directed (February 2020) to transfer 0.25 *per cent* from the Contribution Fund of the districts to the State-level DMF Cell constituted in November 2019 to meet the expenses for the arrangement of financial resources on office infrastructure/establishment/ vehicle/stationery.

However, the GoI, in exercise of the powers conferred under the provision of sub-section (3) of Section 9B of the MMDR Act, 1957, directed (12 July 2021) not to transfer the funds in any manner from the DMF to the state exchequer or state level fund.

Audit observed that ₹1.68 crore (Balod: ₹0.42 crore; Bilaspur: ₹0.03 crore and Korba: ₹1.23 crore) was transferred to the State-level DMF Cell by the Trusts after July 2021 despite the clear instruction of GoI for not to transfer the DMF funds to State level fund.

Further, Audit observed that an amount of ₹10.82 crore was outstanding in the accounts of the State-level DMF Cell as of March 2024, which was not returned to the Trusts.

On being pointed out in audit, the State Government stated (August 2025) that pursuant to GoI letter dated 12 July 2021, the State Government on 1 April 2022 directed the Trusts not to transfer further funds and was approved by the SLMC on 25 September 2022. The amount received from the districts after 1 April 2022 were pertaining to the period before 31 March 2022.

The fact remains that the outstanding fund amounting to ₹10.82 crore lying with the State-level DMF Cell was yet to be returned to the Trusts.

### *2.2.3 Banking arrangements*

As per the instruction (November 2015) issued by the State Government, two separate bank accounts were opened by the Trusts in 12 sampled districts in nationalised banks viz., (i) District Contribution Fund Account for receiving and managing contribution payments and (ii) District Trust Fund Account for receiving and managing the contribution share provided by the SLMC. These accounts were being jointly operated by the Chairperson (District Collector) and the Member-Secretary of the Managing Committee (CEO, Zila Panchayat).

As per Rule 15(8) of CGDMFT Rules, 2015, the Managing Committee of the Trust shall invest the funds in a diligent manner. Further, as per Rule 22 (9) of the Rules, *ibid*, the Trust should keep a reasonable sum of annual receipts as endowment fund for providing sustainable livelihood.

Audit observed that in 12 sampled districts, no separate endowment fund has been established and maintained for sustainable livelihood by the respective DMFTs. The entire money received under Contribution Fund and Trust Fund were kept in savings bank accounts. Moreover, none of the DMFTs opted for auto sweep/flexi/deposit/multi option deposit account facility available for savings bank accounts, which allows the bank to automatically convert the amount exceeding a particular minimum balance in the saving bank account of a customer into fixed deposits (FDs) at prevailing higher interest rates resulted in receipt of lower rates of interest into the bank accounts of both Contribution and Trust Fund.

Audit noticed that the Trusts in five[2] sampled districts have maintained an average minimum balance ranging from ₹19.27 crore (Bemetara) to ₹117.40 crore (Korba) in their Contribution Fund accounts during 2023-24.

On being pointed out in audit, the State Government stated (August 2025) that DMFT is a non-profit making organisation whose main objective is to improve the living standards of the people of the mining affected area, earning interest on the amount deposited in the concerned account is not the main objective. The priority is to complete the works approved by the Trust within the time limit, in which the amount is paid regularly which is a continuous process in such a situation, it is justified to keep the amount of the Trust in the savings account only.

The reply is not acceptable as Trusts did not prepare annual budget and plan to ascertain the expected receipts and expenditure in a financial year for optimal utilisation of available resources and invest surplus fund, if any. Though earning interest is not a main objective, however, sweep/flexi deposit facility is an additional service being provided by the bank to all savings bank account holder which can be availed without any extra effort and cost.

The Trust should opt for auto sweep/multi deposit facility in savings bank account for balance Contribution and Trust funds after transfer of funds for incurring expenditure, in a diligent manner for financial prudence.

### *2.2.4 Finalisation of Accounts and Audit of Trusts*

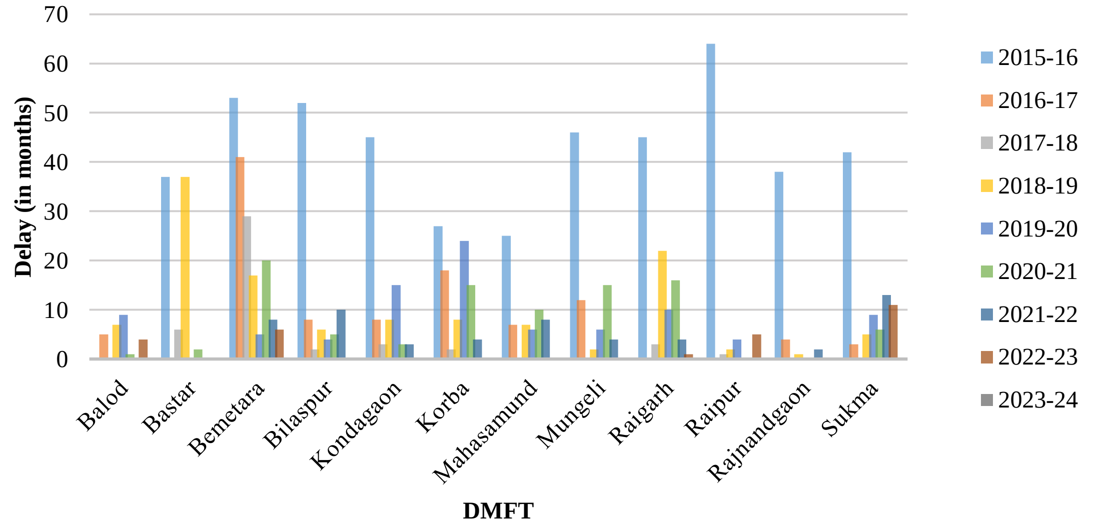
As per provision stipulated in Rule 25 of CGDMFT Rules, 2015, the accounts of the Trust should be audited at least on completion of a year by a qualified auditor appointed by the Governing Council from the list of Chartered Accountants (CAs) empanelled by the CAG of India.

The Trust shall forward the approved Annual Report and approved Audit Report immediately after their approval from Governing Council within three months of close of financial year to the Zila Panchayat and to the State Government for their publication on their respective websites.

Audit observed that there was a delay in the audit of the Trusts' accounts in the initial years following their inception (2015-16), which has been gradually streamlined by the Trusts in recent years, as depicted in the ***Chart 2.1.***

[2] Balod: ₹20.52 crore, Bemetara: ₹19.27 crore, Korba: ₹117.40 crore, Mahasamund: ₹30.31 crore and Raigarh: ₹37.72 crore

**Chart 2.1: Delay in finalisation of Accounts and Audit of the Trusts**




As of June 2025, the accounts of five Trusts (Bastar, Mahasamund, Mungeli, Raipur and Rajnandgaon) were audited up to 2023-24, while in six Trusts (Balod, Bemetara, Bilaspur, Kondagaon, Raigarh and Sukma), the audit of accounts was completed up to 2022-23 and in one Trust (Korba), audited up to 2021-22.

Moreover, the Trusts never prepared the Annual Report as stipulated in the rules and failed to forward the approved Audit Report to the Zila Panchayats and the State Government for publication on their respective websites.

On being pointed out in audit, it was stated (August 2025) that in the initial years of formation of the Trusts, the delay was mainly due to lack of adequate manpower with the Trusts.

Annual report of the Trusts should be prepared in a timely manner and submitted to the State Government alongwith auditor's report for public disclosure.

### *2.2.5 Social Audit*

As per Rule 12 (3) and 3 (a) of CGDMFT Rules, 2015, the Governing Council shall be responsible for conducting Social Audits of the developmental schemes/works executed from the Trust Fund in the Gram Sabha. The Social Audit shall be conducted by empanelled agencies that are authorised by the State Government for conducting Social Audit in schemes like MGNREGS and other welfare schemes/projects in the State and approved by the Governing Council.

The process of Social Audit shall be conducted in two phases. The first phase shall be related to the identification of requirements of the affected area and the second phase shall be related to implementation and quality of the relevant works undertaken.

In the administrative sanctions issued by the Collector-cum-Chairperson of the Trusts, implementing agencies have been directed to conduct social audit as stipulated under CGDMFT Rules.

Audit observed that in 12 sampled districts, the Trusts never conducted social audit of the works and activities executed from the Trust fund since inception (2015-16).

The Trusts delegated the responsibility of conducting social audits to the implementing agencies through sanction orders but failed to stipulate guidelines for conducting social audits of their works and activities. However, the implementing agencies did not also get social audit conducted and the Trust also failed to enforce compliance to conditions of sanction of funds.

Since the social audits assess program effectiveness and outcomes, enhancing transparency and accountability and inform the stakeholders including beneficiaries, about resource utilisation and objective achievement, the Trusts' failure to conduct social audits led to lack of transparency in scheme implementation, weak accountability and limited beneficiary engagement in monitoring and evaluation.

During exit conference (August 2025), it was agreed to conduct the social audit at the earliest.

### *2.2.6 Diversion of Trust Fund*

Audit observed that the Nagar Palika Nigam (NPN), Bilaspur diverted the Trust funds of ₹2.13 crore allocated (03 April 2017) to them for 'Development of Science College Ground of Bilaspur' for execution of other works such as construction of community centre, raised cemented platform and shed etc. in the Nigam area without obtaining approval from the Governing Council. The work of 'Development of Science College Ground of Bilaspur' was completed from the funds sanctioned (April 2017) by the Urban Administration and Development Department (UADD), GoCG. However, fund obtained from DMFT, Bilaspur were not refunded and Trust also failed to monitor the utilisation of funds.

On being pointed out in audit, the information provided by the NPN, Bilaspur was forwarded by the State Government, in which it was stated that during 2016-17, the amount of ₹2.13 crore was received in two installments and fully spent for the same purpose.

The reply is not acceptable because funds obtained from DMFT were not utilised on the purpose for which it was sanctioned.

### *2.2.7 Non-refund of accrued interest by implementing agencies*

As per Rule 20 of CGDMFT Rules, 2015, the interest accrued on the deposits of Trust fund should form part of the Trust Fund.

Audit observed that the Managing Committee allocates funds in advance to implementing agencies for execution of works, which are held by them in their bank accounts and utilised as work progresses. However, the implementing agencies have not transferred the accrued interest on unspent balances in these accounts to the Trust Fund account.

Consequent upon audit enquiry, four[3] implementing agencies of Bastar district and one[4] of Bilaspur district paid an amount ₹47.94 lakh into the Trust fund, while in Mahasamund district, an amount of ₹15.64 lakh earned by six[5] implementing agencies were not yet (September 2025) paid in the Trust fund account. Remaining implementing agencies of 12 Trusts failed to furnish the details of interest accrued in their bank accounts despite repeated request by Audit. Thus, the Trusts need to collect remaining interest amount from all implementing agencies.

On being pointed out in audit, the Trusts agreed to collect the accrued interest from the implementing agencies for which they are making efforts and have issued directions to the implementing agencies.

[3] Janpad Panchayat: Bakawand and Lohandiguda; Assistant Commissioner, Tribal Development Bastar and SDO, Light Machinery, Tubewell and Gate Division (LMTWD), Jagdalpur.

[4] Bilaspur Smart City Limited

[5] Janpad Panchayat: Mahasamund, Saraipali, Pithora and Basna; Assistant Commissioner, Tribal Development, Mahasamund and District Education Offier, Mahasamund

# CHAPTER-III

## IMPLMENTATION OF WORKS/PROJECTS FROM DMFT

# CHAPTER-III

# IMPLEMENTATION OF WORKS/PROJECTS FROM DMFT

## 3.1 Project Planning and Institutional Arrangements

The Trust should work for the interest and benefit of persons and areas affected by mining or mining related operations in such manner as specified in the CGDMFT Rules, 2015. The Governing Council of the Trust shall be responsible for laying down and approving the procedure for functioning of the Trust and review the working of the Trust.

The deficiencies in planning and institutional framework/arrangements in functioning of Trusts observed during the audit, are discussed below:

### *3.1.1 Non-conformity of DMFT Rules with PMKKKY*

GoI, Ministry of Mines directed the State Governments to notify and establish a District Mineral Foundation in every district and incorporate the PMKKKY guidelines into the rules framed by the State Governments for the DMFs and to implement the Scheme.

Mining related operations largely affect less developed and very remote areas of the country, and vulnerable sections of the population, especially scheduled tribes. Therefore, it is especially necessary that special care and attention is devoted, in an organised and structured manner to ensure that these areas and affected persons are benefitted by the mineral wealth in their regions and are empowered to improve their living.

In view of the above, the Central Government has accordingly, framed the PMKKKY to be implemented by the DMFs from the funds accruing to them in terms of the MMDR Act, 1957.

The discrepancies between DMFT Rules, 2015 and PMKKKY, 2015, that hindered the extension of benefits to mining-affected communities are discussed below:

**(a) Non-identification of 'affected people' and maintenance of list of affected persons/local communities**

As per PMKKKY guidelines (September 2015), affected people should include 'Affected family' and 'Displaced family' as defined under Section 3(c) and 3(k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Also, any other appropriately identified by the concerned *Gram Sabha* including people who have legal and occupational right over the land being mined and those with usufruct and traditional rights.

Audit observed that while framing CGDMFT Rules, 2015 the definition of 'Affected People', was modified and expanded to include all people living or working in affected areas, in addition to the affected and displaced families whose land was acquired/relocated from affected area or primary source of livelihood affected due to acquisition of land.

Further, as per the PMKKKY guidelines, directly affected area includes an area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district. Audit noticed that the State Government did not specify any radius for declaring adjacent districts within affected areas.

