

District Mineral Foundation Trust Rules, 2017

UTTAR PRADESH

India

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866/86-2017-132-2016, dated May 15, 2017, published in the U.P. Gazette, Extraordinary, Part 4, Section (Ka), dated 15th May, 2017, pp. 11-18No. 866/86-2017-132-2016, dated May 15, 2017, published in the U.P. Gazette, Extraordinary, Part 4, Section (Ka), dated 15th May, 2017, pp. 11-18. - In exercise of the powers conferred by sub-section (3) of Sections 9-B, 15 and 15-A of the Mines and Minerals (Regulation and Development) Act, 1957 (Act 67 of 1957), the Governor is pleased to make the following rules with a view to regulating the composition and functions of the District Mineral Foundation Trusts established in Government Notification No. 489/86-2017-132-2016, dated April 25, 2017 and prescribing the manner for carrying development activities in the affected area of mining activities.

1. Short title, extent and commencement.

(1)These rules may be called the District Mineral Foundation Trust Rules, 2017.(2)They shall apply to all minerals except mineral oil.(3)They shall be deemed to have come into force on the 12th day of January, 2015.

2. Definitions.

(1)In these rules, unless the context otherwise requires, -(a)"Act" means the Mines and Minerals (Development and Regulation) Act, 1957, as amended from time to time;(b)"affected area" means any area where mining operation is being done or going on;(c)"affected person" means a person who sustain injury in person or sustain damage of his property by mining related activity;(d)"Fund" means the Fund of a Trust;(e)"Government" means the State Government of Uttar Pradesh;(f)"holders of concessions" means any holder of mining lease, prospecting licence or mining permit granted under the provisions of the Act and the rules made thereunder;(g)"Minerals" and "Minor minerals" means such minerals as defined in Section 3 of the Act;(h)"Rules 1963" means

the Uttar Pradesh Minor Minerals (Concession) Rules, 1963;(i)"Schedule" means a Schedule to the Act;(j)"Trust" means "District Mineral Foundation" Trust notified in Government Notification No. 489/86-2017-132-2016, dated April 25, 2017;(k)"Trust Deed" means the deed executed by the State Government in favour of the Trustees;(J)"Trustee/Trustees" means the person/persons appointed by the State Government for the purpose of governing the Trust;(2)Word and expressions not defined in these rules shall have the same meaning as assigned to them under the Act and Rules, 1963.

3. Objectives of the Trust.

- The objectives of the trust will be -(i)to work for the interest and benefit of persons and areas affected by mining operations or other related activities ad transportation of minerals;(ii)to utilize the funds collected in the District Mineral Foundation for the benefit of affected person or areas;(iii)to utilize the funds on the advice of concern Gram Panchayat to develop the village road, watering place and other general facilities.

4. Composition and management of the Trust.

- The composition and management of the Trust shall be -(1)The trust shall consist of a Governing Council and a Managing Committee.(2)The authority to manage the trust shall vest in the Governing Council.(3)The Governing Council shall consist of, -

(a) District Officer/Collector	Chairman
(b) Divisional Forest Officer	Member
(c) Chief Medical Officer	Member
(d) Executive Engineer, Public Work Department	Member
(e) District Basic Education Officer	Member
(f) District Panchayati Raj Officer	Member
(g) District Mines Officer	MemberSecretary
(h) Two Mining Lease Holder as nominated by DistrictOfficer	Member
(i) One representative of the institution using themineral, if any	Member
(j) Representatives of the directly affected areasas nominated by District Officer	Member

(4)The tenure of a non-official member shall be for three years.(5)The tenure of an official member shall cease to hold office when he/she ceases to hold the Government Post.(6)The day to day functioning of the Trust shall vest in the Managing Committee.(7)(a)The Managing Committee shall consists of, -

(i) District Officer/Collector	Chairman
(ii) Additional District Officer (Finance andRevenue)	Member
(iii) One of the Sub-Divisional Magistrate asnominated by District Officer	Member
(iv) District Mines Officer	Member Secretary

(b)The tenure of an official member of the Managing Committee shall cease to hold office of member when he/she cease to hold Government post.

5. Functions of the Trust.

(1)Periodic meetings of the Trust in the presence of more than 50% member as mentioned in Rule 4 will be held under the Chairmanship of the District Officer and as far as possible, such meeting will be organized monthly.(2)Proposals for the benefit of the powers and area affected by mining operations shall be prepared and be submitted by concern Mining Officer/Mining Inspector in consultation with concerned department.(3)The proposal may be of following nature -(a)Basic infrastructure of the area e.g. construction and maintenance of approaching road, electricity, sanitation, drinking water facility, hand pump and other public utility work;(b)Common plantation in/around area affected by mining operations;(c)Any other activities approved by the Trust in the interest of Mineral Development.(4)In the meeting of the Trust proposal submitted by the Mining Officer/Mining Inspector shall be examined. The Trust may approve, modify or reject the proposal.(5)In Scheduled Areas and Tribal Areas, recommendation of Gram Panchayat shall be obtained before implementation of the approval proposal by the Trust.

