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STEEL & MINES DEPARTMENT

NOTIFICATION

The 18th August, 2015

No.7745—IV(A)SM-44/2015(Pt-IV)/SM.—In exercise of the powers conferred by sub-section (4) of Section 15 and Section 15A read with Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 of 1957), the Governor of Odisha do hereby make the following rules to regulate the composition, functions and manner of working of the District Mineral Foundations and the amount of payment to be made to the District Mineral Foundations by the concession holders of minor minerals for the interest and benefit of persons and areas affected by mining related operations and for purposes connected herewith, namely:—

1. Short title and commencement:—(1) These rules may be called the Odisha District Mineral Foundations Rules, 2015.

(2) These rules shall come into force on the date of their publication in the Official Gazette.

2. Definitions :—

(i) In these rules, unless the context otherwise requires,—

- (a) 'Act' means the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 of 1957);
- (b) 'Board' means the Board of Trustees of the Trust established under these rules;
- (c) 'Government' means the State Government;
- (d) 'Rules' means the Odisha District Mineral Foundations Rules;
- (e) 'Trust' means the District Minerals Foundation constituted under these rules;
- (f) 'Years' means financial year commencing from the 1st April and ending on the 31st March.

(ii) The words and expressions used but not defined in these rules shall have the same meaning as assigned to them in the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 of 1957) or, as may be defined under the provisions of the Mineral Concession Rules, 1960 or the Odisha Minor Mineral Concession Rules, 2004.

3. Trust and its constitution :— (1) There shall be constituted for each District of Odisha a Trust to be known as the District Mineral Foundation for the said District;

(2) The Trust shall be perpetual body and shall have a common seal.

4. Composition of Board of Trustees of the District Mineral Foundation :—

(1) The Board of Trustees shall consist of the following members; namely:—

(i) Revenue Divisional Commissioner or Collector, as may be decided by the Government, who shall be its Chairperson;

(ii) Collector, if he is not the chairperson, Additional District Magistrate and District Level Officers of Steel and Mines, Forest and Environment, Rural Development, Works, ST and SC Development and Health and Family Welfare Departments and of such other Departments as the Government may specify, who shall be its members, *ex officio*;

(iii) The Collector of the District shall be the Managing Trustee;

(iv) Each Member of the Lok Sabha and each Member of the Odisha Legislative Assembly in whose constituency any major mineral concession is situated, shall be its *ex officio* members;

(v) A member of the Zilla Parishad situated within the District wherein the area in which any major mineral concession is situated to be nominated by the Government as an *ex officio* member;

(vi) Not exceeding three members of Panchayati Raj Institutions or Urban Local Bodies from the area in which any major mineral concession is situated to be nominated by the Government as members.

(2) The Chairperson may invite such other Officials to the meetings of the Board, as he may consider necessary.

(3) The quorum for the Board shall be fifty percentum of the members

(4) The Board shall meet at least twice in a financial year

5. Powers and Functions of the Board :— (1) The Board shall have the overall control over the management and functioning of the Trust and shall, subject to the guidelines or directions, if any, issued by the Government from time to time, have the powers to —

- (a) approve the annual budget and action plan for the Trust;
- (b) approve the master plan or perspective plan;
- (c) decide the priority areas and sectoral allocations;
- (d) appoint the auditors and approve the annual reports;
- (e) grant administrative sanction of individual projects exceeding the estimated cost of Rupees Ten Crore; and
- (f) monitor the proper functioning of the Trust.

6. Composition, Powers and functions of the Executive Committee :—

(1) The Executive Committee of a Trust shall consist of the following members, namely: —

- (a) Collector, who shall be the Chairperson;
- (b) District level Officers of Rural Development, Works, Forest and Environment and Steel and Mines Departments ... Members; and
- (c) Project Director, District Rural Development Agency... Member and Chief Executive of the Trust.

