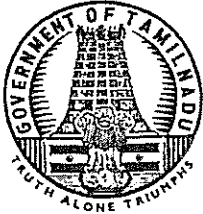


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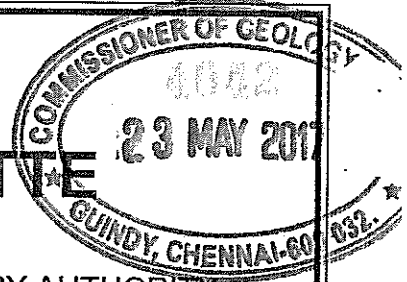
GOVERNMENT OF TAMIL NADU
2017

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Part III—Section 1(a)

General Statutory Rules, Notifications, Orders, Regulations, etc.,
issued by Secretariat Departments.

NOTIFICATIONS BY GOVERNMENT

INDUSTRIES DEPARTMENT

THE TAMIL NADU DISTRICT MINERAL FOUNDATION RULES, 2017.

[G.O. Ms. No. 57, Industries (MMD.1) 19th May 2017, வைகாசி 5, ஹேவிளம்பி, திருவள்ளுவர் ஆண்டு-2048.]

No. SRO A-24(a)/2017.

In exercise of the powers conferred under sub-section (4) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957), the Governor of Tamil Nadu hereby makes the following rules namely:-

1. **Short title.**- These rules may be called the Tamil Nadu District Mineral Foundation Rules, 2017.
2. **Definitions.**- In these rules, unless the context otherwise requires, -
 - (i) "Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957);
 - (ii) "affected people" means the persons living in directly affected areas and indirectly affected areas and such other peoples as may be identified by the District Collector including the people who have legal and occupational rights over the land being mined, and also those with usufruct and traditional rights;
 - (iii) "directly affected areas" means the areas where direct mining related operations such as excavation, mining, blasting, beneficiation and waste disposal (over burden dumps, tailing ponds, transport corridors, etc.), etc., are located;
 - (iv) "Foundation" means the District Mineral Foundation established under section 9B of the Act;
 - (v) "Fund" and "Trust Fund" means the "District Mineral Foundation Trust Fund" generated out of the contributions collected under these rules;
 - (vi) "Government" means the State Government;
 - (vii) "Governing Council" means all the Trustees of the District Mineral Foundation Trust;
 - (viii) "indirectly affected areas" means those areas where local population is adversely affected on account of economic, social and environmental consequences due to mining related operations;

(ix) "Local Body" means and includes District Panchayat, Panchayat Union, Village Panchayat, Town Panchayat, Municipalities and Municipal Corporations in the District concerned or any other authority entrusted with the functions of the local bodies;

(x) "Trust" and "Trustees" means respectively, the 'District Mineral Foundation Trust' established under section 9B of the Act and the Trustees of the District Mineral Foundation;

(2) Words and expressions used and not defined in these rules shall have the meanings assigned to them in the Act, the Mineral Concession Rules, 1960 and the Tamil Nadu Minor Mineral Concession Rules, 1959.

3. Composition of District Mineral Foundation Trust.- (1) The District Mineral Foundation Trust shall consist of –

- (i) District Collector – Chairperson;
- (ii) District Revenue Officer- Vice-Chairperson
- (iii) Deputy Director or Assistant Director of Geology and Mining – Convener;
- (iv) Project Director, Panchayat Development;
- (v) Personal Assistant to Collector, Panchayat Development (PAPD);
- (vi) Deputy Director or Assistant Director, Rural Development Department;
- (vii) Deputy Director or Assistant Director, Adi Dravidar and Tribal Welfare Department;
- (viii) Environment Engineer, Tamil Nadu Pollution Control Board;
- (ix) District Forest Officer;
- (x) Chief Engineer, Public Works Department;
- (xi) Assistant Director of Survey and Land Records;
- (xii) District Treasury Officer of the District concerned;
- (xiii) District Social Welfare Officer; and
- (xiv) Deputy Director, Health Department in charge of Public Health Centres.

(2) The District Collector can nominate two other members as Ex-officio members of the Governing Council.

4. Funds of the Trust .- The funds of the Trust shall comprise of initial deposit of Rs.1,000/- (Rupees one thousand only) made by the Government and include –

- (a) payment to the Trust made by the lessees of major mineral leases at the rates specified by the Central Government;
- (b) payment to the Trust made by the lessees of minor mineral leases at the rates specified in these rules;
- (c) all receipts and incomes including interest accrued on the deposits made in the bank; and
- (d) voluntary contributions, if any, received by the Trust from any person or Organisation.

5. Governing Council and Managing Committee of the District Mineral Foundation.-

(1) The members of the District Mineral Foundation Trust shall function as the members of the Governing Council and the District Collector shall be the chairperson of the Governing Council.

(2) A Managing Committee shall consist the following members :-

- (a) District Collector - Chairperson
- (b) The District Revenue Officer - Member-Secretary of the Managing Committee
- (c) Deputy Director or Assistant Director of Geology and Mining – Convener
- (d) (i) Project Director – District Rural Development Agency – Member;
- (ii) Deputy Director (Health) – Member;
- (iii) Chief Educational Officer – Member;
- (iv) District Treasury Officer – Member;
- (v) District Social Welfare Officer – Member;
- (vi) Assistant Director (Panchayat) – Member;

(vii) One Non-governmental organization nominated by the District Collector; and

(viii) One Non Official Member nominated by the District Collector, who is having sufficient experience and better knowledge in the field as a Member.

(3) The management of the Trust shall be vested with the Governing Council and the Managing Committee shall manage the day to day affairs of the Trust.

