

GOVERNMENT OF TELANGANA  
ABSTRACT

Mines & Minerals - Mines & Minerals (Development & Regulation) Amendment Act, 2015 - District Mineral Foundation (Trust) Rules, 2024 under section 15(4) of the Mines & Minerals (Development & Regulation) Act, 1957 (Central Act 67 of 1957) as amended by Act 10 of 2015 - Notification - Orders - Issued.

INDUSTRIES AND COMMERCE (MINES-I) DEPARTMENT

G.O.Ms.No.16

Dated:08.07.2025  
Read the following:

1. Notification No.13, Dated:27.03.2015 in the Gazette of India, Extraordinary, Part-II issued by the Ministry of Law & Justice (Legislative Department), Government of India.
2. G.O.Ms.No.52, Ind. & Comm. (M.I) Dept., Dated:21.08.2015.
3. G.O.Ms.No.53, Ind. & Comm. (M.I) Dept., Dated:21.08.2015.
4. G.O.Ms.No.03, Ind. & Comm. (M.I) Dept., Dated:20.01.2016.
5. G.O.Ms.No.04, Ind. & Comm. (M.I) Dept., Dated:20.01.2016.
6. G.O.Ms.No.05, Ind. & Comm. (M.I) Dept., Dated:20.01.2016.
7. G.O.Ms.No.39, Ind. & Comm. (M.I) Dept., Dated:08.08.2016.
8. G.O.Ms.No.58, Ind. & Comm. (M.I) Dept., Dated:04.10.2016.
9. G.O.Ms.No.74, Ind. & Comm. (M.I) Dept., Dated:19.12.2016.
10. G.O.Ms.No.47, Ind. & Comm. (M.I) Dept., Dated:21.07.2017.
11. G.O.Ms.No.83, Ind. & Comm. (M.I) Dept., Dated:08.11.2017.
12. G.O.Ms.No.87, Ind. & Comm. (M.I) Dept., Dated:14.11.2017.
13. G.O.Ms.No.38, Ind. & Comm. (M.I) Dept., Dated:31.05.2018.
14. From the Ministry of Mines, Government of India, Order No.16/53/2022-M.IV, Dated:15.01.2024.
15. From the Director of Mines & Geology, Hyderabad, Letter No. 2375777/DMF/2024, Dated:06.03.2024.

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**ORDER:**

In supersession of the orders issued in the references 1<sup>st</sup> to 13<sup>th</sup> read above, the following notification will be published in an Extraordinary Issue of Telangana Gazette, Dated:08.07.2025.

**NOTIFICATION**

In exercise of the powers conferred by sub-section (4) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) as amended by Act 10 of 2015 and guided by the provisions contained in Article 244 read with Fifth and Sixth Schedule to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996, and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, the Governor of Telangana hereby makes the following rules, namely:-

**1. Short Title and Commencement**

- a. These rules may be called the Telangana State District Mineral Foundation (Trust) Rules, 2024.
- b. They shall come into force from the date of their publication in the Official Gazette.

**2. Application**

- a) These rules shall extend to the whole State of Telangana, and
- b) They shall apply to all minerals, including minor minerals, as specified under the Mines and Minerals (Development and Regulation) Act, 1957 (including as amended in 2015), and any other minerals which the Central Government may by notification declare in the Official Gazette.

- c) Every District Mineral Foundation (Trust) established in all the 33 Districts of Telangana State (Adilabad, Komerambheem Asifabad, Mancherial, Kamareddy, Medak, Sangareddy, Siddipet, Mahabubnagar, Rangareddy, Medchal-Malkajgiri, Vikarabad, Nalgonda, Yadadri-Bhongiri, Suryapet, Janagaon, Nirmal, Warangal, Hanumakonda, Mahabubabad, Jayashakar Bhupalpally, Mulugu, Karimnagar, Jagityal, Peddapalli, Rajanna Sircilla, Khammam, Bhadradri-Kothagudem, Hyderabad, Wanaparthy, Nizamabad, Narayanpet, Jogulamba Gadwal and Nagarkurnool) shall have a Governing Council and a Managing Committee.