(2) The Executive Committee shall be responsible for monitoring the day to day management and supervision of the activities of the Trust under the overall supervision and control of the Board and more specifically, shall have the following powers, namely: —

- (a) Award contracts and works and sanction of payment for the same
- (b) Grant administrative sanction for individual projects with estimated cost not exceeding Rupees Ten Crore
- (c) Maintenance of accounts.
- (d) Supervision of progress in discharge of contracts and execution of works
- (e) Investment of funds of the Trust in accordance with the guidelines laid down by the Government and the Board
- (f) Preparation of perspective plan, budget etc. for approval of the Board

(3) The Executive Committee shall meet at least once every quarter and more frequently if required.

(4) The Executive Committee may delegate such of its powers to the Chief Executive as it may consider appropriate.

7. Funds of the Trust :—The funds of the Trust shall comprise of —

- (a) payment to the Trust made by the lessees of major mineral leases at the rates to be 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.

8. Bank Accounts :— (1) All the funds of the Trust shall be credited to the bank account(s) of the Trust to be operated in scheduled bank(s).

(2) The bank account(s) of the Trust shall be operated by at least two persons, to be decided by the Board, one of whom shall be the Managing Trustee of the Board.

(3) All payments by the Trust, except contingent expenditure not exceeding Rs.5000 and such statutory dues or utility charges for which e-payment facility is not available, shall only be made electronically to the bank account of the recipient.

(4) The amounts of the Fund not required for immediate disbursement may be deposited in fixed deposits or flexi-deposits, following a transparent and competitive invitation of offers from eligible scheduled banks.

9. Amount payable by lessees of minerals to the Trust :— (1) All holders of major minerals leases shall, in addition to royalty, pay to the respective District Mineral Foundation, an amount equivalent to such percentage of royalty as may be prescribed by the Central Government under sub-section (5) or, as the case may be, sub-section (6) of Section 9B of the Act.

(2) All holders of the minor mineral leases shall, in addition to the royalty, pay to the respective Trust amount equivalent to —

- (a) the amount of royalty, if the lease has not been granted through auction
- (b) Twenty five percentum of the royalty, if the lease has been granted through auction

(3) The amount under sub-rule (1) and (2) shall become payable and be paid on the same day on which such royalty was payable to the Government.

10. Permissible activities :— The funds of the Trust may be utilised for undertaking activities for the interest and benefit of persons and areas affected by mining related operations subject to such guidelines as may be issued by the Government, from the time to time, and may be utilised for activities including, but not limited to —

- (a) provision of amenities and infrastructure like water supply, sanitation, connectivity communications, irrigation, electricity supply, health care,

- education, housing etc to persons in the areas affected by the mining operations;
- (b) strengthening of social services like education, healthcare, social security, social safety net skill upgradation training etc to the persons in the areas affected by mining operations;
 - (c) afforestation and environmental improvement;
 - (d) projects for livelihood support, income generation and economic activities for persons in the areas affected by mining operations;
 - (e) improvement of institutional mechanism for delivery of public services in the areas affected by mining operations; and
 - (f) such other activities as may be specified by the Government to be the permissible activities.

11. Areas affected by mining operations :— (1) Areas affected by mining operations for the purpose of these rules shall be the Gram Panchayat within which the mines are situated, Revenue Villages in which families displaced by mines have been resettled by the project authorities and, in case of mines situated within two kilometers of inter-district border, the Revenue Villages within ten Kilometer radius of the mine in the adjoining District(s) :

Provided that if the affected area of a mine in one District falls in the jurisdiction of another District, such percentage of amount collected from the mine by the Trust, as may be decided by the Government, shall be transferred to the Trust of the other District concerned for taking up the activities for the interest and benefit of persons and areas affected by mining related operations.

(2) The proceeds of the fund shall be utilised only for direct benefit of the persons living in or for physical works within the areas mentioned in the sub-rule (1) :—

Provided that an amount not exceeding forty percentum of the receipt of the fund may be utilised for development of common infrastructure at the Block or District level institutions, that directly or indirectly benefit the persons living in the areas affected by mining operations:

Provided further that the Board may take up projects for development of common infrastructure like construction of roads, bridges etc. in excess of the limits specified in the first proviso on a case to case basis, for projects of importance to the District.

(3) The Board shall prepare and maintain an updated list of areas affected by mines.

(4) The activities to be funded by the Trust shall be in the nature of additional activities over and above the normal level of activities and schemes funded by the Government.

