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LEGISLATIVE SUPPLEMENT

	<b>Contents</b>	<b>Pages</b>
<b>Part I</b>	<b>Acts</b>	
	<i>Nil</i>	
<b>Part II</b>	<b>Ordinances</b>	
	<i>Nil</i>	
<b>Part III</b>	<b>Delegated Legislation</b>	
	Notification No. G.S.R. 55/C.A.67/1957/ Ss.9B and 15/2018, dated the 19th July, 2018, containing the Punjab District Mineral Foundation Rules, 2018	.. 1713-1723
<b>Part IV</b>	<b>Correction Slips, Republications and Replacements</b>	
	<i>Nil</i>	
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**PART III**  
**GOVERNMENT OF PUNJAB**  
**DEPARTMENT OF MINES AND GEOLOGY**

**NOTIFICATION**

The 19th July, 2018

**No. G.S.R. 55/C.A.67/1957/Ss.9B and 16/2018.**—In exercise of the powers conferred by section 15 read with sub-sections (2) and (3) of section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules, namely:-

**RULES**

- 1. Short title and commencement.** – (1) These rules may be called the Punjab District Mineral Foundation Rules, 2018.
  - (2) They shall come into force on and with effect from date of their publication in the Official Gazette.
- 2. Definitions.** – (1) In these rules, unless the context otherwise requires, -
  - (a) “Act” means the Mines and Minerals (Development and Regulation) Act, 1958 (Central Act 67 of 1957);
  - (b) “affected areas” means the areas which are affected by mining related operations;
  - (c) “affected persons” means the persons residing in affected areas;
  - (d) “District Mineral Foundation” means a trust established in terms of sub-section (1) of section 9B of the Act;
  - (e) “financial year” means a year commencing from the 1st day of April of each year;
  - (f) “Government” means the Government of Punjab, in the Department of Mines and Geology;
  - (g) ‘Director’ means the Director, Mining, Punjab.
  - (2) The words and expressions used in these rules, but not defined shall have the same meaning as respectively assigned to them in the Act.

**3. Composition of District Mineral Foundation.-** In each district, there shall be a District Mineral Foundation comprising of the following, namely:-

(1) Deputy Commissioner	Chairman
(2) Senior Superintendent of Police	Member
(3) Additional Deputy Commissioner-cum-Nodal Officer Mining Helpline	Member
(4) Sub-Divisional Magistrate-cum-Sub Divisional Mining Officers	Member
(5) Environment Engineer, Punjab Pollution Control Board	Member
(6) Divisional Forest Officer	Member
(7) Executive Engineer, Department of Irrigation	Member
(8) Executive Engineer, Drainage	Member
(9) Executive Engineer, Public Works Department, Buildings and Roads	Member
(10) Executive Engineer, Department of Water Supply and Sanitation	Member
(11) Mining Officer Concerned; and	Member- Secretary
(12) Any other officer nominated by the Government	Member

In addition above, the Deputy Commissioner concerned may co-opt two members from the Non-Governmental Organization/ Social Workers or Panchayat members working in this sector. The quorum for the meeting of the Foundation shall be six. The platform constituted under District Development Coordination and Monitoring Committees shall monitor the activities and schemes covered under the Pradhan Mantri Khanij Kshetra Kalyan Yojana which are being implemented by District Mineral Foundations.

**4. Functions of the District Mineral Foundation.-** The District Mineral Foundation shall work for the interest and benefits of persons, and areas affected by mining related operations and in particular shall work in

following areas, namely:-

- (i) to ensure the compliance of conditions imposed in the environment clearance and Mining Plan;
- (ii) to check illegal mining in the district and take preventive measures from time to time;
- (iii) any un-scientific operation or contravention of the terms of concession or approval (excepting the conditions relating to payment of Government dues) to operate the quarry/mine by the Mineral Concession Holder shall amount to violation of the grant;
- (iv) to check rehabilitation and restoration of the areas under lease and take necessary action;
- (v) ensuring that environmental impact from mining is kept at the necessary minimal;
- (vi) implementing the objectives specified in Pradhan Mantri Khanij Kshetra Kalyan Yojana;
- (vii) supplying drinking water;
- (viii) providing health care;
- (ix) providing Education;
- (x) providing welfare of women and children;
- (xi) making provision for welfare of aged and disabled people;
- (xii) providing skill development and alternate employment; and
- (xiii) formulating social welfare schemes.