(4) The members shall continue as Trustees during such period they are holding the post and designation and deemed to have ceased to be the Trustees once they ceased to hold the post and designation by virtue of which they were so appointed and in all such cases, the successors in office concerned, shall be deemed to have appointed as trustees, in their place, from the date of their acquiring such official designation.

(5) The nominated Trustees shall be appointed for a term, initially, for a term of three years with effect from the date of their appointment and, the Government, thereafter, may renew their appointment for a further term of three years or may nominate other persons in their place:

Provided that the term of such appointment of nominated Trustees shall not, in any case, exceed three years each.

(6) The Governing Council shall meet at least twice in a year, and shall be convened as desired by the Chairman.

(7) The quorum of such meeting shall be one third of the total members.

(8) The nominated members of the Managing Committee shall be appointed for a term of one year with effect from the date of their appointment and the Government, thereafter, may renew their appointment for a further term of one year or may nominate other persons in their place:

Provided that the term of such appointment of nominated Trustees shall not, in any case, exceed a total period of two years.

(9) The District Mineral Foundation shall execute a deed appended to these Rules.

(10) The Managing Committee shall meet at least six times in a financial year and it shall be convened as decided by the Member Secretary of the Managing Committee.

6. Powers and functions of the Governing Council.- The Governing Council shall -

(1) lay down broad policy framework and or approve rules and procedures for the functioning of the Trust and review its working;

(2) approve annual plan and annual budget of the Trust upon the recommendations of the Managing Committee;

(3) manage, administer, supervise, monitor and review the expenditure of the Trust Fund at regular intervals; and

(4) appoint an auditor from the List of approved auditors notified by the Accountant General of Tamil Nadu for the Trust Fund in the meeting of the Governing Council on such terms and conditions as may be decided by the Trustees.

7. Powers and functions of the Managing Committee.- The Managing Committee shall -

(1) while discharging its functions, follow the policy framework and the directions of the Governing Council from time to time;

(2) exercise due diligence in carrying out its duties for protecting the interests of the Trust;

(3) ensure timely collection of contribution from the concerned mining lease holders in accordance with the provisions of the Act;

(4) prepare the Master Plan/Vision Document, rules and procedures for the functioning and for the activities of the trust;

(5) assist in the preparation of the annual plan and the annual budget of the Trust along with the proposed schemes and projects;

(6) supervise and ensure the execution of the annual plan and the approved schemes and projects;

(7) accord sanction to the projects, release and disburse the Trust Fund for the purpose;

(8) operate the Fund and to invest the same in diligent manner and to open bank accounts in the name of the Trust and operate such accounts and investments;

(9) monitor the progress of the utilization of Trust funds;

(10) place the audited accounts along with an annual report before the Governing Council for its approval within 60 days of close of financial year;

(11) do all other things which are necessary for smooth functioning and management of the Trust;

(12) lay down and / or approve rules and procedures for the functioning of the Trust.

8. Contribution to the Trust Fund.- Every holder of a mining lease or a prospecting-cum-mining lease or quarry lease shall, of minor minerals in addition to the seigniorage fee, as the case may be, to be paid under the Tamil Nadu Minor Mineral Concession Rules, 1959, pay to the District Mineral Foundation of the District in which mining or quarry operations are carried on, an amount at the rate of ten per cent of royalty or seigniorage fee to be paid under the Tamil Nadu Minor Mineral Concession Rules, 1959 in respect of mining or quarry leases, as the case may be, or prospecting-cum-mining leases granted before the 12th January 2015 and thirty per cent in respect of mining or quarry leases, as the case may be or prospecting-cum-mining leases granted on or after the 12th January 2015.

9. Collection and monitoring of the amount payable to the Trust.- (1) All payments of royalty/ seigniorage fee, as the case may be, shall be collected with the District Mineral Foundation Trust Fund component at the rate specified in rule 8 of these rules and also the amount of payment to be made under sub-sections (5) and (6) of section 9B of the Act with effect from 12.1.2015, i.e. the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (Central Act 10 of 2015) and no royalty/seigniorage fee shall be accepted without mandatory contribution towards the Trust Fund.

(2) Every Officer who is authorised to collect the royalty or seigniorage fee, as the case may be, shall direct the lessee to pay the contribution to the Trust Fund to the credit of such bank as may be specified by the Trust.

(3) Every Officer who is authorised to collect the royalty or seigniorage fee, as the case may be, shall maintain a register of the amount payable as well as paid by the lessee and furnish monthly consolidated statement thereof, to the Member Secretary of the Managing Committee by 15th day of each succeeding month.

10. Interest.- Notwithstanding anything contained in the Act or in any other rule, the District Collector charge simple interest at the rate of twenty four per cent per annum on the component on the royalty / seigniorage fee which the lessee has failed to remit within the period.

11. Penalty.- Whoever contravenes rule 8 shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to five lakh rupees, or with both, and in case of continuing contravention, with additional fine which may extend to fifty thousand rupees for every day during which such contravention continues after conviction for the first contravention.

12. Operation of the Trust Fund.- The Trust Fund shall be deposited in any Nationalized Bank only in the name of the Trust and all accounts shall be operated under the joint signatures of the Chairperson and any one other member of the Managing Committee nominated by the Chairperson. The Trust shall maintain the books of accounts of the Fund.

