

Chapter VI

Monitoring and Supervision

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Rule 6(1) of Maharashtra DMFT Rules, 2016 required GC to lay down the broad policy framework and approve the procedure for functioning of the DMFT and review the working of the Trust from time to time. Rule 6(3) requires conduct of social audits of the developmental schemes and works executed in the Gram Sabha.

Rule 9(5) required MC to supervise and ensure the execution of Annual Action Plan, approved schemes and projects. Rule 14(5) provides for charging the trust fund for charging various expenses including charges for third party inspections.

The DMFT fund contributions collected were to be utilised for implementation of various developmental and welfare projects/ programs in mining affected areas and people affected by mining activities to minimise/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts; and to ensure long-term sustainable livelihoods for the affected persons in mining areas.

The selected five DMFTs collected DMFT fund of ₹ 3354.59 crore, however, administrative approval for 66.59 *per cent* of the total fund collected was accorded. Further, out of that 48.18 *per cent* funds were disbursed to IAs. The percentage of projects completed in sampled districts were 58.26.

This highlighted the overall lacuna in monitoring and supervision of implementation of the scheme, the observations on monitoring and supervision are discussed below:

6.1 Constituting State Level Monitoring Committee by GoM

As per Rule 4 of Maharashtra DMFT Rules, 2016, every DMFT shall consist of GC, MC at district level and there shall be a SLMC at State level.

The SLMC in Maharashtra was formed on 21 November 2022 to supervise, monitor and coordinate the implementation of the scheme, utilisation of DMFT funds and to give necessary directives and guidance.

Audit observed that there was delay of five years in the formation of SLMC and the first meeting of the SLMC was conducted on 15 September 2023 which has resulted in lack of overall monitoring of the implementation of the scheme such as non-allocation of funds, execution of works, observance of financial discipline and creating endowment fund as per Rule 13(9) of Maharashtra DMFT Rules, 2016 for each districts out of annual receipts.

GoM while accepting (December 2024) the facts attributed the reason for the delay to time taken for obtaining views of various related departments.

The fact remains that the Maharashtra DMFT Rules, 2016 were formulated in September 2016 while the SLMC was constituted in 2022 resulted in lack of supervision and monitoring of PMKKKY scheme implementation in the State.

6.2 Meetings of the Managing Committee and Governing Council

Rule 6(1) of Maharashtra DMFT Rules, 2016 required the GC to review the working of the Trust from time to time while Rule 8 of Maharashtra DMFT Rules, 2016, vested the day-to-day functioning of the Trust with the MC.

As per Rule 7 of Maharashtra DMFT Rules, 2016, the GC shall meet at least once in every quarter while Rule 10 required MC to meet at least four times in a financial year.

The shortfall in MC and GC meetings of the selected five DMFTs is given in **Table 9**.

Table 9: MC and GC meetings in five selected DMFTs

Name of District	MC meetings			GC Meetings			
	No. of meetings to be held	No. of meetings held	Short fall	No. of GC meeting to be held	No. of meetings held	Short fall	Shortfall in per cent
Nagpur	26	11	15	25	9	16	64
Chandrapur	26	6	20	24	6	18	75
Yavatmal	26	14	12	24	6	18	75
Bhandara	26	3	23	21	4	17	81
Raigad	26	6	20	18	1	17	94
Total	130	40	90	112	26	86	

(Source: Information furnished by DMFTs)

Audit observed that not conducting MC and GC meetings in a timely manner resulted in non-preparation or delayed preparation of Annual Action Plan, under-utilisation of DMFT fund contribution, non-maintenance of adequate records at DMFs, delayed approval of Annual Accounts, budget *etc.*

GoM accepted (December 2024) the facts and stated that the meetings at regular intervals were not conducted as there were structural changes in GC and MC and due to Covid pandemic, and Parliamentary/State elections.

The fact remains that meetings were not held regularly since the formation of DMFTs and constitution of GCs which has resulted in slow execution of works and mounting unutilised funds in each DMFTs.

6.3 Preparation of Quarterly Progress Reports

As per Rule 15(7) of Maharashtra DMFT Rules, 2016, DMFT shall prepare quarterly progress report in physical and financial terms in respect of the approved schemes and projects within 45 days of closure of the quarter for its onward submission to the Zilla Parishad and district administration immediately for publication on their respective websites.

Audit observed that all the five selected DMFTs had not prepared the quarterly progress reports, which has resulted in lack of monitoring of the progress of work and lack of transparency in implementation of scheme.

GoM stated (February 2025) that DMFT Chandrapur and Yavatmal had reviewed the physical and financial progress reports of all IAs monthly and DMFT Nagpur, submitted the monthly reports to State Authority and uploaded the reports on website *dmfindia.mines.gov.in*.

The fact remains that the DMFTs did not prepare quarterly progress reports for onward submission and publication on their respective websites.

6.4 Preparation of Annual Accounts

As per Rule 6 and 7 of GoI notification (16 September 2015), the Accounts of the DMFT fund shall be audited every year by the Chartered Accountant (CA) appointed by DMFT fund and Report thereof shall be placed in the public domain along with the Annual Report.

The DMFT shall prepare an Annual Report on its activities for the respective financial year within three months from the date of closure of the financial year. The Annual Report was to be submitted to the Government within one month from the date of its approval by the DMFT and was also to be hosted on the website of the DMFTs.

The Annual Report of each Foundation was to be laid before the State Legislative Assembly. The details of appointments of CA, preparation of Annual Accounts, Approval of Annual Accounts by MC and GC, certification by CA and submission of Annual Accounts to State legislature are detailed in **Annexure 6**.