Consequently, this broader definition extended coverage to all areas and individuals in all the districts, without specific limitations of distance from the mining area. Audit noticed that DMF did not identify and prepare list of affected persons/local communities. Non-identification of affected persons/local communities also hinders effective implementation of the PMKKKY, preventing desired outcomes and positive changes in the affected areas and people's lives.

Audit further observed that funds of ₹709.47 crore were allocated by the Trusts in 12 sampled districts for various beneficiary oriented schemes/works, such as free distribution of shade-nets, agriculture tools and implements to farmers, drilling of personal tube wells, free fishnet distribution, distribution of coaching and tuition fees to students etc., for a large community without identifying the 'affected people' as envisaged in the PMKKKY guidelines and CGDMFT Rules, 2015, defeating the objective of the PMKKKY and DMFT.

Audit noticed that State Government declared Sukma as an affected area being adjacent to cluster of mines in Dantewada district. However, list of directly affected villages within the Sukma district was not yet declared by the Collector as of June 2025. The Collector of Bilaspur and Sukma informed audit that in these two districts there were no 'directly affected People/families' as defined under PMKKKY guidelines. However, in these two districts, the Trusts allocated ₹106.94 crore to implementing agencies for procurement and free distribution of items among the villagers.

Audit test-checked 30 cases of free distribution activities sanctioned from DMFT Funds in six districts for ₹28.11 crore (***Appendix 3.1)*** and observed that the free distributions among the people living both in directly and indirectly affected area, were made randomly by the implementing agencies without stipulating selection criteria of beneficiaries in line with the objectives of PMKKKY, 2015 aiming to benefit the mining affected-people in mining areas.

Non identification of the 'affected people/families' and undertaking beneficiary oriented activities from Trust Fund, also hinders effective implementation of the PMKKKY in achieving the goal of long-term sustainable livelihoods, and bring positive changes in the lives of people affected by mining activities.

During exit conference (August 2025), it was stated that the proposal for amendment to the existing DMFT Rules, 2015 in accordance with the PMKKKY, 2024 and taking into account the audit points have been proposed by the Department, is due for notification.

Although the State Government notified the amendments (12 September 2025), deleting 'people living or working in affected areas' under the scope of 'Affected People', however, the list of affected people/families are yet to be prepared after their identification by DMFT.

**(b) Laying of Annual Report before State Legislature**

As per Para 7 of the PMKKKY Guidelines, 2015, the Annual Report of each DMFTs should be laid before the State Legislative Assembly.

Audit observed that the State Government omitted this provision while framing the CGDMFT Rules in 2015.

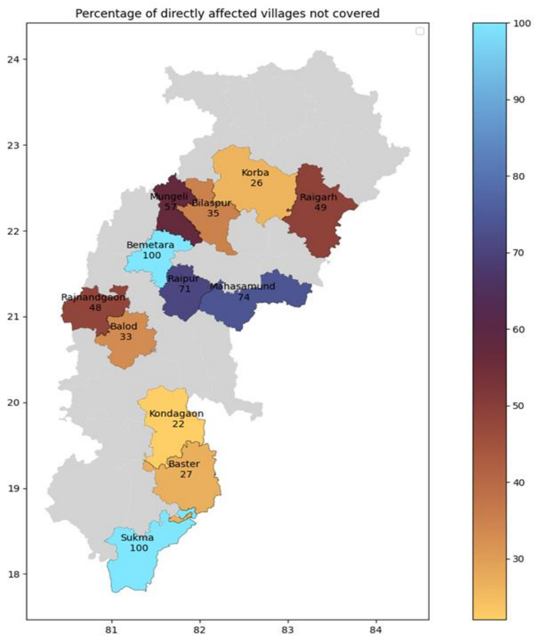
During exit conference (August 2025), it was stated that the proposal for amendment to the existing DMFT Rules, 2015 in accordance with the PMKKKY, 2024 and taking into account the audit points have been proposed by the Department, is due for notification.

Since, the State Government has amended the Rules for laying of Annual Report, the DMFT should lay Annual Reports since their establishment without any delay before the state legislature.

### *3.1.2 Lack of comprehensive/master plan and vision resulted in inequitable allocation of resources*

As per provisions stipulated in Rule 15 (3) of CGDMFT Rules, 2015, the overall development of the area affected by mining or mining related operations shall be done from the Trust fund in accordance with the Annual Plan prepared by the Managing Committee and approved by the Governing Council of the Trust. The Managing Committee shall prepare five-year Master Plan/Vision Document for activities of the Trust according to the requirement of affected areas based on survey and should be approved by the Governing Council.

Further, as per Rule 15 (4) to (7) of CGDMFT Rules, 2015, the Managing Committee shall receive proposals/projects from the implementing agencies viz. Gram Panchayats, Janpad Panchayats, Zila Panchayats and the Urban Local Bodies in the District, Government Departments and Board, Corporations, State/Central Public Sector Undertakings etc., consolidate and develop the Annual Plan. Thereafter, accord sanction orders to the projects, release funds and disburse the Trust fund for the purpose.




Audit observed that in all 12 sampled districts, the proposals submitted by the implementing agencies and sanctioned by the Managing Committee of the Trusts did not provide adequate justification for mitigating the adverse impacts on the environment, health, and socio-economic conditions in these areas and failed to ensure sustainable livelihoods for affected populations.

Further, the Trusts did not prepare Master Plan/Vision Documents according to the requirement of affected areas after conducting survey for implementing the

PMKKKY. Consequently, despite utilising ₹4,536.58 crore (81 *per cent)* of the total funds as of March 2024, the Trusts managed to cover 980 (56 *per cent*) directly affected villages in the 11 sampled districts leaving 754 (44 *per cent*) directly affected villages in which no activities from DMFT funds were implemented. In Sukma, the Trusts utilised ₹333.61 crore (64 *per cent*) of the fund without identifying the directly affected villages as detailed ***Table 3.1***.

**Table 3.1: Trust-wise uncovered 'directly affected villages'**

***(₹ in crore)***

| Sl. No. | Name of district | Number of directly affected villages | Number of directly affected villages covered | Number of directly affected villages not covered *(percentage)* | Total available Trust fund | Trust funds utilised *(percentage)* |
|---|---|---|---|---|---|---|
| 1. | Balod | 318 | 213 | 105 (33) | 439.73 | 388.36 (88) |
| 2. | Bastar | 168 | 123 | 45 (27) | 859.23 | 700.72 (82) |
| 3. | Bemetara | 12 | 0 | 12 (100) | 109.55 | 44.19 (40) |
| 4. | Bilaspur | 139 | 91 | 48 (35) | 653.92 | 362.73 (55) |
| 5. | Kondagaon | 09 | 07 | 02 (22) | 245.40 | 176.80 (72) |
| 6. | Korba | 334 | 248 | 86 (26) | 2203.93 | 2009.17 (91) |
| 7. | Mahasamund | 202 | 53 | 149 (74) | 119.58 | 95.84 (80) |
| 8. | Mungeli | 238 | 103 | 135 (57) | 121.69 | 105.48 (87) |
| 9. | Raigarh | 83 | 42 | 41 (49) | 461.61 | 360.03 (78) |
| 10. | Raipur | 131 | 38 | 93 (71) | 192.88 | 145.57 (75) |
| 11. | Rajnandgaon | 100 | 62 | 38 (38) | 224.02 | 147.69 (66) |
| **Total** | | **1734** | **980** | **754 (44)** | **5631.54** | **4536.58 (81)** |
| 12. | Sukma | Not yet identified | | | 518.88 | 333.61 (64) |
| | **Grand Total** | **1734** | **980** | **754 (44)** | **6150.42** | **4870.19 (79)** |

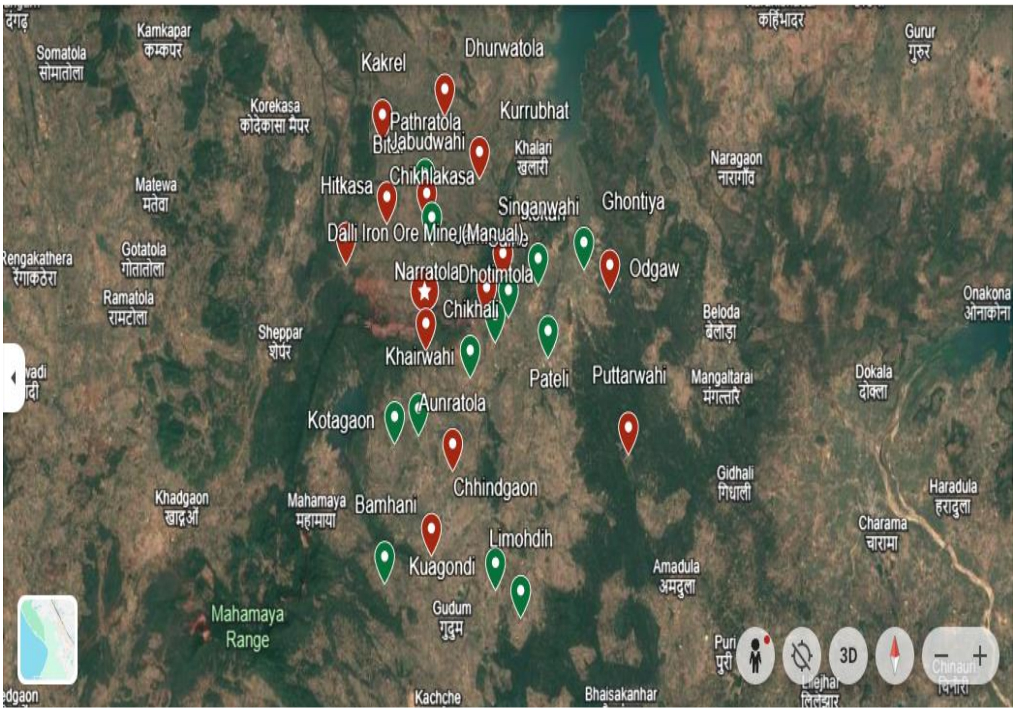
*(Source: Compiled by audit from the data provided by the Trusts)*

Thus, the Trusts failed to ensure equitable distribution of resources and benefits to all directly affected villages in the test checked 12 districts despite significant utilisation (₹4870.19 crore) of DMFT funds during 2015-24.

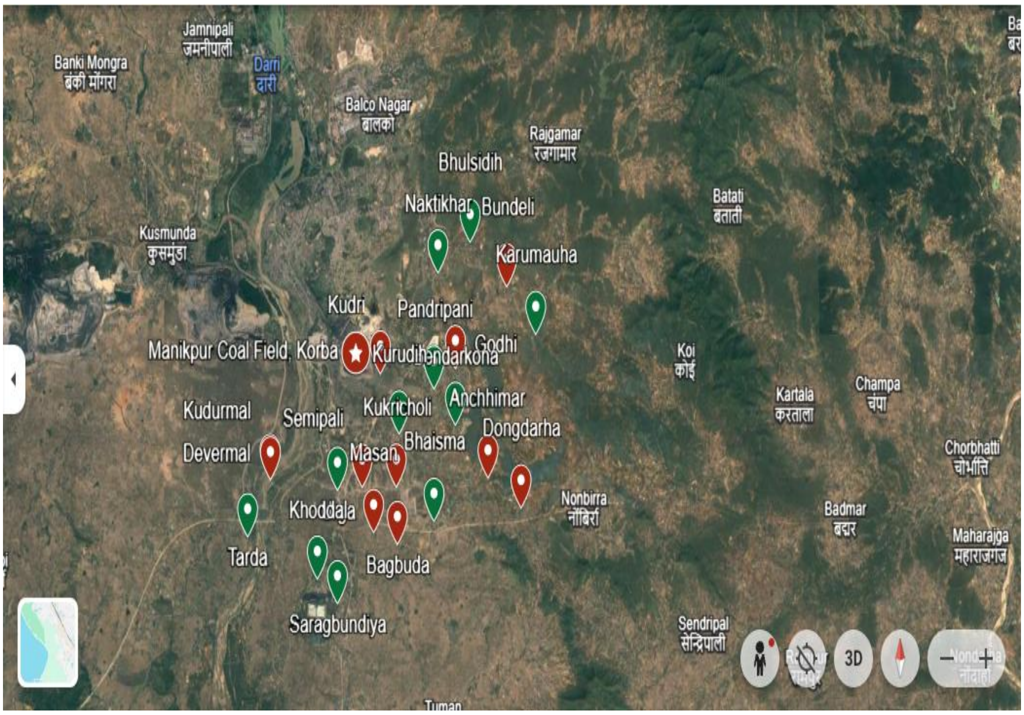
During the exit conference (August 2025), it was agreed that necessary steps would be taken to prepare five-year plan in future.

The Trust should ensure that a comprehensive/master plan and vision document, aligned with the requirements of affected areas based on surveys should be prepared ensuring coverage of all directly affected areas for equitable distribution of resources.

