D.O. No.31/2/2016-M-III (Part-II)
Dated the 18th May, 2017.

You would be aware that the statute for major minerals underwent a paradigm shift due to MMDR Amendment Act, 2015. We have been writing from time to time on some issues where States/UTs need to take measures in line with the changed paradigm. States/UTs also need to appoint nodal officers for each of the activities outlined below.

2. On “minor minerals” we need to bring in a more transparent method of implementation. We had written to the States in this regard vide our letter dt.17/8/2015 at Annexure-I. The action taken thereof may be shared. A copy of your current Minor mineral allocation and administration rules may be sent. Though your State does not have geologically proven “major mineral” reserves, you would be happy to know that for “major minerals”, that auctions conducted so far will fetch Rs.85,250/- crores to States of which the additional contribution due to auction is Rs.67,501/- crores over the licence period.

3. You would be aware that the MMDR Amendment Act, 2015 brought into existence District Mineral Fund for which the States need to constitute a body at the District level. Section 9 (B) pertains to major minerals while Sec.15(A) of the Act devolves on the States the responsibility to operationalise the DMF for minor minerals as well. 2 circulars issued in this behalf on 16.9.2015 along with the scheme of Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) to operationalise the DMF is enclosed for ready reference at Annexure-2 & 3 respectively. In this regard, States may furnish a return on a monthly basis as per Annexure-4. We are also in the process of establishing a portal for PMKKKY which will enable automated monitoring, after some time.

4. To further improve the administration of major minerals, a Mining Tenement System is being put in place which would inter alia contain forest, cadastral, GIS maps, mining plan approval, concession management, integration of Ore Accounting, MSS, DMF, NMET and Star Rating systems. It is expected that the first phase would become operational by November, 2017 and the second phase by April, 2018. To construct this portal, Indian Bureau of Mines has engaged M/s WIPRO and we would expect the States to collaborate in the creation of this portal. The portal will also have Ore Accounting system which could become the feeder to the data required under DMF. Going forward the States may put their minor mineral modules also on this portal. States may nominate a nodal officer in this regard for coordination.
5. The Mining Surveillance System (MSS) and the Star Rating of Mines for major minerals has already been launched. The MSS as you would know use satellite data to monitor the mining activities and generates automated triggers for inspections of mines, where an irregularity is suspected. Till now, 189 triggers have been verified by States of which 35 cases of illegal cases have been detected. This brings in an impartial and cost effective methodology of monitoring mine. States need to give their consent to the adoption of MSS as it would help them in control of illegal mining including sand.

6. The Star Rating system notifies templates for the miners to fill online with regard rehabilitative measure taken, pollution control, mine closures, etc. The system then generates a Star Rating which can be verified by ground truthing. You may be aware that under MCDR Rules, 2017, major mineral mines are expected to attain 4/5 star rating within a period of 2 years. For the case of minor minerals simpler templates shall be designed. States may give their consent for adoption of the system for minor minerals as well.

7. For the above purpose, we have from time to time been asking States to nominate nodal officers. Some States have already done so while some others have still not completed this activity. We would request the States to nominate their nodal officers for each of these activities in the proforma as at Annexure-5. Monthly reports being asked for as above may be sent to us by the 10th of the following month.

Having joined recently in the Ministry of Mines, I look forward to increased interaction and cooperation going forward.

Yours sincerely,
Sd/-
(Arun Kumar)

Encl: As above

To

All Principal Secretary (Mines) /Secretary (Mines) and Director (Mines & Geology) of 21 Major Mineral States and 13 Minor Mineral States including UTs.
F.No.16/119/2015-M.VI

17th August, 2015

Dean Sir,

As you are aware, the Central Government has amended the Mines and Minerals (Development & Regulation) Act, 2015, with effect from 12.02.2015.

2. The most important change that has been introduced by the Amendment Act is that mineral concessions henceforth can only be granted through auction. This step has been taken in order to ensure that the process of grant of mineral concessions conforms to the principles laid down in several judgments of the Supreme Court, notably the following:

1. Judgment dated 02/02/2012 in WP(Civil) 423/2010 and WP (Civil) 10/2011 (commonly known as 2G Judgment).

2. Supreme Court’s opinion dated 27/09/2012 on President of India reference dated 12/04/2012.


3. Relevant extracts of the judgment in these cases are enclosed. The principles laid down in these judgments are that all the processes must be fair, reasonable, non-discriminatory, transparent, non-capricious and non-biased. It should not be tainted by either favoritism or nepotism and should promote healthy competition and equal treatment amongst applicants.