### 3. Definitions

- a. "Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (as amended in 2015);
- b. "District Mineral Foundation (Trust)" means a statutory trust established as a non-profit body by the Government in all districts affected by mining or mining related operations, in accordance with Section 9B of the Act;
- c. "Government" means Government of Telangana State;
- d. "Gram Panchayat" means an institution of self-government for the rural areas as defined under Article 243(d) and 243B of the Constitution (Seventy-third Amendment) Act, 1992;
- e. "Gram Sabha" means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level as defined under article 243(b) of the Constitution (Seventy-third Amendment) Act, 1992;
- f. "Rules" means the Telangana State District Mineral Foundation (Trust) Rules, 2024;
- g. "Trust" means the District Mineral Foundation (Trust), which is a statutory trust as notified by the Government of Telangana State to be governed by its own rules and regulation so notified under these Rules.
- h. "Affected family" as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 which means (i) a family whose land or other immovable property has been acquired; (ii) a family which does not own any land but a member or members of such family may be agricultural labourers, tenants including any form of tenancy or holding of usufruct right, share-croppers or artisans or who may be working in the affected area for three years prior to the acquisition of the land, whose primary source of livelihood stand affected by the acquisition of land; (iii) the Scheduled Tribes and other traditional forest dwellers who have lost any of their forest rights recognised under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007) due to acquisition of land; (iv) family whose primary source of livelihood for three years prior to the acquisition of the land is dependent on forests or water bodies and includes gatherers of forest produce, hunters, fisher folk and boatmen and such livelihood is affected due to acquisition of land; (v) a member of the family who has been assigned land by the State Government or the Central Government under any of its schemes and such land is under acquisition; (vi) a family residing on any land in the urban areas for preceding three years or more prior to the acquisition of the land or whose primary source of livelihood for three years prior to the acquisition of the land is affected by the acquisition of such land;

- i. "Displaced family" as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 means any family, who on account of acquisition of land has to be relocated and resettled from the affected area to the resettlement area;

#### 4. Objective of the Trust

The Trust shall work for the interests, benefits and sustainable development of areas affected by mining or mining related operations in the district in such manner as may be prescribed by these Rules, in an effective, transparent, and accountable manner.

#### 5. Trust Fund

- a. The total amount that the Trust Fund will receive in a year shall be earmarked specifically for various purposes as:
  - 1) Ninety per cent shall be spent in the following manner
    - a) Not less than 70 per cent shall be spent on schemes laid for High Priority areas as laid in PMKKKY.
    - b) Not more than 30 per cent shall be used in other priority areas as laid in PMKKKY.
    - c) Not less than 70 per cent shall be spent in directly affected areas as laid in the PMKKKY.
    - d) Not more than 30 per cent shall be spent in indirectly affected areas as laid in the PMKKKY
  - 2) A reasonable sum not exceeding five percent shall be kept as endowment fund for future use. The districts having annual collection of Rs. 10 crore or more shall maintain an endowment fund.
  - 3) Not more than four per cent shall be used as administrative expenses of the Trust including expenses for Project Management Unit. Provided that the District Mineral Foundation may allocate spending as per the actual requirement.
  - 4) One percent of total District Mineral Foundation (Trust) Fund already deposited by the lease holders shall be transferred at once by all the District Mineral Foundations and henceforth as well to be deposited by tenth of every month in the Bank Account maintained by the Director of Mines & Geology. The Director of Mines & Geology shall meet the expenditure for Administrative, Infrastructure and Information Technology & allied purposes.

#### 6. Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)

##### A. Identification of affected areas and people to be covered under the PMKKKY

##### i. Affected areas

- a) **Directly affected areas** - Villages and gram panchayats or Urban Local Bodies (ULBs) within which the mines are situated and are operational. Such mining areas may extend to neighbouring village/ town, block, or district or even State.
  - i. An area within a radius of 10 Kilometre from a mine or cluster of mines, irrespective of whether this falls within the district concerned or adjacent district.

Explanation - A cluster mining is one where the periphery of one lease area from the periphery of another lease area is less than one kilometre. The total lease area of all mines shall be equal to or more than 50 hectares.

- ii. Villages/ wards in which families displaced by mines have been resettled/ rehabilitated by the project authorities within a radius of 10 Kilometre.
  - iii. Villages/ wards that significantly depend on the mining areas for meeting their economic needs and have usufruct and traditional rights over the project areas, for instance, grazing, collection of minor forest produce etc. should be considered as directly affected areas.
- b) **Indirectly affected areas** - Those areas where local population is adversely affected on account of economic, social, and environmental consequences due to mining-related operations. The major negative impacts of mining could be by way of deterioration of water, soil and air quality, reduction in stream flows and depletion of ground water, congestion, and pollution due to mining operations, transportation of minerals, increased burden on existing infrastructure and resources. The entire district shall be covered under indirectly affected area being adversely affected on account of economic, social, and environmental consequences due to mining-related operations.
- c) The District Mineral Foundation (Trust) shall prepare and maintain an updated list of such directly and indirectly affected areas.

**ii. Affected people**

- a) The following shall include directly affected persons:
  - i. 'Affected family' as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
  - ii. 'Displaced family' as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
  - iii. Any other as appropriately identified by the concerned gram sabha/ ULB in directly or indirectly affected area.
- 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.
- c) Affected families should be identified, as far as possible, in consultation with local/elected representatives of gram sabha/ Urban Local Body (ULB) in directly or indirectly affected area.
- d) The District Mineral Foundation (Trust) shall prepare and maintain and updated list of such affected persons/local communities. The list shall be revised at least once every 5 years.