GIS map indicating the names of directly affected villages in a range of 10 to 20 km of mining area, which were unnoticed by the Trusts are depicted in **Picture 3.1 to 3.6.**

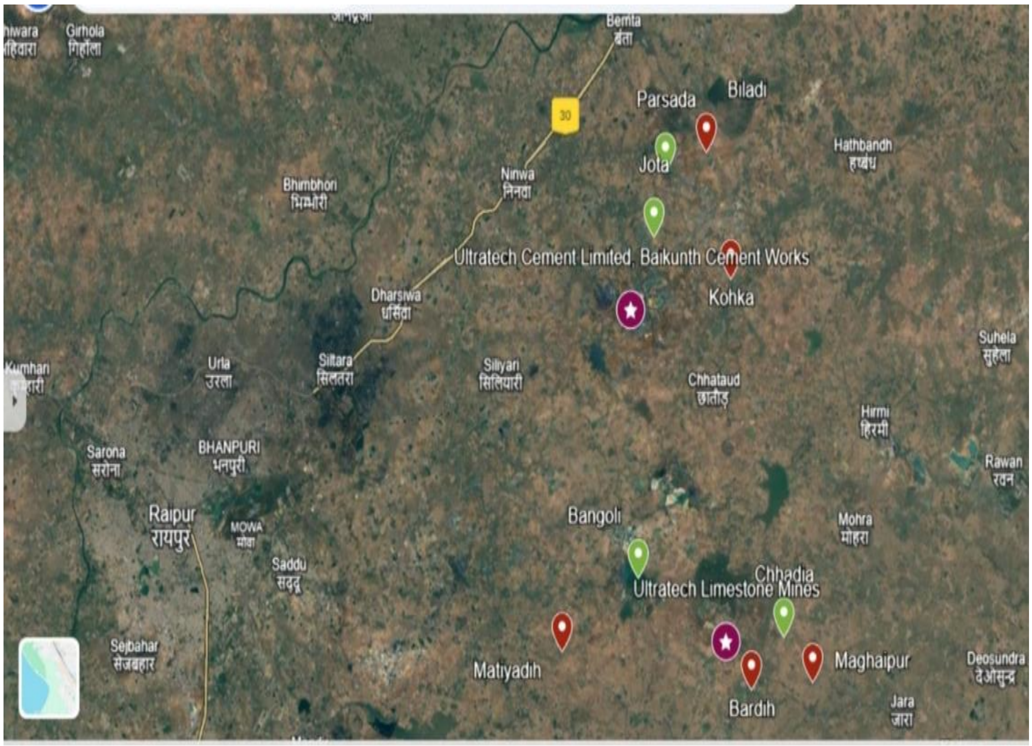



**Picture 3.1: GIS Map indicating names of 13 directly affected villages (reflecting in red colour) in Dondi block of Balod district, which were within 15 kms radius of Dalli iron ore mines (reflecting in Blue colour) that remains uncovered by the Trust and 13 directly affected villages Covered (reflecting in Green colour).**

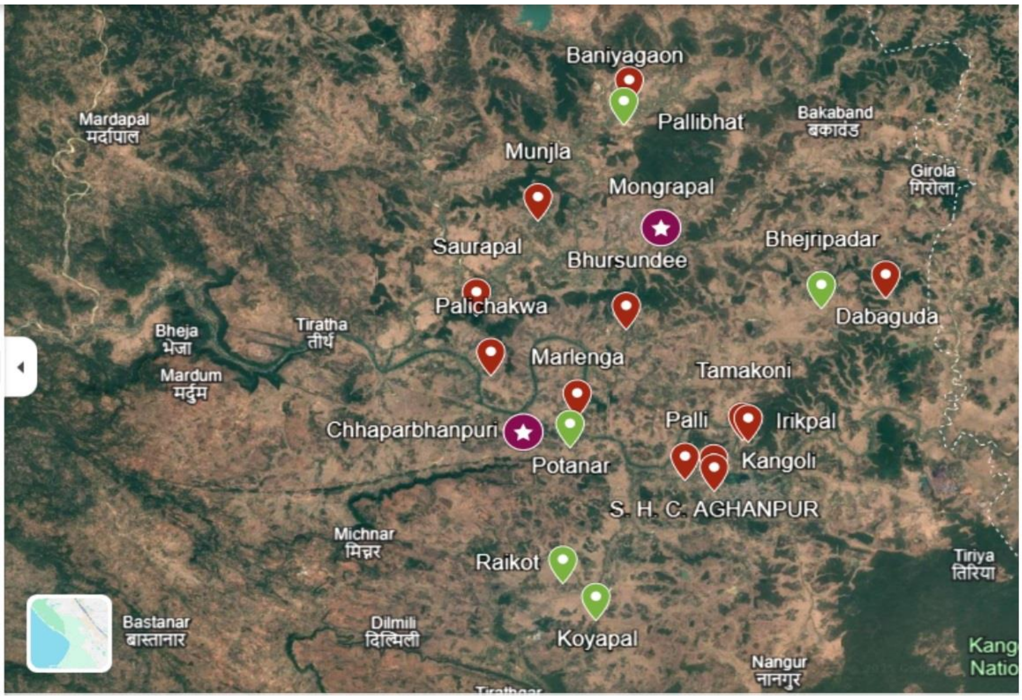



**Picture 3.2: GIS Map indicating names of 10 directly affected villages (reflecting in red colour) in Korba and Kartala block of Korba district, which were within 10 kms radius of SECL Manikpur Coal Field Mines (reflecting in Blue colour) that remains uncovered by the Trust and 11 directly affected villages Covered (reflecting in Green colour).**

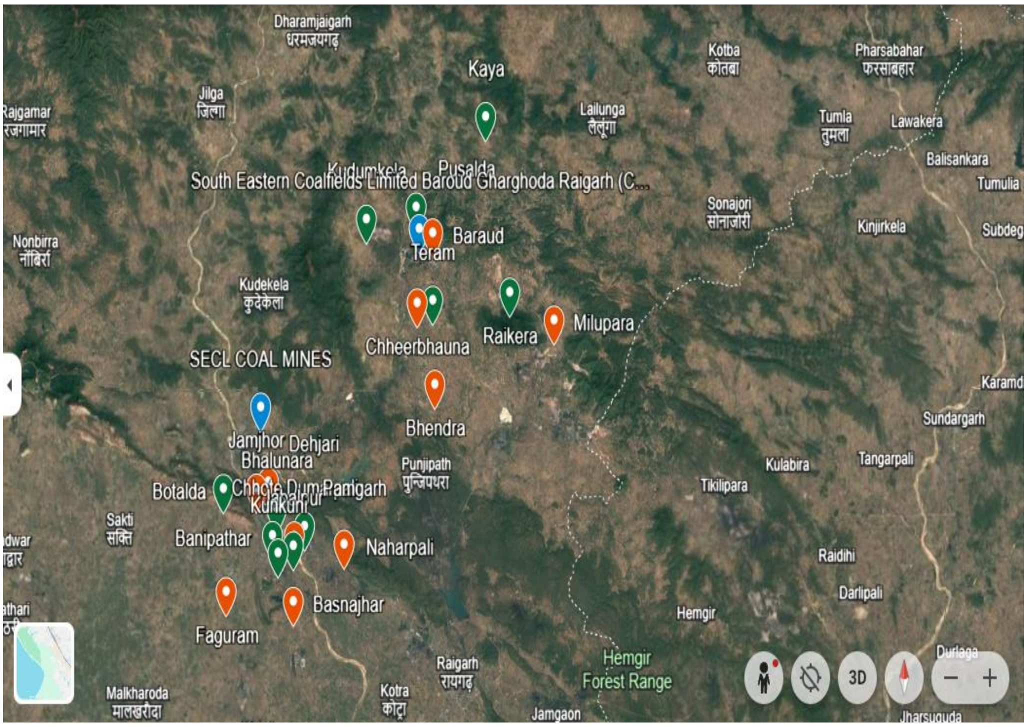

**Picture 3.3: GIS Map indicating names of 6 directly affected villages (reflecting in red colour) in Bilaspur district, which were within 10 kms radius of ACC, Lafarge and Jindal mines (reflecting in Star Mark) that remains uncovered by the Trust and 5 directly affected villages Covered (reflecting in Green colour).**




**Picture 3.4: GIS Map indicating names of 5 directly affected villages (reflecting in Red Colour) of Raipur district, which were within 10 km radius of Ultratech mines (reflecting in star mark) that remains uncovered by the Trust and 4 directly affected villages Covered (reflecting in Green colour).**




**Picture 3.5: GIS Map indicating names of 12 directly affected villages (reflecting in Red Colour) of Bastar district, which were within 20 kms radius of Chhapar Bhojpuri and Mograpal mines (reflecting in star mark) that remains uncovered by the Trust and 5 directly affected villages Covered (reflecting in Green colour).**




**Picture 3.6: GIS Map indicating names of 10 directly affected villages (reflecting in Red Colour) of Raigarh district, which were within 20 kms radius of SECL Chhal and Baraud Coal mines(reflecting in blue colour) that remains uncovered by the Trust and 11 directly affected villages Covered (reflecting in Green colour).**

### *3.1.3 Delay in notifying the list of 'Affected Areas'*

Rule 2 (1) (b) of the CGDMFT Rules, 2015 defined 'Affected Areas/People' as areas/people affected by mining or mining related operations from a mine or cluster of mines within the district as notified by the Collector and areas/ people affected by mining or mining related operations from a mine or cluster of mines beyond the district as notified by the State Government from time to time.

Audit observed that the State Government notified the CGDMFT Rules in December 2015 and constituted DMFTs in 27 Districts in January 2016. However, in 11 test-checked Districts, district Collectors took five to 65 months to identify and declare the list of 'affected areas' within the district after the Trusts were established. Audit further noticed that the list of affected area declared by Collector was not notified in Chhattisgarh Gazette as prescribed under the DMFT Rules, 2015. Meanwhile, the Trusts allocated an amount of ₹1060.70 crore for various works and activities before identifying the 'affected areas' as detailed in ***Table 3.2***.

**Table-3.2: Delay in declaration of directly affected area and allocation of funds prior to declaration**

***(₹ in crore)***

| Sl. No. | DMFT | Month in which list of 'affected area' issued | Time taken for issue of order after formation of Trust *(in months)* | Amount allocated prior to identification of 'affected area' |
|---|---|---|---|---|
| 1 | Balod | Jun-2016 | 5 | 4.77 |
| 2 | Bastar | May-2019 | 40 | 193.95 |
| 3 | Bemetara | Aug-2018 | 32 | 6.50 |
| 4 | Bilaspur | Jul-2017 | 19 | 93.51 |
| 5 | Kondagaon | May-2021 | 65 | 68.84 |
| 6 | Korba | Jul-2016 | 7 | 18.43 |
| 7 | Mahasamund | Jan-2021 | 61 | 32.05 |
| 8 | Mungeli | Jul-2018 | 31 | 7.28 |
| 9 | Raipur | Jan-2019 | 36 | 88.85 |
| 10 | Rajnandgaon | Dec-2019 | 46 | 98.77 |
| 11 | Sukma | Not yet notified | 99 | 447.75 |
| | | | **Total** | **1060.70** |

In Sukma district, the Collector had not identified and declared list of villages under 'directly affected area' within the district as of January 2025.

Similarly, in Balod district, the Collector only identified and declared (June 2016) list of 'directly affected area' within the district and has not declared (November 2024) 'indirectly affected area'. However, the Trust has allocated an amount of ₹84.86 crore (for 979 works) for various works/activities in areas other than directly 'affected areas' during 2015-16 to 2023-24.

On being pointed out in audit, the State Government stated that the works were approved by the concerned districts before declaring the 'affected areas' separately so that the objectives of the Trust could be fulfilled and the people of the 'affected areas' could get immediate benefits. It was also stated that a list of 'affected areas' has been maintained by the Trusts according to Rule 6(1)(g) of DMFT Rules, 2015 as there is no provision for publishing in the Gazette.

The reply is not acceptable because the list of 'affected areas' within a district requires to be notified by the Collector as per the CGDMFT, Rules 2015 for transparency.

### *3.1.4 Cancellation of Works*

Audit observed that the Trusts in 12 sampled districts, reported 2,780 works/activities as cancelled to the Director, Geology and Mining, Chhattisgarh for the period 2015-16 to 2023-24, however, as per the Trusts' monthly progress report, 1,749 (4.89 *per cent*) out of 35,754 works were cancelled after issue of administrative sanction. Number of works cancelled in Korba (752 works) and Raigarh (276 works) were highest and constituted 59 *per cent* of total cancelled work. Cancellation of works after allocation of funds indicates lack of proper scrutiny and adequate planning prior to their sanction. The reasons for cancellation of works, as replied by the Trusts were due to sanction of the same work in other scheme, practical problem and hardships to execute the work, failure or delay on the part of implementing agencies to start the work, etc.

This indicates lack of monitoring of progress of works/activities sanctioned by the Trusts.

On being pointed out in audit, the State Government furnished the Trust-wise status of refunds of amounts released against cancelled works, indicating that the Trusts are making efforts to recover the unutilised amounts, implementing agencies in six[1] districts had returned an amount of ₹89.09 crore to the Trust fund account.

The Trusts should make efforts to recover the balance amount for cancelled works held by the implementing agencies, along with the interest earned on these funds.

## 3.2 Project Implementation

PMKKKY should be implemented by the Trusts of the respective districts using the funds accruing to the DMF.

Rule 29 of CGDMFT Rules, 2015 stipulates that the Trusts should follow due procedure prescribed by the State Government for procurement of works/goods. The works undertaken by the Trust should be executed only through the government departments, agencies and public sector undertakings normally undertaking such works which should follow the relevant norms applicable to the organisation while executing or awarding contracts. Technical approval and supervision of the works should be looked after by officers competent to do so under the delegation of administrative powers as applicable to the department concerned. The Trust should transfer funds to all agencies and beneficiaries into their bank accounts.