13. Expenditure from, and of the Trust Fund.- (1) The Funds available with the Trust shall be used for undertaking activities for the interest and benefit of persons and overall development of the areas affected by mining related operations in the District, in accordance with the Annual Plan prepared by the trustees of the Foundation for the purpose, subject to such guidelines as may be issued by the Government, from the time to time;

(2) The Fund may be utilized for, but not limited to, the activities for the creation of local infrastructure for socio-economic purposes; for providing, maintaining or upgrading of community assets and services for local population in the area affected by mining related operations; for organising or conducting training programmes for skill development and capacity building for creating employment and self-employment capabilities in such a way as provided and in the manner specified in sub-rules (3) and (4).

(3) Not less than Sixty per cent of the Trust Fund shall be utilized for high priority objects including the following heads:

(i) Welfare of mine affected People

(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) **Health care:** creation of primary / secondary health care facilities in the affected areas with special infrastructures designed to take care of mining related illnesses and diseases possibly with the help of National Institute of Miners' Health; providing necessary staffing, equipment and supplies required making such facilities effective to supplement and work in convergence with the existing health care infrastructure of the Local Bodies, State and Central Government; Providing endowment for medical treatment for diseases caused by mining/ quarrying activities for the poor or aged or underprivileged people; Group Insurance Scheme for health care;

(c) **Education:** construction of school buildings, additional class rooms, laboratories, Libraries, art and crafts room, toilet blocks, drinking water provisions; residential hostels for students/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.), awarding scholarships to deserving students at various levels of education and nutrition related programs;

(d) **Welfare of women and children:** special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases;

(e) **Welfare of aged and disabled people:** special programme for welfare of aged and disabled people, endowment fund for providing sustainable livelihood of aged and disabled people;

(f) **Skill development:** skill development for livelihood support, income generation and economic activities for local eligible persons. The projects /schemes may include training, development of skill development center, self-employment schemes, support to Self Help Groups and provision of forward and backward linkages for such self-employment economic activities.

(ii) **Welfare of mine affected area**

(a) **Physical infrastructure:** for providing required physical infrastructure viz. road, bridges, railways and waterways projects; maintenance and damage repair of the existing physical infrastructure viz. road, bridges, railways and waterways under the control of the Local Bodies, State and Central Government caused by mining or quarrying activities in the nearby area;

(b) **Environment preservation and pollution control measures:** for controlling air, water, surface and dust pollution caused by mining operations and mine dumps in the nearby areas; mine pollution prevention and control technologies or measures that could be adopted by the affected people, safety measures for abandoned mines;

(c) and for any other purposes/activities for the interest and benefit of the affected persons and areas, as may be decided by the Government, time to time, by notification.

(4) Not more than forty per cent of the Trust Fund may be utilized for other priority areas under the following heads and such other heads as may be decided by the Government:-

(a) **Irrigation developing:** alternate sources of irrigation, adoption of suitable and advanced irrigation techniques;

(b) **Energy and Watershed Development:** alternate source of energy (including micro hydel) and rainwater harvesting system, development of orchards; integrated farming and economic forestry and restoration of catchments;

(c) **Environment preservation and pollution control measures:** prevention of pollution of streams, lakes, ponds, ground water, other water sources in the region; development and maintenance of drainage system for mine or quarry effluents; for establishing effluent treatment plants;

(d) Any other measures for enhancing environmental quality in mining district, or for such other purpose, as may be decided by the governing council;

Provided that an amount not exceeding six per cent of the annual receipts of the Fund, subject to an upper limit fixed by the Government may be utilized for administrative, supervisory and overhead costs or establishment expenses of the Foundation:

Provided further that the Trust may bear an expenditure upto three per cent, from and within the six per cent as provided in the first proviso, of its accrued funds for the services of the personnel appointed from the Government departments or from regular employees of the District Panchayat or such other cadre as may be decided by the Government, for providing administrative and technical assistance to the Trust.

(5) Notwithstanding anything contained in sub-rules (3) and (4), the Trust Fund or any part thereof shall not be used for advancement of any loan or grants in any case to any of the beneficiaries other than the purposes specified therein.

14. Annual Plan.- (1) The Member - Secretary of the Managing Committee of the Trust shall-

(i) at the beginning of each financial year, cause preparation of plans for short term projects and long term projects proposed to be undertaken by the Trust in relevant financial year, to be referred as annual plan, together with details of activities to be undertaken or completed by the Trust during such time, the expected time for completion of the projects and cost for such projects;

(ii) publish a notice in the District Gazette and in the official website of the Trust and also issue an advertisement, at least in two dailies, one in Tamil and another in English, having wide circulation in the District, every year during the month of January, inviting applications/ suggestions from the Public, Panchayats, Non-governmental organizations and Environmentalists regarding the projects/activities to be included in the annual plan of the Trust for the succeeding financial year. A copy of the notice shall also be sent to all Panchayats and Village Administrative Offices in the District inviting suggestions;

(iii) scrutinize the suggestions thus received and from other sources in the monthly meeting of the Managing Committee, fix priority in the manner as provided under rule 13 of this rule and shortlist the activities that can be taken up in the order of priority in annual plan for next financial year for approval of the Governing Council.

(2) The approved annual plan shall contain all projects, programmes, activities proposed to be undertaken by the trust for achieving its objectives and shall have clearly demarcated milestones;

(3) Notwithstanding anything contained in sub-rule (1), the Governing Council, in its meeting, with the approval of three-fourth of its members can decide to include any other project, that it may find as necessary to be taken up.

15. Annual Budget.- The Member - Secretary of the Managing Committee shall, at the beginning of each financial year, cause preparation of an annual budget containing details of the proposed income and expenditure on activities covered in the annual plan for that particular financial year, including legal, administrative and other costs an expenditure proposed to be incurred by the Trust together with details of funding requirements in this regard, to be referred to as annual budget, for approval of the Governing Council.