## 7. General Guidelines

- a) **Convergence of schemes** - The developmental and welfare activities to be taken up under the PMKKKY should be, as far as possible, in the nature of complementing the ongoing schemes/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 PMKKKY. However, without prejudice to the powers of the Foundation, efforts shall be made to achieve convergence with the State and the District Plans so that the activities taken up by the Foundation supplement the development and welfare activities are treated as extra-budgetary resources for the State Plan. The District Mineral Foundation (Trust) shall focus on convergence with ongoing central and state schemes for achieving the Sustainable Development Goals (SDGs) in mining affected areas. While formulating schemes, District Mineral Foundation (Trust) will give priority for achieving targets under Aspirational Districts Programme and Aspirational Blocks Programme.
  
- b) **Project Management Unit** - An amount not exceeding 4% of the annual receipts of the Foundation may be utilised for administrative, supervisory and overhead costs of the Foundation. As far as possible, no temporary/permanent posts should be created under District Mineral Foundation. Any creation of temporary/permanent posts and purchase of vehicle by the foundation 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 District Mineral Foundation (Trust) and for effective utilization of District Mineral Foundation (Trust) funds, the District Mineral Foundation (Trust) 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 PMKKKY shall be purely contractual for a limited period only.
  
- c) **Endowment Fund** - A reasonable sum not exceeding 5% 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/bonds and FDs of scheduled banks and other instruments as are permitted by the State Government. The endowment fund should be used for creating and 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, such percentage of amount collected from the mine by the Foundation, in proportion of affected areas, shall be transferred to the Foundation of the other district concerned for taking up the activities in such areas. A project that is for benefit of the affected area/ people, but stretches beyond the geographical boundary of the district should be taken up under the PMKKKY after obtaining prior approval of the State Government.
  
- e) Wherever there is contribution of District Mineral Foundation (Trust) fund especially from mining leases for major minerals viz., Coal and Limestone in a particular district and such amount gets accumulated more as compared to the lean districts, apportionment of such District Mineral Foundation (Trust) amount may be catered to the needs of the lean districts where District Mineral Foundation (Trust) contribution is not sufficient to take up the projects as stipulated in PMKKKY.

Such need based apportionment of DMF(T) fund may be catered duly obtaining prior approval of the State Government.

**f) Implementation of Works/ Contracts**

- i. Works/good may be procured by the District Mineral Foundation (Trust) 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.

**8. Utilisation of Funds**

**A. Scope of PMKKKY**

The PMKKKY may cover the activities listed below:

**1. High Priority Sectors - at least 70% of PMKKKY funds to be utilized under these sectors:**

- a) **Drinking water supply** - centralized purification systems, water treatment plants, permanent/temporary water distribution network including standalone facilities for drinking water, laying of piped water supply system.
- b) **Environment preservation and pollution control measures** - effluent treatment plants, prevention of pollution of streams, lakes, ponds, ground water, other water sources in the region, measure for controlling air and dust pollution caused by mining operations and dumps, mine drainage system, mine pollution prevention technologies, and measures for working or abandoned mines and other air, water and surface pollution control mechanisms required for environment-friendly and sustainable mine development. Identification of mineral-specific pollutants and their hazard potential may be done by involving reputed educational/ research institutions. The fund may be allocated for the identification of the hazards, setting up air quality monitors and displays, and undertaking measures for the implementation of the recommendations of the research.
- c) **Health care** - the focus must be on people whose health is affected due to mining, creation of primary/ 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/paramedical/support staff), equipment and supplied required for making such facilities effective. To that extent, the effort should be to supplement and work in convergence with the existing health care infrastructure of the local bodies, State and Central government. 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 illnesses and diseases, mobile health care units in the mining affected areas. Group Insurance Scheme for health care may be implemented for mining affected persons.
- d) **Education** - construction of school/ college/ vocational training institute buildings, additional class rooms, laboratories, libraries, art and crafts rooms, toilet blocks, drinking water provisions, residential schools, residential hostels for students of affected areas and teachers in remote areas, sports infrastructure, engagement of teachers/other supporting staff, e-learning setup, other arrangement of transport facilities (bus/van/cycles/rickshaws etc.) and nutritional related programs. Financial support to students of affected areas for pursuing education in government/government aided institutions of higher education.