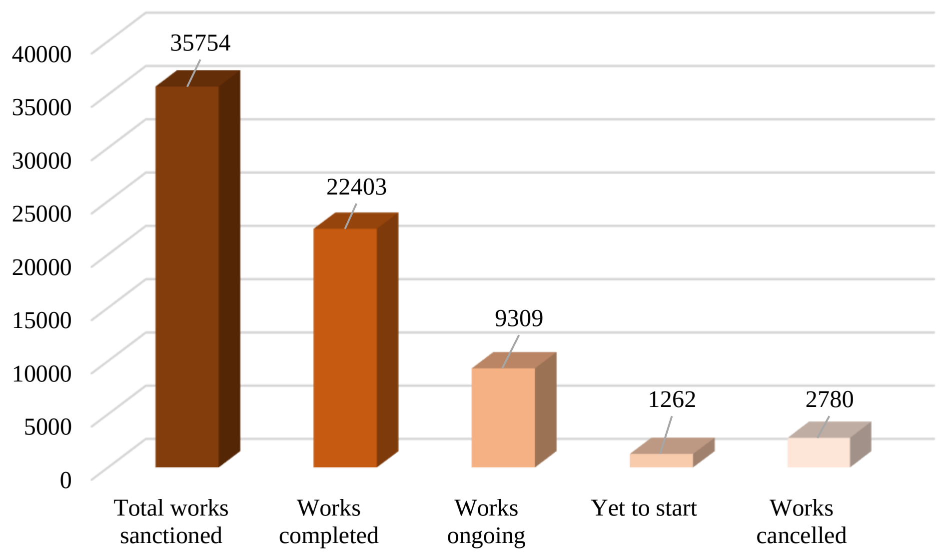
Accordingly, the Trusts engaged the implementing agencies for execution of the works/activities sanctioned by them. The Implementing Agencies were

[1] Bastar, Bemetara, Korba, Mungeli, Raigarh and Raipur

responsible for execution of the works/activities and ensure timely completion as per sanction accorded by the Managing Committee.

The Trusts of 12 sampled districts have accorded sanctions of ₹6,735.54 crore for execution of 35,754 works/activities during 2015-16 to 2023-24, as per proposals received from the district level implementing agencies[2] and approved by the Governing Council from time to time. The works/activities sanctioned by the Trusts of all 12 sampled districts during 2015-16 to 2023-24 and their status are given in ***Appendix 3.2*** and ***Chart 3.1.***

**Chart 3.1: Status of works/activities sanctioned in 12 sampled Trusts**




Out of total 35,754 sanctioned works, 22,403 works/activities were completed, 9,309 ongoing, 1,262 yet to be started and 2,780 cancelled as of March 2024. The deficiencies in project implementation observed during the audit are discussed below:

### *3.2.1 Blockage of fund on incomplete works and unutilised assets*

During scrutiny of records of works executed by implementing agencies, audit noticed instances of blockage of funds/unfruitful expenditure due to incomplete works/activities and/or assets created out of DMFT funds could not be put to use as detailed in ***Appendix-3.3*** and illustrations given below:

[2] Gram Panchayats, Janpad Panchayats, Zila Panchayats and the Urban Local Bodies in the District, Government Departments and Board, Corporations and State/Central Public Sector Undertakings etc.

- Audit observed that the implementing agencies did not complete six works sanctioned by four DMFT namely Korba, Bilaspur, Kondagaon and Sukma during the period 2016-17 to 2021-22 beyond scheduled date of completion which led to blockage of ₹29.25 crore on these incomplete works. Photos of incomplete multilevel parking at Korba is shown in **Picture 3.7.**

**Picture 3.7: Photos of incomplete multilevel parking at Korba**

- Three Bio gas plants installed at Bastar, Sukma and Korba with Trust fund of ₹1.14 crore could not be operationalised due to lack of arrangement of continuous supply of cow dung and technical deficiencies and remained non-operational as of August 2025. Similarly, one Art and Culture centre constructed with DMFT funds of ₹3.01 crore at Korba could not be utilised as the custody of Centre lies with DMFT as of May 2025.

- During joint physical inspection, audit observed in seven cases that assets created from Trust fund of ₹8.40 crore, were not put to use, damaged or utilised for private purpose. Photos of Poultry and Mushroom Production Centres established from DMFT funds in Janpad Panchayat, Dondi remain unutilised as observed in joint physical inspection (4 April 2024) are given in **Picture 3.8.**


**Picture 3.8: Photos of Poultry and Mushroom Production Centres established from DMFT funds in Janpad Panchayat, Dondi**

On being pointed out in audit, the State Government stated (August 2025) that the responsibility of the Trust is to approve the work and select the agency. After completion of the work, the responsibility of ensuring the progress of the work, quality and departmental standards lies with the concerned work agency because they are proficient in the departmental rules and standards and have adequate knowledge. Therefore, after approval of any work, the entire responsibility lies with the concerned agency. However, its progress is reviewed from time to time.

The reply indicates a lack of coordination between the Trust and the implementing agencies and inadequate monitoring by Trust after release of funds, impacting the execution of the sanctioned works/activities in a timely manner and utilisation of assets for the intended purpose.

### *3.2.2 Utilisation of Trust funds on works/activities outside the priority areas*

Rule 22 (1) of CGDMFT Rules, 2015 stipulates that the funds available with the Trust should be used for the overall development of the areas affected by mining related operations.

The Principal Secretary, Mineral Resources Department, GoCG (Settlor) issued (July 2016 and April 2019) instructions to all districts to ensure utilisation of Trust fund in the high priority areas/other priority areas as specified under sub rule (2) and (3) of Rule 22 ibid, which provides for use of Trust funds for specified works only. Audit observed that in 12 sampled districts, funds amounting to ₹30.73 crore were provided to implementing agencies for executing 80 different projects/activities beyond the priority areas stipulated in the PMKKKY and were not admissible under the PMKKKY. The expenditure was incurred on beautification or administration related work/activities of Government departments such as the construction of welcome gates, gardens in Collectorate campus, renovation/construction of Government office buildings, purchase of office items, digitisation of land records, promotion of social media network of District administration etc. as detailed in ***Appendix 3.4.***


**Picture 3.9: Garden and facade lighting beautification work at the Collectorate office, Bilaspur**

These works/activities were not meant for the interest and benefit of persons and areas affected by mining related operations and were beyond the priority areas stipulated under the PMKKKY and the DMFT Rules, 2015.

### *3.2.3 Irregular utilisation of Trust funds allocated for 'Environmental Preservation and Pollution Control Measures'*

As per the PMKKKY guidelines, DMFT funds under 'Environment preservation and pollution control measures' should cover effluent treatment plants, pollution prevention for water bodies, air and dust control from mining, mine drainage systems, pollution prevention technologies and measures for active/abandoned mines to ensure sustainable mining.

Audit observed that the Trust in Korba district utilised Trust funds of ₹5.77 crore for the installation of fire extinguisher in various pre/post matric SC/ST residential hostels in the district which were not covered under the activities prescribed in PMKKKY under 'Environment preservation and pollution measures' sector.

### *3.2.4 Non-compliance with CG Store Purchase Rules for procurement of items*

Para 4 of the PMKKKY Guidelines, 2015 and Rule 29 of CGDMFT Rules, 2015 stipulate that works and goods should be procured by the Trusts after following the due procedure prescribed by the respective State Governments for such procurements.

At the time of issue of the administrative sanctions, the Managing Committee directs the implementing agencies to comply with the provisions of the Chhattisgarh Store Purchase Rules while utilising Trust funds for procurements.

As per Sub-rule 4.3.3 of the Chhattisgarh Store Purchase Rules, 2002, procurements of goods or services exceeding rupees three lakh should be made through open tenders, publishing the notices (NITs) in newspapers. Further, para 4.1 of the Chhattisgarh Store Purchase Rules, 2002 stipulates that technical specifications of procured items should be finalised by a technical committee prior to the invitation of tenders.

Scrutiny of procurement cases revealed the following irregularities:

#### (a) Irregular procurement of items without inviting open tenders

Audit observed that the implementing agencies[3] in five[4] sampled districts procured items and services amounting to ₹17.49 crore on the basis of limited quotations without inviting open tenders, thereby non-complying with the provisions of the CG Store Purchase Rules as detailed in ***Appendix 3.5***.

Although the Trusts directed the implementing agencies to comply with the provisions of the CG Store Purchase Rules and made them fully responsible, the Trusts did not effectively monitor the work executed by the implementing agency and ensure compliance to the terms and conditions of sanction issued.

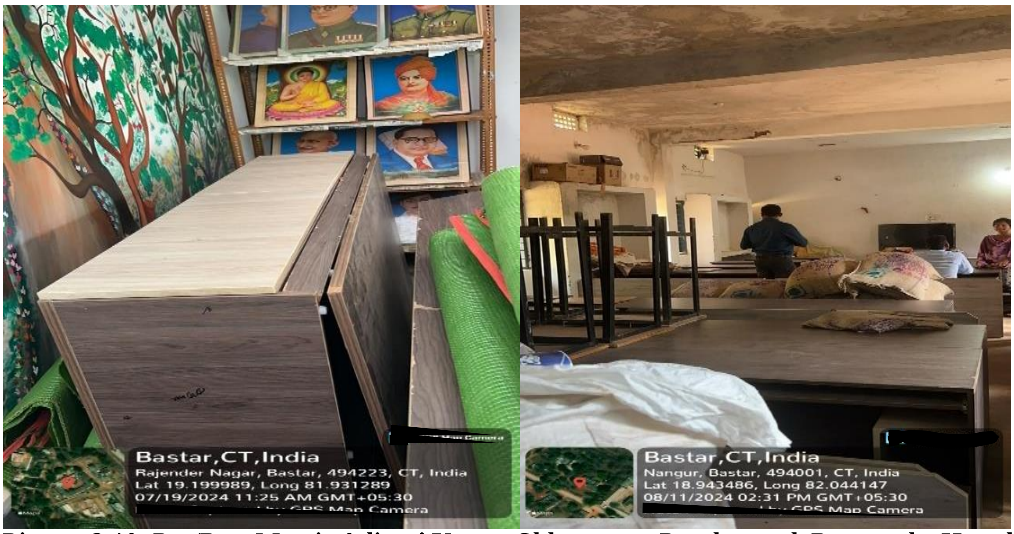
[3] District Education Officer, Assistant Commissioner (Tribal Development), Sub Divisional Officer (Light Machinery, Tube well and Gate Division), Janpad Panchayat

[4] Balod, Bastar, Bemetara, Bilaspur and Korba

### (b) Procurement of items without stipulating technical parameters and specifications

Audit observed that the implementing agencies[5] in two[6] sampled districts procured goods and services amounting to ₹38.82 crore without stipulating technical parameters and specifications before invitation of tenders as required under sub-rule 4.1 of the CG Store Purchase Rules as detailed in ***Appendix 3.6***. The procured items did not fulfill the conditions of the BIS certification and compliance with Indian Standard (IS) 17632:2022 for ensuring quality and safety.

Moreover, the sanctions for procurements accorded by the Trusts were based on the proposals submitted by the implementing agencies, which lacked essential details such as source or basis for the estimated cost of items to be procured, the quality/standards of materials to be supplied, technical specifications for furniture, computers, water purifiers, etc.




**Picture 3.10: Pre/Post Matric Adivasi Kanya Chhatravas, Parchampal, Bastar, the Hostel Superintendent reported that the furniture had been infested by termites within a short period of their supply.**

This indicates that Trust did not exercise due diligence in scrutinising the proposals of procurement submitted by the implementing agency for supply of good quality items.

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5 Assistant Commissioner, Tribal Development; District Mission Co-ordinator, Samagra Shiksha, Bastar and Principal, Livelihood College, Bilaspur

6 Bastar and Bilaspur


**Picture 3.11: RO systems supplied in tribal hostels of Bastar district, was not in working condition and the Hostel Superintendent reported that the candles of the RO purification systems had not been cleaned or serviced since their installation.**

On being pointed out in audit, the State Government stated that the implementing agency is responsible to follow the Store Purchase Rules for execution of the works and to follow the norms of the concerned departments.

During exit conference (August 2025), it was stated that the administrative department is responsible for monitoring the execution of works sanctioned under DMFT. They are also responsible for ensuring their maintenance and utilisation. Necessary directions for this would be issued to the administrative departments for monitoring the projects/works sanctioned under DMFT.
The Trust should establish a robust monitoring mechanism to ensure strict compliance to CG Store Purchase Rules for transparency in the procurement process by the implementing agency.

### *3.2.5 Utilisation of funds without approval from Governing Council*

As per Rule 12 (2) of CGDMFT Rules, 2015 the Governing Council shall approve Annual Action Plan containing the list of schemes and projects with the tentative provision thereof, provided that, any deviation from the Annual Plan, it is necessary to obtain post facto approval on scheme/project from the Governing Council, within six months.

Audit observed that the Trusts in Bastar, Kondagaon and Sukma provided Trust fund amounting to ₹33.12 crore to Chhattisgarh Infotech Promotion Society (CHiPS), Raipur for the implementation of Bastarnet project without obtaining approval of the Governing Council.

On being pointed out in audit, the reply furnished by the State Government did not specifically mention the reason for not taking approval of the Governing Council.

# CHAPTER-IV

## MONITORING

# CHAPTER-IV

# MONITORING

## 4.1 Meetings of the Monitoring Committees

### *4.1.1 Inadequate Monitoring by State Level Monitoring Committee and State Level Review Committee*

As per Rule 17 and 18 of CGDMFT Rules, 2015, the SLMC under the Chairmanship of the Chief Minister should supervise and monitor the functioning of the Trusts of all districts in conformity with the objects of the Trust and should meet at least once in a year.

Similarly, the State Level Review Committee (SLRC) constituted (May 2018) by the State Government under the Chairmanship of the Chief Secretary of the State to monitor the implementation decisions of the SLMC. SLRC should quarterly review the progress of works/activities of the Trusts and submit the reports to the SLMC.

