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TAMIL NADU GOVERNMENT GAZETTE

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Part III—Section 1(a)

General Statutory Rules, Notifications, Orders, Regulations, etc., issued by Secretariat Departments.

NOTIFICATIONS BY GOVERNMENT

NATURAL RESOURCES DEPARTMENT

TAMIL NADU DISTRICT MINERAL FOUNDATION RULES, 2025

[G.O.Ms.No. 84, Natural Resources (MMD.1), 16th December 2025,
மார்கழி 1, விசுவாவசு, திருவள்ளுவர் ஆண்டு–2056.]

No. SRO A-35(c)/2025.

In exercise of the powers conferred by section 9B, sub-section (4) of section 15 and section 15A of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) and in supersession of the Tamil Nadu District Mineral Foundation Rules, 2017, the Governor of Tamil Nadu hereby makes the following rules, namely,

1. Short title.— These rules may be called the Tamil Nadu District Mineral Foundation Rules, 2025.

2. Definitions.— (1) In these rules, unless the context otherwise requires, -

(a) **"Act"** means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957);

(b) **"affected area"** means both directly and indirectly affected areas by mining related activities;

(c) **"affected people"** means and includes the directly affected people viz., persons in the "affected family" and the "displaced family" as defined in the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act 30 of 2013), persons living in the affected areas and any other persons who have legal and occupational rights over the land being mined, persons with usufruct and traditional rights and persons whose livelihoods have been affected due to mining, as may be identified by the District Collector or concerned Gramasabha/ Urban Local Body;

(d) **"auditor"** means the Auditor appointed by the Trust, from the approved auditors notified by the Accountant General of the Tamil Nadu or other Auditors as may be nominated by the Settlor;

(e) **"contribution"** means the contributions to be collected from the holders of mineral concessions granted under the Act and the rules made there under;

(f) **"directly affected areas"** means the villages and gram panchayats or urban local bodies or neighbouring village or town or block or district or State situated within fifteen kilometre radius from the boundary of a major mineral mine or cluster of mines and three kilometre from the boundary of a minor mineral quarry or cluster of quarries and also include,

(i) Villages/wards in which families displaced by mines have been resettled/rehabilitated by the project authorities and

(ii) Villages/wards 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;

(g) **"Foundation"** means the District Mineral Foundation established under sections 9B and 15(4) of the Act;

(h) **"Fund"** and "Trust Fund" means the District Mineral Foundation Trust Fund generated as per rules 8 and 9 of these rules;

(i) **"Government"** means the State Government;

(j) **"Governing Council"** means all the Trustees of the District Mineral Foundation Trust;

(k) **"indirectly affected area"** means an area beyond the directly affected area and situated within twenty kilometre radius from the boundary of a major mineral mine or cluster of mines or an area beyond the directly affected area and situated within six kilometre radius from the boundary of a minor mineral quarry or cluster of quarries wherein the local population is adversely affected on account of economic, social and environmental consequences due to mining related operations of minerals by way of deterioration of water, soil and air quality, reduction in stream flows, depletion of ground water, congestion and pollution due to mining operations and/or transportation of minerals, increased burden on existing infrastructure and resources;

(l) **"local body"** means and includes District Panchayat, Panchayat Union, Village Panchayat, Town Panchayat, Municipal councils and Municipal Corporations in the district concerned or any other authority entrusted with the functions of the local bodies;

(m) **"Settlor"** means the State Government who is empowered to create the trust for the benefit of the persons and areas affected by mining related operations as per the Act and make initial deposit to the Trust Fund.

(n) **"Trust"** means the 'District Mineral Foundation Trust' established under sections 9B and 15(4) of the Act;

(o) **"Trustees"** means the Trustees of the District Mineral Foundation Trust;

(2) Words and expressions used and not defined in these rules shall have the meanings assigned to them in the Act and the rules made thereunder.

3. Composition of District Mineral Foundation Trust.— (1) The District Mineral Foundation Trust shall consist of, –

(i) District Collector – Chairperson;

(ii) District Revenue Officer- Vice-Chairperson;

(iii) Deputy Director or Assistant Director of Geology and Mining, as the case may be – Convener;

(iv) Member of Lok Sabha in a district in case of one member of parliament in such district – Member:

Provided that in case there is more than one member of Parliament of Lok Sabha in a district, all the members of Parliament having mining affected area as a part of their constituencies shall be the members;

(v) Member of Rajya Sabha from the State – Member;

(vi) Member (s) of Legislative Assembly from all constituencies in the district – Member (s);

(vii) Project Director, Panchayat Development - Member;

(viii) Personal Assistant to Collector, Panchayat Development (PAPD) - Member;

(ix) Deputy Director or Assistant Director, as the case may be, of the Rural Development Department - Member;

