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DEPARTMENT OF STEEL & MINES

NOTIFICATION

The 6th May, 2025

No.4265—SM-MC1-MISC-0003/2018/SM. — In exercise of the powers conferred by sub-section (4) of Section 15 and Section 15A read with Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 of 1957), the Governor of Odisha do hereby make the following rules to further amend the Odisha District Mineral Foundations Rules, 2015 to regulate the composition, functions and manner of working of the District Mineral Foundations for the interest and benefit of persons and areas affected by mining related operations and for purposes connected herewith, namely:-

1. (1) These rules may be called the Odisha District Mineral Foundations (Amendment) Rules, 2024.
(2) They shall come into force on the date of their publication in the *Odisha Gazette*.
2. In the Odisha District Mineral Foundations Rules, 2015 (herein-after referred to as the “said rules”), in sub-rule (ii) of rule 2, for the words “Mineral Concession Rules, 1960” and “Odisha Minor Mineral Concession Rules, 2004”, the words “Minerals(Other than Atomic & Hydro Carbons Energy Minerals) Concession Rules, 2016” and “Odisha Minor Mineral Concession Rules, 2016” shall respectively be substituted.
3. In the said rules, in rule 4,-
 - (i) in sub-rule (1),-
 - (a) for clause (i), the following clause shall be substituted, namely:-

“(i) The Chairperson of Board of Trustees and Executive Committee shall be the District Magistrate or Collector of the district. No other person shall function as Chairperson of the Trust Board and/ or Executive Committee.”;

(b) in clause (ii), the words “Collector, if he is not the chairperson” shall be omitted.;

(c) after clause (iv), the following clause shall be inserted, namely:-

“(iv-a) In case of one Member of Parliament (MP) in a district, MP, Lok Sabha of the district shall be a member of the Trust Board. In case, there is more than one MP of Lok Sabha in a district, all MPs having mining affected areas as part of their constituency shall be members of the Trust Board.;

(iv-b) In case, the constituency of one MP of Lok Sabha falls in more than one districts, the MP of Lok Sabha shall be member of the Trust Board of all such districts where mining affected area is a part of his constituency.;

(iv-c) MP of Rajya Sabha from a State shall be a member of the Trust Board of one district selected by him or her. (The Rajya Sabha MP shall intimate name of the district selected by him or her to the Secretary in-charge of Mining Department of the State who in turn shall inform the District Magistrate or Deputy Commissioner or Collector concerned).; and

(iv-d) The Members of Legislative Assembly (MLAs) of the district having mining affected area as part of their constituency shall be members of the Trust Board. In case, the constituency of one MLA falls in more than one districts, the concerned MLA shall be member of the Trust Board of all such districts where mining affected area is a part of his or her constituency.”;

(ii) after sub-rule (3), the following sub-rule shall be inserted, namely:-

“(3-a) The Executive Committee of the DMF shall comprise the District Magistrate or Deputy Commissioner or Collector as Chairperson and senior officers of the district responsible for execution of projects as members. The Executive Committee shall not have any elected representative or nominated non-official members.”

4. In the said rules, after rule 7, the following rule shall be inserted, namely:-

“7A. Restriction on fund transfer from DMF.- In respect to the DMF funds of the districts:

- (i) the provisions of Section 9B of the Act shall be strictly adhered to in respect of utilisation of funds by the District Mineral Foundations;
- (ii) no fund shall be transferred in any manner from the District Mineral Foundations to the State exchequer or State level fund (by whatever name called) or Chief Minister's Relief Fund or any other funds or schemes;
- (iii) no sanction or approval of any expenditure out of the fund of the District Mineral Foundations shall be done at the State level by the State Government or any State level agency;
- (iv) no fund shall be spent outside directly or indirectly affected areas within a district or for other than affected people as defined in rule 11;
- (v) no fund shall be transferred in any manner from one district to another district except as mentioned in rule 11A; and
- (vi) the approval of expenditure of funds from DMF lies solely with the Trust Board of DMF. The State Government or State Level Committee (by whatever name called) shall not have overarching authority on sanction of projects, approval of funds or expenditure and their function shall be limited to monitoring effective implementation of projects sanctioned under DMF".