- 5. District Mineral Foundation Fund.-** (1) The Mineral Concession Holder shall deposit an amount equal to one-third of the royalty with the District Mineral Foundation, which shall be in addition to the royalty amount.
  - (2) The District Mineral Foundation Fund shall be deposited along with the Royalty.
  - (3) The District Mineral Foundation Fund shall be utilized as per the guidelines of the Pradhan Mantri Khanij Kshetra Kalyan Yojana.
- 6. Implementation of projects.-** (1) The District Mineral Foundation may

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implement the projects consistent with its functions on its own accord or upon receipt of a project proposal from the Government or upon request from any Department of the Government of Punjab.

- (2) In implementation of the projects referred to in sub-rule (1), the District Mineral Foundation may devise its own procedure consistent with the provisions of the Act and the rules made thereunder.
- (3) The projects shall be executed through Public Works Department, Water Resources Department, Forest Department, Agriculture Department, Department of Animal Husbandry and Veterinary Services or any other Department of the Government of Punjab, as per the directions and decisions of the District Mineral Foundation.
- (4) The District Mineral Foundation shall monitor implementation of the projects either by itself or by engaging services of any Department of the Government of Punjab.

**7. Powers, duties and responsibilities of the District Mineral Foundation.**— The Chairman shall –

- (i) administer and manage the District Mineral Foundation subject to the superintendence, control and direction of the Foundation;
- (ii) exercise such administrative and financial powers as may be delegated to him by the Director;
- (iii) at the beginning of each financial year, cause preparation of plans for short term projects and long term projects proposed to be undertaken by the District Mineral Foundation in the relevant financial year, to be referred as the annual plan, together with details of the activities to be undertaken or completed by the District Mineral Foundation during such time, the expected time for completion of the projects and cost for such projects. The annual plan shall contain all projects, programmes, activities proposed to be undertaken by the District Mineral Foundation and shall have clearly demarcated milestones;
- (iv) at the beginning of each financial year, cause preparation of an annual budget containing the details of the proposed income and expenditure on activities covered in the annual plan for that particular

financial year, including the legal, administrative and other costs and expenditure proposed to be incurred by the District Mineral Foundation together with details of the funding requirements in this regard;

- (v) to ensure that due diligence has been exercised before considering proposals or projects to be undertaken by the District Mineral Foundation in accordance with its practices, procedures, rules or directions; and
- (vi) to ensure that the activities of the District Mineral Foundation are being conducted in accordance with the annual plan and related annual budget.

**8. Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY).**- The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) shall be implemented by the District Mineral Foundation of the respective Districts using the funds accruing to the District Mineral Foundation as per the guidelines of the Yojana issued by the Government of India from time to time.

**9. Utilization of Funds.**-(1) The following are the priority areas for the utilization of funds, namely:-

**(A) High Priority areas for which at least 60% of PMKKKY funds are to be utilized under these heads; namely:-**

- (a) Drinking water supply- centralized purification systems, water treatment plants, permanent/temporary water distribution network including stand alone facilities for drinking water, laying of piped water supply system;
- (b) Environmental preservation and pollution control measures- effluent treatment plants , prevention of pollution of streams, lakes, ponds, ground water, other water sources in the region, measures for controlling air and dust pollution caused by mining operations and dumps, mine drainage system, mine pollution prevention technologies, and measures for working or abandoned mines and other air, water and surface pollution control mechanisms required for environment-friendly and sustainable mine development;

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- (c) Health care- the focus must be on creation of primary/secondary health care facilities in the affected areas. The emphasis should not only be on the certain of the health care infrastructure, but also on 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 Governments. The expertise available with the National Institute of Miners' Health may also be drawn upon the design special infrastructure needed to take care of mining related illnesses and diseases. Group Insurance Scheme for the health care may be implemented for mining affected persons;
  - (d) Education- construction of school buildings, Additional Class rooms, Laboratories, Libraries, Art and crafts rooms, Toilet blocks, Drinking water, provisions Residential Hostels for students/teachers in remote areas, sports infrastructure, engagement of teachers/ other supporting staff, e-learning setup, other arrangements 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.
  - (f) Welfare of aged and disabled people- Special programme 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 centres, self-employment schemes, support to Self Help Groups and provision of forward and backward linkages for self-employment economic activities;
  - (h) Sanitation- collection, transportation and disposal of waste, cleaning of public places, provision of proper drainage and Sewage Treatment Plant, provision for disposal of faecal sludge, provision

of toilets and other related activities;

- (i) Procurement of IT equipments (hardware, software), vehicles and commissioning of any mechanism like hiring of manpower on contractual basis for effective monitoring of operation of ongoing mines and prevention of illegal mining;
  - (j) Funding of the studies commissioned or activities related to the mining sector e.g. survey, exploration, prospecting of minerals, education and training of the staff of the Department through workshops arranged by the Central Government; and
  - (k) any other object which the Government may consider appropriate.
- (B) Other priority Areas for which up to 40% of the PMKKKY are to be utilized under these heads; namely:-**
- (a) Physical infrastructure - providing requisite 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; and
  - (d) Any other measures for enhancing environmental quality in mining district.
- (2) General guidelines.-
- (a) The developmental and welfare activities to be taken up under the PMKKKY should be, as far as possible, in 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 developmental and welfare activities and are treated as extra



budgetary resources for the State Plan.

