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GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF GEOLOGY & MINING
ITANAGAR

NOTIFICATION

The 30th October, 2018

ARUNACHAL PRADESH DISTRICT MINERAL FOUNDATION (TRUST) RULES, 2018

No. DGM/DMF/MP-INCLUSION/163/2017.—In exercise of the powers conferred by Section 9B, Sub-section (4) of Section 15, Section 15 A read with Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, the Governor of Arunachal Pradesh hereby makes the following rules to regulate the establishment of District Mineral Foundations, the manner of working and receipt of contributions thereto, in all mineral bearing districts, for the interest and benefit of persons and areas affected by mining related operations and for purposes connected therewith, as follows :-

PART – I

1. **Short title and commencement:**

- (1) These rules may be called the Arunachal Pradesh District Mineral Foundation (Trust) Rules, 2018.
- (2) **It shall be deemed to have come into force on the date of its publication in the official Gazettee.**

2. **Application:**

- (i) These rules shall extent to the whole state of Arunachal Pradesh.
- (ii) They shall apply to all minerals, including minor minerals as specified under the Mines & Minerals (Development & Regulation) Act, 1957 including as amended in 2015 and any other minerals which the Central Government may by notification declare in the Official Gazette.

PART - II

3. **Definitions:**

In these rules, unless the context otherwise requires:

- (a) **‘Act’** means the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 of 1957), as amended from time to time;
- (b) **‘Affected Area’** includes:
 - (i) ‘affected areas’ means areas affected directly or indirectly by mining or mining related operations as identified by the district authority.
 - (ii) ‘directly affected areas’ means those areas where mining or mining related operations such as excavation, blasting, beneficiation and waste disposal (such as overburden dumps, tailing ponds etc) transport corridors, resettlement or rehabilitation etc., are actually taking place as well as where the usufruct and traditional rights over the project areas have been directly impacted;
 - (iii) ‘Indirectly affected areas’ means those areas, excluding directly affected areas, where local population is adversely affected on account of economic, social and environmental consequences due to mining-related operations such as deterioration of water, soil and air quality, reduction in stream flows and depletion of ground water, congestion and pollution due to mining operations, transportation of minerals, and increased burden on existing infrastructure and resources.
- (c) **‘Affected Family’** means those families whose land or other immovable property has been acquired for mining or mining related operations and or a family which does not own any land but a member or members of such family may be agricultural labourers, tenants including any form of tenancy or holding of usufruct rights, share croppers or artisans or who may be working in the affected areas for three years prior to the acquisition of the land for mining or mining related operations, whose primary source of livelihood stand affected by such acquisition of land.

- (d) **'Affected Person'** means only those persons whose legal and occupational rights over the mined land and those with usufruct and traditional rights over such land have been directly affected by mining or mining related operations.
- (e) **"Beneficiaries"** means the affected persons as identified by the Gram Sabha;
- (f) **"Breach of Trust"** means a breach of any duty imposed on a trustee of the trust, as such, by any law for the time being in force.
- (g) **"Displaced family"** means any family, who on account of acquisition or diversion of land has been or is to be relocated and resettled from the affected area to the resettlement area.
- (h) **"Family"** means a person, his or her spouse, minor children, minor brothers and minor sister dependent on him or her.
- (i) **'Gram Panchayat'** means an institution of self-government for rural areas as defined under Article 243(b) and 243B of the Constitution (Seventy-third Amendment) Act, 1992.
- (j) **"Gram Sabha"** means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level as defined under Article 243(b) of the Constitution (Seventy-third Amendment) Act, 1992.
- (k) **'Governing Council'** means council of Trustees of the District Mineral Foundation Trust;
- (l) **'Government means'** the Government of Arunachal Pradesh.
- (m) **'Mining Operations'** means any operations undertaken for the purpose of winning any mineral;
- (n) **'PMKKKY'** means 'Pradhan Mantri Khanij Kshetra Kalyan Yojana' which is a scheme framed by Central Government to be implemented by the District Mineral Foundations of the respective Districts under these rules using the funds accruing to them;
- (o) **'Rules'** means the Arunachal Pradesh District Mineral Foundation (Trust) Rules, 2017;
- (p) **'Trusts'** means the District Mineral Foundation, which is a statutory trust as notified by the Government of Arunachal Pradesh to be governed by its own rules and regulations so notified under these rules;
- (q) **'Year'** means financial year commencing from the 1st April and ending on the 31st March.

Explanation: 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 as amended, or the Arunachal Pradesh Minor Mineral Concession Rules, 2002 as amended from time to time, or The Panchayats (Extension to the Scheduled Areas) Act, 1996, or The Scheduled Tribes & Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 & Rules or The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, or the Indian Trusts Act, 1882 as that particular context requires;

PART –III

4. Objectives of the District Mineral Foundation (DMF):

To work for the interests, benefits and sustainable development of persons and areas affected by mining or mining related operations in the district in such a way as may be prescribed by these rules, in an effective, transparent and accountable manner;

PART –IV

5. Trust and its Constitution:-

- (i) There shall be a Trust to be known as the District Mineral Foundation, constituted for each district of Arunachal Pradesh;
- (ii) The Trust shall be a perpetual body having a common seal, by which name can sue or be sued.