Audit observed that the SLMC held only three meetings (January 2016, November 2019 and September 2022), falling short of the required nine meetings. Similarly, the SLRC met only twice (June 2020 to November 2022), instead of the stipulated 36 meetings. No meeting of SLMC and SLRC was held after November 2022.

Thus, the shortfall in convening meetings of both the SLMC and the SLRC led to inadequate monitoring of the functioning of Trusts which in turn led to lack of accountability, inefficient use of resources, implementation of the scheme without identifying beneficiaries, expenditure on activities other than priority area, etc. ultimately affecting the effective implementation of PMKKKY for the benefit of mining affected persons/families.

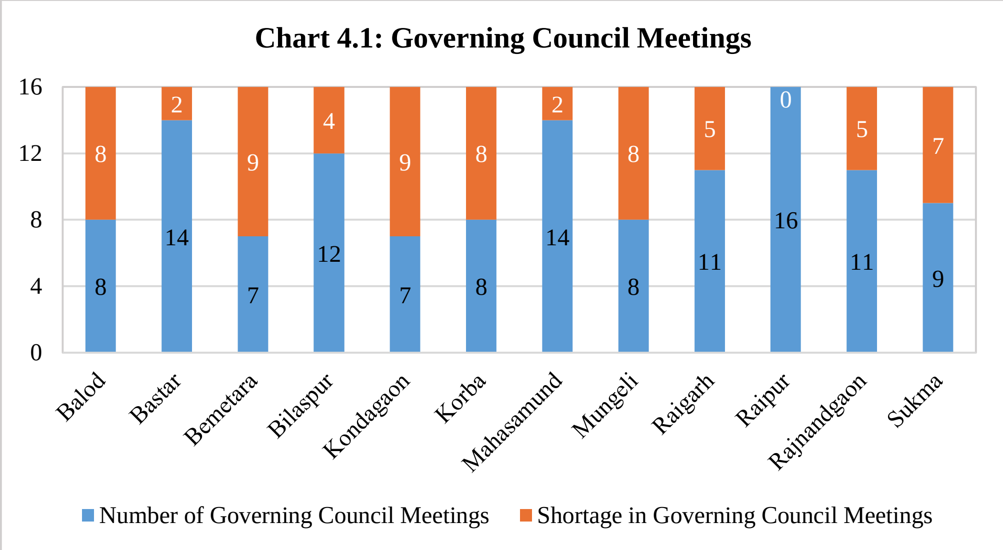
On being pointed out in audit, the State Government stated (August 2025) that the meetings could not be held in the years 2020 and 2021 due to Covid Pandemic. In the year 2022, the third meeting of the SLMC was held (25 September 2022), in which approval of works contrary to Trust's objective has been prohibited.

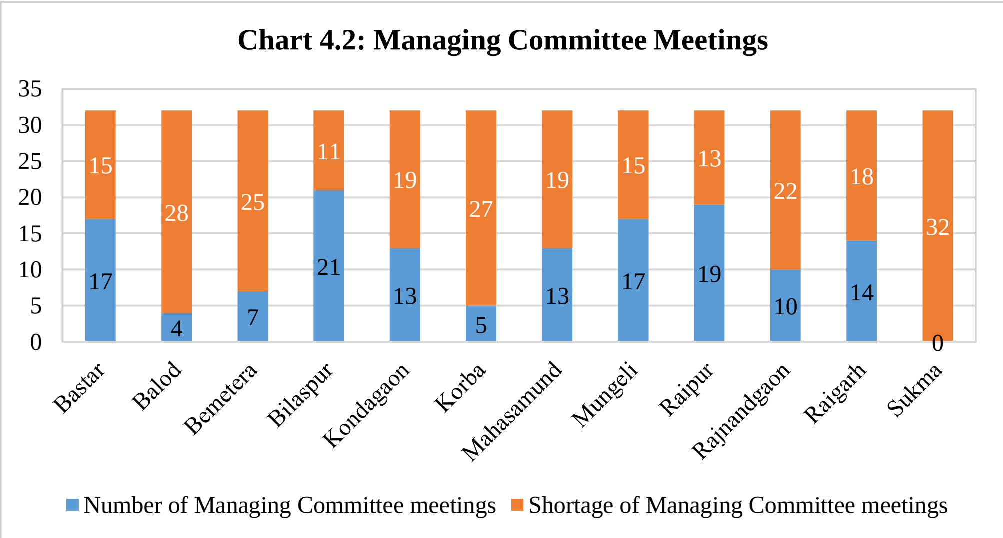
### *4.1.2 Inadequate Monitoring by Managing Committee and Governing Councils*

As per Rule 12 and 13 of CGDMFT Rules, 2015, the Governing Council of the Trust should be responsible for laying down and approving the procedure for functioning of the Trust and reviewing the working of the Trust from time to time. Accordingly, the Governing Council should meet as often as necessary but at least once every six months.

Similarly, as per Rule 14 and 15 of CGDMFT Rules, 2015, the Managing Committee should exercise due diligence in carrying out its duties for protecting the interest of the Trust. The Managing Committee meetings should be held at least four times in a financial year.

Audit observed that both Governing Council and Managing Committee failed to meet as mandated in the CGDMFT Rules, 2015 indicating inadequate monitoring of the Trust's activities. Details of meetings held by both during 2016-17 to 2023-24 are detailed in ***Chart 4.1 and Chart 4.2.***




On being pointed out in audit, the State Government stated (August 2025) that scheduled meetings were not held due to Covid-19 pandemic, however, DMFT related work has been reviewed weekly in the time limit (TL) meetings; currently meetings are being held as scheduled.

The Managing Committee and the Governing Council should do regular meetings to facilitate proper implementation of the PMKKKY.

## 4.2 Accountability and Transparency Mechanism

As per para 5 of the PMKKKY guidelines, 2015 and Rule 15 (13) of CGDMFT Rules, 2015 the Managing Committees should prepare and maintain website and host information such as details of composition of Trust, list of areas and people affected by mining, quarterly details of all contributions received from lessees, agenda of all meetings, minutes and actions taken report of the trust, annual plans, budget etc.

Audit review of websites of 12 sampled districts revealed that the key information such as composition of Trust, list of areas and people affected by mining, quarterly details of contributions received, status of works undertaken, annual plan and budget, minutes of meetings etc., were not disclosed/updated on the websites.

Thus, lack of disclosure of information and their timely updation on website indicate inadequate monitoring and lack of transparency in utilisation of funds.

On being pointed out in audit, the State Government stated (August 2025) that the districts have completed audit report from 2015-16 and annual reports from 2016-17 and the same has been uploaded to the DMF portal and the Ministry of Mines (GoI) portal.

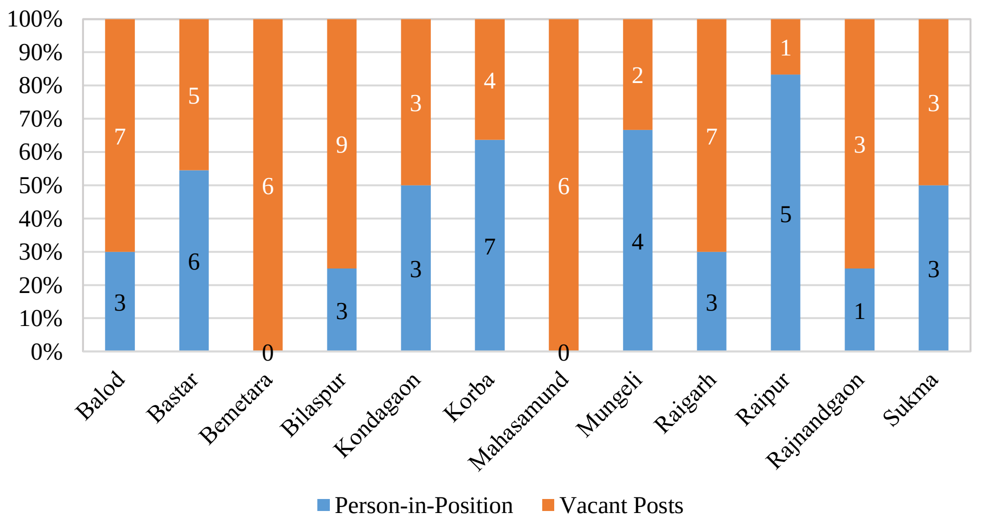
The reply is not acceptable because the key information has not yet been uploaded in the Trust's website (September 2025).

## 4.3 Manpower

The Settlor issued (July 2017) order for setting up staff to run the Trust's office in each district, as per Rule 26 (4) of CGDMFT Rules, 2015.

Audit observed that the Trusts could not deploy sufficient skilled manpower to manage the Trust's activities, against the sanctioned strength. Moreover, the Trusts did not fill the crucial positions of Development Associates and Assistant Project Coordinator, Accountant, etc., despite these posts being included in the sanctioned setup. The significant shortage of manpower has been depicted in the ***Chart 4.3.***

**Chart 4.3: Details of Person in Position and Vacant Posts**




The Managing Committee of 12 Trusts has not filled key posts such as Project Coordinator, Assistant Project Coordinator, Accountants and Assistants since its inception, the details are illustrated in the ***Appendix 4.1***. There was

100 *per cent* manpower shortage in two[1] districts and over 50 *per cent* shortage in four[2] districts.

The shortage of manpower severely impacted the smooth functioning of the Trust offices.

During the exit conference (August 2025), it was stated that the department would issue notifications for filling the vacant posts at the earliest.

## 4.4 Record Keeping

Rule 25 of CGDMFT Rules, 2015 stipulates that the Managing Committee should maintain or cause to be maintained proper books of accounts, documents and records with respect to the Trust fund to give a true and fair picture of the affairs of the Trust. Separate registers should be maintained by the Trust according to the prescribed format issued by the Settlor for mining related activities in the districts, receipt of Trust funds, expenditure from Trust fund, list of beneficiaries, proposals received in Trust, works approved by the Trust and complaints received in Trust.

Audit observed that all 12 sampled DMFTs failed to maintain registers and ledgers such as register of administrative sanctions, release of funds to implementing agencies, receipt of utilisation certificates etc. Additionally, the SLMC had also not prescribed formats for record-keeping as required under the rules. The Trusts maintained records of their works and activities solely in editable digital format (Excel spreadsheets), which were vulnerable to alteration and can easily be modified.

In Korba district, the Trust's records were maintained in loose files without chronological organisation. Similarly, the Trust's records in four districts (Mahasamund, Korba, Balod, and Bemetara) were also not maintained properly. Further, in all 12 districts, implementing agencies produced procurement records for audit in loose files due to which completeness of records/file could not be ensured.

During exit conference (August 2025), it was stated that the lack of adequate manpower is the reason for this, and the department would issue notifications for filling the vacant posts at the earliest. Currently, the Trusts are being maintaining separate registers for administrative approval and fund transfer orders.

The fact remains that the SLMC may prescribe formats for record-keeping as required under the rules and the Trusts may monitor the records of implementing agencies to ensure that they maintain proper documentation.

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[1] Bemetara and Mahasamund

[2] Balod, Bilaspur, Raigarh and Rajnandgaon

# CHAPTER-V

## CONCLUSION AND RECOMMENDATIONS

# CHAPTER-V

# CONCLUSION AND RECOMMENDATIONS

## 5.1 Conclusion

The Performance Audit of the implementation of the *Pradhan Mantri Khanij Kshetra Kalyan Yojana* (PMKKKY) including District Mineral Foundation Trust (DMFT) in Chhattisgarh highlighted significant systemic deficiencies in governance, accountability and transparency.

PMKKKY as a scheme is based on the foundation of legal and institutional strength, financed by prudent management of the DMFT, seen implemented through project execution and achieves targeted benefits through effective monitoring and evaluation.

We observed that while notifying the revised guidelines of the scheme, the State Government didn't include the audit provision from the PMKKKY, 2024, which says DMFT accounts should be audited by the Comptroller and Auditor General of India (CAG) as per the CAG's schedule. This takes the State away from the assurance level envisaged in the revised guidelines.

We noted deviations in the CGDMFT Rules, 2015, from the PMKKKY, 2015, potentially diluting intended benefits for mining-affected communities. Key issues seen included modification of the definition of 'affected people' and expanding the scope to include people without specific selection criteria. Funds meant for affected people were being distributed without establishing clear criteria or identifying targeted beneficiaries. Further provision for laying Annual Reports before the State Legislature as stipulated in the PMKKKY, 2015 were also omitted from the rules.

The State uses the Khanijonline portal to facilitate timely payment of District Mineral Foundation (DMF) Contributions along with royalty for major minerals. However, similar arrangement was lacking for minor minerals and transit passes for minor minerals were issued manually which did not capture DMF payment alongside royalty. This leaves a gap in institutional arrangement for the scheme implementation.

There were significant issues of non-compliance noted in the districts selected for audit where the Trust Funds were utilised without preparation of annual plan/budget and transferred to the State-level DMF Cell contrary to GoI orders with balances outstanding with the Cell. The Trusts kept the funds in savings accounts without opting for auto-sweep or flexi deposits, missing out on opportunities to optimise interest earnings.

The 'affected areas' were identified in a delay ranging from five to 65 months post-Trust establishment and ₹1,060.70 crore allocated for works before identifying directly and indirectly affected areas. Moreover, the list of identified villages under 'directly affected areas' were not notified by the District Collectors. Accordingly, even though the trust utilised 81 *per cent* of the funds; 44 *per cent* of directly affected villages remained uncovered in 11 sampled districts. Trust funds were also being utilised for non-eligible areas like construction of welcome gates, gardens in collectorate campus, renovation/construction of departmental office buildings, purchase of office items, vehicles for office use, grants to private education institutions, etc. Lack of procurement discipline was also noted in different cases. The procurement records were kept in loose files by the implementing agencies. Trusts lacked skilled manpower and key positions were not filled.

