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## Kerala District Mineral Foundation Rules, 2018

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## GOVERNMENT OF KERALA

## Industries (A) Department

## NOTIFICATION

G.O. (P) No. 13/2018/ID. Dated, Thiruvananthapuram, 22nd May, 2018  
8th Idavam, 1193.

**S. R. O. No. 326/2018.**—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 (Central Act 67 of 1957), the Government of Kerala hereby make the following rules, namely:—

1. *Short title and commencement.*—(1) These rules may be called the Kerala District Mineral Foundation Rules, 2018.

(2) They shall come into force at once.

2. *Definitions.*—(1) 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 areas' means the areas affected by mining related operations as specified in sub-rule (1) of rule 11;

(iii) 'affected person' means the person residing in affected areas;

(iv) 'Chief Managing Person' means a domain expert and a member of the Executive Committee who has been delegated appropriate powers by the Executive Committee for supervision and execution of the works undertaken by the District Mineral Foundation;

(v) 'Governing Council' means the Board of Trustees of the Trust established under these rules;

(vi) 'Government or State Government' means the Government of Kerala;

(vii) 'mining operation' means any operation undertaken for the purpose of winning any mineral;

(viii) 'rules' means the Kerala District Mineral Foundation Rules, 2018;

(ix) 'District Mineral Foundation' means a statutory trust established as a non-profit body by the Government in all Districts in accordance with the provisions of sub-section (1) of section 9B of the Act and notified by the Government of Kerala;

(x) 'Year' means financial year commencing from the 1st April and ending on the 31st March.

(2) The words and expressions used but not defined in these rules shall have the same meaning respectively assigned to them in the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) and the Rules made thereunder.

3. *Constitution of the District Mineral Foundation.*—(1) There shall be a foundation called the District Mineral Foundation in each district of the State constituted as per sub-section (1) of section 9B of the Act.

(2) The District Mineral Foundation shall be a non-profit making trust by the name aforesaid having perpetual succession and shall have a common seal.

(3) The District Mineral Foundation shall be composed of,—

- (i) Governing Council;
- (ii) Executive Committee.

4. *Objects of the District Mineral Foundation.*—The objects of the District Mineral Foundation shall be to work for the interest and benefit of the persons and areas affected by mining related operations in the district in such manner as may be specified by the State Government,—

(i) to implement various compensatory activities, welfare and developmental projects or programmes in mining affected areas;

(ii) to minimize or mitigate the adverse impacts, during and after mining, on the environmental and ecological spheres of the mining

affected areas, health and socio-economics of people in mining affected areas; and

(iii) to ensure safety of mines (both working and abandoned).

5. *Composition of the District Mineral Foundation.*—(1) The Governing Council of the District Mineral Foundation shall consist of the following members, namely:—

| <i>Sl. No.</i> | <i>Name and Designation</i>  | <i>Designation in the Governing Council</i>             |
|----------------|--|---|
| (1)            | (2)  | (3)   |
| 1              | District Collector   | Chairperson, Managing Trustee and Authorized signatory; |
| 2              | The District Geologist, District Office of the Department of Mining and Geology  | Member Secretary and Authorized signatory;              |
| 3              | Divisional Forest Officer nominated by the Principal Chief Conservator of Forest | Ex-officio member;                                      |
| 4              | District Officer, Ground Water Department  | Ex-officio member;                                      |
| 5              | Executive Engineer (Roads & Bridges), Public Works Department                    | Ex-officio member;                                      |
| 6              | Executive Engineer, Irrigation Department  | Ex-officio member;                                      |
| 7              | District Environmental Engineer, Kerala State Pollution Control Board            | Ex-officio member;                                      |
| 8              | The District Medical Officer   | Ex-officio member;                                      |
| 9              | The Principal Agricultural Officer   | Ex-officio member;                                      |
| 10             | District Social Justice Officer  | Ex-officio member;                                      |
| 11             | A Member of Parliament, nominated by the Government                              | Member ;  |

| (1) | (2)   | (3)      |
|-----|---|----------|
| 12  | A Member of Kerala Legislative Assembly preferably from the mostly affected area, nominated by the Government   | Member;  |
| 13  | A District Panchayat Member preferably from mostly affected area, nominated by the Government   | Member;  |
| 14  | Not exceeding three members of the Village Panchayat preferably from affected areas, nominated by the Chairperson   | Members; |
| 15  | A member representing the mine owners, nominated by the Chairperson   | Member;  |
| 16  | Not exceeding three members representing the people of affected areas, nominated by the Local Self Government Institutions concerned and approved by the Chairperson              | Members; |
| 17  | One representative from a prominent Non Governmental Organization or any Institution working on Environmental issues in the district concerned to be nominated by the Chairperson | Member.  |

*Note:*—Chairperson shall have the prerogative to limit the number of members of Village Panchayat or members representing the people of the affected area invited for the meeting depending on the agenda of the meeting.