5. In the said rules, in rule 10,-

1. in sub-rule (A),-

- (a) for the heading "High priority activities", the heading "High priority sectors-At least 70% of the DMF funds to be utilised under these sectors", shall be substituted.;
- (b) after clause (ii), the following clause shall be inserted, namely:-
 - "(ii-a) Identification of mineral-specific pollutants and their hazard potential may be done by involving reputed educational institutes or research institutes. The fund may be allocated for the identification of hazard, setting up air quality monitors and displays, and undertaking measures for the implementation of the recommendations of the research.";

(c) In clause (iii),-

(i) for sub-clause (a), the following sub-clause shall be substituted, namely:-

“(a) the focus must be on people whose health is affected due to mining, creation of primary or secondary health care facilities in the affected areas. The emphasis should not be only on the creation of the health care infrastructure, but also on provision of necessary staffing (doctors or paramedical or support staff), equipment and supplies required for making such facilities effective.”;

(ii) for sub-clause (c), the following sub-clause shall be substituted, namely:-

“(c) The expertise available with the National Institute of Miners’ Health may also be drawn upon to design special infrastructure needed to take care of mining related illness and diseases and mobile health care units in the mining affected areas.”

(d) for clause (iv), the following clause shall be substituted, namely:-

“(iv) **Education**—Construction of school or college or vocational training institute buildings, additional class rooms, laboratories, libraries, art and crafts room, toilet blocks, drinking water provisions, residential schools, residential hostels for students of affected areas and teachers or other supporting staff in remote areas, sports infrastructure, engagement of teachers or other supporting staff, e-learning set up, other arrangement of transport facilities (bus or van or cycles or rickshaws), nutrition related programs and financial support to students of affected areas for pursuing education in government or government aided institutions of higher education.”

(e) in clause (v), for the words “etc”, the words “can be taken up under DMF” shall be substituted.;

(f) for clause (vi), the following clause shall be substituted, namely:-

“(vi) **Welfare of aged and differently abled.**- Special program and medical support for welfare of aged and differently abled people and financial assistance to District Disability

Rehabilitation Centres (DDRCs), provision of aids and appliances to disabled persons.”;

(g) in clause (vii), for the heading “Skill development”, the words “Skill development and Livelihood generation” shall be substituted.;

(h) in clause (vii), for sub-clause (b), the following sub-clause shall be substituted, namely:-

“(b) The projects or schemes may include training, training kits, development of skill development center, incubation center, self-employment schemes, support to Self-Help Groups and provision of forward and backward linkages for such self-employment economic activities, works to improve and showcase the arts & crafts of the affected people and areas, collection and processing of minor forest produce.”;

(i) for clause (ix), the following clause shall be substituted, namely:-

“(ix) **Housing:-** Schemes for providing shelter to the persons not having pucca houses including group housing schemes, individual houses, old age homes, provision of pucca housing for mining affected people not covered under Central or State schemes.”;

(j) after clause (ix), the following clauses shall be inserted, namely:-

“(ix-a) **Agriculture.-** Activities related to agriculture, horticulture and agro-forestry.

Assistance to farmers through trainings, support to FPOs or collectives or co-operatives, support for setting up of food processing units, storage including cold storage, marketing facilities like market yards, plantation, processing of medicinal herbs;

(ix-b) **Animal Husbandry.-** Promotion of livestock, poultry, piggery, fishery, feed and fodder development and supporting innovation in animal husbandry, Farmers Producer Organizations (FPOs), Self-Help Groups (SHGs), Farmer Co-operative Organizations (FCOs);

(ix-c) **Electricity.-** Improvement of electricity supply through appropriate augmentation to the transmission and distribution network; and

(ix-d) **Mobile Connectivity.**- Provision of mobile connectivity to inaccessible directly mining affected remote areas.”

(k) for clause (x), the following clause shall be substituted, namely:-

“(x) Livelihood Programmes.-Support for livelihood, income generation and economic activities, developing alternate sources of irrigation including check dams and diversion weirs, adoption of suitable and advanced irrigation techniques, assistance for micro irrigation facilities including drip irrigation, assistance for bore wells and pump energization.”

2. in sub-rule (B),-

(a) for the heading “Other priority activities”, the following heading “Other priority sectors-Upto 30% of the DMF funds to be utilised under these sectors” shall be substituted.;

(b) the clause(ii)shall be omitted.;

(c) in clause (iii),-

(i) for sub-clause (a), the following sub-clause shall be substituted, namely:-

“(a) Development of alternate source of energy (including micro-hydel), decentralised solar or other renewable sources and rainwater harvesting system.”; and

(ii) for the sub-clause (b), the following sub-clause shall be substituted, namely:-

“(b) Development of orchards, integrated farming and agroforestry, economic forestry and restoration of catchments.”