16. Approval of an annual plan and annual budget.- (1) The annual plan and annual budget shall be laid before the Governing Council for its approval.

(2) The Member - Secretary of the Managing Committee shall, on receipt of the copies of duly approved annual plan and related annual budget from the Chairperson of the Governing Council, furnish the same to the Government within a period of thirty days from the date of receipt of approval of the Governing Council.

(3) Without prejudice to the provisions of sub - rule(2), the Trust may undertake expenditure for activities that are not approved in the annual plan, but warrants immediate action, subject to specific approval by the Chairperson of the Governing Council, which shall be laid before the Governing Council in the immediate next meeting.

17. Execution of work.- (1) The activities undertaken by the Trust shall be executed through Government Departments, agencies and Public Sector Undertakings, who are entrusted to, and have specific norms and procurement procedures to, undertake such works, as may be applicable to the implementation of Government projects

(2) Notwithstanding anything contained in sub rule (1), the Managing Committee may, with the approval of the Governing Council, award the execution of those work which otherwise could not be executed through Government Departments, agencies and Public Sector Undertakings, to other agencies, competent and sound in executing the work, through transparent processes like tender-cum-auction. In all such cases, all the terms, conditions and procedures that shall be followed for Government projects, whenever the work is executed through Government Departments, agencies and Public Sector Undertakings, as the case may be, shall be followed.

(3) Technical approval and supervision of the work will be looked after by the officers competent to do so under the administrative delegation of powers as applicable to the Department concerned.

(4) Transfer of fund to all agencies and beneficiaries shall be into their bank account only.

18. Maintenance of accounts and audit .- (1) The accounts and audit of the Fund shall be in the manner as specified below:-

(i) The accounting of financial year of the Trust shall be from 1st of April to 31st of March.

(ii) The Managing Committee shall maintain 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, in the form, mode and manner as may be decided by the Government.

(iii) The accounts of the Trust shall be audited on the completion of each half year by the qualified auditor/ auditors appointed by the Trust. The auditor/auditors shall submit the half-yearly audit report to the Managing Committee and on receipt, the Managing Committee shall place the report before the Governing Council for approval, in its meeting, by three-fourth of its members.

(iv) The auditor/auditors of the Trust shall be appointed by the Trustees from the list of approved auditors notified by the Accountant General of Tamil Nadu in the meeting of the Governing Council, on such terms and conditions as may be decided by the Trustees.

(v) The Governing Council, in its meeting, with the approval of three-fourth of its members may decide to remove and replace the auditor/auditors of the Trust.

(2) Notwithstanding anything contained in sub-rule (1), the Government may, by notification in the Tamil Nadu Government Gazette, entrust the District Accounts Officer in the District, and also request the Accountant General (Audit) for the audit of the Fund annually on completion of each year.

(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 Government for publication on their respective websites.

(4) The Trust shall prepare a quarterly progress report in physical and financial terms in respect of the approved schemes and projects within forty-five days of the close of the quarter and forward it to the District Panchayat and District Administration, immediately thereafter for publication on their respective websites.

(5) The Trust shall forward the approved annual report and the approved audit report immediately after their approval by the Governing Council within sixty days of close of financial year to the District Panchayat, District Administration, and to the Government along with audit report for publication on their respective websites.

19. Compliance of transparency.- (1) Every foundation will prepare and maintain a website on which, inter alia, the following information will be hosted and kept updated, namely:-

- (i) Details of composition of the bodies of the Foundation.
- (ii) List of areas and people affected by mining.
- (iii) Quarterly details of all contributions received from lessees and others.
- (iv) All meeting agenda, minutes and action taken reports (ATRs) of the Foundation.
- (v) Annual Plans and budget work orders, annual report.
- (vi) Online status of ongoing works implementation status / progress of all the projects / programmes being undertaken under Pradhan Mantri Khanij Kshetra Kalyan Yojana 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 upto last quarter, etc.,
- (vii) List of beneficiaries under various welfare programs.
- (viii) Voluntary disclosures under the Right to Information Act, 2005 (Central Act 22 of 2005).

20. Annual report.- (1) The Member-Secretary, Managing Committee shall, every year, within ninety days from the date of closure of the financial year, cause to prepare an annual report on the activities for the respective financial year and with the concurrence of the Managing Committee submit the report before the Governing Council for its approval.

(2) The annual report shall be submitted to the Government within one month from the date of its approval by the Governing Council and shall also be hosted on the website of the Foundation.

21. General conditions for the use of the Fund.- (1) The development and welfare activities to be taken up under these rules 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. 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 and are treated as extra budgetary resources for the State Plan.

(2) If the affected area of a mine or quarry, existing in one district, also falls in the jurisdiction of another district, proportionate amount collected from the mine or quarry by the Foundation, as may be decided by the Government in the District Collector, 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 after obtaining prior approval of the Government.

(3) A reasonable sum of the annual receipts should be kept as endowment fund for providing sustainable livelihood.

22. Administrative arrangements.-(1)The Government shall provide services of the personnel under its control including employees working in the District Collectorate for management of the Trust and for execution of the annual plan as may be required for the purpose.

(2) The District Collector shall provide required number of core personnel from regular employees of the District Collectorate or such other cadre, for providing administrative and technical assistance to the Trust. The services of such personnel shall continue to remain in their own respective cadres. The Trust may bear expenditure upto three per cent of its accrued funds for this purpose from the six per cent of the Fund provide for expenditure for administration of the Trust as provided in the second proviso to sub-rule (4) of rule 13.