(2) The term of office of the Chairperson, Member Secretary and Ex-officio members shall expire when they cease to hold the office by virtue of which they were appointed. The term of office of the elected people's representatives shall expire when they ceases to hold the position.

The term of office of the members of the Governing Council shall be for a period of three years.

(3) The Chairperson shall preside over the meetings of the Governing Council.

(4) No member shall attend a meeting of the Governing Council otherwise than in person.

(5) A notice may be served on any member of the Governing Council in person or through mail or post addressed to such member at the address mentioned in the roll of members. Any notice so served through mail or post shall be deemed to have been served on the day following the day on which it was mailed or posted. Every notice calling for a meeting shall specify the date, time and venue of the meeting and shall be issued to every member not less than seven days before the meeting.

(6) The Chairperson may invite such other officials to the meeting of the Governing Council, as he may consider necessary but such person shall not be entitled to vote at the meeting.

(7) The Executive Committee is a working representative of the Governing Council with,—

- (i) The District Collector as the President;
- (ii) The District Geologist of District Office of Department of Mining and Geology as the Convener;
- (iii) Other ex-officio members of the Governing Council as the members.

6. *Decisions of the District Mineral Foundation.*—(1) All decisions by the District Mineral Foundation shall be taken in its meeting. In case of difference of opinion among the members on any matter under discussion, the opinion of the majority shall prevail.

(2) The District Mineral Foundation shall act in accordance with the directions and guidelines issued by the State Government from time to time.

7. *Powers and Functions of the Governing Council and Executive Committee of the District Mineral Foundation.*—(1) The Governing Council shall have the overall control over the management and functioning of the District Mineral Foundation and shall also subject to the guidelines and directions, if any, issued by the Government.

(2) The quorum for the meeting of the Governing Council shall be one-third of the total members.

(3) The Governing Council shall meet at least three times, in a year, provided that not more than four months shall elapse between any two meetings.

(4) The Governing Council shall have the powers to,—

(i) Lay down the broad policy framework for the functioning of the District Mineral Foundation and review its working from time to time;

(ii) Draw up the perspective plan and approve annual action plan containing list of schemes and projects with tentative provisions;

(iii) Approve the annual budget for the District Mineral Foundation;

(iv) Decide the priority areas listed by the Local Self Government Institutions concerned;

(v) Approve reports including annual reports;

(vi) Grant administrative sanction of individual schemes/projects with an estimate cost of up to rupees 10 lakhs. For projects having estimate cost beyond rupees 10 lakhs, prior approval of Government is necessary;

(vii) Monitor the proper functioning of the District Mineral Foundation.

(5) The Executive Committee shall be responsible for monitoring the day to day management and supervision of the activities of the District Mineral Foundation under the overall supervision and control of the Governing Council and shall have the following powers to,—

(i) Prepare the Annual Plan and the Annual Budget of the District Mineral Foundation along with the proposed Schemes and Projects;

(ii) Grant technical sanction for schemes/projects proposed;

(iii) Award contracts and works and sanction payment for the same;

(iv) Supervise and ensure the execution of the annual plan and approved schemes and projects;

(v) Maintenance of accounts;

(vi) Monitor the progress in discharge of contracts and execution of works;

(vii) Place the audited accounts along with an Annual report before the Governing Council for its approval.

(6) The Executive Committee shall meet at least once in every 3 months and more frequently, if required.

(7) The Executive Committee may delegate such of its powers to a Chief Managing Person as it may consider appropriate to supervise the process of works. There shall be separate Chief Managing Person for each work based on the nature of work. The Chief Managing Person shall be a domain expert and member of the Executive Committee.

8. *Bank Account.*—(1) All the funds of the District Mineral Foundation shall be credited to the joint account of the District Mineral Foundation and shall be operated in Government Treasury.

(2) The joint account of the District Mineral Foundation shall be operated by the authorized signatories.

(3) All the payments by the District Mineral Foundation, except contingent expenditure not exceeding rupees 5000 and such statutory dues or utility charges, shall only be made as per the procedures stipulated under the Kerala Financial Code.

(4) The District Mineral Foundation shall maintain books of account for the utilization of fund and submit the same for audit.

9. *Funds of the District Mineral Foundation and amount payable by holders of concessions granted for mining of minerals to the District Mineral Foundation and its Utilization.*—(1) The funds of the District Mineral Foundation shall comprise of,—

(i) Payment to the District Mineral Foundation made by the lessees of major minerals at the rates specified in Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015.

(ii) Payment to the District Mineral Foundation made by the lessees and quarrying permit holders of minor minerals at the rate specified in sub-rule (2) of rule 9.