6. Composition of the District Mineral Foundation:-

- (i) Each District Mineral Foundation shall be governed by a Governing Council consisting of the following members, namely:—

Sl. No.	Name & Designation	Designation in the Governing Council
1.	Deputy Commissioner	— Chairperson
2.	HMP of the Concerned Distt	— Member
3.	HMLAs of the Concerned Distt	— Members
4.	Zila Parishad Chairperson	— Member
5.	AMDO or officer from the Deptt of Geology & Mining posted at Distt Headquarter	— Member Secretary
6.	All AMDOs posted in the Distt.	— Member
7.	Project Director, District Rural Development Agency	— Member
8.	Divisional Forest Officer	— Member
9.	Treasury Officer	— Member
10.	Executive Engineer of Public Work Deptt	— Member

Sl. No.	Name & Designation	Designation in the Governing Council.
11.	Distt. Medical Officer or Representative	— Member
12.	Representative of the Arunachal Pradesh State Pollution Control Board	— Member
13.	Deputy Director School Education	— Member
14.	Representative of Skill Development Deptt.	— Member
15.	Representative of Deptt of Social Justice, Empowerment & Tribal Affair.	— Member
16.	Representative from Social Welfare, Women and Child Development	— Member
17.	Five (5) Representatives from area affected by mining or mining related activities, to be recommended by concerned DC and nominated by State Government.	— Nominated Member
18.	Two (2) Representatives of ML holder or mineral concession holders, to be recommended by concerned DC and nominated by State Government.	— Nominated Member

(ii) The Chairperson may nominate or invite such other Officials to the meetings of the Council, as he may consider necessary.

(iii) The quorum for the Council shall be fifty percent of the members.

(iv) The Member Secretary shall call the meetings of the Council.

(v) The term of appointment for the nominated members shall be for three years w.e.f. the date of their nomination as nominated member and the Government may thereafter renew their appointment for another term or may nominate other person in their place.

Provided that the term of such nominated members shall in no case exceed three terms of three year each.

Provided further that the nominated member's shall be appointed by the State Government on the basis of recommendations of the Deputy Commissioner of the concerned District.

Provided also that community representatives from areas affected by mining operations shall be recommended by their Deputy Commissioner on the basis of recommendation of the respective Gram Shaba.

The Government may at any time remove any of the members and may appoint any other person as nominated members at its sole discretion. The member so removed by the Government shall cease to be a member with effect from the date of such removal.

(vi) The Council shall meet once in every quarter in a financial year.

7. Powers and Functions of the Governing Council:

The Governing Council shall have the overall control over the management and day to day functioning of the Trust and shall, subject to the guidelines or directions, if any, issued by the State or Central Government from time to time, have the following powers and functions including but not limited to:

- (i) To plan, allocate and ensure effective utilization of the funds accounting to the DMF.
- (ii) To ensure that the needs of the affected areas and families are addressed from time to time.
- (iii) To ensure effective coordination and flow of information between the village level committee, Gram Sabha, AMDO Offices and the Governing Council for proper decision making.
- (iv) Prepare and maintain an updated list of directly and indirectly affected areas/persons/families by mining or mining related operations.
- (v) Approve the list of beneficiaries identified by Gram Sabha.
- (vi) Approve the master plan or perspective plan;
- (vii) Decide the priority areas and sectoral allocations.
- (viii) Monitor and supervise the activities undertaken in scheduled areas;
- (ix) Ratify the appointment of auditors and approve annual reports;
- (x) Monitor the proper functioning of the Trust;
- (xi) Approve the annual budget, audit report and annual plan of the Trust;
- (xii) Award contracts and works and sanction the payment;
- (xiii) Grant administrative sanction for projects, release and disburse the Trust Fund;
- (xiv) Power to appoint and remove staff taken on outsourcing basis;
- (xv) Supervision of execution of contracts and works, and matters incidental thereto;
- (xvi) Maintenance of proper books of accounts;
- (xvii) Exercise due diligence in carrying out its duties for protecting the interests of the Trust.
- (xviii) Ensure timely collection of Contribution Fund from the concerned Mining Lease Holders in accordance with the provisions of the Act.
- (xix) To do all such other activities which are required for proper administration and working of the DMF.
- (xx) To Undertake such other activities in furtherance of the objectives of the Trust
- (xxi) To do any other activity incidental to or connected with any of the powers and functions as stated above.

PART – V**8. (A) Trust Fund:**

The Trust Fund shall include;

- (i) Payment made by the holders of major mineral leases or prospecting licenses-cum-mining leases, which is in addition to royalty at the rate specified by the Central Government.
- (ii) Payment made by holders of minor mineral lease/permit at the rates specified in these rules.
- (iii) Any interests accrued to the bank accounts on the Trust Fund, and
- (iv) Voluntary contributions, if any, received by the trust from any person or organization.

(B) The amount payable by lessees to the Trust:

1. Every holder of a mining lease or prospecting-cum-mining lease shall, in addition to the royalty pay to District Mineral Foundation of the district in which the mining operation are carried on, an amount at the rate of
 - (i) 10% (Ten percent) of the royalty paid in terms of the Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) (herein referred to as the said Act) in respect of mining leases or, as the case may be, prospecting licence-cum-mining lease granted on or after 12th January, 2015 ; and
 - (ii) 30% (Thirty percent) of the royalty paid in terms of the Second Schedule to the said Act in respect of mining lease granted before 12th January, 2015.
2. Every holder of minor mineral lease or permit shall, in addition to royalty, pay to District Mineral Foundation of the district in which the mining operation are carried on, an amount at the rate of
 - (i) 10% (Ten percent) of the royalty, if the lease has been granted through auction.
 - (ii) An amount equivalent to 30% (Thirty percent) of the royalty, if the lease or permit has not 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 State Government.