As for the aspect of monitoring, the State-Level Monitoring Committee (SLMC) did not ensure prescribed documentation and keeping of records and fell short of meetings at the mandated frequencies. Key information wasn't disclosed/updated on website. Social Audits of the works/activities of the Trust were not conducted.

Deficiencies noted in statutory and institutional framework, management of funds, execution of work and monitoring of the scheme diluted the intended impact, which holds great significance for a State with second highest collection of DMF.

## *5.2 Recommendations*

Audit recommends that the State Government may:

- ***prepare list of 'Affected People' immediately and notify the same along with 'affected areas' in the Chhattisgarh Gazette for ensuring that benefits reach the intended recipients.***
- ***ensure coverage of directly affected villages for equitable distribution of resources in mining affected areas.***
- ***prepare a long-term Master Plan and vision document aligning activities with the PMKKKY's objectives addressing requirements of mining affected areas and people for implementation.***
- ***ensure preparation of annual plan and budget by Trusts duly approved by Governing Council for financial discipline.***

- ***plan to conduct Social Audit and assess the effectiveness of DMFTs in implementing the PMKKKY and to identify areas for improvement.***
- ***establish a monitoring mechanism to ensure that DMFTs are operating in accordance with the legal framework and the PMKKKY including effective coordination between the Trust and implementing agencies.***

**Raipur**
**The : 06 May 2026**

**(MOHD. FAIZAN NAYYAR)**
**Accountant General (Audit)**
**Chhattisgarh**

**Countersigned**

**New Delhi**
**The : 13 May 2026**

**(K. SANJAY MURTHY)**
**Comptroller and Auditor General of India**

# APPENDICES

## Appendix 3.1

*(Referred to in paragraph 3.1.1)*

### Random free distribution of items to beneficiaries

***(₹ in lakh)***

| Sl. No. | Detail of Work/Administrative Sanction | Name of Implementing Agency | Administrative Sanction (AS) No. and Date | Number of Beneficiaries | Administrative Sanction (AS) Amount | Fund Released |
|---|---|---|---|---|---|---|
| **Balod** | | | | | | |
| 1. | Distribution of battery operated Knapsack sprayer | Assistant Director, Horticulture, Balod | AS No-230153649406; 29/03/2023 | 2,282 | 90.37 | 90.08 |
| 2. | Supply of plant protection equipment (battery operated) to small/marginal farmers | Assistant Director, Horticulture, Balod | AS No- 420; 08/11/2021 | 1,224 | 67.25 | 67.10 |
| 3. | Distribution of Vegetable seed Minikit to 4000 farmers | Assistant Director, Horticulture, Balod | AS No- 220144725478; 08/12/2022 | 4,000 | 50.00 | 49.31 |
| 4. | Distribution of Vegetable seed Minikit to 4000 farmers | Assistant Director, Horticulture, Balod | AS No- 220132973634; 08/12/2022 | 4,000 | 50.00 | 49.31 |
| 5. | Vegetable area expansion (lady finger hybrid) distribution on subsidy including inputs to benefit forest lease holder farmers/small marginal farmers. | Assistant Director, Horticulture, Balod | AS No- 220134453641; 17/02/2022 | 607 | 50.13 | 50.00 |
| 6. | Horticulture Tool kit set 3186 No. | Assistant Director, Horticulture, Balod | AS No- 2718; 26/09/2020 | 3,186 | 100.02 | 100.02 |
| 7. | Supply of drip system for irrigation in vegetable production work to the farmers of the district. | Assistant Director, Horticulture, Balod | AS No- 220194009714; 27/05/2022 | 219 | 161.29 | 124.46 |
| 8. | Distribution of power weeder GSW 500 to farmers | Assistant Director, Horticulture, Balod | AS No- 220129241524; 17/02/2022 | 150 | 150.15 | 150.09 |
| 9. | Distribution of drip set | Deputy Director, Agriculture, Balod | AS No- 489; 27/11/2021 | 100 | 129.07 | 64.54 |
| **Bilaspur** | | | | | | |
| 10. | Distribution of Battery operated knapsack sprayer | Agriculture | 230117715879; 18/01/2023 | 880 | 52.08 | 52.08 |
| 11. | Distribution of Battery operated knapsack sprayer | Agriculture | 230114723355; 18/01/2023 | 1,464 | 88.77 | 86.64 |

| Sl. No. | Detail of Work/Administrative Sanction | Name of Implementing Agency | Administrative Sanction (AS) No. and Date | Number of Beneficiaries | Administrative Sanction (AS) Amount | Fund Released |
|---|---|---|---|---|---|---|
| 12. | Distribution of Battery operated knapsack sprayer | Agriculture | 230177722058; 18/01/2023 | 1,320 | 78.12 | 78.12 |
| **Korba** | | | | | | |
| 13. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15006; 27/06/2022 | 200 | 86.00 | 85.43 |
| 14. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15006; 27/06/2022 | 200 | 86.00 | 85.43 |
| 15. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15004; 27/06/2022 | 200 | 86.00 | 85.43 |
| 16. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15010; 27/06/2022 | 200 | 86.00 | 85.43 |
| 17. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15012; 27/06/2022 | 200 | 86.00 | 85.43 |
| 18. | Distribution of agricultural equipment | Janpad Panchayat, Podi Uproda | AS No- 15014; 27/06/2022 | 200 | 86.00 | 85.43 |
| 19. | Distribution of Rotary Teler for Horticulture Mechanization in all Blocks of the District | Assistant Director, Horticulture | AS No- 10908; 26/11/2021 | 100 | 100.46 | 100.25 |
| 20. | Distribution of Power Weeder for Horticulture Mechanization in Podi Block | Assistant Director, Horticulture | AS No- 13701; 21/03/2022 | 96 | 101.76 | 101.76 |
| 21. | Distribution of Power Weeder for Horticulture Mechanization in Pali Block | Assistant Director, Horticulture | AS No- 13703; 21/03/2022 | 96 | 101.76 | 101.76 |
| **Mahasamund** | | | | | | |
| 22. | Distribution of Agriculture Equipment | Horticulture | 230139726688; 08/06/2023 | 50 | 63.45 | 63.45 |
| 23. | Distribution of Agriculture Equipment | Horticulture | 230135361617; 09/06/2023 | 30 | 38.07 | 38.07 |
| 24. | Distribution of Agriculture Equipment | Horticulture | 230135361617; 09/06/2023 | 32 | 40.61 | 40.61 |
| 25. | Construction of shade net in farmers' field (378 ha.) | Horticulture | 220188756454; 11/11/2022 | 04 | 125.17 | 125.17 |
| 26. | Construction of shade net in farmers' field (327 ha.) | Horticulture | 220183527298; 11/11/2022 | 04 | 110.32 | 110.32 |

| Sl. No. | Detail of Work/Administrative Sanction | Name of Implementing Agency | Administrative Sanction (AS) No. and Date | Number of Beneficiaries | Administrative Sanction (AS) Amount | Fund Released |
|---|---|---|---|---|---|---|
| 27. | Installation of Solar Submersible Pump under Saur Sujala Yojana | CREDA | 240117181281; 13/03/2024 | 61 | 200.00 | 200.00 |
| **Raipur** | | | | | | |
| 28. | Distribution of LPG gas Connection under Pradhan Mantri Ujjwala Yojana | Food and Public Distribution department | 2903; 22/7/2016 and 4792; 29/9/2018 | 67,905 | 300.34 | 300.34 |
| **Sukma** | | | | | | |
| 29. | Distribution of LPG gas Connection under Pradhan Mantri Ujjwala Yojana | Food and Public Distribution department | 11; 02/01/2018 | 50 | 6.90 | 6.90 |
| 30. | Prawn /Fish seeds distribution | Assistant Director, Fisheries | 181; 19/12/2018 | 700 | 39.00 | 39.00 |
| **Total** | | | | **89,760** | **2,811.09** | **2,708.86** |

## Appendix 3.2

*(Referred to in paragraph 3.2)*

### Status of projects sanctioned by the Trusts

***(₹ in crore)***

| Sl. No. | DMFT | Total AS issued (No. of Works/ Projects) | | Works/Projects completed | | Works/Projects cancelled | | Works/Projects ongoing | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. | Amount | No. | Amount | No. | Amount | No. | Amount |
| 1 | Balod | 3,657 | 479.41 | 3,051 | 385.87 | 263 | 40.53 | 343 | 53.00 |
| 2 | Bastar | 8,035 | 1,006.73 | 4,190 | 90.20 | 965 | 95.03 | 2,880 | 821.49 |
| 3 | Bemetara | 514 | 69.92 | 239 | 30.03 | 13 | 1.79 | 262 | 38.09 |
| 4 | Bilaspur | 3,256 | 604.82 | 1,111 | 212.89 | 101 | 33.48 | 2,044 | 185.20 |
| 5 | Kondagaon | 713 | 261.10 | 329 | 112.64 | 45 | 33.29 | 339 | 115.18 |
| 6 | Korba | 8,954 | 2,678.82 | 6,554 | 1,859.97 | 747 | 324.58 | 1,653 | 494.28 |
| 7 | Mahasamund | 1,274 | 131.36 | 1,120 | 89.94 | 13 | 2.66 | 141 | 38.75 |
| 8 | Mungeli | 1,359 | 160.67 | 668 | 66.58 | 72 | 13.69 | 619 | 80.38 |
| 9 | Raigarh | 3,382 | 501.94 | 1,645 | 256.36 | 298 | 21.31 | 1,439 | 231.06 |
| 10 | Raipur | 1,458 | 193.87 | 1,051 | 137.75 | 69 | 11.99 | 338 | 47.89 |
| 11 | Rajnandgaon | 1,888 | 199.15 | 1,542 | 146.59 | 169 | 15.70 | 177 | 36.85 |
| 12 | Sukma | 1,264 | 447.75 | 903 | 222.05 | 25 | 7.87 | 336 | 217.81 |
| **Total** | | **35,754** | **6,735.54** | **22,403** | **3,610.87** | **2,780** | **601.92** | **10,571** | **2,359.98** |

## Appendix 3.3

*(Referred to in paragraph 3.2.1)*

### Blockage of fund on incomplete/unutilised works/assets

***(₹ in lakh)***

| Sl. No. | Name of Work/Asset | DMFT | Administrative Sanction Amount/ Date | Fund utilised as per Progress Report | Current Status/Audit Comment |
|---|---|---|---|---|---|
| **(A) Incomplete work** | | | | | |
| 1. | Construction of Road from Podi Uproda to Machadoli Dam | Korba | 512.93/ 11/03/2018 | 184.53 | Audit observed that the work order for construction of road was issued by EE, Minimata Bango Division (No.3) in August 2018 for completion by May 2019. Contractor failed to complete the balance work (October 2022) despite several notices issued by EE. EE terminated the work and work was closed as incomplete final (November 2011) and balance work was not undertaken by the department. However, on the basis of incomplete final certificate, the Trust updated their progress report as completed work indicating lack of adequate monitoring by the Trust. |
| 2. | Establishment of Micro Chick production unit at Majhgaon, Kota-Bilaspur | Bilaspur | 75.00/ 27/01/2022 | 37.50 | DMFT, Bilaspur issued sanction of ₹75 lakh in January 2022 to Joint director, Animal Husbandry Department for establishment of small scale poultry hatchery unit within 120 days. Trust allocated an amount of ₹37.50 lakh in April 2022 as first instalment. After that no UC was submitted by the Implementing agency for release of balance fund and DMFT also did not monitor and work remained even after lapse of more than two years period. |
| 3. | Construction of Pig/Goat rearing shed | Kondagaon | 53.58/ 15/10/2019 | 44.09 | Construction of sheds was incomplete and found damaged during physical verification. |
| 4. | Construction of Multilevel Parking | Korba | 1,709.00/ 04/03/2017 | 1,279.00 | The work was assigned to contractor in July 2017 to be completed within sixteen months. The work was delayed due to site dispute and revision of estimates after award of work. On completion of 80 *per cent* work, scope of work was changed to convert a wing of the multilevel parking into a 60 bedded hospital. The work was incomplete and stopped. Later, the Municipal Corporation also proposed (March 2023) for conversion of upper three floors of the structure for commercial purpose as the structure was not feasible for multi-level parking. However, no decision has been taken and the structure is incomplete and not being utilised for any purpose (February 2024). |
| 5. | Construction of Conventional Centre | Korba | 1,715.00/ 13/02/2018 | 1,372.00 | Trust issued sanction of ₹12.18 crore in October 2016 for construction of conventional Centre by Chhattisgarh Housing Board and first instalment of ₹5.29 crore, ₹5.29 crore and ₹3.13 crore was released in December 2016, 17 and 2022. As some items were omitted in the estimates, sanction was revised in November 2016 and February 2018 for ₹13.26 crore and ₹17.15 crore respectively. Funds of ₹13.72 crore had been released up to December 2022 and Construction was incomplete due to delayed release of balance funds (₹3.43 crore) by the Trust. |