- e) **Welfare of Women and Children** - Special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases, etc. can be taken up under the PMKKKY.
  - f) **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).
  - g) **Skill development and Livelihood generation** - skill development for livelihood support, income generation and economic activities for local eligible persons. The projects/ schemes may include training, training kits, development of skill development centre, incubation centre, self-employment schemes, support to Self Help Groups and provision of forwards and backward linkages for such self-employment economic activities, works to improve and showcase the arts and crafts of the affected people and areas, collection, and processing of minor forest produce.
  - h) **Sanitation** - collection, transportation and disposal of waste, cleaning of public places, provision of proper drainage and Sewage Treatment Plant, provision for disposal of fecal sludge, provision of toilets and other related activities.
  - i) **Housing** - Provision of pucca housing for mining affected people not covered under Central or State schemes.
  - j) **Agriculture** - Activities related to agriculture, horticulture and agroforestry. Assistance to farmers through trainings, support to FPOs/ collectives/ cooperatives, support for setting up of food processing units, storage including cold storage, marketing facilities like market yards etc., plantation, processing of medicinal herbs.
  - k) **Animal Husbandry** - Promotion of livestock, poultry, piggery, fishery, feed and fodder development and supporting innovation in animal husbandry, Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), Farmer Cooperative Organizations (FCOs).
2. **Other Priority Sectors - Up to 30% of the PMKKKY funds to be utilized under these sectors.**
- a. **Physical Infrastructure** - providing required physical infrastructure - roads, bridges, railways, and waterways projects.
  - b. **Irrigation** - 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.
  - c. **Energy and Watershed Development** - Development of alternative sources of energy (including micro-hydel, decentralized solar or other renewable sources) and rainwater harvesting system. Development of orchards, integrated farming and agroforestry and restoration of catchments.
  - d. **Any other measures for enhancing environmental quality in the mining affected district.**
3. **Distribution of funds in directly and indirectly affected areas**
- a. A minimum of 70% of the District Mineral Foundation (Trust) funds shall be spent only in the directly affected area as specified in 6A(1)(a).

## 9. Composition and Functions of District Mineral Foundation (Trust)

### A. Composition of District Mineral Foundation (Trust)

- 1) Every District Mineral Foundation will have a Governing Council and a Managing Committee.
- 2) The Chairman of Governing Council and Managing Committee shall be the District Magistrate/Deputy Commissioner/Collector of the district. No other person shall function as Chairman of the Governing Council and/ or Managing Committee.
- 3) In case of one Member of Parliament (MP) in a district, MP, Lok Sabha of the district shall be a member of the Governing Council. 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 Governing Council.
- 4) 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 Governing Council of all such districts where mining affected area is a part of his/her constituency.
- 5) MP of Rajya Sabha from a State shall be a member of the Governing Council of one district selected by him/her. (The Rajya Sabha MP shall intimate name of the district selected by him/her to the Secretary in-charge of Mining Department of the State who in turn shall inform the District Magistrate/Deputy Commissioner/Collector concerned).
- 6) The Members of Legislative Assembly (MLAs) of the district having mining affected area as part of their constituency shall be members of the Governing Council. In case, the constituency of one MLA falls in more than one district, the MLA shall be member of the Governing Council of all such districts where mining affected area is a part of his/ her constituency.
- 7) The Members of Legislative Council of the State (MLC) shall be a member of the Governing Council of one district selected by him/her. (The MLC shall intimate name of the district selected by him/ her to the Secretary in-charge of Mining Department of the State who in turn shall inform the concerned District Magistrate/ Deputy Commissioner/ Collector).
- 8) The Managing Committee of the District Mineral Foundation (Trust) shall comprise the District Magistrate/Deputy Commissioner/ Collector as Chairman and senior officers of the district responsible for execution of projects as members. The managing committee shall not have any elected representative or nominated non-official members.

### B. Composition of Governing Council

The Governing Council shall consist of the following members, namely:-

(i)	District Collector and Magistrate	:	Chairperson, ex officio
(ii)	Minister In-charge of the District	:	Member
(iii)	District Minister(s) concerned	:	Members
(iv)	Member(s) of Parliament, Lok Sabha	:	Members
(v)	Member(s) of Parliament, Rajya Sabha	:	Members
(vii)	Member(s) of Legislative Assembly	:	Members
(viii)	Member(s) of Legislative Council	:	Members
(ix)	Chairperson, Zilla Parishad	:	Member
(x)	Chief Planning Officer	:	Member-Convener

**C. Composition of Managing Committee**

The Managing Committee shall consist of the following members, namely:-

(i)	District Collector and Magistrate	:	Chairperson, ex officio
(ii)	Project Officer, ITDA (wherever ITDA exists)	:	Member
(iii)	Asst. Director of Mines and Geology	:	Member
(iv)	Lead Bank Officer of district (where District Mineral Foundation (Trust) Account opened and under operation)	:	Member
(v)	District Rural Water Supply Officer	:	Member
(vi)	District Forest Officer	:	Member
(vii)	District Pollution Control Board Officer	:	Member
(viii)	District Medical and Health Officer	:	Member
(ix)	District Educational Officer	:	Member
(x)	District Women and Child Welfare Officer	:	Member
(xi)	District Social Welfare Officer (BC, SC/ST, Minorities)	:	Member
(xii)	District Youth and Sports Officer	:	Member
(xiii)	GM, District Industrial Center	:	Member
(xiv)	District Panchayat Officer	:	Member
(xv)	District Officer, R&B Dept.	:	Member
(xvi)	Sr. Divisional Engineer (Works), South Central Railway	:	Member
(xvii)	District Officer, I&CAD Dept.	:	Member
(xviii)	District Panchayat Raj Engineer (PR)	:	Member
(xix)	Chief Planning Officer	:	Member-Convener
(xx)	Project Director, District Rural Development Agency	:	Member-Treasurer

The Chairperson, Managing Committee in consultation and approval of the Governing Council may invite any other Department as Special Invitee for proper functioning of the Committee.