3. for sub-rule (C), excluding proviso thereto, the following sub-rule shall be substituted, namely:-

“(C) As far as possible, at least 70 percentum (70%) of DMF funds may be utilised for the high priority sectors and upto 30 percentum (30%) of the funds may be utilised for other priority sectors.”; and

4. for sub-rule (D), the following sub-rule shall be sub-stituted, namely:-

“(D) Not more than thirty percentum (30%) of the funds may be utilised for taking up activities in the indirectly affected areas”.

6. In the said rules, in rule 11,-

(a) for the words “affected people” appearing in the heading, the following words “people to be covered under DMF” shall be substituted.;

(b) in sub-rule (2),-

(i) for sub-clause (i) of clause (a), the following sub-clause shall be substituted, namely:-

“(i) villages and gram panchayats or urban local bodies (ULB) within which the mines other than minor minerals are situated and are operational, which may extend to neighbouring village or town, block or district or even the State”;

(ii) for sub-clause (ii) of clause (a), the following sub-clause shall be substituted, namely:-

“(ii) An area within such radius of fifteen Kilometers from a mine or cluster of mines, irrespective of the facts whether this falls within the district concerned or adjacent district and all people within five Kilometers from a mine or cluster of mines shall be people affected, where a saturation approach shall be taken up for various prescribed activities”;

(iii) in sub-clause (iv) of clause (a), for the word “villages”, the words “village or wards” shall be substituted.;

(iv) after clause (b), the following clause shall be inserted, namely:-

“(b-1) Indirectly affected area is an area beyond the directly affected area and within such radius from a mine or cluster of mines as may be specified by the State Government but not more than 25 km from boundary of mines of mineral other than minor minerals, irrespective of whether this falls within the district concerned or adjacent district.”;

(v) after clause (b-1), the following clause shall be inserted, namely:-

“(c) The DMF shall prepare and maintain an updated list of such directly and indirectly affected areas.”

(c) in sub-rule (3),-

(i) in sub-clause (iii) of clause (a), after the words “Gram Sabha” appearing at the end, the words “in directly or indirectly affected area” shall be added.;

(ii) for clause (b), the following clause shall be substituted, namely:-

- “(b) Persons affected by mining should include people who have legal and occupational rights over the land being mined, those with usufruct and traditional rights and those whose livelihoods have been affected due to mining”.;
- (iii) for clause (c), the following clause shall be substituted, namely:-
- “(c) Affected families should be identified, as far as possible, in consultation with local or elected representatives of gram sabha or Urban Local Body (ULB) in directly or indirectly affected area.”;
- (iv) after clause (c), the following clause shall be inserted, namely:-
- “(d) The DMF shall prepare and maintain an updated list of such affected persons or local communities. The list shall be revisited for updation at least once every 5 years.”;
- (v) after sub-rule (3), the following sub-rule shall be inserted, namely:-
- “(4) **Five years perspective planning and yearly plan:-** For complete coverage of all affected people and areas in a systematic and time bound manner, long-term planning is essential. For proper utilization of funds for the implementation of works using District Mineral Foundations (DMF) funds:
- (i) The Districts shall conduct a baseline survey through Academic Institutions or Renowned organizations or agencies for perspective plan formulation. Gram Sabha or Local Bodies may aid in preparation of need assessment reports. The DMF may also use the baseline survey undertaken by any Department, if available. The reference and major findings of the surveys should be included in the Perspective Plans under DMF for the District;
 - (ii) Based on the findings and gaps as identified through the baseline survey or any such survey or assessment, the DMF shall prepare a strategy for five years and the same shall be included in the Perspective Plan. The five year Perspective Plan shall be prepared taking into account current balance available and likely accrual to the DMF over a period of five years. The five year

Perspective Plan shall be disaggregated into year-wise action plans;

- (iii) The five year Perspective Plan shall have separate sections on all priority sectors like drinking water, health, education, welfare of women and children and other sectors like roads, irrigation;
- (iv) The five year Perspective Plan shall be approved by the Trust Board of the DMF and displayed on the website of the DMF;
- (v) The Annual Plans of the DMF to be approved by Trust Board each year shall be based upon the five year perspective plan and success achieved in fulfilling its targets in earlier years. The Annual Plans may include some other works and expenditures considered urgent in nature although not included in the perspective plan to a maximum extent of 10% of the annual plan;
- (vi) The State Government may empanel renowned organization or agencies or universities for conducting the baseline surveys and preparing five year perspective plans; and
- (vii) The Trust Board shall approve the five years perspective plan and annual plan comprising of list of projects to be taken up in financial years.”