(iii) All grants, made by the Central Government, State Government, and voluntary donations made by any Local Self Government Institution or anybody, whether incorporated or not or any person.

(2) All holders of minor mineral leases/permits shall pay ten per cent of the royalty/consolidated royalty paid by them to the District Mineral Foundation.

(3) The proceeds of the fund shall be utilized only for direct benefit of the persons living within the affected areas and for any physical work to ensure safety of public and protection of environment, which also includes necessary expenses for ensuring safety to the abandoned mines.

(4) The activities to be funded by the District Mineral Foundation shall be in the nature of additional activities over and above the normal level of activities and schemes funded by the State as well as Central Government.

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

(6) An amount not exceeding fifteen per cent of the annual receipts of the District Mineral Foundation may be utilized for administrative, supervisory and overhead costs of the District Mineral Foundation. District Mineral Foundation shall require prior approval of the Government for creation of posts, any type of contract appointment, purchase of vehicles and sanctions of recurring individual benefits.

#### 10. *General Provisions regarding District Mineral Foundation.*—

(1) The developmental and welfare activities to be taken up under the District Mineral Foundation may be, as far as possible, in the nature of complementing the ongoing schemes or projects being funded by the State as well as Central Government.

(2) Without prejudice to the powers of the District Mineral Foundation, convergence shall be done with the State and the District plans so that the activities taken up by the District Mineral Foundation supplement the development and welfare activities.

11. *Affected areas.*—(1) Affected area is the area where mining related operations such as excavation, mining, blasting, beneficiation including

crushing, waste disposal, overburden dump, tailing ponds and transport corridors are located.

(2) The Grama Sabha/ Ward Committee shall provide the list of beneficiaries and proposed activities to the Local Self Government Institutions. The Local Self Government Institutions shall consider the list of the beneficiary and the proposed activities in the sittings and approve the same on its merit and forward the same to District Mineral Foundation of the Districts concerned. The Governing Council shall identify the affected areas in consultation with the Local Self Government Institutions.

(3) All Local Self Government Institutions shall prepare and maintain an updated list of areas and beneficiaries affected by mines/quarries and submit it to the Governing Council during the month of April every year.

12. *Permissible Activities.*—(1) The District Mineral Foundation shall work for the interest and benefits of persons and areas affected by mining related operations and the permissible activities shall include,—

(i) Supply of drinking water including installation of centralised purification systems, water treatment plants, permanent/temporary water distribution network, laying of piped water supply system;

(ii) Adoption of pollution control measures in mining affected areas;

(iii) Providing health care, education etc;

(iv) Making provision for welfare and Entertainment facility for women, children, aged and disabled people;

(v) Providing skill development and support to Self Help Groups;

(vi) Providing proper sanitation facilities in affected areas;

(vii) Restoring the ecology damaged by mining related activities, including afforestation;

(viii) Providing the required physical infrastructure for affected areas;

(ix) Providing required assistance in agriculture, horticulture, dairy farming, animal husbandry, etc.;

- (x) Providing alternate employment for the affected persons;
- (xi) Providing compensation due to loss of life or property due to mishaps in mines or other natural disasters;
- (xii) Soil conservation measures in the mining impact zone;
- (xiii) Soil rejuvenation of agricultural land and fodder development;
- (xiv) Safeguarding the mining affected persons from environmental hazards;
- (xv) Developing sources of irrigation;
- (xvi) Developing alternate sources of energy and rainwater harvesting;
- (xvii) Setting up of environmental monitoring stations along the dedicated mining corridors;
- (xviii) Framing social welfare schemes for the welfare of persons affected by mining related operations;
- (xix) Ensuring safety to the abandoned mines including its fencing;
- (xx) Reuse of abandoned mines;
- (xxi) Conservation measures of biodiversity of the affected areas;
- (xxii) Assistance to the victims of accidents, occurred in both working and abandoned quarries.

(2) Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) shall be implemented by the District Mineral Foundation of the respective Districts as per the guidelines of the Yojana issued by the Government of India from time to time. The implementation of the PMKKKY shall be monitored by the District Development Coordination and Monitoring Committee (Disha) and Disha Guidelines shall be followed while implementing the schemes.

13. *Execution of Works or Contracts.*—(1) The works undertaken by the District Mineral Foundation for which administrative sanction is accorded by the Governing Council under these rules shall be caused to be executed by the Chairperson (District Collector) through Government

Departments, District Panchayat and Public Sector Undertakings that normally undertakes such works. Such Departments/Agencies shall follow the relevant norms and procurement procedures as may be applicable to the Government projects while executing or awarding contracts.

(2) Supervision of the work will be managed 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 or agencies or public sector undertakings, the Executive Committee may award the work to any other competent and sound agencies following norms and procedures prescribed by Government, after obtaining prior approval of the Governing Council.