6. Powers and functions of the Governing Council.

- The Governing Council shall be responsible for, -(i)laying down the broad policy framework for the functioning of the Trust and review its working from time to time;(ii)drawing up and approving of Annual Action Plan and the Annual Budget of the Trust. The Annual Action Plan must be prepared and approved by the Governing Council at least one month before the commencement of the financial year. The Annual Action Plan shall contain the list of schemes and projects with the tentative provisions thereof:Provided that if for any reason whatsoever, the Governing Council could not prepare and accord approval to the Annual Plan and the Budget within the specified time, the Chairman shall have power to prepare the Annual Action Plan and the Budget of the Trust and to approve the same recording the reasons therefore. The Budget so prepared shall be deemed to have been duly prepared and approved by the Governing Council:Provided further that while preparing the Annual Plan for the next financial year, the sum total of the past commitment and liabilities spilling over shall be assessed. To maintain financial discipline and timely completion of project, the sum total of the past liabilities and commitments and the new schemes being proposed should not in any case exceed the three times the expected inflows in the Trust fund for the next financial year;(iii)approving such other expenditure, in furtherance of the objects of the Trust from the available Trust Fund in such manner as may be prescribed by the State Government;(iv)approving the recommendations of the Managing Committee;(v)approving the annual reports and audited accounts of the Trust within 60 days of the closure of the previous year.

7. Meeting of the Governing Council.

- (i) The Governing Council shall meet as often as necessary but at least once every quarter.(ii)The meeting of Governing Council shall be convened as directed by the Chairman.(iii)The Quorum for such meeting shall be one third of the total members of the Governing Council.

8. Meeting of the Managing Committee.

- The meeting of the Managing Committee shall be held at least six times in a financial year and it shall be convened as decided by the Chairman of the Managing Committee.

9. Powers and Functions of the Managing Committee.

- The Managing Committee shall, -(i)exercise due diligence in carrying out its duties for protecting the interests of the Trust;(ii)ensure timely collection of Contribution Fund from the concerned Mining Lease Holders in accordance with the provisions of the Act, Rules made thereunder and the guidelines of the Central Government and State Government issued from time to time;(iii)prepare the Master Plan/Vision Document for the activities of the Trust;(iv)assist in the preparation of the Annual Plan and the Annual Budget of the Trust along with the proposed Schemes and Projects;(v)supervise and ensure the execution of the Annual Plan and the approved Schemes and Projects;(vi)accord sanction to the projects, release and disburse the Trust Fund for the purpose;(vii)operate the Trust Fund and to invest the same in a diligent manner and to open Bank Accounts in the name of the Trust and operate such Accounts and Investments;(viii)monitor the progress of the utilization of Trust Fund;(ix)place the audited accounts along with an Annual Report before the Governing Council for its approval within 60 days of close of Financial Year;(x)do all other things which are necessary for smooth functioning and management of the Trust;(xi)regulate the procedures for the functioning of the Trust.

10. Contribution to the Trust Fund.

(1)In case of major minerals -(a)the holder of a mining lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall in addition to the royalty, pay to the Trust of the district in which the mining operations are carried on, an amount not exceeding the royalty paid in terms of the Second Schedule in such manner and subject to the categorisation of mining leases and the amounts payable by the various categories of lease holders, as may be prescribed by the Central Government;(b)the holder of a mining lease or a prospecting license-cum-mining lease granted on or after the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 shall in addition to the royalty, pay to the Trust of the district in which the mining operations are carried on, an amount which is equivalent to such percentage of the royalty paid in terms of the Second Schedule, not exceeding one-third of such royalty, as may be prescribed by the Central Government.(2)In case of minor minerals:- The holder of every mineral concession/permit shall in addition to the royalty, pay to the Trust of the district in which the mining operations are carried on, an amount which is equivalent to 10% of royalty or as may be prescribed by the State Government from time to time.(3)Concern Mining Officer/Mining Inspector shall be responsible for collection of Trust Fund and shall deposit the same in Trust account opened in any scheduled bank as decided by the Trust.

11. Expenditure from the Trust Fund.

- The funds available with the Trust Fund can be used for all or any of the following purposes
- (i) expenditure on the approved proposal; (ii) up to 5% on the Administrative expenditure of the Trust.

12. Accounts and Audit of the Trust.

(1) The accounts of the Trust shall be audited by the Director of Geology and Mining, Uttar Pradesh through a qualified auditor. (2) The Trust shall submit an annual report and compliance of the audit report to the Director, Directorate of Geology and Mining, Uttar Pradesh.

13. Management of the Trust.

- The management of the trust shall vest in a Governing Council, which shall consist of all the members of the Trust. However, the day to day management of the Trust shall be managed by a Managing Committee, as defined in sub-rule (7) of Rule 4 above. The State Government may however decide to alter the composition of the Managing Committee at any time.