(3) The Trust may also seek services providers to provide such services as may be needed for smooth functioning of the Trust and may provide for incurring contingent expenditure for its functioning.

23. Liability of Trustees.- (1) The Trustees shall not be liable on account of anything done in good faith, bonafide with due diligence. The Trustees shall also not be liable or responsible for any banker, broker, custodian or other person in whose hands the same may, in good faith, be deposited or placed nor for the deficiency or insufficiency in the value of any investments of the Trust Fund nor otherwise for any involuntary loss.

24. Trustees' remuneration.- The Trustees shall not be entitled to any remuneration for their services.

25. The Seal of the Trust.- The Trustees, in a meeting of the Governing Council may decide to provide a seal for the purpose of the Trust and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Seal of the Trust shall remain in the custody of the Chairperson of the Managing Committee and the Chairperson shall have the authority to use the same for and on behalf of the Trust.

26. Revocability.- The Government shall have the discretion to revoke the Trust if desired to do for the reasons recorded in writing. The Trust shall continue to exist till such time as may be decided by the Government. At the time of extinguishment of the Trust, all the assets and liabilities of the Trust shall be transferred to the Government.

27. Exemption.- Public Works Department is exempted from payment of contribution to the Fund in respect of sand quarried by it on behalf of the Government.

ATULYA MISRA,
Principal Secretary to Government.

APPENDIX

(See sub - rule (9) of rule 5)

DISTRICT MINERAL FOUNDATION TRUST DEED

THIS DEED OF TRUST EXECUTED AT _____ ON THIS _____ DAY OF _____ IN THE YEAR TWO THOUSAND SEVENTEEN.

BY

THE GOVERNOR OF TAMILANDU, represented by the Secretary to Government, Industries Department, Government of Tamil Nadu having his office at Secretariat, Fort St. George, Chennai-9, herein after called "the SETTLOR", OF THE ONE PART.

IN FAVOUR OF

The following TRUSTEES of the OTHER PART which expression shall, unless repugnant to, or inconsistent with, the context, mean and include the successors occupying the posts by designation, namely:-

Sl. No.	Name	Designation in the Governing Council
---------	------	--------------------------------------

WHEREAS sub-section (1) of section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) provides for establishment of a District Mineral Foundation Trust by the Government, a non-profit body, with an objective to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the Government;

AND WHEREAS, the SETTLOR for this purpose has decided to set up a Trust as an entity under the Government for "no profit" and for playing an important role for common good of the community and for using the fund of the Trust for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the Government,

AND WHEREAS the SETTLOR being desirous of establishing the District Mineral Foundation Trust has placed under the control of the TRUSTEES a sum of Rs.1,000/- (Rupees one thousand only), which sum is hereinafter referred to as the "INITIAL SETTLEMENT".

NOW THIS DEED OF TRUST WITNESSETH AS FOLLOWS:

1. INTERPRETATION AND DEFINITIONS.- (1) IN THIS DEED OF TRUST wherever the context permits, the following word shall have the meaning mentioned herein namely:-

- (i) 'Act' means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957);
- (ii) "Auditors" means the Auditor appointed by the Trustees, from the approved auditors notified by the Accountant General of the Tamil Nadu or other Auditors nominated by the Settlor;
- (iii) "beneficiaries" mean the persons and areas affected by mining related operations undertaken in any area;
- (iv) "contribution" means the contribution to be collected from the holders of -
 - (a) mining lease or a prospecting licence-cum-mining lease under the provisions of sub-section (5) of section 9B of the Act;
 - (b) mining lease under the provisions of sub-section (6) of section 9B of the Act; and
 - (c) minor mineral concession under the provisions of section 15A of the Act

in the District as may be prescribed by the Central Government or State Government, as the case may be;

(v) Funds of the Trust - The funds of the Trust shall comprise of initial deposit of Rs.1000/- (Rupees one thousand only) made by the Government and include -

- (a) payment to the Trust made by the lessees of major mineral leases at the rates specified by the Central Government;

- (b) payment to the Trust made by the lessees of minor mineral leases at the rates specified in these rules;
- (c) all receipts and incomes including interest accrued on the deposits made in the bank; and
- (d) voluntary contributions, if any, received by the Trust from any person or Organisation.

in the District as may be prescribed by the Central Government or State Government, as the case may be;

(vi) 'District Magistrate' means the Head of the Revenue Administration at the District level;

(vii) "Panchayat" means and includes District Panchayat / Panchayat Union / Village Panchayat / Town Panchayat / Municipalities / City Municipal Corporations in the District concerned or any other authority entrusted with the similar functions in any area;

(viii) "Governing Council" means all the Trustees of the District Mineral Foundation Trust;

(ix) "The Trust" means the _____ (Name of the District) District Mineral Foundation Trust created by the SETTLOR;

(x) "Year" means a financial year beginning on April 1 and ending on March 31 of the following year or part period thereof ending on March 31.

(2) Words in the singular shall include words in the plural and words in the plural shall include the singular.

(3) Words importing the masculine gender shall include female and neutral gender.

(4) The headings and sub-headings to this Deed are inserted only for reference to the provisions hereof and shall not affect the construction of such provisions.

2. NAME OF THE TRUST.- The Trust shall be known as the _____ (Name of the District) District Mineral Foundation Trust, and its office shall be located in the District Collectorate or any other place as may be decided by the District Collector.