Audit observed that:

- DMFT Raigad had neither prepared the Annual Accounts nor had appointed CAs for the period 2016-17 to 2022-23.
- There was a delay in the appointment of CAs in respect of the remaining four selected DMFTs for the period ranging from three months to four years.
- The Annual Accounts in respect of the four DMFTs were not approved by GC except DMFT Nagpur for the year 2020-21 which was approved by the GC with a delay of nearly 2 years.

The non-preparation of Annual Accounts in a timely manner led to delayed submission to State Legislature and resulted in lack of transparency in communicating the financial and physical performance of the DMFT fund for the financial year to various stakeholders.

GoM stated (December 2024) that the Annual Accounts till 2022-23 pertaining to DMFT Chandrapur, Nagpur, Bhandara and Yavatmal were submitted in the Assembly. The appointment of CA in DMFT Raigad faced some technical difficulties, however, the process of appointment of CA is in process.

6.5 Social audit and third-party inspection of works

As per Rule 6(3) and Rule 14(5) of Maharashtra DMFT Rules, 2016, GC was to monitor the implementation of the scheme through conducting social audit and third-party inspections. This helps in strengthening monitoring and accountability of DMFTs for realisation of benefits to the mining-affected areas and people. The details of the status of work in respect of the selected five DMFTs are detailed in **Table 10**.

Table 10: Status of work in respect of approved projects in selected five DMFTs

DMFT	Administrative approval for No. of works	Status of work			
		Completed	Work in Progress	Under Tendering	Cancelled
Nagpur	5,036	2,126	995	1858	57
Yavatmal	2,910	1,333	1,065	340	172
Chandrapur	4,286	3,558	526	58	144
Raigad	106	86	0	20	0
Bhandara	216	211	3	1	1
Grand Total	12,554	7,314	2,589	2,277	374

(Source: Information furnished by DMFTs)

Audit observed that:

- The selected five DMFTs approved 12,554 works during the period 2017-18 to 2022-2023, out of which 58.26 *per cent* works were completed, 20.62 *per cent* works were in progress and 18.14 *per cent* works were under the tendering stage for more than three years to one year.
- The DMFT has not conducted social audits in respect of completed works to assess the fulfilment of the objective of the scheme.
- Also, in absence of third-party inspections, the progress of incomplete works was not monitored periodically.

GoM stated (February 2025) that as per the GR dated 01 September 2016, there is no provision for the social audit of completed projects.

The reply is not acceptable as Rule 6(3) of Maharashtra DMFT Rules, 2016 clearly states that GC was to conduct social audit of all the developmental schemes and works undertaken from the DMFT fund. Also, the DMFT did not conduct third party inspections even though there was provision for the expenses for the same under Rule 14(5) of Maharashtra DMFT Rules.

6.6 Supervision by DISHA Committee

GoI formed (27 June 2016) District Coordination and Monitoring Committee now known as DISHA¹⁵, for coordination among all levels of elected representatives which need to meet once every quarter. GoM (11 May 2017) brought PMKKKY under the purview of DISHA committee based on the orders of Mining Department, GoM (17 February 2017).

In three out of the five selected DMFTs, there were no DISHA committee meetings conducted and in remaining two DMFTs, only one meeting for Nagpur and two meetings for Chandrapur were conducted during 2016-2023.

The committee commented that less expenditure was incurred and the progress of works under PMKKKY was unsatisfactory in respect of Nagpur district. Audit observed that despite being pointed out by DISHA committee, out of 5,036 works valuing ₹ 824.37 crore (awarded during 2017-18 to 2022-23) 2,126 works valuing ₹ 574.14 crore were completed, and 995 works were still in progress. Further, 57 works were cancelled, and 1,858 works were still under tendering process for more than two to six years.

¹⁵ District Development Coordination and Monitoring Committee (DISHA) has been established by the Ministry of Rural Development GoI for the coordination of various schemes implemented by the Central Government and the State Government.

Further, though two meetings were conducted in respect of Chandrapur district, no progress of work under PMKKKY were discussed.

Thus, the objective of DISHA committee was not served as there was lack of proper monitoring due to non-conduct of timely meetings, non-discussion of PMKKKY in the meetings of DMFT Chandrapur.

GoM stated (December 2024) that DMFT, Nagpur had initiated the action of follow up with Project Director, District Rural Development Agency, Nagpur on incomplete works and unspent funds lying with IAs and DMFT Chandrapur had submitted details of physical and financial progress to the DISHA Committee, but the same was not discussed in the meeting.

The fact remains that even though PMKKKY has been brought under the purview of DISHA committee, adequate monitoring and supervision was not ensured regarding PMKKKY through DISHA committee.

6.7 Hosting of official website of DMFTs to maintain transparency in scheme implementation

As per clause 5 of PMKKKY guidelines of September 2015, each DMFT had to prepare and maintain a website with detailed information to bring in transparency in implementation and awareness of the scheme.

Audit observed that none of the selected five DMFTs had hosted any website till June 2024 resulting in violation of Maharashtra DMFT Rules, 2016. However, on being pointed out by Audit, two DMFTs Nagpur and Yavatmal have hosted official website of respective DMFTs.

GoM while accepting (December 2024) the facts stated that the website of DMFT Yavatmal and Nagpur is developed and currently is in public domain. The development of websites of DMFT Raigad, Bhandara and Chandrapur is in progress.

The fact remains that only DMFT Yavatmal and Nagpur have developed the website, however, information such as details of GC and MC meetings conducted, details of AAP prepared, year-wise breakup of funds allocated and allotted, progress of works *etc.* was not available for access to stakeholders on website of all DMFTs ensuring transparency.