| Sl. No. | Name of Work/Asset | DMFT | Administrative Sanction Amount/ Date | Fund utilised as per Progress Report | Current Status/Audit Comment |
|---|---|---|---|---|---|
| 6. | Construction of Quarter for Hostel Superintendent | Sukma | 8.00/ 30/12/2017 | 8.00 | DMFT, Sukma accorded sanction of ₹8 lakh for construction of quarter for superintendent of girl's hostel by Tribal Development Department, Sukma in December 2017. The work order was issued in May 2018 for completion within three months. As per the progress report, Construction was incomplete as of December 2024. |
| **Total (A)** | | | | **2,925.12** | |
| **(B) Unutilised Assets** | | | | | |
| 7. | Supply Installation and Commissioning of Biogas driven power Generation plant | Bastar | 33.05/ 24/06/2022 | 33.05 | After installation of biogas plant the same commissioned in February 2023 by Nagar Nigam Jagdalpur. However, after that same was not in use due to non-supply of dung. The daily requirement for operation of bio gas was 500 kg cow dung for which no supply arrangements were made. Therefore, the plant is not in use. |
| 8. | Art and Cultural Centre | Korba | 376.00/ 13/02/2018 | 301.00 | Trust issued sanction in October 2016 for construction of Art and Cultural Centre by Chhattisgarh Housing Board. The cultural Centre was completed in 2020 and handed over to Education Department. After the theft and vandalism twice (2020 and July 2021) in the Centre, the Education Department returned (September 2021) the Centre to the DMFT and currently remain idle under custody of DMFT Korba. |
| 9. | Biogas Driven Power Generation Plant | Korba | 64.00/ 05/08/2022 | 51.02 | Non-operational due to technical difficulties. |
| 10. | Supply Installation and Commissioning of Biogas driven power Generation plant | Sukma | 30.00/ 21/06/2022 | 30.00 | It was observed during joint physical inspection that the plant was not in use due to non-supply of cow dung. |
| **Total (B)** | | | | **415.07** | |
| **(C) Deficiencies noticed by Audit in Joint Physical Inspections** | | | | | |
| 11. | Oil Extraction Unit for Lemon Grass | Raipur | 18.64 | 18.64 | Although the Oil Extracting Unit for lemon grass at Datrenga completed by the implementing agency-Assistant Director, District State Skill Development Authority (DSSDA, the same was found unutilised and reasons not found in records. |
| 12. | Installation and commissioning of machine and equipment for Prakritik Paint (Gobar Paint) unit | Raipur | 29.76 | 29.76 | It was observed in joint physical inspection (September 2024) that the plant was non-operational and idle since September 2023 and reasons for its non-operation was not stated to audit. |

| Sl. No. | Name of Work/Asset | DMFT | Administrative Sanction Amount/ Date | Fund utilised as per Progress Report | Current Status/Audit Comment |
|---|---|---|---|---|---|
| 13. | Construction of Bihan Cafeteria | Raipur | 10.00 | 10.00 | Asset was handed over to a private agency for commercial use for operating as a Cafe on rent basis beyond the objective of DMFT and PMKKKY guidelines. |
| 14. | Widening and BT work from Uslapur flyover to Ford showroom road | Bilaspur | 898.45 | 718.76 | DMFT, Bilaspur issued sanction of ₹8.98 crore in November 2022 to Nagar Nigam Bilaspur for construction of Uslapur flyover in 547 days (18 months). The sanction was revised to ₹11.67 crore in February 2024 due to increase in the road width from 15 meter to 25 meter. Although CMO informed the work as completed in November 2024. During JPV, the road was found damaged, with shrinkage exceeding one Kilometre in length, near the Ganesh Vatika area. The slope of the road was incorrectly constructed from the drain to the median, instead from the median to the drain. The road was constructed without maintaining camber or cross slope that helps safety and water drain away from the road surface, preventing water damage and pooling. |
| 15. | Toy Train, Sanjay Kanan, Khaira | Mahasamund | 8.00 | 5.50 | Toy train track was found non-operational since 2022 as informed by the officials of Nagar Parishad, Mahasamund. Further, the authorities of Nagar Palika Parishad informed that the records related to the work done by them were missing including Measurement Books. The assets created were not taken in their asset register. |
| 16. | Kadaknath Poultry Production Unit | Balod | 19.90 | 19.90 | It was observed in joint physical inspection (April 2024) that the asset was damaged and was not in use since September 2023 as the asset was damaged by unsocial elements. |
| 17. | Mushroom Production Unit | Balod | 37.07 | 37.07 | |
| | | | **Total (C)** | **839.63** | |

## Appendix 3.4

*(Referred to in paragraph 3.2.2)*

### Allocation of Trust funds towards activities stipulated outside PMKKKY

***(₹ in lakh)***

| Sl. No. | Name of Work | Name of Implementing Agency | Sanction Year | Administrative Sanction | Issued Amount |
|---|---|---|---|---|---|
| **Bastar** | | | | | |
| 1. | Coffee Plantation Kodenar 02, Manjhibhata, Tangiyajhodi | Horticulture | 2022-23 | 605.80 | 242.32 |
| 2. | For operation of COVID Care Centre | Chief Medical and Health Officer | 2021-22 | 1,070.71 | 887.36 |
| 3. | Construction of VC Room in Collector Campus at Jagdalpur | Public Works Department | 2023-24 | 7.44 | 7.20 |
| 4. | Construction of office room, staff room, president room, guard room and staircase room of Aajivika Samvardhan Building Parpa Jagdalpur | Public Works Department | 2023-24 | 49.76 | 49.76 |
| 5. | Construction of meeting hall in Aajivika Samvarhdan and Parikshan building at Parpa | Public Works Department | 2023-24 | 49.99 | 24.99 |
| 6. | Construction of Public Waiting Hall in second floor at D J Campus Jagdalpur | Public Works Department | 2023-24 | 50.00 | 19.64 |
| 7. | Research and Researched Communication Strategy Technical Monitoring and Promotion of Social Media Network of District Bastar Administration | Assistant Director, District Skill Development Authority, Jagdalpur | 2021-22 | 19.80 | 19.17 |
| 8. | RFT for Agency to Design Development and Training for Digital Tourism Apps for District Administration Bastar Chhattisgarh | CEO, Janpad Panchayat, Lohandiguda | 2020-21 | 48.50 | 47.84 |
| 9. | Garden in Collectorate Campus | Commissioner, Chhattisgarh Housing Board, Raipur | 2020-21 | 2.93 | 1.46 |
| 10. | Construction of First Floor at Collectorate Building | Commissioner, Chhattisgarh Housing Board, Raipur | 2020-21 | 22.10 | 11.05 |
| 11. | Research & Research based communication strategy technical monitoring and promotion of social media network of Bastar District Administration | Assistant Director, District Skill Development Authority, Jagdalpur | 2020-21 | 19.90 | 19.80 |
| 12. | Digitization of land records in Jagdalpur | Incharge, Land Records Branch, Jagdalpur | 2018-19 | 38.00 | 38.00 |
| 13. | Beautification Work of entry gate at Aadawal | CEO, Janpad Panchayat, Jagdalpur | 2017-18 | 19.75 | 14.14 |
| 14. | Construction Of Modern Record Room at Tahsil Office Bastar | Public Works Department | 2017-18 | 13.94 | 6.97 |
| 15. | Construction Of Modern Record Room at Tahsil Office Kilepal | Public Works Department | 2017-18 | 13.94 | 13.33 |
| 16. | Construction Of Modern Record Room at Tahsil Office Lohandiguda | Public Works Department | 2017-18 | 13.94 | 13.94 |
| 17. | Construction of Vehicle Shade in Tahsil Office Jagdalpur | Public Works Department | 2017-18 | 2.10 | 2.10 |
| 18. | Renovation of Courtyard Flooring in Tahsil Office Jagdalpur | Public Works Department | 2017-18 | 8.50 | 7.58 |

| Sl. No. | Name of Work | Name of Implementing Agency | Sanction Year | Administrative Sanction | Issued Amount |
|---|---|---|---|---|---|
| 19. | Renovation of Tahsil Office Jagdalpur | Public Works Department | 2017-18 | 7.25 | 6.38 |
| 20. | Construction of Toilet at Tahsil Office, Darbha | Public Works Department | 2017-18 | 8.50 | 7.77 |
| **Total** | | | | **2,072.85** | **1,440.80** |
| **Bemetara** | | | | | |
| 21. | Purchase of vehicles under office establishment head (01-Additional Collector, 01 Nodal Officer, DMF) | Collector, Bemetara District | 2022-23 | 3.00 | 3.00 |
| **Total** | | | | **3.00** | **3.00** |
| **Bilaspur** | | | | | |
| 22. | Facade lighting outside public buildings | Bilaspur Smart City Ltd. | 2023-24 | 216.68 | 195.01 |
| 23. | Garden development on the side of MLCP building, Mungeli road | Bilaspur Smart City Ltd. | 2023-24 | 94.51 | 47.26 |
| **Total** | | | | **311.19** | **242.27** |
| **Kondagaon** | | | | | |
| 24. | Installation of Drip Irrigation and Making of Fruit garden and Lawn in Collectorate premise | Assistant Director, Horticulture, Kondagaon | 2017-18 | 3.31 | 1.66 |
| 25. | Purchase of JCB for various physical infrastructure work such as construction of Road, bridge, building, FRA Cluster and urban development work | Zila Nirman Samiti, Kondagaon | 2018-19 | 50.00 | 50.00 |
| 26. | Construction of Boundary wall in the office of Sub-Divisional Officer (Revenue) and Tehsil office under Janpad Panchayat Keshkal | CEO, Janpad Panchayat, Keshkal | 2020-21 | 13.62 | 13.62 |
| 27. | Construction of shopping complex in Nagar Panchayat Pharasgaon | CMO, Nagar Panchayat, Pharasgaon | 2021-22 | 63.90 | 51.12 |
| 28. | Construction of entering gate and other works on Ram Van Gaman Path in various panchayats of Keshkal and Pharasgaon Block | DFO, Keshkal, Division- Keshkal | 2023-24 | 26.85 | 10.74 |
| 29. | Activities conducted in Udaan Mahila Krishak Producer Company Limited Kondagaon | CEO, Zila Panchayat | 2022-23 | 50.00 | 50.00 |
| **Total** | | | | **207.68** | **177.14** |
| **Korba** | | | | | |
| 30. | Installation of a new 8 kW solar power plant at the Collectorate Building, Korba, including a new battery pack, one spare inverter and necessary wiring | CREDA | 2017-18 | 6.50 | 6.50 |
| 31. | Installation of a statue of Shri Hira Markam in Tivarta, Village Pt. Tivarta | CEO Janpad Panchayat Pali | 2023-24 | 9.00 | 3.60 |
| 32. | False Ceiling and Renovation of the Hall and Room of the District Mineral Branch | Rural Engineering Services | 2016-17 | 7.60 | 6.08 |

| Sl. No. | Name of Work | Name of Implementing Agency | Sanction Year | Administrative Sanction | Issued Amount |
|---|---|---|---|---|---|
| 33. | Construction of a duct and lift for the disabled at the District Office, Korba | Public Works Department | 2016-17 | 32.22 | 12.89 |
| 34. | Construction of ducts and lifts for the disabled at the Superintendent of Police Office, Korba | Public Works Department | 2016-17 | 32.22 | 12.89 |
| 35. | Renovation of the Samagra Shiksha and Cluster Coordinator Building, Podi Uproda | Assistant Commissioner Tribal Department | 2021-22 | 6.52 | 6.36 |
| 36. | Renovation of the Additional Collector's Camp Office | Public Works Department | 2017-18 | 7.31 | 2.92 |
| **Total** | | | | **101.37** | **51.24** |
| **Mahasamund** | | | | | |
| 37. | 5 KW Solar Power Plant at Tahsil Office | CREDA | 2016-17 | 27.89 | 27.89 |
| 38. | Partition work at Collectorate office hall | Public Works Department | 2021-22 | 4.78 | 3.26 |
| 39. | Construction of shade at Collectorate Mahasamund | Public Works Department | 2017-18 | 6.59 | 6.59 |
| 40. | Garden in front of Collectorate | Rural Engineering Services | 2022-23 | 5.41 | 5.41 |
| 41. | Garden in front of Collectorate | Horticulture Department | 2021-22 | 2.97 | 2.97 |
| 42. | Entrance Gate No.-1 Sirpur | Rural Engineering Services | 2021-22 | 25.00 | 25.00 |
| 43. | Ram Van Gaman Path Entrance Gate, Tumgaon Achhola Road Joba, Mahasamund | Rural Engineering Services | 2021-22 | 12.00 | 12.00 |
| 44. | Renovation of DMF Office | Rural Engineering Services | 2023-24 | 5.00 | 4.57 |
| 45. | Patwari Training Hall at Tahsil Office | Public Works Department | 2018-19 | 19.45 | 16.25 |
| 46. | Garden development at Collectorate | Chhattisgarh Housing Board Mahasamund | 2023-24 | 49.44 | 24.72 |
| 47. | Garden development at Patwari office | Rural Engineering Services | | 20.00 | 10.00 |
| **Total** | | | | **178.53** | **138.66** |
| **Mungeli** | | | | | |
| 48. | For 10 KW solar plant in new Zila Panchayat building | CEO, Zila Panchayat Mungeli | 2017-18 | 32.26 | 31.98 |
| 49. | Purchase of 20 Nos. computer Set in Zila Panchayat Mungeli | CEO, Zila Panchayat Mungeli | 2017-18 | 12.00 | 11.93 |
| 50. | Purchase of Photocopy Machine 01 No. and U.P.S. 20 pieces | Collector (Finance) Mungeli | 2017-18 | 2.00 | 1.94 |
| 51. | Construction of a meeting room on the first floor of the Chief Medical and Health Officer's office. | C.G. Medical Services Corporation Limited Bilaspur Division Bilaspur | 2017-18 | 14.72 | 5.88 |
| 52. | Construction of boundary wall in Tahsil office Lormi | Executive Engineer, Rural Engineering Services Mungeli | 2018-19 | 13.19 | 13.19 |