7. In the said rules, for rule 11A, the following rule shall be substituted, namely:-

“11A.General Guidelines.-

- (a) **Convergence of schemes** - The developmental and welfare activities to be taken up under the DMF should be, as far as possible, in the nature of complementing the ongoing schemes or projects being funded by the State as well as Central Government. Activities meant to be taken up under the 'polluter pays principle' should not be taken up under the DMF. However, without prejudice to the powers of the Trust, efforts shall be made to achieve convergence with the State and the District Plans so that the activities taken up by the Trust supplement the development and welfare activities and are treated as extra-budgetary resources for the State Plan. The DMFs shall focus on

convergence with on-going central and state schemes for achieving the Sustainable Development Goals (SDGs) in mining affected areas. While formulating schemes, DMFs will give priority to achieving targets under Aspirational Districts Programme and Aspirational Blocks Programme.

- (b) **Project Management Unit (PMU)** - An amount not exceeding 5% of the annual receipts of the Trust may be utilised for administrative, supervisory and overhead costs of the Trust. As far as possible, no temporary or permanent posts should be created under the District Mineral Foundations. Any creation of temporary or permanent posts and purchase of vehicle by the Trust shall require prior approval of the State Government. However, minimum required staff can be engaged on contractual basis. In order to enhance the capacity of the DMFs and for effective utilization of DMF funds, the DMF with annual collection in the excess of Rs.50 crores shall set up a Project Management Unit for planning, technical, accounting and monitoring support and the cost of such PMU may be met from administrative expenses. The PMU may engage required qualified manpower on contractual basis. Engagement of personnel for projects under the DMF shall be purely contractual for a limited period only.
- (c) **Endowment fund** - A reasonable sum not exceeding 10% of the annual receipts should be kept as endowment fund for providing sustainable livelihood. The districts having annual collection of Rs.10 crore or more shall maintain an endowment fund. The endowment fund may be invested in government securities or bonds and FDs of scheduled banks and other instruments as are permitted by the State Government. The endowment fund should be used for creating & sustaining livelihoods in areas where mining activity has stopped due to any reason including exhaustion of mineral.
- (d) **Affected area in more than one district** - If the affected area of a mine in one district also falls in the jurisdiction of another district (even if it is in another State), such percentage of amount collected from the mine by the Trust, in proportion of affected areas, shall be transferred to the Trust of the other district concerned for taking up the activities in such areas. A project that is for benefit of the affected area or people,

but stretches beyond the geographical boundary of the district should be taken up under the DMF after obtaining prior approval of the State Government.

(e) Implementation of Works or Contracts-

(i) Works or goods may be procured by the DMF after following due procedure prescribed by the respective State Governments for such procurements. Procurement through GeM portal should be preferred.

(ii) Transfer of fund to all executing agencies and beneficiaries shall be through Direct Benefit Transfer (DBT) only into their bank account.

(f) Projects for development of common social and economic infrastructure like institutions of higher and technical education, sports infrastructure, science centres, health institutions in the secondary and tertiary sector, roads and bridges etc. in excess of the limits specified in regard to the priority for fund utilization, on a case to case basis, may also be taken up for projects of importance to the district. Prior approval of the Government need to be taken, before taking up such works in excess of the limits of fund utilization.”

8. In the said rules, for rule 15, the following rule shall be substituted, namely:-

“15. Audit.- (a) The accounts of the DMF shall be audited by the Comptroller and Auditor General (CAG) as per schedule decided by CAG.

(b) The accounts of the DMF shall be audited every year by a Chartered Accountant appointed by the DMF, or in such other manner as the Government may specify, and the report thereof shall be placed in the public domain along with the Annual Report.”