**D. Functions of District Mineral Foundation (Trust)**

- 1) The authority to manage the Trust shall vest in the Governing Council.
- 2) The tenure of the Government representatives from the respective Department in the Governing Council shall be as long as she/he holds that office or transferred from that district.
- 3) The day to day functioning of the Trust shall vest with the Managing Committee.
- 4) The tenure of the Government representatives in the Managing Committee shall be as long as she/he holds that office or till transferred from the district.

**E. Powers of Governing Council**

The Governing Council shall be responsible for or vested with -

- 1) Voting on the annual account among Public Representative Members;
- 2) Coordinating with the Managing Committee on development of five-year perspective plan, annual plan and passing of the five-year perspective plan and annual plan of the Trust;

- 3) Constituting sub-committees such as Planning Committee for assisting in preparation of five-year perspective plan, annual plans of the Trust, as found expedient from time to time, for smooth functioning of the Trust. The Planning Committee shall work under the Chairpersonship of Member-Convener, Governing Council.
- 4) Ratifying the appointments of officers and auditors to run the Trust;
- 5) Approving annual audit reports prepared and presented by the Chartered Accountant/firm;
- 6) To approve remuneration to:
  - a. The appointed persons working for District Mineral Foundation office;
  - b. Consultant empanelled to assist the Planning Committee;
  - c. Registered Chartered Accountant/firm for maintenance of accounts of the Trust and preparation of annual reports, as per established norms;
  - d. Remuneration to the empanelled auditors of Accountant General entrusted with the scrutiny of Trust accounts through Accountant General
  - e. Remuneration and allowance to Project Management Unit staff and administrative expenses;
  - f. Reimbursement of local travel within the district and daily allowance at the State Government DA rate for attending the meetings as applicable to Group-A officers of the State to non-official members.
  - g. Remuneration to academic institutions/renowned organizations/agencies for baseline survey and five-year perspective planning exercise; social audit surveys etc.
  - h. Meeting the miscellaneous expenses for conduct of meetings etc.
- 7) The Governing Council shall meet at least twice in a year. The date of meeting of the Governing Council shall be fixed as per the convenience of the Member of Parliament who are members of the Governing Council.

#### **F. Powers of the Managing Committee**

The Managing Committee shall be responsible for -

- 1) Coordinating, consolidating and developing the five-years perspective plan, annual plan of the Trust as described under Rule 3;
- 2) Approving the lists of works as identified by the five years perspective plan exercise and annual plans;
- 3) Allocation and distribution of funds through bank transfer to the works identified in five-years perspective planning exercise and annual plans.
- 4) Undertaking such other activities as are in furtherance of the objective of the Trust, including supporting essential services and maintenance of local infrastructure for socio-economic purposes in the directly and indirectly affected areas.

- 5) The appointment of any officer(s) or consultant(s) or auditors or Project Management Unit to assist the Trust shall be with the approval of Governing Council.
- 6) Organizing meetings of the Trust.
- 7) Presenting audit reports for ratification to the Governing Council.
- 8) Shall initiate effective steps for strengthening the regulatory mechanism to curb the illegal mining/ quarrying and transportation of minerals in the district.
- 9) The Managing Committee shall meet at least once every quarter.

#### 10. Five years perspective planning and yearly plan

1. 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 Foundation (Trust) funds:
  - a) The districts shall conduct a baseline survey through Academic Institutions/ Renowned organizations/ agencies for perspective plan formulation. Gram Sabha/Local Bodies may aid in preparation of need assessment reports. The District Mineral Foundation (Trust) 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 PMKKKY for the District.
  - b) Based on the findings and gaps as identified through the baseline survey or any such survey/ assessment, the District Mineral Foundation (Trust) 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 District Mineral Foundation (Trust) over a period of five years. The five-year Perspective Plan shall be disaggregated into year-wise action plans.
  - c) The five-year Perspective Plan shall have separate sections on all priority sectors like drinking water, health, education, welfare of women and children, etc and other sectors like roads, irrigation etc.
  - d) The five-year Perspective Plan shall be approved by the Governing Council of the District Mineral Foundation (Trust) and displayed on the website of the District Mineral Foundation (Trust).
  - e) The Trust shall develop an annual plan which shall be operational for a financial year.
  - f) The Annual Plans of the District Mineral Foundation (Trust) to be approved by Governing Council 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.
  - g) The annual plan shall include the type and quantum of developmental schemes/works for which the Trust Fund shall be used. Such developmental schemes/works shall be implemented within a defined timeframe for the welfare of persons in the affected areas.