(x) Deputy Director or Assistant Director, as the case may be, of the Adi Dravidar and Tribal Welfare Department - Member;

(xi) Environment Engineer, Tamil Nadu Pollution Control Board - Member;

(xii) District Forest Officer - Member;

(xiii) Executive Engineer, Public Works Department; - Member;

(xiv) Assistant Director of Survey and Land Records; - Member;

(xv) District Treasury Officer - Member;

(xvi) District Social Welfare Officer - Member; and

(xvii) Deputy Director, Health Department in charge of Public Health Centre – Member:

Provided that if the constituency of a Member of Lok Sabha or a Member of Legislative Assembly, falls in more than one district, the Member of Lok Sabha or the Member of Legislative Assembly, as the case may be shall be a member of the Trust of all such districts.

Provided further that a Member of Rajya Sabha from the State shall choose a district in which he shall be a member of the Trust and intimate the same to the Secretary to Government, Natural Resources Department, who in turn shall inform the same to the Chairperson of the Trust:

Provided also that if more than one Member of Rajya Sabha chooses the same district, the Secretary to Government, Natural Resources Department, in consultation with the Chief Secretary to Government, shall select the member of the Trust based on his nativity or the proximity of the place of his residence to the district.

4. Managing Committee of the District Mineral Foundation.— (1) A Managing Committee shall consist the following members to manage the day to day affairs of the Trust:-

(i) District Collector – Chairperson;

(ii) Deputy Director or Assistant Director of Geology and Mining, as the case may be – Member-Secretary and Convener

(iii) Project Director – District Rural Development Agency – Member;

(iv) Deputy Director (Health) – Member;

(v) Chief Educational Officer – Member;

(vi) District Treasury Officer – Member;

(vii) District Social Welfare Officer – Member;

(viii) Assistant Director (Panchayat) – Member:

(2) The Managing Committee shall meet at least once in every quarter in a financial year and it shall be convened as decided by the Chairperson of the Managing Committee.

5. Powers and functions of the Managing Committee.— The Managing Committee shall,—

(i) ensure timely collection of contribution from the concerned mining lease holders in accordance with the provisions of the Act and rules made there under;

(ii) prepare updated list of mine affected areas in the district and maintain the same;

(iii) prepare the vision document and perspective plan based on the base line survey conducted by any institutions or agencies engaged by the Trust or by any Government department and place it for approval of the Trust;

(iv) prepare the annual plan and the annual budget of the Trust in accordance with the approved perspective plan;

(v) supervise and ensure the execution of the annual plan and the approved schemes and projects;

(vi) while discharging its functions, follow the policy framework and the directions of the Governing Council from time to time;

(vii) exercise due diligence in carrying out its duties for protecting the interests of the Trust;

(viii) verify the completion of projects;

(ix) operate the Fund and to invest the same in diligent manner and to open bank accounts in the name of the Trust and operate such accounts and investments;

(x) manage, administer and monitor the utilization of Trust fund;

(xi) place the audited accounts along with an annual report before the Governing Council for its approval within 60 days of close of financial year;

(xii) do all other things which are necessary for smooth functioning and management of the Trust.

6. Governing Council of the District Mineral Foundation Trust.— (1) The members of the District Mineral Foundation Trust shall function as the members of the Governing Council and the District Collector shall be the chairperson of the Governing Council.

(2) The overall management of the Trust shall be vested with the Governing Council.

(3) The members shall continue as Trustees as long as they are holding the post and designation; and deemed to have ceased to be the Trustees once they ceased to hold the post and designation by virtue of which they were so appointed. In all such cases, the successors in the office concerned shall be deemed to have appointed as trustees, in their place, from the date of their acquiring such official designation.

(4) The Governing Council shall meet at least twice in a year, as may be decided by the Chairperson as per the convenience of the Members of Parliament who are members of the Governing Council.

(5) The quorum of such meeting shall be more than fifty percentage of the total members:

Provided that atleast fifty percentage of the total elected representatives shall be present in the quorum.

(6) The District Mineral Foundation shall execute a deed appended to these rules.

7. Powers and functions of the Governing Council.—The Governing Council shall, —

(i) monitor the collection and accounting of the contribution from the concerned mining lease holders;

(ii) supervise, monitor and review the expenditure of the Trust Fund at regular intervals;

(iii) approve the updated list of mine affected areas in the district prepared by managing committee;

(iv) engage academic institution or renowned organisation or agencies to conduct base line survey for the formulation of perspective plan;

(v) approve the vision document and perspective plan prepared by managing committee;

(vi) approve the annual plan and the annual budget of the Trust prepared in accordance with the approved perspective plan by managing committee;

(vii) monitor the progress of the utilization of Trust Fund;

(viii) inspect and monitor the progress of execution of approved schemes and projects;

(ix) approve the audited accounts along with an annual report;

(x) appoint an auditor to audit the Trust Fund in the meeting of the Governing Council on such terms and conditions as may be decided by the Trustees;

(xi) exercise due diligence in carrying out its duties for protecting the interests of the Trust;

(xii) do all other things which are necessary for smooth functioning and management of the Trust.