| Sl. No. | Name of Work | Name of Implementing Agency | Sanction Year | Administrative Sanction | Issued Amount |
|---|---|---|---|---|---|
| 53. | Construction of boundary wall in Collectorate building Mungeli | Executive Engineer, Public Works Department, Mungeli | 2018-19 | 6.97 | 6.97 |
| 54. | Decoration and furnishing in the new Zila Panchayat Building | CEO, Zila Panchayat Mungeli | 2018-19 | 9.78 | 9.78 |
| 55. | Lighting arrangement in Police Housing Garden | Executive Engineer, Rural Engineering Services Mungeli | 2022-23 | 2.00 | 1.86 |
| 56. | Purchase of flag pole and Platform in ward no. 09 of Nagar Panchayat Pathariya | CMO, Nagar Panchayat, Pathariya | 2023-24 | 15.00 | 6.00 |
| 57. | Welcome Gate in GP Tumadedha | CEO, Janpad Panchayat Pathariya | 2020-21 | 2.00 | 2.00 |
| 58. | Construction of boundary wall in front of S.D.M. office Lormi | Executive Engineer , Rural Engineering Services Mungeli | 2018-19 | 3.96 | 3.96 |
| **Total** | | | | **113.88** | **95.49** |
| **Raigarh** | | | | | |
| 59. | Construction of Back side Ramp Collector Chamber, Ramp and Toilet in Registrar Office, ramp at Srijan Meeting Hall, RCC Lift Duct. and other works | Executive Engineer , Public Works Department, Raigarh | 2017-18 | 25.85 | 25.85 |
| 60. | Installation of one (13-passenger) elevator in the Collector's Office, Raigarh, District Raigarh | Executive Engineer , Public Works Department (E/M) Raigarh | | 15.35 | 9.21 |
| 61. | Construction of a welcome gate at the entrance of Gram Panchayat Khuruslanga | CEO Janpad Panchayat Tamnar Raigarh | 2021-22 | 8.00 | 4.00 |
| 62. | Grant to Kirodimal institute of technology, Raigarh | Kirodimal Institute of Technology, Raigarh | 2019-20 to 2022-23 | 550.00 | 550.00 |
| 63. | Electrification work in Kirodimal institute of technology, Raigarh | Executive Engineer , Public Works Department (E&M) | 2017-18 | 195.00 | 96.21 |
| **Total** | | | | **794.20** | **685.27** |
| **Raipur** | | | | | |
| 64. | Alco meter (Breath Analyser) 50 pcs @ 0.531 per pcs | Superintendent of Police, Raipur | 2018-19 | 26.55 | 26.55 |
| 65. | Vehicle Amboliser 200 pcs @ 0.085 per pcs | Superintendent of Police, Raipur | 2018-19 | 17.00 | 16.94 |
| 66. | Body worn camera 20 pcs @ 0.91 per pcs | Superintendent of Police, Raipur | 2018-19 | 18.20 | 17.83 |
| 67. | Sound level meter 07 pcs @ 0.95 per pcs | Superintendent of Police, Raipur | 2016-17 | 6.65 | 6.65 |
| 68. | Electrification work including light and fan in record room at District office, Raipur | Public Works Department, E/M Division, Raipur | 2016-17 | 3.17 | 3.17 |

| Sl. No. | Name of Work | Name of Implementing Agency | Sanction Year | Administrative Sanction | Issued Amount |
|---|---|---|---|---|---|
| 69. | Procurement of photocopy machine, computer, CCTV Camera for record room at District office, Raipur | Public Works Department, E/M Division, Raipur | 2017-18 | 5.03 | 4.53 |
| **Total** | | | | **76.60** | **75.67** |
| **Rajnandgaon** | | | | | |
| 70. | Procurement of Fire Brigade Vehicle | CMO Nagar Panchayat, Khairagarh | 2019-20 | 35.00 | 35.00 |
| 71. | Construction of Boundary wall in SDM office (Revenue), Dongargaon | Public Works Department, Rajnandgaon | 2017-18 | 10.00 | 8.89 |
| 72. | Renovation of Red Cross building | Rural Engineering Services, Rajnandgaon | 2023-24 | 5.00 | 2.00 |
| 73. | Construction of two shops in Red Cross building | Rural Engineering Services, Rajnandgaon | 2023-24 | 23.43 | 9.37 |
| 74. | Construction of fish aquarium house cum garden | Rural Engineering Services, Rajnandgaon | 2022-23 | 29.93 | 29.93 |
| 75. | Construction of Entry Gate | Rural Engineering Services, Rajnandgaon | 2022-23 | 6.97 | 6.97 |
| 76. | Construction of Entry Gate | Rural Engineering Services, Rajnandgaon | 2022-23 | 6.97 | 6.36 |
| 77. | Construction of Boundary wall in Government Nursery | Rural Engineering Services, Rajnandgaon | 2017-18 | 17.21 | 17.21 |
| **Total** | | | | **134.51** | **115.73** |
| **Sukma** | | | | | |
| 78. | Construction of Boundary wall and flooring in SDM office (Revenue), Konta | EE,PWD (B&R) Division Sukma | 2016-17 | 13.92 | 13.92 |
| 79. | Construction of Chindgarh Helipad | EE,PWD (B&R) Division Sukma | 2017-18 | 23.40 | 23.40 |
| 80. | Plantation of trees (Ashok and Amaltas) in Collectorate Campus | DFO Sukma | 2016-17 | 10.85 | 10.85 |
| **Total** | | | | **48.17** | **48.17** |
| **Grand Total** | | | | **4,041.98** | **3,073.44** |

## Appendix 3.5

*(Referred to in paragraph 3.2.4 (a))*

### Irregular procurement of items without inviting open tenders

***(₹ in lakh)***

| Sl. No. | Name of Supplies/ Procurement | Implementing Agency | Administrative Sanction Amount | Issued Amount | Remarks |
|---|---|---|---|---|---|
| **Balod** | | | | | |
| 1. | Solar Street Light System | Assistant Commissioner Tribal Development Balod | 114.62 | 114.33 | DMFT Balod accorded administrative approval for installation of Solar street light and extension board in hostels/Ashrams in Dondi, Dondilohara, Gunderdehi, Gurur and Balod block. The implementing agency delegated the power of procurement to Hostel Superintendents without following provisions of CG Store Purchase Rules. The procurements were made by all the Hostel Superintendents from a same supplier without inviting open tenders. |
| 2. | Extension Board | Assistant Commissioner Tribal Development Balod | 22.53 | 21.57 | |
| 3. | Installation of Pressure sand filter RO/Iron Removal Plant | CEO Janpad Panchayat Balod, Gunderdehi, Dondi | 154.85 | 147.36 | The DMFT Balod allocated an amount of ₹5.22 crore towards installation of Pressure sand filter RO plant/iron removal plant during 2023-24 and appointed the Janpad Panchayats as implementing agencies. Audit test check of 19 cases amounting to ₹1.55 crore revealed that the implementing agencies procured the items without following the procedures prescribed in CG Store Purchase Rules. |
| **Bastar** | | | | | |
| 4. | Drilling of tube well and installation of Hand Pump | Sub Divisional Officer E/M Light Machinery Tubewell and Gate Sub-division Jagdalpur, Bastar | 103.08 | 103.08 | Implementing agency executed drilling of tube well and installation of Hand Pump in different places without following tender process as required under CG Store Purchase Rules. Implementing agency obtained consent from five firms and awarded the work to them at estimated rates. |
| 5. | Solar High Mast light and street light system | Sub-divisional Officer E/M Light Machinery Tubewell and Gate Sub-division Jagdalpur, Bastar | 399.40 | 199.70 | |
| **Bemetara** | | | | | |
| 6. | Purchase of Sanitary napkins making equipment | District Education Officer, Bemetara | 25.00 | 24.88 | The implementing agency purchased 100 pieces of sanitary napkin making equipment from a vendor shortlisted in GeM portal without following tendering procedure. |
| **Bilaspur** | | | | | |

| Sl. No. | Name of Supplies/ Procurement | Implementing Agency | Administrative Sanction Amount | Issued Amount | Remarks |
|---|---|---|---|---|---|
| 7. | Installation of 50 Hybrid solar high mast light in 25 villages of Takhatpur Block | Sub Divisional Officer E/M Light Machinery Tubewell and Gate, Sub division-Sakri, Bilaspur | 249.00 | 124.50 | Implementing agency executed the works without issuing NIT and awarded the work as per consent submitted by contractors at estimated rates. |
| 8. | Installation of 400 Hybrid solar street light in villages of Takhatpur | Sub Divisional Officer E/M Light Machinery Tubewell and Gate, Bilaspur | 228.00 | 114.00 | |
| 9. | Providing Blazer, Track Suit etc. | District Education Officer, Bilaspur | 390.00 | 195.00 | The procurement was made directly from C-Mart without complying provisions of CG Store Purchase Rules. |
| **Korba** | | | | | |
| 10. | Solar Light | Janpad Panchayat Katghora, Podi Uproda, Katghora | 704.59 | 704.59 | The DMFT Korba allocated an amount of ₹99.78 crore towards installation of solar High Mast light/Street Light during 2018-19 to 2023-24 and appointed the respective Janpad Panchayats as implementing agency. The work executed without technical supervision of CREDA. Audit test check of 43 cases amounting to ₹7.05 crore revealed that the implementing agencies procured the items on limited quotations without competitive bidding, in which four firms participated and the supply orders were also simultaneously issued among them. The supplied items lacked technical specifications in the invoices/quotations. |
| **Total** | | | **2,391.07** | **1,749.01** | |

## Appendix 3.6

*(Referred to in paragraph 3.2.4 (b))*

## Procurement without stipulated technical parameters and specifications

***(₹ in lakh)***

| Sl. No. | Name of Supplies/ Procurement | Implementing Agency | Administrative Sanction (AS) Amount | Issued Amount | Remarks |
|---|---|---|---|---|---|
| **Bastar** | | | | | |
| 1. | Water purification, modular furniture, (RO) system, computer, printer etc. | Assistant Commissioner Tribal Development department, Bastar | 796.11 | 796.11 | Tenders were invited without stipulating any specification and supply orders issued based on lowest rate offered by the L1 firm without stipulating the technical specifications/standards of items to be procured. |
| 2. | Providing bedding kit for departmental ashrams and hostels (bedsheet with mink blanket cover, pillow, mattress with cover, mosquito net) | | 409.40 | 409.40 | |
| 3. | Providing Model Hygiene Kit for departmental ashrams and hostels | | 122.95 | 122.95 | |
| 4. | Setting up of Library in 50 Swamy Aatmanand Government Schools of Bastar District | District Mission Coordinator, Samagra Shiksha Abhiyan, Bastar | 600.00 | 600.00 | Administrative sanction was accorded for setting up of library which includes renovation of existing buildings, electrification along with supply of furnitures, books, laboratory equipment etc., The tenders invited without stipulating technical parameters of the items to be procured and supply orders also issued based on L1 rates without stipulating technical specifications. |
| 5. | Setting up of Physics, Chemistry and Biology Laboratory in 50 Aatmanand Schools of Bastar District | District Mission Coordinator, Samagra Shiksha Abhiyan, Bastar | 1,250.00 | 1,250.00 | |
| **Bilaspur** | | | | | |
| 6. | Establishment of garment factories at Multi Activity Centre, Nagoi and Ganyari in Bilaspur district | Principal, District Project, Livelihood College Society, Bilaspur | 1,407.92 | 703.96 | The Notice Inviting Tenders (NITs) were floated stipulating specific make of a particular make of the items to be procured, which limited the scope of competitive bidding. |
| **Total** | | | **4,586.38** | **3,882.42** | |

## Appendix 4.1

*(Referred to in paragraph 4.3)*

### Manpower Position

| Sl. No. | DMFT | Total Posts Sanctioned | Working Strength | Vacancy (Percentage) | Key Posts Vacant |
|---|---|---|---|---|---|
| 1. | Balod | 11 | 3 | 8 (73) | Project Coordinator/Assistant Project Coordinator/Development Associates/ Assistant Accounts Officer/ Accountant |
| 2. | Bastar | 11 | 6 | 5 (45) | Project Coordinator/ Assistant Project Coordinator/Assistant Accounts Officer/ Accountant |
| 3. | Bemetara | 7 | 0 | 7 (100) | Project Coordinator/ Assistant Project Coordinator/ Accountant |
| 4. | Bilaspur | 12 | 3 | 9 (75) | Assistant Project Coordinator/ Development Associates/ Assistant Accounts Officer/Accountant |
| 5. | Kondagaon | 7 | 4 | 3 (57) | Project Coordinator/ Assistant Project Coordinator/Accountant |
| 6. | Korba | 11 | 7 | 4 (36) | Assistant Project Coordinator/ Development Associates |
| 7. | Mahasamund | 6 | 6 | 6 (100) | Project Coordinator/ Development Associates/ Accountant |
| 8. | Mungeli | 6 | 4 | 2 (33) | Project Coordinator/ Development Associates/ Accountant |
| 9. | Raigarh | 10 | 3 | 7(70) | Project Coordinator/ Project Coordinator/Development Associates/ Accountant |
| 10. | Raipur | 6 | 5 | 1 (20) | Assistant Project Coordinator/ Assistant Accounts Officer |
| 11. | Rajnandgaon | 4 | 1 | 3 (75) | Development Associates/Accountant |
| 12. | Sukma | 6 | 3 | 3 (50) | Project Coordinator/ Assistant Project Coordinator/Development Associates |
| | **Total** | **97** | **45** | **52 (54)** | |

https://cag.gov.in/ag/chhattisgarh/en