- h) The fund allocation for various developmental schemes/works shall be as provided under Rule 5 and such allocations shall be guided by provisions made there under.
- i) The Trust shall commence the annual planning process at the beginning of the fourth financial quarter every year, for the developmental schemes/works to be executed in the following financial year.
- j) The State Government may empanel renowned organization/agencies/universities for conducting the baseline surveys and preparing five year perspective plans.
- k) The Governing Council shall approve the five years perspective plan and annual plan comprising of list of projects to be taken up in financial years.

**11. Restriction of Fund Transfer from District Mineral Foundation (Trust)**

- 1) In respect to the DMF (Trust) funds of the districts:
  - a) The provisions of Section 9B of the Act shall be strictly adhered to in respect of utilisation of funds by the District Mineral Foundation (Trust);
  - b) No fund shall be transferred in any manner from the District Mineral Foundation (Trusts) to the State exchequer or State level fund (by whatever name called) or Chief Minister's Relief Fund or any other funds or schemes; and
  - c) No sanction or approval of any expenditure out of the fund of the District Mineral Foundation (Trust) shall be done at the State level by the State Government or any State level agency.
  - d) No fund shall be spent outside directly or indirectly affected areas within a district or for other than affected people as defined in Rule 6A(2).
  - e) No fund shall be transferred in any manner from one district to another district except as mentioned in Rule 7 (d) and (e).
  - f) The approval of expenditure of funds from District Mineral Foundation (Trust) lies solely with the Governing Council of District Mineral Foundation (Trust). The State Government or State level Committee (by whatever name called) shall not have overarching authority on sanction of projects, approval of funds/ expenditure and their function shall be limited to monitoring effective implementation of projects sanctioned under PMKKKY.

**12. Special Provisions for Scheduled Areas**

- 1) The process to be adopted for utilization of PMKKKY Funds in the Scheduled areas shall be guided by the provisions contained in Article-244 read with Scheduled-V and Scheduled-VI to the Constitution relating to Administration of the Scheduled areas and Tribal areas and the provisions of the Panchayats (extension to scheduled areas) Act, 1996 and the Scheduled tribes and other traditional forest dwellers (recognition of forest rights) Act, 2006.

- 2) In respect of Villages affected by mining situated in the Scheduled areas.
  - a). Approval of the Gram Sabha shall be required.
    - i. For all plans, programmes, and projects to be taken up under PMKKKY.
    - ii. Identification of beneficiaries under the existing guidelines of the Government.
  - b). Report on the works undertaken under PMKKKY in the respective village shall be furnished to the Gram Sabha after completion of every financial year.

[Gram Sabha will have same meeting as assigned to it for the purpose of implementation of the provisions of the Panchayats (Extension to the Scheduled areas) Act, 1996(Act, 40 of 1996)].

### 13. Transparency & Accountability

- 1) The Director of Mines and Geology shall prepare and develop an online portal/website and each District Mineral Foundation shall maintain the following information which shall be hosted and kept updated at all times:-
  - a) Details of composition of the Governing Council and Managing Committee of District Mineral Foundation (Trust).
  - b) List of areas and people affected by mining (including periodic updation).
  - c) Quarterly details of all contributions received from lessees and others.
  - d) All meeting agenda, minutes and action taken reports (ATRs) of the District Mineral Foundation (Trust).
  - e) 5 years Perspective Plan, Annual Plans and budget, work orders and Annual Report within 30 days of issuance of the document.
  - f) Online status of ongoing works - implementation status/ progress of all the projects/programs being undertaken under PMKKKY 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.
  - g) List of beneficiaries under various welfare programs.
  - h) Voluntary disclosures under RTI Act.
- 2) Each Foundation shall display PMKKKY logo along with sector and 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 PMKKKY through social media, films, videos etc should be developed by District Mineral Foundation (Trust) regularly.

4) The District Mineral Foundation (Trust) shall share information pertaining to performance of District Mineral Foundation (Trust) 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 from time to time.

5) The Central Government shall develop an online portal for facilitating administration of District Mineral Foundation (Trust) including approval of projects, release of funds and monitoring of implementation of the projects. Each District Mineral Foundation (Trust) 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.