8. Funds of the Trust.— The funds of the Trust shall comprise of, —

(i) initial deposit of Rs.1,000/- (Rupees One thousand only) made by the Settlor;

(ii) payment to the Trust made by the holders of major mineral concessions at the rates specified by the Government of India;

(iii) payment to the Trust made by the holders of minor mineral concessions at the rates specified in these rules;

(iv) all receipts and incomes including interest accrued on the deposits made in the bank;

(v) voluntary contributions, if any, received by the Trust from any person or Organisation; and

(vi) deposits made by any person based on the direction of a Court or any other authority for violation of Act and the rules made there under.

(vii) investments and other deposits and the interest accrued thereon and any other income derived there from;

(viii) all other properties of the Trust and the income derived there from or appreciation thereof.

9. Contribution to the Trust Fund.— Every holder of a mining lease or a composite license or quarry lease or permit shall, in addition to the royalty or seigniorage fee, as the case may be, pay to the District Mineral Foundation of the district in which mining or quarry operations are carried on, an amount at the rate of —

(i) ten per cent of royalty paid in terms of the Second Schedule of the Act in respect of mining lease or composite license granted or seigniorage fee paid in terms of the APPENDIX – II to the Tamil Nadu Minor Mineral Concession Rules, 1959 in respect of the quarry lease or permits, as the case may be, granted after the 12th January 2015; and

(ii) thirty per cent of royalty paid in terms of the Second Schedule of the Act in respect of mining lease or composite license granted or seigniorage fee paid in terms of the APPENDIX – II to the Tamil Nadu Minor Mineral Concession Rules, 1959, in respect of the quarry lease or permits, as the case may be, granted before the 12th January 2015.

10. Collection and monitoring of the amount payable to the Trust.— (1) All payments of royalty or seigniorage fee, as the case may be, shall be collected with the Trust Fund component at the rate specified in rule 9 of these rules and no royalty or seigniorage fee shall be accepted without mandatory contribution towards the Trust Fund.

(2) Every Officer who is authorised to collect the royalty or seigniorage fee, as the case may be, shall direct the lessee to pay the contribution to the Trust Fund to the credit of such bank as may be specified by the Trust.

(3) Every Officer who is authorised to collect the royalty or seigniorage fee, as the case may be, shall maintain a register of the amount payable as well as paid by the lessee:

Provided that any amount other than the amount specified in rule 9 shall be properly accounted and a register in this regard shall be maintained by such Officer.

(4) The Officer shall furnish monthly consolidated statement of all the payments made to Trust Fund to the Chairperson of the Trust by 15th day of each succeeding month.

11. Interest.— Notwithstanding anything contained in the Act or the rules made thereunder, the District Collector may charge simple interest at the rate of twelve per cent per annum on the component on the royalty or seigniorage fee which the lessee has failed to remit within the period.

12. Operation of the Trust Fund.— The Trust Fund shall be deposited in any Nationalized Bank only in the name of the Trust and all accounts shall be operated under the joint signatures of the Chairperson and the Convenor. The Trust shall maintain the books of accounts of the Fund.

13. Expenditure from, and of the Trust Fund.— (1) The funds available with the Trust shall be used for undertaking activities for the interest and benefit of persons and overall development of the areas affected by mining related operations in the district, in accordance with the annual plan prepared by the Trust for the purpose, subject to such guidelines as may be issued by the Government, from the time to time;

(2) The Fund may be utilized for the developmental activities and welfare projects or programmes for meeting the social and infrastructure needs of the people and area affected by mining related operations in such a way as to complement the existing schemes or projects of the State Government and Government of India; to minimize or mitigated the adverse impacts, during and after mining, on the environment, health and socio- economics of the people in mining districts and to ensure long term sustainable livelihoods for the affected people in mining areas as specified in sub-rules (3) and (4).

(3) A minimum of seventy per cent of the Trust Fund shall be spent only in the directly affected area.