(C) Effective date from which contribution to the DMFs in respect of minerals is payable:

- (i) The Contribution to the DMFs in respect of all major minerals (except for coal, lignite & sand for stowing) shall be w.e.f. 17th Sept 2015 i.e. from the date when the rates were prescribed by the Central Government.
- (ii) In case of Coal, lignite & sand stowing & minor minerals the contributions to DMFs are required to be made by holder of leases i.e. the date on which the DMFs get established by Arunachal Pradesh State Govt. by a Notification.

9. Monitoring of the amount payable to the Trust:

- (i) Every lessee shall remit the amount payable to the Trust online via E- Transfer or through Treasury Challan or Demand Draft, into the credit of such bank account to be opened in Scheduled Bank as the Trust may specify, under intimation to the Officer to whom the royalty is payable.
- (ii) Every Officer who is authorized by the Department of Geology & Mining to collect royalty shall maintain a register of the royalty or Trust fee amount payable and paid by each lessee or permit holder and furnish the monthly consolidated statement thereof to the Managing Trustee of the Governing Council at the end of every month.

PART – VI**10. Utilization of Funds of the DMF:**

- (i) The funds shall be utilized for the creation and improvement of physical and social infrastructure for the benefit of affected areas and affected families.
- (ii) Governing Council shall meet its administrative, supervisory and overhead costs the Foundation expenditure from District Mineral Foundation Fund which shall not exceed total 5% of total Fund collected in a financial year. As far as possible, no temporary/permanent posts should be created under PMKKKY. Any creation of temporary/permanent posts and purchase of vehicle by the foundation shall require prior approval of the State Government.
- (iii) Out of the balance amount of fund and after reserving 5% of the fund as per sub-rule-10 (ii) at least 60% of the DMF fund shall be utilized in **PMKKKY (Pradhan Mantri Khanij Kalyan Khsetra Yozana)** Schemes under High priority activities as follows:

(A) High priority areas:

- (a) **Drinking water supply** – Centralized purification systems, water treatment plants, permanent/ temporary water distribution network including standalone facilities for drinking water, and laying of piped water supply system.
- (b) **Environment preservation and pollution control measures** - Effluent treatment plants, prevention of pollution of streams, lakes, ponds, ground water, other water sources in the region, measure for controlling air and dust pollution caused by mining operations and dumps, mine drainage system, mine pollution prevention technologies and measures for working on abandoned mines and other air, water & surface pollution control mechanisms required for environment-friendly and sustainable mine development.

- (c) **Health care** – The focus must be Creation of primary / secondary health care facilities in the affected areas. The emphasis should not be only on the creation of the health care infrastructure, but also a provision of necessary staffing, equipment and supplies required for making such facilities effective to that extent, the effort should be to supplement and work in convergence with the existing health care infrastructure of the local bodies State and Central Government. The expertise available with the National Institute of Miners' Health may also be drawn upon to design special infrastructure needed to take care of mining related illnesses and diseases. Group Insurance Scheme for health care may be implemented for mining affected persons.
 - (d) **Education** - Construction of school buildings, Additional class rooms, Laboratories, Libraries, Art and crafts room, Toilet blocks, Drinking water provisions, Residential Hostels for students/ teachers in remote areas, Skill Development Centres, sports infrastructure, Industrial/Vocational Training Institutes, engagement of teachers/other supporting staff, Extension Facilities, and Distance Learning facilities and physical infrastructure at Intermediate and Degree Colleges in the affected areas, e-learning setup, other arrangement of transport facilities (bus/van/ cycles/rickshaws/etc.) and nutrition related programs.
 - (e) **Welfare of Women and Children** – Special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases, etc. can be taken up under the PMKKKY.
 - (f) **Welfare of aged and disabled people** – Special program for welfare of aged and disabled people.
 - (g) **Skill development** - Skill development for livelihood support, income generation and economic activities for local eligible persons. The projects/schemes may include training, development of skill development centre, self-employment schemes, Support to Self Help Groups and provision of forward and backward linkages for such self-employment economic activities.
 - (h) **Sanitation** - Collection, transportation & disposal of waste, cleaning of public places, provision of proper drainage & Sewage Treatment Plant, provision for disposal of fecal sludge, provision of toilets and other related activities.
- (B) **Other priority Areas – Up to 40% of the balance DMF to be utilized in PMKKKY under these heads**
- (a) **Physical Infrastructure** – providing required physical infrastructure – road, bridges, railways and waterways projects.
 - (b) **Irrigation** – developing alternate sources of irrigation, adoption of suitable and advanced irrigation techniques,
 - (c) **Energy and Watershed Development** – Development of alternate source of energy (including micro-hydel) and rainwater harvesting system. Development of orchards, integrated farming and economic forestry and restoration of catchments.
 - (d) **Any other measures for enhancing environment quality in mining district.**
- (C) Notwithstanding anything contained in these Rules, DMF Funds shall be released to user agency/ department in the district by Deputy Commissioner only after execution of works by the user agency/ department in instalments, and the Deputy Commissioner shall call for Expenditure Statements and Utilization Certificates from such user departments and no advance amounts shall be released.
- (D) Notwithstanding anything contained in these rules or any other rules in force, no monies from DMF account shall be spent for individual benefit and the DMF Fund shall be used only for community benefit by creation of physical and social infrastructure in the affected areas;
- (E) Any deviation from the above allocation shall be permitted only with prior approval of the State Government.
11. **Identification of affected areas and people to be covered under the PMKKKY:**
- (1) The Governing Council, in consultation with the Gram Sabha shall prepare and maintain a list of affected areas and affected people in accordance with the provisions of sub-rules(2) and (3) respectively.
 - (2) **Affected areas:** affected areas shall be of two types namely: - (i) directly affected areas and (ii) indirectly affected areas.
 - (a) **Directly affected areas** – Directly affected areas are areas where direct mining related operations such as excavation, mining, blasting, beneficiation and waste disposal (overburden dumps, tailing ponds etc) transport corridors etc. are located which may also include-
 - (i) Villagers and gram panchayats within which the mines are situated and are operational, which may extend to neighbouring village, block or district or even state.
 - (ii) An area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district.
 - (iii) Villages in which families displaced by mines have resettled/rehabilitated by the project authorities.
 - (iv) Villages that significantly depend on the mining areas for meeting their economic needs and have usufruct and traditional rights over the project areas, for instance, for grazing, collection of minor forest produce etc. should be considered as directly affected areas.