4. Section 15 of the MMDR Act empowers the State Governments to make rules for the grant of mineral concessions for minor minerals. The principles laid down by the Supreme Court by the Judgments cited above would apply equally to mineral concessions in respect of minor minerals.

...2/-
5. This issue was discussed in the meeting of Central Coordination-cum-Empowered Committee (CCEC) of the Ministry of Mines held on 04.08.2015. It was noted that many States have already taken steps in the direction of instituting transparent and non-discriminatory process for grant of mineral concesion. Further, some of the States observed that they had achieved encouraging results after introducing auction mode for granting mining leases. States were also of the view that mining plans are now to be compulsorily prepared for all minor minerals since an approved mining plan is a pre-requisite for grant of environmental clearance which has again been made compulsory for all leases irrespective of size. Under the circumstances, it is felt necessary that the States must discontinue arbitrary and discriminatory process of granting mineral leases, wherever applicable and adopt procedures keeping in mind the directions given by the Supreme Court.

6. The Central Government, in view of the above, in exercise of its power under Section 20A of the MMDR Act, 1957 directs that the State Government should take necessary steps to ensure that the complete process relating to grant of mineral concessions of minor minerals, is made fair, transparent and non-discriminatory. It is, therefore, requested that your government should review/revisit the mechanism/procedure relating to grant of concessions/leases of minor minerals expeditiously and take steps to ensure compliance of the principles laid down by the Supreme Court.

Warm regards
Yours sincerely,

Shri I.Y.R. Krishna Rao, IAS
Chief Secretary, Government of Andhra Pradesh
L-Block, 7th Floor, AP Secretariat
Hyderabad - 500 022

Encl: The gist if felt desirable of 3 Supreme Court's judgments as above
Some important judgments/opinion have been pronounced by the Supreme Court on allocation of natural resources, which have a direct relevance to grant of mineral concessions. These are:

1.1 Judgment dated 02/02/2012 in WP (Civil) 423/2010 and WP (Civil) 10/2011 [commonly known as 2G Judgment]

The Hon'ble Supreme Court in its order dated 2.2.2012, in W.P. No. 423/2010 and W.P. No. 10/2011 (2-G spectrum case) had questioned the 'first-cum-first-served' policy for alienation of natural resources/public property, and observed that auction was the best method for allocation of natural resources. The Court in its order, inter-alia, framed following questions:

"1. The important questions which arise for consideration in these petitions......

......

(iii) Whether the exercise undertaken by the DoT from September 2007 to March 2008 for grant of UAS Licences to the private respondents in terms of the recommendations made by TRAI is vitiated due to arbitrariness and malafides and is contrary to public interest?

(iv) Whether the policy of first-come-first-served followed by the DoT for grant of licences is ultra vires the provisions of Article 14 of the Constitution and whether the said policy was arbitrarily changed by the Minister of Communications and Information Technology (hereinafter referred to as 'the Minister of C&IT'), without consulting TRAI, with a view to favour some of the applicants?"

Regarding question Nos. (iii) and (iv), the Supreme Court held that:

76. There is a fundamental flaw in the first-come-first-served policy inasmuch as it involves an element of pure chance or accident. In matters involving award of contracts or grant of licence or permission to use public property, the invocation of first-come-first-served policy has inherently dangerous implications. Any person who has access to the power corridor at the highest or the lowest level may be able to obtain information from the Government files or the files of the agency/instrumentality of the State that a particular public property or asset is likely to be disposed of or a contract is likely to be awarded or a licence or permission is likely to be given, he would immediately make an application and would become entitled to stand first in the queue at the cost of all others who may have a better claim. This Court has repeatedly held that wherever a contract is to be awarded or a licence is to be given, the public authority must adopt a transparent and fair method for making selections so that all eligible persons get
a fair opportunity of competition. To put it differently, the State and its agencies/instrumentalities must always adopt a rational method for disposal of public property and no attempt should be made to scuttle the claim of worthy applicants. When it comes to alienation of scarce natural resources like spectrum etc., it is the burden of the State to ensure that a non-discriminatory method is adopted for distribution and alienation, which would necessarily result in protection of national/public interest. In our view, a duly publicized auction conducted fairly and impartially is perhaps the best method for discharging this burden and the methods like first-come-first-served when used for alienation of natural resources/public property are likely to be misused by unscrupulous people who are only interested in garnering maximum financial benefit and have no respect for the constitutional ethos and values. In other words, while transferring or alienating the natural resources, the State is duty bound to adopt the method of auction by giving wide publicity so that all eligible persons can participate in the process.”

