PRESS RELEASE

02/09/2026

Directorate of Enforcement (ED), Raipur Zonal Office, has arrested Satpal Singh Chabda, S/o Shri Dharampal Singh Chabda, on 01.09.2026 under the provisions of Prevention of Money Laundering Act (PMLA), 2002, in the case relating to misappropriation of District Mineral Foundation (DMF) funds in the State of Chhattisgarh. He was produced before the Hon'ble Special Court (PMLA), Raipur, on 01.09.2026, and the Hon'ble Court has granted 5 days' ED custody remand.

ED investigation initiated on the basis of various FIRs registered by ACB/EOW, Raipur and Chhattisgarh Police, in District Mineral Foundation (DMF) Scam Case relating to misappropriation of District Mineral Foundation (DMF) funds in Chhattisgarh.

Investigation revealed that DMF Trusts, constituted in each revenue district for the benefit of persons and areas affected by mining operations, were misused by a well-organized syndicate of public servants, liaisoners and vendors. Out of Rs. 9,188.20 Crore (Approx) received by various districts under DMFT during Financial Year 2019-20 to 2023-24, a part was diverted from its intended purpose by preferring supply-oriented works, which offered greater scope for inflated pricing and generation of commission. A substantial part of these funds was routed through The Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam (Beej Nigam), where agents/liaisoners charged commission ranging from 25% to 50% of the base value of the purchase orders issued in favour of Rate Contract Holder entities, a substantial part whereof was passed on to public servants and influential persons for issuance of work orders and release of payments.

Satpal Singh Chabda acted as one of the main liaisoners and financial coordinators of the syndicate. He identified supply-based DMFT works capable of yielding substantial commission, apportioned such works among selected vendors on a percentage basis, facilitated issuance of work orders and release of payments, collected commission from the vendors and participated in its distribution among the members of the syndicate. ED previously conducted searches in the matter w.e.f 03.09.2025 – 04.09.2025 under Section 17(1) of PMLA, 2002 which resulted in seizure of several incriminating documents.

Analysis of banking transactions and statements recorded under Sections 17 and 50 of PMLA, 2002, revealed that he received illegal commission aggregating to Rs. 31 Crore (Approx.), which constitutes Proceeds of Crime. The same was received in the accounts of the accused, his family members, HUFs and entities controlled by him. Accordingly, Satpal Singh Chabda was arrested on 01.09.2026 under Section 19 of PMLA, 2002.

Further investigation is under progress.

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