- (b) **Indirectly affected areas** – Those areas where local population is adversely affected on account of economic, social and environmental consequences due to mining related operations which may have the major negative impacts of mining by way of deterioration of water, soil and air quality, reduction in stream flows and depletion of ground water, congestion and pollution due to mining operations, transportation of minerals, increased burden on existing infrastructure and resources.
- (3) (a) **Affected people** : Affected people may be directly affected persons like:
 - (i) 'Affected family' as defined under Section 3(c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013) and
 - (ii) 'Displaced family' as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 or
 - (iii) Any other family or persons as appropriately identified by the concerned Gram Sabha.
- (b) Persons affected by mining or mining related operation may also include people who have legal and occupational rights over the land being mined, and also those with usufruct and traditional rights.
- (c) Affected families may also be identified, as far as possible, in consultation with local or elected representatives of Gram Sabha.

12. **Generals Guidelines:**

- (a) The developmental and welfare activities to be taken up under the PMKKKY should be, as far as possible, in the nature of complementing the ongoing schemes/projects being funded by the State as well Central Government. Activities meant to be taken up under the 'polluter pays principle' should not be taken up under the PMKKKY. 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.
- (b) If the affected area of a mine in one district also falls in the jurisdiction of another district, such percentage of amount collected from the mine by the Foundation, as may be decided by the Government, 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 under the PMKKKY after obtaining prior approval of the State Government. Projects for development of common infrastructure like construction of roads, bridges etc. in excess of the limits specified in regard to the priority for fund utilization, on a case to case basis, may also be taken up for projects of importance to the District. The prior approval of the State Government need to be taken, with intimation to the Central Government, before taking up such works in excess of the limits of fund utilization.
- (c) If the affected area of a mine in one district also falls in the jurisdiction of another district, such percentage of amount collected from the mine by the Foundation, as may be decided by the Government, 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 under the PMKKKY after obtaining prior approval of the State Government. Projects for development of common infrastructure like construction of roads, bridges etc. in excess of the limits specified in regard to the priority for fund utilization, on a case to case basis, may also be taken up for projects of importance to the District. The prior approval of the State Government need to be taken, with intimation to the Central Government, before taking up such works in excess of the limits of fund utilization.
- (d) A reasonable sum of the annual receipts should be kept as endowment fund for providing sustainable livelihood.

13. **Special provisions for scheduled areas:**

- (i) The process to be adopted for utilization of PMKKKY funds in the scheduled areas shall be guided by the provisions contained in Article 244 read with Schedule V and Schedule VI to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

In respect of villages affected by mining situated within the scheduled areas:

- (ii) Approval of the Gram Sabha shall be required for the following
 - (a) For all plans, programs and projects to be taken up under PMKKKY.
 - (b) Identification of beneficiaries under the existing guidelines of the Government.
 - (c) Report on the works undertaken under PMKKKY in the respective village shall be furnished to the Gram Sabha after completion of every financial year.

[Gram Sabha will have 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)]

14. Works in areas overlapping in two districts:

- (i) Projects for the benefit of affected area/ people that stretch beyond the geographical boundary of the district should be taken up after obtaining prior approval of the State Government.
- (ii) Funding for the Projects in inter-district areas shall be sourced from the district where mining operations take place and shall be spent in the district where the affected families reside and affected areas fall.

15. Works in excess of limits:

- (i) All works in excess of the limits of fund utilization require prior approval of the State Government with intimation to the Central Government.
- (ii) A separate endowment fund consisting of 0.5 % of annual receipts for providing sustainable livelihood shall be operative.

