

## **Part B**

### **Chapter III**

# **Institutional arrangements and Planning of the scheme**



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As per PMKKKY guidelines, DMFs were to identify the areas directly and indirectly affected by mining and persons affected by mining activities, so that the scheme can be implemented for development and welfare projects/programmes in areas affected by mining or mining-related operations and affected persons in directly and indirectly affected areas.

Maharashtra DMFT Rules, 2016 included various provisions related to composition of DMF, powers and functions of GC, MC and SLMC. It also provided for management, operation, expenditure and Accounts and Audit of DMFT fund along with execution of work and miscellaneous matters.

#### 3.1 Formation and Registration of DMFTs

In accordance with PMKKKY guidelines and Maharashtra DMFT Rules, 2016, GoM notified establishment of Trust as non-profit body to be called District Mineral Foundation Trust for each revenue district for the State of Maharashtra. DMFTs were established in 35 districts of Maharashtra.

Audit observed during the scrutiny of the records of five selected DMFTs that:

- The registration of three DMFTs of Yavatmal, Raigad and Bhandara were done after being pointed out by Audit.
- DMFTs, Chandrapur and Raigad were registered under Societies Registration Act, 1860 while DMFTs, Nagpur, Yavatmal and Bhandara were registered under Bombay Public Trusts Act, 1950.

Audit observed that it took 15 months to 98 months in registration of five selected DMFTs from the date of notification of Maharashtra DMFT Rules, 2016 as detailed in **Table 3**.

**Table 3: Details of registration of five DMFTs**

| Name of DMFT | Date of Registration of DMFT | Time taken in Registration (in months) |
|--------------|------------------------------|--|
| Nagpur       | 28/11/2017                   | 15                                     |
| Chandrapur   | 23/08/2018                   | 24                                     |
| Yavatmal     | 14/02/2024                   | 90                                     |
| Raigad       | 23/08/2023                   | 84                                     |
| Bhandara     | 15/10/2024                   | 98                                     |

*(Source: Information furnished by the respective DMFTs)*

Delayed registration of DMFTs as Trust, was non-compliance with PMKKKY guidelines and Maharashtra DMFT Rules, 2016.

The reasons for delayed registration were not furnished by the Department (December 2024).

### 3.2 Identification of directly and indirectly affected areas as per revised norms

Clause 1(1) (a) and (b) of PMKKKY guidelines specified identification of affected areas as follows:

- **Directly affected areas:** where direct mining-related operations such as excavation, mining, blasting, beneficiation and waste disposals are located.
- **Indirectly affected areas:** where the local population is adversely affected on account of economic, social and environmental consequences due to mining-related operations.

However, Rule 2 (b) of Maharashtra DMFT Rules, 2016 defined Affected Areas as areas affected by mining or mining-related operations from a mine or cluster of mines within the District as may be specified by the Collector including the areas beyond the District as may be specified by the State Government from time to time, and also includes the directly affected areas and indirectly affected areas covered under the PMKKKY. Further, Rule 13(2) mentioned that the directly affected area shall be an area within 20 km radius from mine/dump.

Though the radius of 20 km was specified for identification of directly affected areas, the radius to identify the indirectly affected areas was not specified.

GoM revised the said radius to be 5 km (19 September 2019) and further revised it to 10 km (21 November 2022) according to which the revised lists of directly and indirectly affected areas were to be prepared.

Audit observed (June 2024) that none of the selected DMFTs had identified the directly affected areas within 10 km radius as required as per revised norms of GoM and continued with the older criteria of five km. This resulted in non-execution of works meant for directly affected areas beyond five to 10 km of the mining areas.

In reply, GoM stated (December 2024) that all the selected DMFTs have now identified the directly affected areas within 10 km radius as required and hence the execution of works will be done in those areas as per PMKKKY guidelines. However, documentation regarding identification of directly affected areas within 10 km radius were not furnished by the department.

### 3.3 Identification of persons affected due to Mining activities

As per Clause 1(2) of PMKKKY guidelines, affected people included 'Affected family' and 'Displaced family' as defined in Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and any other persons as appropriately identified by the concerned Gram Sabha. Persons affected by mining should include people who have legal and occupational rights over the land being mined, and also those with usufruct and traditional rights. Clause 1(2) (d) required the DMFTs to prepare and maintain an updated list of such affected persons/local communities. The objectives of PMKKKY included ensuring long-term sustainable livelihoods for affected persons in mining areas.

Audit observed that none of the DMFTs had identified affected people and prepared the list of affected persons. In absence of such lists in the selected

DMFTs, the benefits of the scheme reaching the affected persons could not be monitored by the DMFTs.