3. OBJECTS OF THE TRUST: The object of the District Mineral Foundation Trust shall be to work for the interest and benefit of persons, and areas affected by mining related operations in the District in such manner as provided in rule 13 of the Tamil Nadu District Mineral Foundation Rules, 2017.

4. APPOINTMENT AND DECLARATION:

(1) The SETTLOR hereby appoints the TRUSTEES as the trustees of the Trust which is hereby created and the TRUSTEES accept such appointment on the terms and conditions mentioned herein.

(2) The TRUSTEES hereby appointed by official designation shall continue as TRUSTEES during the period they are holding the post and the designation and would be deemed to have ceased to be the TRUSTEES once they cease to hold the office by virtue of which they were so appointed and their successors in office shall be deemed to have been appointed as TRUSTEES in their place with effect from the date of their acquiring such official designation.

(3) The term of appointment for the nominated TRUSTEES shall be for three years with effect from the date of their appointment as TRUSTEES and the nominating authority may, thereafter, renew their appointment for another term or may nominate other persons in their place:

Provided that the term of such appointment of nominated TRUSTEES shall not, in any case, exceed three years each.

(4) The SETTLOR may at any time increase the number of TRUSTEES in any of the categories as might be deemed fit by the SETTLOR.

(5) The SETTLOR may at any time remove any of the TRUSTEES and may appoint any other person as the TRUSTEE at its sole discretion. The TRUSTEE so removed by the SETTLOR, shall cease to be a TRUSTEE with effect from the date of such removal.

(6) The TRUSTEES shall stand possessed of the Trust Fund upon which and subject to the powers and provisions herein declared and contained concerning the same and the TRUSTEES shall have the power at any time or times during the Trust period to accept any property from any person or persons by the provisions of any other trust or otherwise to the intent that the same shall be held by, or on behalf of, the TRUSTEES as an accretion to the Trust Fund.

5. MANAGEMENT OF THE TRUST.- The management of the Trust shall vest in the 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 paragraph 9 below. The SETTLOR may, however, decide to alter the composition of the Managing Committee at any time. The powers and functions of the Governing Council and of the Managing Committee shall be as contained herein.

6. DECISIONS OF THE TRUSTEES.- (1) All decisions by the TRUSTEES shall be taken 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 to by the SETTLOR, the TRUSTEES shall not amend any part of this TRUST DEED.

(4) The TRUSTEES, the Governing Council and the Managing Committee shall act in accordance with the directions, guidelines, etc. issued by the SETTLOR, from time to time.

7. POWERS and FUNCTIONS OF THE GOVERNING COUNCIL .- The Governing Council, consisting of all the TRUSTEES shall be responsible for —

(1) lay down the broad policy framework or approve rules of procedures for the functioning of the Trust and review its working from time to time;

(2) approval of annual plan and the annual budget of the Trust upon the recommendations of the Managing Committee and 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 does not prepare and accord approval to the Annual Plan and the Budget within the specified time, the Chairman shall have Annual Action Plan and the Budget of the Trust prepared to approve the same and the Budget so prepared shall be deemed to have been duly prepared and approved by the Governing Council.

Provided also 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.

(3) maintaining 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 three times the expected inflows for the next financial year;

(4) 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 SETTLOR;

(5) approving the recommendations of the Managing Committee;

(6) approving the annual reports and audited accounts of the Trust within 60 days of the close of the previous year;

(7) manage, administer, supervise, monitor and review the expenditure of Trust Fund at regular intervals; and

(8) appointment of an auditor from the List of approved auditors notified by the Accountant General of the Tamil Nadu for the Trust Fund in the meeting of the Governing Council on such terms and conditions as decided by the Trustees.

8. MEETINGS OF THE GOVERNING COUNCIL.- (1) The Governing Council shall meet at least twice in a year, and shall be convened as desired by the Chairman.

(2) The Quorum for such meeting shall be one third of the total membership.

9. MANAGING COMMITTEE.- 1. The affairs of the Trust shall be managed by a Managing Committee, which shall consist of —

(a) District Collector — Chairperson

(b) District Revenue Officer - Member-Secretary

(c) Deputy Director / Assistant Director of Geology and Mining — Convener

(d) (i) Project Director — District Rural Development Agency — Member;

(ii) Deputy Director (Health) — Member;

(iii) Chief Educational Officer — Member;

(iv) District Treasury Officer — Member;

(v) District Social Welfare Officer - Member;

(vi) Assistant Director (Panchayat) — Member;

(vii) One Non-Governmental Organisation nominated by the District Collector — Member; and

(viii) One Official/Non Official Member nominated by the District Collector, who is having sufficient experience and better knowledge in the field as a member.

10. MEETINGS OF 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 Member-Secretary of the Managing Committee.

11. POWERS AND FUNCTIONS OF THE MANAGING COMMITTEE: The Managing Committee shall -

- (1) while discharging its functions, follow the policy framework and the directions of the Governing Council, from time to time;
- (2) exercise due diligence in carrying out its duties for protecting the interests of the Trust;
- (3) ensure timely collection of Contribution Fund from the concerned mining lease holders in accordance with the provisions of the Act and Rules;
- (4) prepare the Master Plan/Vision Document, rules and procedures for the functioning and for the activities of the Trust;
- (5) assist in the preparation of the annual plan and the annual budget of the Trust along with the proposed Schemes and Projects;
- (6) supervise and ensure the execution of the annual plan and the approved schemes and projects;
- (7) accord sanction to the projects, release and disburse the Trust Fund for the purpose;
- (8) operate the Trust Fund and to invest the same in a diligent manner and to open Bank Accounts in any Nationalised Bank in the name of the Trust and operate such accounts and investments;
- (9) monitor the progress of the utilization of Trust funds;
- (10) place the audited accounts along with an annual report before the Governing Council for its approval within 60 days of close of financial year.
- (11) do all other things which are necessary for smooth functioning and management of the Trust; and
- (12) lay down and / or approve rules and procedures for the functioning of the Trust.