16. Bank Accounts:

- (i) All the monies received under Part V, shall be credited to the bank account(s) of the District Mineral Foundation, by E- Transfer or through Treasury Challan or Demand Draft to be operated in any Nationalized Bank in the Head Quarters of the District.
- (ii) The bank account(s) of the Trust shall be operated by at least two persons, to be decided by the Governing Council, one of whom shall be the Managing Trustee of the Governing Council.
- (iii) All payments by the Trust, except contingent expenditure not exceeding ₹ 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.
- (iv) All remittances to DMF and any receivables shall be made electronically and only where e-payment facility is not available, remittances shall be made by way of Demand Draft drawn on the officer of the Department of Geology & Mining posted at District HQ or any other Officer as the Government may specify.
- (v) 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.

PART – VII**17. 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 Governing Council may award the work to any other competent and sound agencies following a transparent process, after obtaining prior approval of the Governing Council.

18. Monitoring of the The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) schemes:

- (i) The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) schemes shall be monitored by the District Development Coordination and Monitoring Committees (DISHA) and shall be implemented under the guidelines of DISHA. These Committees shall monitor the implementation of the programmes in accordance with prescribed procedures and guidelines and promote synergy and convergence for greater impact.
- (ii) **Composition**-The District Development Coordination and Monitoring Committee (DISHA) should have the following members:

(A) Chairperson: The Chairperson of the DISHA should be a Member of Parliament (Lok Sabha) elected from the district, nominated by the Ministry of Rural Development. The criteria for nomination should be as follows:-

- (i) Where there are more than one Member of Parliament (Lok Sabha) representing the district, the senior-most Member of Parliament (Lok Sabha) should be nominated as the Chairperson. However, the Warrant of Precedence maintained by the Ministry of Home Affairs should be followed, which may result in exceptions.
- (ii) If the district has more than one Parliamentary Constituency (Lok Sabha) as its segments and the senior-most Member of Parliament (Lok Sabha) is made Chairperson of DISHA in some other district, the next senior-most Member of Parliament (Lok Sabha) should be the Chairperson.
- (iii) In case of same seniority, the Chairperson should be the Member of Parliament in whose Parliamentary Constituency the largest geographical area of the district falls.

(B) Co-Chairperson:

- (a) The other Members of Parliament (Lok Sabha) representing the district should be designated as Co-Chairpersons.
- (b) **Rajya Sabha MP:** One MP (Rajya Sabha) representing the State and exercising option to be associated with the district level Committee of that district (on first come basis), to be designated as Co-Chairpersons by the Ministry of Rural Development.

Note: In case the MP from RS is senior following the Warrant of Precedence maintained by the Ministry of Home Affairs, he/she may be made as Chairperson of the committee.

- (C) **Member Secretary:** The Member Secretary of the DISHA should be the District Collector / District Magistrate/ Deputy Commissioner except in cases where specific exemption has been given by the Union Government. In very extraordinary circumstances the District Magistrate/Deputy Commissioner could authorize the CEO Zila Parishad or a Senior ADM to be the Member Secretary for a particular meeting to ensure that meetings of the DISHA are held as scheduled.
- (D) **Members:** The other Members of the Committee should be as follows:
- (i) All Members of the State Legislative Assembly elected from the district.
 - (ii) One representative of the State Government.
 - (iii) All Chief Councillors, at least the Chairpersons of Municipalities including one woman, and five elected heads of Gram Panchayat including two women
 - (iv) Chairperson of the Zilla Panchayat.
 - (v) Head of the Autonomous District Council in districts having Schedule VI Areas, if any.
 - (vi) All Chairpersons of Intermediate Panchayats in the district.
 - (vii) Chief Executive Officer of the Zilla Panchayat.
 - (viii) Project Director, DRDA/Poverty Alleviation Unit.
 - (ix) One Member from a reputed NGO, to be nominated by the Chairperson and the other Members of Parliament in the Committee.
 - (x) One representative each of ST and Women to be nominated by the Chairperson and the other Members of Parliament in the Committee.
 - (xi) Lead Bank officer of the district.
 - (xii) Senior Superintendent/ Superintendent of the Postal Department.
 - (xiii) District level nodal functionaries of all Programmes that will be under the purview of DISHA.
- (iii) **Terms of Reference:**
- (i) Ensure that all programmes are implemented in accordance with the Guidelines.
 - (ii) Facilitate coordinated solution to remove constraints of any kind.
 - (iii) Facilitate the smooth implementation of priorities determined by the Governing council of the DMF.
 - (iv) Resolve matters related to provision of land and space for faster roll out of priorities.
 - (v) Guide Governing council of the DMF about all the PMKKKY schemes and how they can be leveraged for transformation of the district.
 - (vi) Identify issues for follow up in Parliament, State Assemblies and Local Governments for timely achievement of objectives.
 - (vii) Intensively monitor all time bound PMKKKY schemes in the districts.
 - (viii) Address implementation constraints to improve designs of approved programmes or to make mid course corrections.
 - (ix) Look into complaints/alleged irregularities received in respect of the implementation of the programmes, including complaints of wrong selection of beneficiaries, mis-appropriation/diversion of funds and recommend follow-up action. The Committee should have the authority to summon and inspect any record for this purpose. The Committee may refer any matter for enquiry to the Governing Council of concerned district or suggest suitable action to be taken in accordance with the rules which should be acted upon within 30 days
 - (x) Closely review the flow of DMF funds including the funds allocated, funds released and the utilization and unspent balances under each Scheme.

(iv) **Powers of the Committee:**

The Committee shall have Coordination and Monitoring powers. Its role is to remove obstacles to timely completion of approved Projects. It will have powers in seeking effective follow up of issues raised during the deliberation. The District Collector will be the Member Secretary responsible for the timely follow up on recommendations.