- (b) An amount not exceeding 5% of the annual receipts of the Foundation may be utilized for administrative supervisory and overhead costs of the Foundation. Any creation of temporary/permanent posts and purchase of vehicle by the foundation shall require prior approval of the State Government. However, minimum required staff can be engaged on contractual/ outsourcing basis.
- (c) An amount not exceeding 20% of the 5% of the annual receipt of the foundation may be utilized for administrative supervisory, IT equipment (hardware, software), contingency and overhead costs at the State Head Office. Any creation of temporary/permanent posts and purchase of vehicle at State Head Office shall require prior approval of the State Government. However, minimum required staff can be engaged on contractual/outsourcing basis.
- (d) If the affected areas of a mine in one district also fall 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 area. 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 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.
- (e) A reasonable sum of the annual receipts may be kept as endowment fund for providing sustainable livelihood.

**10. Identification of affected areas and people.-** (1) Affected areas :

- (a) The directly affected areas are where direct mining-related operations such as excavation, mining, blasting, beneficiation and

waste disposal (overburdened dumps, tailing ponds, transport corridors etc.), are located and shall include:

- (i) Villages and gram panchayats within which the mines are situated and are operational. Such mining areas may extend to neighbouring village, block or district on even state.
  - (ii) An area within such radius from a mine or cluster of mines as may be specified by the Government, irrespective of whether this falls within the district concerned or adjacent district.
  - (iii) Villages in which families displaced by mining operation have been resettled or 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.
- (b) Indirectly affected areas are those areas where local population is adversely affected on account of economic, social and environmental consequences due to mining- related operations. The major negative impacts of mining could be 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.
- (c) The District Mineral Foundation shall prepare and maintain an updated list of such directly and indirectly affected areas by mining related operations.
- (2) Affected people.-
- (a) The following shall be considered as directly affected persons:
    - (i) 'Affected family' as defined under clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013;
    - (ii) Displaced family' as defined under clause (k) of section 3 of

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the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013;

(iii) Any other as appropriately identified by the concerned Gram Sabha.

(b) Persons affected by mining shall include people who have legal and occupational rights over the land being mined, and also those with usufruct and traditional rights.

(c) Affected families shall be identified, as far as possible, in consultation with local/elected representatives of Gram Panchayat or the Urban Local Body, as the case may be.

(d) The District Mineral Foundation shall prepare and maintain an updated list of such affected persons or local communities.

**11. Compliance of Transparency.-** The websites of all the Districts shall have a link of the District Mineral Foundation and the State website shall comprise links of all the District Mineral Foundations, the following information shall be hosted and kept updated, namely:-

(i) Details of Composition of the District Mineral Foundation

(ii) List of areas and people affected by mining.

(iii) Quarterly details of all contribution received from leases and others.

(iv) All meeting agenda, minutes and action taken reports (ATRs) of the District Mineral Foundation.

(v) Annual Plans and Budget

(vi) Annual Report of the District Mineral Foundation.

(vii) Status of ongoing works including description of work, details of beneficiaries, estimated cost, name of implementing agencies, expected date of commencement and completion of work, and financial and physical progress up to last quarter.

(viii) List of beneficiaries made under various welfare programs taken up by the District Mineral Foundation.

(ix) Voluntary disclosures under the Right to Information Act, 2005.

**12. Annual Report.-** (1) Every year, within nine months from the date of

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closure of the financial year, the Member-Secretary of the District Mineral Foundation shall cause to prepare an annual report on its activities for the respective financial year and place it before the District Mineral Foundation:

Provided that with prior approval of the Government, this period of nine months may be extended by a period of another three months.

- (2) The annual report shall be submitted to the Government within one month from the date of its approval by the District Mineral Foundation and shall also be hosted on the link of the District websites.
- (3) The annual report of each Foundation shall be laid before the State Legislature in its next session following the month in which the annual report is received by the Government.

**13. Maintenance and Audit of Accounts.-** (1) The accounts of the District Mineral Foundation shall be maintained in the form, mode and manner as may be decided by the Government.

- (2) The accounts of the District Mineral Foundation shall be audited by the Accountant General (Audit), Punjab.
- (3) After making the audit, the District Mineral Foundation shall submit the annual report to the Government.

**JASPAL SINGH,**

Principal Secretary to Government of Punjab,  
Department of Mines and Geology.