(5) Without prejudice to the powers of the Trust, efforts shall be made to achieve convergence with the State and the District Plans so that the activities taken up by the Trust supplement the developmental activities and are treated as extra-budgetary resources for the State Plan.

(6) An amount not exceeding five percentum of the annual receipts of the Trust may be utilised for administrative, supervisory and overhead costs of the Trust:

Provided that the Trust shall require prior approval of the Government for creation of posts, purchase of vehicles and sanctions of recurring individual benefits in the form of doles and pensions.

12. Special provisions for scheduled areas :— (1) In respect of villages affected by mining operation, situated within the scheduled areas—

- (i) the approval of the plans, programmes and projects to be taken up by the Trust for social and economic development shall be obtained from the respective Gram Sabha before the same are taken up for implementation;
- (ii) identification and selection of individual beneficiaries will be made by the Gram Sabha and/or as per the existing guidelines of the Government;
- (iii) report on the works undertaken by the Trust in the respective village shall be furnished to the Gram Sabha by the Trust after completion of every financial year.

(2) For the purpose of this rule, Gram Sabha shall have the same meaning 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. Execution of Works or Contracts :— (1) As far as possible, the works undertaken by the Trust shall be executed only through Government Departments, agencies and public sector undertakings normally undertaking such works which will follow the relevant norms and procurement procedures as may be applicable to the Government projects implemented by organisation while executing or awarding contracts.

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

(3) In respect of such works which cannot be executed through Government Departments, agencies or public sector undertakings, the Executive Committee may

award the work to any other competent and sound agencies following a transparent process, after obtaining prior approval of the Board.

14. Maintenance of accounts :— (1) The accounts of the Trust shall be maintained in accordance with such accounting procedure as the Government may notify in the Official Gazette.

(2) The investments from the funds of the Trust shall be made in accordance with such guidelines as the Government may notify in the Official Gazette.

15. Audit :— The accounts of the Trust shall be audited every year by the Chartered Accountant appointed by the Board, or in such other manner as the Government may specify, and the report thereof shall be placed in the Board alongwith the Annual Report.

16. Annual Report :— (1) Every year, within three months from the date of its closure, the Board shall cause to prepare an Annual Report on the activities of the Trust for the respective year.

(2) The Annual Report will be submitted to the Government within one month from the date of its approval by the Board and will also be hosted on the website of the Trust.

(3) The Annual Report of each Trust shall be laid before the Odisha Legislative Assembly.

17. Maintenance of transparency :— (1) The Trust shall maintain transparency in respect of its activities.

(2) Each Trust shall have a website on which, *inter-alia*, following information will be hosted and kept updated, namely:—

- (i) Details of composition of the Board and the Executive Committee;
- (ii) Decisions of all meetings of the Board and the Executive Committee;
- (iii) List of areas affected by mines;
- (iv) Quarterly details of all contributions received from lessees and others;
- (v) Perspective plan, budget, work orders, annual report;
- (vi) Details of progress of works including description of work, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress upto last quarter etc; and
- (vii) Details of individual beneficiaries and the extent of assistance sanctioned and disbursed to them.

18. Monitoring of the amount payable to the Trust :— (1) Every lessee shall remit the amount payable to the Trust into the credit of such bank account as the Trust may specify, under intimation to the Officer to whom the royalty is payable.

(2) Every Officer who is authorised to collect royalty shall maintain a register of the amount payable and paid by each lessee and furnish the monthly consolidated statement thereof to the Chief Executive of the Executive Committee at the end of every month.

19. Power of Government to relax the operation of any provision of these rules :— State Government may, by an order, relax the operation of any of the provisions of these rules as may be specified therein if, in the opinion of the Government, such relaxation is in the public interest.

20. Power of Government to remove difficulties :— (1) If any difficulty arises in giving effect to the provisions of these rules, the State Government may, by order published in the *Odisha Gazette*, make such provisions not inconsistent with the provisions of these rules as it appears to it to be necessary or expedient for removing the difficulty.

(2) Every order made under this rule shall be laid, as soon as may be, after it is made, before the Odisha Legislative Assembly.

By Order of the Governor

R.K. SHARMA

Principal Secretary to Government