PART - VIII

19. **Transparency:**

- (a) Each Foundation will prepare and maintain a website on which, inter-alia, shall host and update following information:-
- (i) Details of composition of the DMF/bodies of DMF (if any).
 - (ii) List of affected areas and families.
 - (iii) Quarterly details of all contributions received from lessees and others.
 - (iv) All agenda, minutes and action taken reports (ATRs) of the DMF.
 - (v) Annual Plans and budget, work orders, Annual Report
 - (vi) Status of ongoing works – implementation status/progress of all the projects/programs being undertaken under DMF 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 up to last quarter etc.
 - (vii) List of beneficiaries under various welfare programmes.
 - (viii) Voluntary disclosures under RTI Act.

PART – IX**20. Maintenance of accounts:**

- (a) The Governing Council shall maintain true and correct accounts of all DMF monies and of all the income and investments and all the outgoing expenses accurately and correctly.
- (b) The financial year shall commence from 1st April and ending 31st March.
- (c) The Governing Council shall in each year issue a report setting out the accounts showing the income and expenditure of the Trust for the preceding year not later than six months from the end of the preceding year of accounts.

21. Audit:

The accounts of the DMF shall be audited every year by the Qualify Auditor and the report thereof shall be placed in the public domain along with the Annual Report.

22. Annual Report:

- (a) Every year, within two months from the date of closure of the financial year, the DMF shall cause to prepare an Annual Report on its activities for the respective financial year and place it before the Governing Council.
- (b) The Annual Report will be submitted to the Government within one month from the date of its approval by the DMF and will be posted on its website.

PART – X**23. Offences:**

Any member of the Governing Council, officer, or any person connected with the affairs of the management, administration and operation of the DMF making a false return, or furnishing false information, indulging in any wrongful act, causing wrongful loss, or committing any offence in relation to the trust property or adversely affecting the beneficial interest, shall be punishable with fine which may extend to ₹ 1,00,000 and imprisonment for a term not exceeding 2 years.

24. Offences by Executing Agencies :

- (i) If the person committing an offence under these rules is an executing agency, every person who at the time the offence was committed, was in charge of, and was responsible to the executing agency for the conduct of the business of the executing agency, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-rule shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

- (ii) Notwithstanding anything contained in sub-rule (i), where an offence under these rules has been committed with the consent or connivance of any authority of the executing agency, such authority shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation - For the purposes of this rule, (i) “executing agency” means Government Departments, agencies and public sector undertakings normally undertaking such works; (b) “authority” in relation to a executing agency means a person with official power.

25. Compounding of offences:

- (i) Any offence punishable under these rules may, either before or after the institution of the prosecution, be compounded by the person authorized to make a complaint to the court with respect to that offence, on payment to that person, for credit to the DMF, of such sum as the Government may specify:

Provided that in the case of an offence punishable with fine only, no such sum shall exceed the maximum amount of fine which may be imposed for that offence.

- (ii) Where an offence is compounded under sub-rule (i), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith.

26. Recovery of Sums:

The Governing Council of the District Mineral Foundation shall make all reasonable efforts to recover sums due as a debt and arrears of land revenue, which are payable under Part - V of these rules, without unnecessary delay, in accordance with the provisions of the relevant State/Central Act.

27. Penalties:

Whoever contravenes any of the provisions of these Rules shall be punishable as prescribed under the provisions of Mines & Minerals (Development & Regulation) Act, 1957 as amended from time to time.

28. Liability for Breach of Trust:

- (a) Where any trustee commits a breach of trust, he is liable to make good the loss which the trust-property or the beneficiary has thereby sustained, unless the beneficiary has by fraud induced the trustee to commit the breach, or the beneficiary, being competent to contract, has himself, without coercion or undue influence having been brought to bear to him, concurred in the breach, or subsequently acquiesced therein, with full knowledge of facts of the case and of his rights as against the trustee.

- (b) A trustee committing a breach of trust is not liable to pay interest except in the following cases: -
- (i) Where he has actually received interest;
 - (ii) Where the breach consists in unreasonable delay in paying trust-money to the beneficiary;
 - (iii) Where the trustee ought to have received interest, but has not done so;
 - (iv) Where he may be fairly presumed to have received interest.

He is liable, in case (i), to account for the interest actually received, and, in cases (ii), (iii) and (iv), to account for interest at the rate of twenty four per cent per annum, unless the Court otherwise directs.

- (v) Where the breach consists in failure to invest trust-money and to accumulate the interest or dividends or returns thereon, he is liable to account for Compound interest (with half-yearly rates) at the same rate;
- (vi) Where the breach consists in the employment of trust- property or the proceeds thereof in trade or business, he is liable to account, at the option of the beneficiary, either for compound interest (with half-yearly rates) at the same rate, or for the net profits made by such employment.

29. Severe liabilities of co-trustees:

Where Co-trustees jointly commit a breach of trust, or where one of them by his neglect enables the other to commit a breach of trust, each is liable to the beneficiary for the whole of the loss occasioned by such breach.

30. Contribution as between Co-Trustees:

Contribution between the trustees themselves, if one be less guilty than another and has had to refund the loss, the former may compel the latter, or his legal representative to the extent of the assets he has received, to make good such loss; and if all be equally guilty, any one or more of the trustees who has had to refund the loss may compel the others to contribute.