12. TRUST FUND.- The Trust Fund of the District Mineral Foundation Trust would include the following, namely:-

- (1) the initial deposit made by the SETTLOR;
- (2) any grant, contribution or other monies received from the SETTLOR or from any other Agency, Institution or person;
- (3) the Contribution Fund to be collected from the holders of -
 - (a) mining lease or a prospecting licence-cum-mining lease under the provisions of sub-section (5) of section 9B of the Act;
 - (b) mining lease under the provisions of sub-section (6) of section 9B of the Act; and
 - (c) minor mineral concession under the provisions of section 15A of the Act in the District as may be prescribed by the Central Government or the State Government, as the case may be.
- (4) investments and other deposits and the interest accrued thereon and any other income derived therefrom;
- (5) all other properties of the Trust and the income derived therefrom or appreciation thereof.

13. OPERATION OF THE TRUST FUND.- The Trust Fund shall be kept in Nationalized Banks only in the name of the Trust and all accounts shall be operated under the joint signatures of the Member-Secretary and another member of the Managing Committee to be authorized by the Managing Committee. The Trust shall maintain the books of accounts of the Fund.

14. EXPENDITURE FROM THE TRUST FUND.- The Funds available with the Trust shall be used for the following purposes:-

- (1) The Funds available with the Trust shall be used for undertaking activities for the interest and benefit of persons and overall development of the areas 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, subject to such guidelines as may be issued by the Government, from the time to time;
- (2) The fund may be utilized for, but not limited to, the activities for the creation of local infrastructure for socio-economic purposes, for providing, maintaining or upgrading of community assets and services for local population in the area affected by mining related operations; for organising or conducting training programmes for skill development and capacity building for creating employment and self-employment capabilities in such a way as provided and in the manner specified below;

(3) Not less than sixty per cent of the Trust Fund shall be utilized for high priority objects including the following heads:-

I. Welfare of Mine Affected People

(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) **Health care:** Creation of primary/secondary health care facilities in the affected areas with special infrastructures designed to take care of mining related illnesses and diseases possibly with the help of National Institute of Miners' Health; providing necessary staffing, equipment and supplies required for making such facilities effective to supplement and work in convergence with the existing health care infrastructure of the Local Bodies, State and Central Governments; Providing endowment for medical treatment for diseases caused by mining/quarrying activities for the poor or aged or underprivileged people; Group Insurance Scheme for health care;

(c) **Education:** Construction of school buildings, Additional class rooms, Laboratories, Libraries, Art and crafts room, Toilet blocks, Drinking water provisions; Residential Hostels for students/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.), awarding scholarships to deserving students at various levels of education and nutrition related programs;

(d) **Welfare of women and children:** Special programmes for addressing problems of maternal and child health, mal-nutrition, infectious diseases;

(e) **Welfare of aged and disabled people:** Special programme for welfare of aged and disabled people, endowment fund for providing sustainable livelihood of aged and disabled people;

(f) **Skill development:** Skill development for livelihood support, income generation and economic activities for local eligible persons. The projects /schemes may include training, development of skill development center, self-employment schemes, support to Self Help Groups and provision of forward and backward linkages for such self-employment economic activities.

II. Welfare of Mine Affected Area:

(a) **Physical infrastructure:** For providing required physical infrastructure viz. road, bridges, railways and waterways projects; maintenance and damage repair of the existing physical infrastructure viz. road, bridges, railways and waterways under the control of the Local Bodies, State and Central Governments caused by mining or quarrying activities in the nearby area;

(b) **Environment preservation and pollution control measures:** For controlling air, water, surface and dust pollution caused by mining operations and mine dumps in the nearby areas; mine pollution prevention and control technologies or measures that could be adopted by the affected people, safety measures for abandoned mines; and

(c) For any other purposes/activities for the interest and benefit of the affected persons and areas, as may be decided by the Government, from time to time, by notification.

(4) Not more than forty percent of the Trust Fund may be utilized for other priority areas under the following heads and such other heads including the administrative expenses of the Trust as may be decided by the Government:-

(a) **Irrigation developing:** Alternate sources of irrigation, adoption of suitable and advanced irrigation techniques;

(b) **Energy and Watershed Development** of alternate source of energy (including micro hydel) and rainwater harvesting system. Development of orchards, integrated farming and economic forestry and restoration of catchments;

(c) **Environment preservation and pollution control measures** for prevention of pollution of streams, lakes, ponds, ground water, other water sources in the region; development and maintenance of drainage system for mine or quarry effluents; for establishing effluent treatment plants;

(d) Any other measures for enhancing environmental quality in mining district, or for such other purpose, as may be decided by the Governing Council;

(e) An amount not exceeding six per cent of the annual receipts of the Foundation, subject to an upper limit fixed by the Government, may be utilized for administrative, supervisory and overhead costs or establishment expenses of the Foundation:

Provided that, the Trust may bear an expenditure upto three per cent, from and within the six per cent, of its accrued funds for the services of the personnel appointed from Government departments or from regular employees of the District Panchayat or such other cadre as may be decided by the Government, for providing administrative and technical assistance to the Trust.

(5) Notwithstanding anything contained in sub-rules (3) and (4) of rule 13, the Trust Fund or any part thereof shall not be used for advancement of any loan or grants in any case to any of the beneficiaries other than the purposes specified therein.