1.2 Supreme Court’s opinion dated 27/09/2012 on President of India reference dated 12/04/2012

1.2.1 On the issues arising out of the Supreme Court in its 2G judgment dated 02.02.2012, in exercise of powers under Article 143 (1) of the Constitution of India, the President of India made a reference to the Supreme Court of India on 12th April, 2012 for consideration and report on, inter alia, (i) whether the only permissible method for disposal of all natural resources across all sectors and in all circumstances is by the conduct of auctions?; (ii) whether a broad proposition of law that only the route of auctions can be resorted to for disposal of natural resources does not run contrary to several judgments of the Supreme Court including those of Larger Benches?; (iii) whether the enunciation of a broad principle, even though expressed as a matter of constitutional law, does not really amount to formulation of a policy and has the effect of unsettling policy decisions formulated and approaches taken by various successive governments over the years for valid considerations, including lack of public resources and the need to resort to innovative and different approaches for the development of various sectors of the economy?

1.2.2 The Supreme Court in its opinion on the Presidential Reference, inter alia, observed that:

“the action of the State, whether it relates to distribution of largesse, grant of contracts, or allotment of land, is to be tested on the touchstone of Article 14 of the Constitution”. (para 105)

1.2.3 The scope of testing of executive action against Article 14 has been explained as follows:
The action has to be fair, reasonable, non-discriminatory, transparent, non-capricious, unbiased, without favouritism or nepotism, in pursuit of promotion of healthy competition and equitable treatment. It should conform to the norms which are rational, informed with reasons and guided by public interest, etc. All these principles are inherent in the fundamental conception of Article 14. This is the mandate of Article 14 of the Constitution of India”. (para 105)

1.2.4 The Supreme Court has quoted an earlier decision in Sachidanand Pandey after noticing Kasturi Lal’s case:

“123. ...

State owned or public-owned property is not to be dealt with at the absolute discretion of the executive. Certain precepts and principles have to be observed. Public interest is the paramount consideration. One of the methods of securing the public interest, when it is considered necessary to dispose of a property, is to sell the property by public auction or by inviting tenders. Though that is the ordinary rule, it is not an invariable rule. There may be situations where there are compelling reasons necessitating departure from the rule but then the reasons for the departure must be rational and should not be suggestive of discrimination. Appearance of public justice is as important as doing justice. Nothing should be done which gives an appearance of bias, jobbery or nepotism.”

1.2.5 The Supreme Court has quoted several earlier instances where open invitations to tender or participate in a project etc., have not been made, but have nevertheless been upheld when challenged. In all such cases, the Court has opined that:

“the ultimate test is only that of fairness of the decision making process and compliance with Article 14 of the Constitution”. (para 126)

1.2.6 The Supreme Court has observed that:

“149. Regard being had to the aforesaid precepts, we have opined that auction as a mode cannot be conferred the status of a constitutional principle. Alienation of natural resources is a policy decision, and the means adopted for the same are thus, executive prerogatives. However, when such a policy decision is not backed by a social or welfare purpose, and precious and scarce natural resources are alienated for commercial pursuits of profit maximizing private entrepreneurs, adoption of means other than those that are competitive and maximize revenue may be arbitrary and face the wrath of Article 14 of the Constitution. Hence, rather than prescribing or proscribing a method, we believe, a judicial scrutiny of methods of disposal of natural resources should depend on the facts and circumstances of each case, in consonance with the principles which we have called out above. Failing which, the Court, in exercise of power of judicial review, shall term the executive action as arbitrary, unfair,
unreasonable and capricious due to its antimony with Article 14 of the Constitution.”

1.3 Judgment dated 25/08/2014 in a W.P. (Crl.) No. 120/2012 in the matter of Manohar Lal Sharma Vs. The Principal Secretary & Ors. [Allocation of coal blocks Judgment]

The Supreme Court in its judgment dated 25.08.2014 observed that:

“71. ...Obviously, therefore, such allocation has to meet the twin constitutional tests, one, the distribution of natural resources that vest in the State is to sub-serve the common good and, two, the allocation is not violative of Article 14.” (emphasis added)

2. These pronouncements require the State action to be unbiased, without favoritism or nepotism, and to be in pursuit of promotion of healthy competition and equitable treatment; and that it should conform to the norms which are rational, informed with reasons and guided by public interest. It has also been held by the Apex Court that if a policy or law is patently unfair to the extent that it falls foul of the fairness requirement of Article 14 of the Constitution, the Court would not hesitate in striking it down. Therefore, the Government action is to be fair, reasonable, non-discriminatory, transparent, non-capricious, unbiased, without favouritism or nepotism, in pursuit of promotion of healthy competition and equitable treatment. If these objectives are not met, then such action by the Government (State or Central) can be called in question as being violative of the letter and intent of the Article 14 of the Constitution.