9. In the said rules, in rule 16, for sub-rule (1), the following sub-rule shall be substituted, namely:-

“(1) Every year, within three months from the date of closure of the financial year, the DMF shall cause to prepare an Annual Report on its activities for the respective financial year and place it before the DMF.”

10. In the said rules, for rule 17, the following rule shall be substituted, namely:-

“17. Transparency and Accountability.- (1). Each Trust will prepare and maintain a website or a specific section on the website of the District Administration on which, *inter-alia*, the following information will be hosted and kept updated:-

- (i) details of composition of the Trust Board and Executive Committee of DMF by whatever name called;
 - (ii) list of areas and people affected by mining (including periodic updation);
 - (iii) quarterly details of all contributions received from lessees and others;
 - (iv) all meeting agenda, minutes and action taken reports (ATRs) of the DMF;
 - (v) 5 years Perspective Plan, details of investment of endowment fund, Annual Plans and budget, work orders and Annual Report within 30 days of issuance of the document;
 - (vi) online status of ongoing works - implementation status or progress of all the projects or programs being undertaken under DMF should be made available on the website, including description of work, details of beneficiaries, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress up to the previous quarter etc.;
 - (vii) list of beneficiaries under various welfare programs; and
 - (viii) voluntary disclosures under RTI Act.
- (2) Each Trust shall display description of the project and amount sanctioned on a notice board at the project site.
 - (3) Information, Education and Communication (IEC) activities to create awareness regarding schemes implemented under DMF through social media, films, videos etc.
 - (4) The District Mineral Foundations (DMF) shall share information pertaining to performance of DMF including deposit of funds and implementation of works to the State Government and Ministry of Mines, Government of India as per the formats prescribed and manner specified.
 - (5) The Central Government shall develop an online portal for facilitating administration of DMF including approval of projects, release of funds and

monitoring of implementation of the projects. Each DMF shall compulsorily sanction, release funds and monitor execution of projects through the online portal only from the date as may be notified by the Central Government.”

11. In the said rules, for clause (3) of rule 18B, the following clause shall be substituted, namely:-

“The State Level Committee may hire Subject Domain Experts as and when needed to assist them in their functioning.”

12. In the said rules, after rule 18B, the following rules shall be inserted, namely:-

“18C. Grievance Redressal.- (1) The DMFs shall devise and implement a grievance redressal mechanism so that each grievance is redressed, and a suitable reply is given to the complainant within 30 days of making a complaint to the Collector or any other officer as may be notified.

(2) The State Government may, on receipt of any complaint or public grievance shall ensure each grievance is redressed by DMF and a suitable reply is given to the complainant within the stipulated timeframe. The Central Government may, on receipt of any complaint or public grievance regarding improper utilization of DMF funds, poor implementation of projects or violation of DMF guidelines -

- (i) Refer the complaint to the State Government for submitting a detailed Action Taken Report. The State Government shall submit a detailed Action Taken Report within 2 months from receipt of reference from the Government of India;
- (ii) Alternatively, if it considers fit, the Central Government may get an inquiry conducted by a Central team, or any third party on such complaint;
- (iii) On receipt of the Action Taken Report by the State Government or report of Central Team or the third party, the Central Government shall direct the State Government to take necessary corrective measures within one month of receipt of such direction; and
- (iv) The State Government shall submit a report on implementation of corrective measures.

18D. Compliance mechanism.-

- (a) In case, a DMF -

- (i) fails to maintain an endowment fund as mandated in rule 11(A);
- (ii) transfers any fund in violation of rule 7A;
- (iii) fails to comply with any of the clauses in rule 17;
- (iv) fails to get the accounts audited as mandated in rule 15;
- (v) fails to prepare and publish annual report as mandated in rule 16; or
- (vi) fails to follow directions of State Government or Central Government in rule 18C,

the State Government or the Central Government may direct, –

- (b) Suspension of sanction of any or all new works or execution of any or all of already sanctioned works; and/ or suspension of release of funds for any or all the works by the bank(s) where DMF fund is deposited or the bank account of the executing agencies where funds have been transferred from DMF;
- (c) The State Government or the Central Government may, after being satisfied that necessary corrective measures have been taken, withdraw such suspension; and
- (d) In case any direction under (b) or (c) above is given by the Central Government the withdrawal of such direction shall only be done by the Central Government”.

By Order of the Governor

SURENDRA KUMAR

Additional Chief Secretary to Government