14. Decisions of the Trustees.

(1) All decisions shall be taken by the Trustees in the meeting of the Governing Council and every meeting of the Governing Council shall be deemed to be a meeting of the Trust. (2) All decisions of the Governing Council shall be taken by the majority of the members present and voting. In case of tie the Chairman of the meeting shall have a casting vote. (3) Unless agreed by the State Government the Trustees shall not amend any part of the Trust Deed. (4) Trustees, Governing Council and the Managing Committee shall act in accordance with the directions, guidelines etc. issued by the State Government from time to time.

15. Operation of the Trust Fund.

- The Trust fund shall be kept in any scheduled Commercial Nationalised Bank only in the name of the Trust. The bank account shall be opened with the prior approval of State Government and the account thereof shall be operated under the joint signatures of the Member - Secretary and a member of the Managing Committee authorised by the Managing Committee. The Trust shall maintain the books of account of this Fund.

16. Scope of the Trust.

(1) The Pradhan Mantri Khanij Kshetra Yojana (PMKKY) and other welfare schemes of the State and Central Government shall be implemented by the Trust of the respective districts using the funds accruing to the Trust. The overall objective of the said yojana and other welfare schemes of the State and Central Government shall be, - (a) to implement various developmental and welfare

projects/programs in mining affected areas, and such projects/programs will be complement to the existing ongoing schemes/projects of the State and the Central Government.(b)to minimize/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts; and(c)to ensure long-term sustainable livelihoods for the affected people in mining areas.

17. Expenditure from the Trust Fund.

- The funds available with the Trust shall be utilised for, -(A)High priority area. - at least 60% fund shall be utilised under following heads -(a)Drinking water supply - Centralised purification systems, water treatment plants, permanent/temporary water distribution network including stand alone 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, measures 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;(c)Health care - The focus must be on creation of primary/secondary/tertiary 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 providing necessary staff, equipment and supplies 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 illness and diseases. Group Insurance Scheme for health care may be implemented for mining affected persons;(d)Education - Construction of school buildings, additional class rooms, Laboratories, Libraries, arts and crafts room, toilet blocks, drinking water provisions, residential hostels for student/teachers in remote areas, sports infrastructure, vocational training facility, engagement of teachers/other supporting staff, e-learning setup, other arrangement of transport facilities (bus/van/cycles/rickshaws/etc.) and nutrition related programs;(e)Welfare of women and children - Special programs for addressing problems of maternal and child health, malnutrition, adolescence, infectious disease, etc. can be taken up under the Trust;(f)Welfare of aged and disabled people - Special program for welfare of aged and disabled people;(g)Skill development - Skill development for livelihood support, income generation and economic activities for local eligible persons. The projects/schemes may include training, development of vocational/skill development center, self employment schemes, support to Self Help Groups and provision of forward and backward linkages for such self-employment economic activities;(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.(B)Other priority area. - Up to 40% Fund shall be utilized under the following heads -(a)Physical infrastructure - Providing required physical infrastructure and its maintenance - roads, bridges, railways and waterways projects;(b)Irrigation - Developing alternate sources of irrigation, adoption of suitable and advanced irrigation techniques; *(c)Energy and Watershed development - Development of alternate source of energy and rainwater harvesting system. Development of

orchards, integrated farming and economic and restoration of catchments;(d)Any other measures for enhancing environmental quality in mines bearing district;(i)The overall development of the area affected by mining related operations in the district in accordance with the Annual Action Plan prepared by the trustees of the Foundation for the purpose;(ii)Creation of the local infrastructure for socio-economic purposes;(iii)Providing, maintaining or upgrading of community assets and services for local population in the area affected by mining related operations;(iv)Organizing or conducting training programs for skill development and capacity building for creating employment and self-employment capabilities:Provided that a sum not exceeding 5% of the total funds received by the Trust in the year may be spent by the Trust for meeting its administrative or establishment expenses:Provided further that the Trust fund or any part thereof shall not be used for advancement of any loan or grants in cash to any of the beneficiaries.

18. Accounts and audit.

(1)(i)The Managing Committee shall maintain and/or cause to be maintained proper books of accounts, documents and records with respect to the Trust Fund to give a true and fair picture of the affairs of the Trust;(ii)The accounts of the Trust shall be audited at least on completion of one year by a qualified auditor;(iii)The auditors of the Trust shall be appointed by the Trustees from the list of approved auditors notified by the Accountant General of the State in the meeting of the Governing Council, on such terms and conditions as may be decided by the Trustees;(iv)The auditors may be replaced by the Trustees.(2)Notwithstanding anything to the contrary in sub-rule (1) the State Government may appoint an auditor or auditors or may request the A.G. for audit of a particular year or period on such terms as may be decided by the State Government.(3)The Trust shall forward the approved Budget and Annual Plan along with Schemes and Projects for the next financial year, to the District Panchayat, District Administration and the State Government for publication on their respective website.(4)The Trust shall prepare a quarterly progress report in physical and financial terms in respect of the approved Schemes and Projects within 45 days of the close of the quarter and forward it to the District Panchayat and District Administration, immediately thereafter for publication on their respective website.