GoM while accepting (December 2024) the facts stated that the DGM has issued direction to all the DMOs to prepare such lists at the earliest to extend the scheme benefit to the intended beneficiaries and the preparation of list of affected persons is in progress.

The fact remains that preparation of the lists of affected persons was not done even after nine years of the launch of the scheme, hence, the objective of ensuring long-term sustainable livelihoods for affected persons in mining areas remains to be achieved.

### **3.4 Preparation of Annual Action Plan**

Rule 6 of Maharashtra DMFT Rules, 2016 stipulated that the GC shall approve Annual Action Plan (AAP) and Annual Budget prepared by the MC at least one month before the commencement of the year. Further, Rule 13(1) of Maharashtra DMFT Rules, 2016 provided that the overall development of the areas affected by mining or mining-related operations shall be in accordance with the AAP. Preparation of AAP and annual budget would have ensured financial discipline as well as timely completion of projects.

However, Audit observed that during the period 2016-2023:

- DMFT, Bhandara had prepared AAPs only for 2018-19 and 2019-20.
- DMFT, Yavatmal had prepared AAPs only for 2017-18 and 2022-23.
- DMFT, Chandrapur had prepared AAPs for 2017-18 to 2020-21.
- All the selected DMFTs had neither prepared nor approved the AAPs within the timelines as prescribed in Rule 6 mentioned above.

GoM replied (February 2025) that DMFT, Bhandara, Raigad had prepared AAPs regularly. DMFT, Nagpur and Chandrapur had prepared AAPs but could not get those approved by GC and DMFT, Yavatmal had prepared AAP but could not be provided to Audit as files relating to the AAP were missing and assured that the due procedure for preparation of AAPs will be followed in future.

### **3.5 Appointment of members of the Governing Council**

As per Rule 5 and 6 of Maharashtra DMFT Rules, 2016, the management of the DMFT vests with the GC, which is responsible for laying the broad policy framework, approving the procedure for functioning of the DMFT and reviewing the working of the DMFT from time to time.

GoM had appointed members of GC for each district for a period of three years or till continuation in the said post whichever is earlier.

Audit observed that the Government took 85 days to 736 days in appointment of members of the initial GC and also in the appointment of members of subsequent GC after the expiry of the validity of the period of the initial GC as detailed in **Table 4**.

**Table 4: Details of appointment of members of GC by GoM**

| Name of District | Date of formation of GC | Delay in appointment of members of GC from 1/9/2016 (In days) | Tenure of the existing GC from the date of appointment of members | Actual date of appointment of members of subsequent GC | Delay in appointment of members in subsequent GCs (In days) |
|------------------|-------------------------|---|---|--|---|
| Nagpur           | 25/11/2016              | 85  | 25/11/2019  | 14/01/2021   | 414   |
| Chandrapur       | 07/04/2017              | 218   | 07/04/2020  | 01/12/2022   | 967   |
| Yavatmal         | 31/03/2017              | 211   | 31/03/2020  | 15/07/2020   | 105   |
| Bhandara         | 19/12/2017              | 474   | 19/12/2020  | 09/12/2022   | 719   |
| Raigad           | 07/09/2018              | 736   | 07/09/2021  | 01/12/2022   | 449   |

(Source: Information furnished by DMFTs)

Audit also observed during the scrutiny of Minutes of GC and MC meetings in selected five DMFTs that the broad policy framework and procedures for functioning of the trusts were not formulated resulting in delay in approval of AAP of DMFTs, works to be taken up and the Annual accounts.

GoM stated (February 2025) that the delay in the appointment of members of GC was on account of Covid pandemic.

The reply is not tenable as the Covid pandemic was during 2020-22, however, there were delays during 2016-20 as well.

### 3.6 Preparation of Perspective Plan

GoI *vide* order dated 24 June 2022 directed that for complete coverage of all affected persons and areas in a systematic and time-bound manner, long-term planning is required. It was necessary to prepare a perspective plan and implement it to ensure systematic development of the area and persons. It was also directed that the State Government should incorporate the following in the Rules, for regulating the utilisation of funds for the implementation of works using DMFT fund with immediate effect:

- The DMFT shall conduct a baseline survey for formulation of perspective plan.
- Based on the findings and gaps as identified through the baseline surveys, the DMFT shall prepare a strategy for five years and the same shall be included in the perspective plan.
- The five-year perspective plan shall be approved by the GC of the DMFT and displayed on the website of the DMFT.

Audit observed that DMFTs had not conducted the baseline survey and not prepared any five year perspective plan. GoM replied that the Maharashtra DMFT Rules, 2016 had been amended in October 2024 to incorporate the provisions relating to perspective plan in the revised rules.