3. In terms of Article 141 of the Constitution, the Supreme Court is enjoined to declare law. The law declared by the Supreme Court is the law of the land. It is a precedent for itself and for all the Courts/Tribunals and authorities in India. A statute is binding; but it is the statute, as interpreted by the Supreme Court that is binding on all.

4. Transparency in work is both a continuing and a common endeavour between the State Governments and the Government of India. Therefore, to infuse greater transparency and instill credibility, the Ministry had taken a decision that, in all cases for grant of prior approval of the Central Government in cases of non-notified areas, to advice State Governments to notify such areas. On a transparency scale, notified cases rank much higher than the non-notified cases.

5. In view of the above, the Central Government issued Guidelines dated 30.10.2014 in supersession of all guidelines issued earlier as mentioned in Para 2 above to streamline the mineral concession procedure with the principals laid down by the Supreme Court in its judgments in various cases mentioned in the preceding paragraphs. Accordingly, all the State Governments were advised to examine the case and consider notifying it in accordance with the Ministry’s Guidelines dated 30.10.2014. In case the State Government in its wisdom considers that such a notification is not warranted, then specific and compelling reasons for not doing so may be adduced. The Ministry has also
decided to keep such proposals of the State Government alive for a period of six months
hoping to receive response from the State Government.

6. Further the efforts for ensuring the principles laid down by the Supreme Court
through its various judgments stated above, that the ultimate test is only that of fairness
of the decision making process and compliance with Article 14 of the Constitution, the
Central Government promulgated an Ordinance on Monday, the 12th January, 2015
(MMDR Amendment Ordinance, 2015). The MMDR Amendment Act, 2015 has been
passed by the parliament and subsequently notified on 27.03.2015. This amends certain
provisions of MMDR Act, 1957, has brought in a paradigm shift in the process of the grant
of mineral concessions of major minerals to be done through auctions by the State
Governments. The amendment removes discretion in the grant of mineral concessions
and, therefore, all mineral concessions of major minerals will now be granted by the
respective State Governments only through auctions, which will bring greater
transparency and remove discretion in allocation of mineral resources. This should also
mean that the Government will get an increased share from the mining sector.
No.16/7/2015-M.VI (Part)  
Government of India  
Ministry of Mines

New Delhi, Shastri Bhawan
Dated the 16 September, 2015

ORDER

WHEREAS in terms of the provisions of sub-section (1) of section 9B of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 (67 of 1957), the State Governments shall, by notification, establish a District Mineral Foundation in every district in the country affected by mining related operations.

AND WHEREAS the said provision is deemed to have come into force on the 12th day of January, 2015.

NOW THEREFORE, the Central Government in exercise of the powers conferred under section 20A of the MMDR Act, 1957, in the national interest hereby directs the concerned State Governments that the notification establishing the District Mineral Foundations shall state that such District Mineral Foundations shall be deemed to have come into existence with effect from the 12th day of January, 2015.

(R Sridharan)
Additional Secretary to the Government of India

1. Chief Secretaries of all States
2. Administrators of Union Territories

Copy for information to:

PS to Minister for Steel and Mines; PS to Minister of State for Steel and Mines; PPS to Secretary (Mines)
ORDER

WHEREAS in terms of the provisions of sub-section (1) of section 9B of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 (67 of 1957), the State Governments shall, by notification, establish a District Mineral Foundation in every district in the country affected by mining related operations.

AND WHEREAS mining related operations largely affect less developed and very remote areas of the country, and vulnerable sections of the population, especially Scheduled Tribes, therefore, it is especially necessary that special care and attention is devoted, in an organized and structured manner so as to ensure that these areas and affected persons are benefitted by the mineral wealth in their regions and are empowered to improve their standard of living.

AND WHEREAS in terms of sub-section (3) of section 9B, the rules for the functioning of the District Mineral Foundations are to be prescribed by the State Governments.

AND WHEREAS the Central Government, on a careful consideration of the matter, is of the opinion that the national interest requires that all District Mineral Foundations should implement a development programme for the mining affected areas that includes a certain minimum provision for the social and infrastructure needs of the population and area, and the Central Government has, accordingly, framed the Pradhan Mantri Khanij Kshetra Kalyan Yojana to be implemented by the District Mineral Foundations from the funds accruing to them in terms of the MMDR Act, 1957.

NOW THEREFORE the Central Government in exercise of the powers conferred under section 20A of the MMDR Act, 1957, in the national interest hereby directs the concerned State Governments to incorporate the ‘Pradhan Mantri Khanij Kshetra Kalyan Yojana’ (the details of which are annexed herewith) into the rules framed by them for the District Mineral Foundations and to implement the said Scheme.