Nothing in this section shall be deemed to authorize a trustee who has been guilty of fraud to institute a suit to compel contribution.

PART - XI

- 31. Power of Government to relax the operation of any provision of these rules :** The 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.

- 32. Power of Government to remove difficulties:** if any difficulties arise in giving effect to the provisions of these rules, the State Government may, by order make such provisions not inconsistent with provisions of these rules, as it appears to it, to be necessary or expedient, for removing the difficulty.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ARUNACHAL PRADESH)

Bidol Tayeng, IAS
Secretary (Geology & Mining),
Government of Arunachal Pradesh,
Itanagar.

T. Koniya,
Joint Secretary (Geology & Mining),
Government of Arunachal Pradesh,
Itanagar.

DISTRICT MINERAL FOUNDATION TRUST DEED

THIS DEED OF TRUST EXECUTED

AT (name of the district) ON THIS THE DAY
OF IN THE YEAR TWO THOUSAND.....

By

THE STATE GOVERNMENT OF ARUNACHAL PRADESH, represented by the Secretary, Department of
Geology & Mining, Government of Arunachal Pradesh having its Headquarters at,
(herein after called “the SETTLOR”) OF THE ONE PART.

IN FAVOUR OF

The following TRUSTEES (herein after called the “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:

Sl. No.	Name & Designation	Designation in the Governing Council
1.	Deputy Commissioner	— Chairperson
2.	HMP of the concerned district	— Member
3.	HMLAs of the Concerned Distt	— Members
4.	Zila Parishad Chairperson	— Member
5.	AMDO or officer from the Department of Geology & Mining posted at Distt Headquarter.	— Member Secretary
6.	All AMDO posted in the Distt	— Member
7.	Project Director, District Rural Development Agency	— Member
8.	Divisional Forest Officer	— Member
9.	Treasury Officer	— Member
10.	Executive Engineer of Public Work Department	— Member
11.	Distt. Medical Officer or Representative	— Member
12.	Representative of the Arunachal Pradesh State Pollution Control Board	— Member
13.	Dy Director School Education	— Member
14.	Representative of Skill Development Deptt.	— Member
15.	Representative of Deptt of Social Justice, Empowerment & Tribal Affair.	— Member
16.	Representative from Social Welfare, Women and Child Development	— Member
17.	Five Representatives from areas affected by mining or mining related activities, to be recommended by concerned DC and nominated by State Government.	— Member
18.	Two Representative of ML holder or mineral concession holders , to be recommended by concerned DC and nominated by State Government.	— Member

WHEREAS, section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 provides for
establishment of a District Mineral Foundation Trust by the State 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 State Government;

And WHEREAS the SETTLOR for this purpose has decided to set up a trust as an entity under the State
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 State 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 ₹ 1,000 (Rupees one thousand only), which sum is
hereinafter referred to as the “INITIAL SETTLEMENT”,

And WHEREAS, the State Government has prescribed the **Arunachal Pradesh District Mineral
Foundation (Trust) Rule, 2018** for the interest and benefit of families and areas affected by mining related
operations and the said Rules shall be read and construed along with this Trust Deed to avoid any Conflict of
Rules;

NOW THIS DEED OF TRUST WITNESSETHAS FOLLOWS:

1. INTERPRETATION & DEFINITIONS:

- (1) IN THIS DEED OF TRUST wherever the context permits, the following word shall have the meaning
mentioned herein and as stated in the DMF Rules:
- (i) ‘Act’ means the Mines and Minerals (Development & Regulation) Act, 1957, as amended.
 - (ii) “Auditors” the Auditor/Chartered Accountant appointed by the Trustees, and includes the
Accountant General of the State or other Auditors nominated by the Settlor.

- (iii) "Beneficiaries" mean the persons and areas affected by mining related operations undertaken in the 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) "Contribution Fund" means 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 State Government, as the case may be;
- (vi) 'District Magistrate' means the Head of the Revenue Administration at the District level whether designated as Deputy Commissioner or Collector.
- (vii) 'District Panchayat' means and includes District Council or any other authority entrusted with the similar functions in the areas under the Schedule-V and Schedule-VI of the Constitution of India.
- (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 1st April and ending 31st, March of the following year.
- (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 here of 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 would be located in the office of of the District.

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 and as stated in detail in the **Arunachal Pradesh District Mineral Foundation (Trust) Rule, 2018**.

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 nominated trustees shall in no case exceed three terms of three years each.
- (4) The SETTLOR may at any time increase the number of Trustees in any of the categories and for such term 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 a Governing Council, which shall consist of all the members of the Trust.

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

7. POWERS & FUNCTIONS OF THE GOVERNING COUNCIL:

In addition to the Provisions of Part IV of the **Arunachal Pradesh District Mineral Foundation (Trust) Rule, 2018**, the Governing Council, consisting of all the TRUSTEES shall be responsible for:

- (1) Laying down the broad policy framework for the functioning of Trust and review its working from time to time.
- (2) Drawing up and approving of Annual Action Plan and the Annual Budget for Trust. The Annual Action plan must be prepared and approved by the Governing Council at least one month before commencement of the year. The Annual Action Plan shall contain the list of schemes and projects with the tentative provisions thereof.

Provided that if for any reason whatsoever, the Governing Council 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.