14. *Maintenance of accounts.*—(1) The accounts of the District Mineral Foundation shall be maintained in accordance with the general accounting procedure followed by the Government.

(2) The expenditure from the funds of the District Mineral Foundation shall be made in accordance with the procedure followed by the Government.

15. *Audit.*—(1) The accounts of the District Mineral Foundation shall be audited every year by a Chartered Accountant appointed by District Mineral Foundation and such appointments may be made from the list of auditors notified by the Accountant General of the State. The audit shall be completed within 6 months of the close of financial year.

(2) In all the cases of suspicion of theft of money, money loss, wastage, fake accounts or misappropriation of money, after conducting a preliminary enquiry, Government may order an extraordinary audit of the accounts of the District Mineral Foundation of any district for a particular period for a particular purpose and in such cases, the Accountant General shall make necessary arrangements for a special audit in accordance with the Government direction and submit copy of the audit report to Government and the Chairperson of the Governing Council.

16. *Annual Report.*—(1) The accounts of the District Mineral Foundation shall be audited annually by the auditors appointed for the purpose and the audited statements of accounts shall be submitted with the annual report, at the annual general meeting for the consideration and approval of the Governing Council.

(2) After approval of the Governing Council, statement of accounts with annual report shall be forwarded to Government within four months from the end of the financial year and will also be uploaded on the website of the District Mineral Foundation.

17. *Maintenance of transparency.*—(1) The District Mineral Foundation shall maintain transparency in respect of its activities.

(2) District Mineral Foundation shall have a website on which, inter-alia, following information shall be hosted and kept updated,—

(i) details of composition of the Governing Council and the Executive Committee;

(ii) decisions of all meetings of the Governing Council and the Managing Committee shall be uploaded within 24 hours of the meetings.

(iii) list of areas affected by mines;

(iv) Quarterly details of all contributions received from lessees, permit holders 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;

(vii) Details of individual beneficiaries and the extent of assistance sanctioned and disbursed to them;

(viii) Other matters to be decided by the Governing Council.

18. *Monitoring of the amount payable to the District Mineral Foundation.*—(1) The District Geologist concerned shall ensure that the contributions to the fund of the District Mineral Foundation are collected along with the royalty/consolidated royalty and remitted to the account maintained by the District Mineral Foundation.

(2) District Geologist shall maintain a register of the amount payable and paid by each lessee/permit holder and furnish the monthly consolidated statement thereof to the Executive Committee and to the Director of Mining and Geology at the end of every month.

(3) The Director of Mining and Geology shall monitor the collection and remittance of contribution to the fund of the District Mineral Foundation and submit an annual statement to the Government.

19. *Administrative arrangements.*—(a) The Chairperson of the District Mineral Foundation shall make necessary arrangements for setting up of an office for the functioning of District Mineral Foundation preferably at the office of the District Collector with adequate infrastructure. The required staff shall be deputed from Government departments or appointed on contract basis after the creation of posts by the Government.

(b) The orders on administrative arrangements, to provide services of the personnel, for management of the District Mineral Foundation and for execution of the Annual Plan as may be required for the purpose shall be issued by the Government, separately.

20. *Resignation.*—A member of the Governing Council other than Ex-Officio member may resign his membership by a letter addressed to the Chairperson through the Member Secretary and such resignation shall take effect from the date of its acceptance.

21. *Travelling Allowance and Daily Allowance.*—The non-official members of the Governing Council shall be eligible for travelling allowance and daily allowances as eligible for first class officers as per the provisions of the Kerala Service Rules, for attending the meeting of the Council.

22. *Grievances related to the District Mineral Foundation.*—Any person who has grievance against any member or the functioning of the District Mineral Foundation, or aggrieved by any decision of the District Mineral Foundation may in person or through a representative may file a complaint to the Government in the Industries Department.

By order of the Governor,

DR. K. ELLANGOVAN,  
Principal Secretary to Government.

### Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 provides for establishment of a District Mineral Foundation, a statutory Trust by the State Government, a non-profit body, in any District affected by mining related operations 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 specified by the State Government. The District Mineral Foundation's composition and functioning shall be as decided by the State Government. Sub-section (2) and (3) of section 9B of the said Act provides for framing of District Mineral Foundation Rules in the State and hence Government have decided to make rules in exercise of the said powers conferred by the Act. In addition, the Ministry of Mines, Government of India, in exercise of the powers conferred under section 20A of the Mines and Minerals (Development and Regulation) Act, 1957 vide order number 16th July, 2015-M.VI (Part) dated 16th September, 2014, directed Government of Kerala to incorporate Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) in the rules to be framed for District Mineral Foundation. Accordingly, the provisions of Pradhan Mantri Khanij Kshetra Kalyan Yojana have also been incorporated in the District Mineral Foundation Rules, 2018.

The notification is intended to achieve the above object.