#### **14. Accounts and Audit**

- a) The accounts for the proportion of District Mineral Foundation (Trust) funds spent for welfare of directly and indirectly affected areas shall be audited by the Comptroller and Auditor General (CAG) as per schedule decided by CAG.
- b) The accounts of the District Mineral Foundation shall be audited every year by the audit agencies under empanelment with the Accountant General. The State Government shall address the Accountant General, obtain list of empanelled audit agencies and allot districts for conduct of District Mineral Foundation audit annually. The audit report along with the annual report thereof shall be placed in the public domain.
- c) In addition to the financial audit, there shall be an Independent Social Audit by the Governing Council under the provisions of Rule 6.4. The parameters of such social audit could include coverage of mining affected areas with respect to funds sharing, timeliness of payments, timeliness of developmental schemes/works undertaken, work completion rates, and any such related issues.
- d) The accounts of the Trust together with the financial audit report, the social audit report and the Annual Report shall be forwarded annually to the Director of Mines and Geology by the Trust. The Director of Mines and Geology shall submit the same to Secretary/Principal Secretary to the State Government and the State Government shall cause the reports to be placed before the State Legislature.

#### **15. Annual Report**

- a) Every year, within three months from the date of closure of the financial year, the District Mineral Foundation (Trust) shall cause to prepare an annual report on its activities for the respective financial year and place it before the District Mineral Foundation (Trust).
- b) The annual report shall be submitted to the Director of Mines and Geology within one month from the date of its approval by the District Mineral Foundation (Trust) and will also be posted on the website of the foundation. The Director of Mines and Geology shall in turn submit the same to the Secretary/Principal Secretary to the State Government.
- c) The State Government shall cause the reports to be placed before the State Legislature.

#### **16. State Level Monitoring Committee**

- a) A "State Level Monitoring Committee" shall be constituted at the State level under the Chairpersonship of the Chief Secretary with Secretaries of executing Departments, Finance and Planning Department as members.

- b) The Secretary/ Principal Secretary of Mines and Geology Department to supervise District Mineral Foundation (Trust) in the State shall be the Member Secretary of the "State Level Monitoring Committee".
- c) The Directorate of Mines and Geology shall constitute a cell to be called "State Level Nodal District Mineral Foundation (Trust) Cell" for monitoring activities of all District Mineral Foundation (Trust) in the State and shall act as the Secretariat to the State Level Monitoring Committee.
- d) The State Level Monitoring Committee shall monitor performance of District Mineral Foundation (Trust) and compliance of transparency norms, audit, and annual report of District Mineral Foundation (Trust).
- e) The State Level Monitoring Committee shall meet at least once in a year; preferably in the month of June.

#### 17. Grievance Redressal

- a) The Director of Mines and Geology shall implement a grievance redressal mechanism so that each grievance is redressed, by giving an opportunity of being heard and a suitable reply is given to the complainant within 30 days of making a complaint to the Director of Mines and Geology.
- b) If the complainant is not satisfied with the reply of the Director of Mines and Geology, appeal lies before Principal Secretary to the Government within 30 days of on receipt of the reply. The Principal Secretary to the Government on such grievance, redress by giving an opportunity of being heard.
- c) If the complainant is not satisfied with the reply of the Principal Secretary to the Government, the appeal lies before the Central Government.
- d) The Central Government on receipt of any complaint/public grievance regarding improper utilization of District Mineral Foundation (Trust) funds, poor implementation of projects or violation of PMKKKY 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.
  - iv. The State Government shall submit a report on implementation of corrective measures:

#### 18. Compliance mechanism

- a) In case, a District Mineral Foundation (Trust)-
  - i. Fails to maintain an endowment fund as mandated in Rule 6.B.(3)
  - ii. transfers any fund in violation of Rule 8
  - iii. fails to comply with any of the clauses in Rule 10.

- iv. fails to get the accounts audited as mandated in Rule 11.B
- v. fails to prepare and publish annual report as mandated in Rule 12
- vi. fails to follow directions of Principal Secretary, Department of Mines and Geology, State Government or Central Government in Rule 14.

the Principal Secretary, Department of Mines and Geology, 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 District Mineral Foundation (Trust) fund is deposited or the bank account of the executing agencies where funds have been transferred from District Mineral Foundation (Trust).
- c) The Principal Secretary, Department of Mines and Geology, State Government or the Central Government may, after being satisfied that necessary corrective measures have been taken, withdraw such suspension.
- 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.

#### 19. Constitution of Trust Fund

1. The Trust shall have powers to open and operate a single bank account in the name of District Mineral Foundation (Trust) in any Scheduled Bank in their respective district as specified in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).
2. The resources of the Trust Fund shall include-
  - a) Contribution from the holders of mining lease granted prior to the date of Amendment Act, 2015 for an amount equivalent to 30 percent of royalty payable in terms of the Second Schedule or as may be prescribed by the Central Government from time to time.
  - b) Contributions from the holders of a mining lease granted through auction, under the provisions of sub-section (5) of section 9B of the amendment Act, 2015 for an amount equivalent to 10 percent of royalty payable in terms of the Second Schedule or as may be prescribed by the Central Government from time to time.
  - c) Contributions from the holders of minor mineral concession under the provisions of Section 15A (4) of the Act for the leases granted after the commencement of the District Mineral Foundation shall be:
    - i. In respect of all minor minerals the contribution from the lease holders towards District Mineral Foundation shall remain 30 percent of seigniorage fee.
    - ii. An amount equivalent to 10 percent on seigniorage fee for the leases granted through auction.
    - iii. An amount equivalent to 30 percent on seigniorage fee shall be recovered by the Government Engineering/ Consuming Depts. Along with seigniorage fee from contractor bills on the quantity of minor minerals consumed in the construction and remitted to District Mineral Foundation (Trust) account for any engineering work(s) entered agreement for execution on or after April, 2018.