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. To maintain financial discipline and timely completion of project, the sum total of the past liabilities and commitments and the new schemes being proposed should not in any case exceed three times the expected inflows for the next financial year.

- (3) 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.
- (4) Approving the recommendations of the Managing Committee;
- (5) Approving the annual reports and audited accounts of the Trust within 60 days of the close of the previous year;

8. MEETINGS OF THE GOVERNING COUNCIL:

- (1) The Governing Council shall meet as often as necessary but at least once every quarter.
- (2) The Meeting of Governing Council shall be convened as desired by the Chairman.
- (3) The Quorum for such meeting shall be fifty percent of the total membership.

9. MANAGING COMMITTEE:

1. The affairs of the Trust shall be managed by a Managing Committee which shall Consist of-

Sl. No.	Name	Designation in the Managing Committee
1.	Deputy Commissioner	— Chairman
2.	AMDO or officer from the Deptt of Geology & Mining posted at Distt Headquarter nominated by the Deptt of Geology and Mining	— Member
3.	1 (one) Addl. Deputy Commissioner/SDO to be nominated by the DC	— Member Secretary

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 Chairman of the Managing Committee.

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

- (1) Exercise due diligence in carrying out its duties for protecting the interests of the Trust.
- (2) Ensure timely collection of Contribution Fund from the concerned Mining Lease Holders in accordance with the provisions of the Act.
- (3) Prepare the Master Plan/Vision Document for the activities of the Trust.
- (4) Assist in the preparation of the Budget of the Trust along with Projects. Annual Plan and the Annual the proposed Schemes and
- (5) Supervise and ensure the execution of the Annual Plan and the approved Schemes and Projects.
- (6) Accord sanction to the projects, release and disburse the Trust Fund for the purpose.
- (7) Operate the TRUST FUND and to invest the same in a diligent manner and to open Bank Accounts in the Name of the Trust and operate such accounts and investments.

- (8) Monitor the progress of the utilization of Trust funds.
- (9) Place the audited accounts along with an Annual Report before the Governing Council for its approval within 60 days of close of financial year.
- (10) Do all other things which are necessary for smooth functioning and management of the Trust.
- (11) 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:-

- (1) The Initial Settlement 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 State Government;
- (4) Investments and other deposits and the interest accrued thereon and any other income derived there from;
- (5) All other Properties of the Trust and the Income derived there from or appreciation thereof;

13. OPERATION OF THE TRUST FUND:

The Trust Fund shall be kept in one or more scheduled commercial 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 Governing Council to be authorized by the Governing Council. The Trust shall maintain the books of accounts of this Fund.

14. EXPENDITURE FROM OF THE TRUST FUND:

Apart from the Objects stipulated under Part VI of the DMF Rules, the Funds available with the Trust shall be used for:-

- (1) the overall development of the area affected by mining related operations in the District in accordance with the Annual Action Plan prepared by the trustees of the Foundation for the purpose;
- (2) Creation of local infrastructure for socio-economic purposes;
- (3) Providing, maintaining or upgrading of community assets and services for local population in the area affected by mining related operations;
- (4) Organizing or conducting training programmes for skill development and capacity building for creating employment and self-employment capabilities.

Provided that a sum not exceeding 5 % of the total funds received by the Trust in the year may be spent by the Trust for meeting its administrative or establishment expenses.

Provided further that the trust fund or any part thereof shall not be used for advancement of any loan or grants in cash to any of the beneficiaries.

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 realization, 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) (i) The Managing Committee shall maintain and /or cause to be maintained proper books of accounts, documents and records with respect to the Trust Fund to give a true and fair picture of the affairs of the Trust.
- (ii) The accounts of the Trust shall be audited at least on completion of year by a Qualify Auditor.
- (iii) The auditors of the Trust shall be appointed by the TRUSTEES from the List of approved auditors notified by the Accountant General of the State in the meeting of the Governing Council, on such terms and conditions as decided by the Trustees.
- (iv) The auditors may be removed and replaced by the TRUSTEES.

- (2) Notwithstanding the provisions of clause (1) above, the Settlor may appoint an auditor or auditors or may request the A.G. for audit of a particular year or period on such terms as the Settlor may so decide.
- (3) The Trust shall forward the approved Budget and Annual Plan along with Schemes and Projects for the next financial year, to the District Panchayat, District Administration and the State Government for publication on their respective websites.
- (4) The Trust shall prepare a quarterly progress report in physical and financial terms in respect of the approved Schemes and Projects within 45 days of the close of the quarter and forward it to the District Panchayat and District Administration, immediately thereafter for publication on their respective 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 State Government along with Audit Report for publication on their respective websites.

17. ADMINISTRATIVE ARRANGEMENTS:

- (1) The State Governments 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 Trust may request the SETTLOR/State Government to provide required number of core personnel from its departments or from regular employees of the Zila Parishad or such other cadre, for providing administrative and technical assistance to the Trust. Services of such personnel shall continue to remain in their own respective cadres. The Trust may bear expenditure upto 3% of its accrued funds for this purpose. This 3% would be within 5% given at para 14(4).
- (3) The Trust may also ask 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.

18. 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.
- (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 willful 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 Chairman of the Governing Council and the Chairman 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 State 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 Geology & Mining, Government of Arunachal Pradesh.

Bidol Tayeng, IAS
Secretary (Geology & Mining),
Government of Arunachal Pradesh,
Itanagar.