Additional Secretary to the Government of India

Enclosure: Details of the Pradhan Mantri Khanij Kshetra Kalyan Yojana (6 pages)

1. Chief Secretaries of all States
2. Administrators of Union Territories

Copy for information to:
PS to Minister for Steel and Mines; PS to Minister of State for Steel and Mines; PPS to Secretary (Mines)
Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)

The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) will be implemented by the District Mineral Foundations (DMFs) of the respective districts using the funds accruing to the DMF. The overall objective of PMKKKY scheme will be (a) to implement various developmental and welfare projects/programs in mining affected areas, and these projects/programs will be complementing the existing ongoing schemes/projects of State and Central Government; (b) to minimize/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts; and (c) to ensure long-term sustainable livelihoods for the affected people in mining areas.

1. Identification of affected areas and people to be covered under the PMKKKY

1) Affected areas

   a. Directly affected areas – where direct mining-related operations such as excavation, mining, blasting, beneficiation and waste disposal (overburdened dumps, tailing ponds, transport corridors etc.), etc. are located.
      a) Villages and gram panchayats within which the mines are situated and are operational. Such mining areas may extend to neighboring village, block or district on even state.
      b) 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.
      c) Villages in which families displaced by mines have resettled/rehabilitated by the project authorities.
      d) 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. 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 DMF shall prepare and maintain an updated list of such directly and indirectly affected areas by mining related operations.
2) Affected people

a. The following should include as directly affected persons:
   a) 'Affected family' as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
   b) 'Displaced family' as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
   c) Any other as appropriately identified by the concerned gram sabha.

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

c. Affected families should be identified, as far as possible, in consultation with local/elected representatives of gram sabha.

d. The DMF shall prepare and maintain an updated list of such affected persons/local communities.

2. Utilisation of Funds

1) Scope of PMKKKY

The PMKKKY may cover the activities listed below:

**High priority areas – at least 60% of PMKKKY funds to be utilized under these heads:**

a. **Drinking water supply** – centralized purification systems, water treatment plants, permanent/temporary water distribution network including standalone facilities for drinking water, laying of piped water supply system.

b. **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 or 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 on 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 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 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,, sports infrastructure, engagement of teachers/other supporting staff, e-learning setup, other arrangement of transport facilities (bus/van/cycles/rickshaws/etc.) and nutrition related programs.

c. **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 center, 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.

**Other priority Areas – Up to 40% of the PMKKKY to be utilized 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 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 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. An amount not exceeding 5% of the annual receipts of the Foundation subject to an upper limit fixed by state government may be utilised for administrative, supervisory and overhead costs of the Foundation. 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. However, minimum required staff can be engaged on contractual basis.

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.

3. Special provisions for scheduled areas

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:

(i) Approval of the Gram Sabha shall be required
   a) for all plans, programs and projects to be taken up under PMKKKY.
   b) identification of beneficiaries under the existing guidelines of the Government.

(ii) 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)]

4. Implementation of Works / Contracts

(i) Works /goods may be procured by the DMF after following the due procedure prescribed by the respective state governments for such procurements.

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

5. Compliance of Transparency

(1) Each Foundation will prepare and maintain a website on which, inter-alia, following information will be hosted and kept updated:-

(i) Details of composition of the DMF/bodies of DMF (if any).

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

(iii) Quarterly details of all contributions received from lessees and others.

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

(v) Annual Plans and budget, work orders, Annual Report.

(vi) Online status of ongoing works – implementation status/progress of all the projects/programs being undertaken under PMKKKY should be made available on the website, including description of work, details of beneficiaries, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress upto last quarter etc.

(vii) List of beneficiaries under various welfare programs.

(viii) Voluntary disclosures under RTI Act.
6. **Audit**

The accounts of the DMF shall be audited every year by the Chartered Accountant appointed by the DMF, or in such other manner as the Government may specify, and the report thereof shall be placed in the public domain along with the Annual Report.

7. **Annual Report**

   a. Every year, within three 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 DMF.

   b. The Annual Report will be submitted to the Government within one month from the date of its approval by the DMF and will also be hosted on the website of the Foundation.

   c. The Annual Report of each Foundation shall be laid before the State Legislative Assembly.

   *****
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**Statement of District Mineral Foundation for State of**

**Annexure-4**

**Month of 2017**
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(Re. 9/2/5/98)
List of Nodal officers of State Governments for MSS, Star Rating, TAMRA, MTS & PMKKKY:

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