15. CHARGING OF EXPENSES.- The TRUSTEES shall be entitled to charge the Trust Fund with the following expenses:-

(1) All expenses properly incurred in the operation or execution of the Trust and for the realisation, preservation or benefit of the investments and assets comprising the Trust Fund and for the protection of the interests of the Trust;

(2) All expenses (including expenses incidental to execution and/or registration of any agreement or other deeds) incurred by the TRUSTEES for obtaining the Contributions and or any other resources which may accrue.

(3) All expenses in connection with any legal proceedings by or against the Trust or concerning the affairs of the Trust including professional fees and costs of any legal Adviser;

(4) All legal and statutory expenses incurred in the operation or execution of the Trust including all levies, duties and other charges paid/ payable in connection with the affairs of the Trust ; and

(5) All expenses in connection with the holding of its meetings and other proceedings.

16. ACCOUNTS AND AUDIT.- (1) The accounts and audit of the Trust Fund shall be in the manner as specified below:

(i) The accounting of financial year of the Trust shall be from 1st of April to 31st of March;

(ii) The Managing Committee shall maintain or cause to be maintained proper books of accounts, documents and records with respect to the Trust Fund so as to give a true and fair picture of the affairs of the Trust, in the form, mode and manner as may be decided by the Government;

(iii) The accounts of the Trust shall be audited on the completion each half year by the qualified auditor/ auditors appointed by the Trust. The auditor/auditors shall submit the half-yearly audit report to the Managing Committee and, on receipt of the said report, the Managing Committee shall place the report before the Governing Council for approval, in its meeting, by three-fourth of its members:

(iv) The auditor/auditors of the Trust shall be appointed by the Trustees from the list of approved auditors notified by the Accountant General of Tamil Nadu in the meeting of the Governing Council, on such terms and conditions as may be decided by the Trustees;

(v) The Governing Council, in its meeting, with the approval of three-fourth of its members may decide to remove and replace the auditor/ auditors of the Trust.

(2) Notwithstanding anything contained in sub-rule(1), the Government may, by notification in the Official Gazette, entrust the District Treasury Officer in the District, and also request the Accountant General (Audit), for the Audit of the Fund, annually, on completion of each year.

(3) The Trust shall forward the approved Budget and Annual Plan alongwith Schemes and Projects for the next financial year, to the District Panchayat, District Administration and the Government for publication on their respective websites.

(4) The Trust shall prepare a quarterly progress report in physical and financial terms in respect of the approved schemes and projects within forty-five days of the close of the quarter and forward it to the District Panchayat and District Administration, immediately thereafter for publication on their respective websites.

(5) The Trust shall forward the approved Annual Report and the approved Audit Report immediately after their approval by the Governing Council within 60 days of close of financial year to the District Panchayat, District Administration, and to the Government along with Audit Report for publication on their respective websites.

17. ADMINISTRATIVE ARRANGEMENTS.- (1) The Government shall provide services of the personnel under their control including employees working in the District Panchayat for management of the Trust and for execution of the Annual Plan as may be required for the purpose.

(2) The District Collector shall provide required number of core personnel from its departments or from regular employees of the District Collectorate or such other cadre, for providing administrative and technical assistance to the Trust. The services of such personnel shall continue to remain in their own respective cadres. The Trust may bear expenditure upto three per cent of its accrued funds for this purpose from the six per cent of the Fund provided for expenditure for the administration of the Trust.

(3) The Trust may also ask service providers to provide such services as may be needed for smooth functioning of the Trust and may provide for incurring contingent expenditure for its functioning.

18. LIABILITY OF TRUSTEES.- (1) The TRUSTEES shall not be liable on account of anything done in good faith, bona fide with due diligence. The Trustees shall also not be liable or responsible for any banker, broker, custodian or other

person in whose hands the same may, in good faith, be deposited or placed nor for the deficiency or insufficiency in the value of any investments of the Trust Fund nor otherwise for any involuntary loss.

(2) The Trustees and every attorney or, agent appointed by the Trustees shall be entitled to be indemnified out of the Trust Fund in respect of all liabilities, losses and expenses incurred in execution of the Trust or any of the powers, authorities, and discretions vested in or delegated to them other than those arising out of gross negligence and/or wilful misconduct, provided, however, that such indemnity shall not in any event exceed the total of the contributions.

19. TRUSTEES REMUNERATION.- The Trustees shall not be entitled to any remuneration for their services.

20. AMENDMENT.- This Trust deed may be amended, from time to time, by the TRUSTEES only with the prior concurrence of the SETTLOR and not otherwise.

21. THE SEAL OF THE TRUST.- The TRUSTEES, in a meeting of the Governing Council, may decide to provide a seal for the purpose of the Trust and shall have power, from time to time, to destroy the same and substitute a new seal in lieu thereof. The seal of the TRUST shall remain in the custody of the Chairperson of the Managing Committee and the Chairperson shall have the authority to use the same for, and on behalf of, the TRUST.

22. REVOCABILITY.- This Trust is revocable at the discretion of the SETTLOR. The Trust shall continue to exist till such time as may be decided by the SETTLOR. At the time of extinguishment of the trust, all the assets and liabilities of the Trust shall be transferred to the Government.

IN WITNESS whereof the parties hereto have executed this deed on the _____ day and _____ year first herein before appearing.

Signed and Delivered on behalf of the SETTLOR.

(_____)

_____, Secretary,

Department of Mines, Government of _____

ATULYA MISRA,
Principal Secretary to Government.