- d) Any interests accrued to the bank accounts of the Trust Fund.
- e) The Government may give financial assistance to any such Trust by way of loan, capital grants or other payments.
- f) Any contributions by others.

## 20. Operation of the Trust Fund

- a. The Trust shall operate its account under the joint signatures of two signatories; being the Member-Convener and the Member-Treasurer of the Managing Committee.
- b. The amounts shall be released with prior approval of Chairperson of Governing Council and Managing Committee.
- c. The Trust shall maintain the books of account of the Fund.

## 21. Mode of Fund Collection and Payment

Trust fund shall be collected along with the Royalty/Seigniorage fee to the separate head of account and should directly be transferred to District Mineral Foundation (Trust) Bank account maintained by the District Mineral Foundation (Trust) without routing it through Consolidated Fund of State. The District Mineral Foundation (Trust) funds thus received need to be reported in monthly reports as well as entered in the State portal once developed.

## 22. Review Clause

The State Government shall review and revise the provisions declared under such Rules from time to time as per the need to remain effective to uphold the "objective" of the Trust.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

N.SRIDHAR

PRL. SECRETARY TO GOVERNMENT &  
SECRETARY TO GOVERNMENT (M&G)(FAC)

To

The Commissioner of Printing, Stationary & Stores Purchase (Ptg. Wing) Hyderabad.  
(He is requested to publish the above Notification in the Extra -Ordinary issue of Telangana Gazette, and arrange to send 2500 copies of the same to Government in Inds. & Comm. (M.I) Dept.,)

The Director of Translation, Telangana, Hyderabad.

(He is requested to furnish the Telugu version of the Notification direct to the Commissioner, Printing, Stationary & Stores Purchase (Ptg. Wing), Hyderabad).

The Director of Mines & Geology, Hyderabad.

The Vice Chairman & Managing Director,

M/s. Telangana Mineral Development Corporation Ltd., Hyderabad.

All the District Collectors/ Additional Collectors/ Joint Collectors in the State.

All the Superintendents of Police in the State of Telangana.

The Principal Chief Conservator of Forests.

The Project Officers, Integrated Tribal Development Agency through the Commissioner, Tribal Welfare Department.

The Chief Executive Officer, Zilla Parishads through the Commissioner, Panchayat Raj & Rural Development.

The Commissioner and Director, Agriculture Department.

The Superintending Engineers, Irrigation Dept., through the Engineer-in-Chief, Irrigation Department

The Superintending Engineers, Rural Water Supply through the Engineer-in-Chief, Panchayat Raj & Rural Water Supply Department.

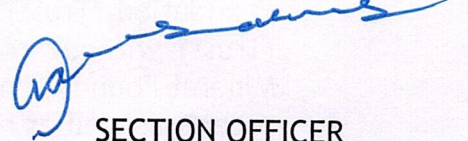
The Superintending Engineers, Roads & Buildings through the Engineer-in-Chief, Roads & Buildings Department.

The Director, Ground Water Department.  
The Member-Secretary, Telangana Pollution Control Board.  
The Irrigation & CAD Department.  
The Transport, Roads & Buildings Department.  
The Revenue Department.  
All Department of Telangana Secretariat.

**Copy to :**

The Secretary to Government, Ministry of Mines, Govt of India.  
The P.S. to Secretary to Hon'ble Chief Minister.  
The P.S. to Chief Secretary to Government.  
The P.S. to Hon'ble Deputy Chief Minister.  
The P.S. to Hon'ble Minister for Revenue.  
The P.S. to Hon'ble Minister for Mines & Geology.  
The P.S. to Hon'ble Minister for Irrigation & CAD.  
The P.S. to Hon'ble Minister for Panchayat Raj & Rural Development.  
The P.S. to Hon'ble Minister for Transport.  
The P.S. to Principal Secretary to Government, Finance Department.  
The P.S. to Principal Secretary to Government & Secretary to Government (Mines & Geology), Industries & Commerce Department.  
All the Joint Directors/Deputy Directors/Assistant Directors of Mines and Geology (through the Director of Mines & Geology, Hyderabad).  
Sf/Sc.

//FORWARDED : : BY ORDER//

  
SECTION OFFICER  