(4) Not less than seventy per cent of the Trust Fund shall be utilized for the following high priority sectors:—

(a) **Drinking water supply:** Centralized purification systems, water treatment plants, permanent or 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 and 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, other air, water and surface pollution control mechanisms required for environment-friendly and sustainable mine development, identification of mineral-specific pollutants and their hazard potential by involving reputed educational institutes or research institutions, identification of the hazards, setting up air quality monitors and displays, and undertaking measures for the implementation of the recommendations of the research;

(c) **Health care:** Creation of primary or secondary health care facilities in the affected areas; creation of the health care infrastructure, provision of necessary staffing viz. doctors or paramedical or support staff, equipment and supplies required for making such facilities effective and to supplement as well as work in convergence with the existing health care infrastructure of the local bodies, State Government and Government of India, drawing the expertise available with the National Institute of Miners' Health to design special infrastructure needed to take care of mining related illnesses and diseases, mobile health care units in the mining affected areas and implementing Group Insurance Scheme for health care for mining affected persons;

(d) **Education:** Construction of school or college or vocational training institute buildings, additional class rooms, laboratories, libraries, art and crafts rooms, toilet blocks, drinking water provisions, residential schools, residential hostels for students of affected areas and teachers in remote areas, sports infrastructure, engagement of teachers or other supporting staff, e-learning setup, other arrangement of transport facilities viz. bus or van or cycles or rickshaws or such other mode of transport and nutrition related programs and financial support to students in the affected areas for pursuing education in Government or Government aided institutions of higher education;

(e) **Welfare of Women and Children:** Special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases or such other problems encountered in the affected area;

(f) **Welfare of aged and differently abled:** Special program and medical support for welfare of aged and differently abled people and financial assistance to the District Disability Rehabilitation Centres;

(g) **Skill development and Livelihood generation:** Skill development for livelihood support, income generation and economic activities for local eligible persons, the projects or schemes for training, training kits, development of skill development center, incubation center, self-employment schemes, support to Self Help Groups, provision of forward and backward linkages for such self-employment economic activities, works to improve and showcase the arts and crafts of the affected people and areas, and collection and processing of minor forest produce,

(h) **Sanitation:** Collection, transportation and disposal of waste, cleaning of public places, provision of proper drainage and Sewage Treatment Plant, provision for disposal of fecal sludge, provision of toilets and other related activities;

(i) **Housing:** Provision of pucca housing for mining affected people not covered under any Government of India or State Government schemes;

(j) **Agriculture:** Activities related to agriculture, horticulture and agroforestry, assistance to farmers through trainings, support to Farmers Producer Organizations or collectives or cooperatives, support for setting up of food processing units, storage including cold storage, marketing facilities like market yards, plantation and processing of medicinal herbs;

(k) **Animal Husbandry:** Promotion of livestock, poultry, piggery, fishery, feed and fodder development, supporting innovation in animal husbandry, Farmers Producer Organizations, Self Help Groups and Farmer Cooperative Organisations;

(5) Not more than thirty per cent of the Trust Fund shall be utilized for the following other priority sectors:—

(a) **Physical infrastructure:** Providing required physical infrastructure viz. roads, bridges, railways and waterways projects.

(b) **Irrigation:** Developing alternate sources of irrigation including check dams and diversion weirs, adoption of suitable and advanced irrigation techniques, assistance for micro irrigation facilities including drip irrigation, and assistance for bore wells and pump energization.

(c) **Energy and Watershed Development:** Development of alternate sources of energy viz. micro-hydel, decentralized solar or other renewable sources and rainwater harvesting system. Development of orchards, integrated farming and agroforestry and restoration of catchments.

(d) Any other measures for enhancing environmental quality in the mining affected areas.

Provided that an amount not exceeding five per cent of the annual receipts of the Fund may be utilized for administrative, supervisory and overhead costs or establishment expenses of the Foundation:

Provided further that the Trust may bear an expenditure upto three per cent from and within the five per cent as provided in the first proviso, of its accrued funds for the services of the personnel appointed from the Government departments or from regular employees of the District Panchayat or such other cadre as may be decided by the Government, for providing administrative and technical assistance to the Trust.

(6) Notwithstanding anything contained in sub-rules (4) and (5), the Trust Fund or any part thereof shall not be used for advancement of any loan or grants in any case to any of the beneficiaries other than the purposes specified therein.

14. General conditions.— (1) The development and welfare activities to be taken up under these rules should be, as far as possible, in the nature of complementing the ongoing schemes or projects being funded by the State Government as well as Government of India. 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:

Provided that the activities meant to be taken up under the 'polluter pays principle' shall not be taken up using the Trust Fund.

(2) If the affected area of a mine or quarry existing in one district also falls in the jurisdiction of another district, an amount proportionate to the area affected thereby, collected from the respective mine or quarry by the Trust shall be transferred to the Trust of the other district concerned and shall be utilized only for taking up projects in such areas:

Provided that all such transfer of fund and implementation of projects shall be subject to the prior approval of the Government.

(3) The districts having annual collection of rupees ten crore or more shall maintain an endowment fund with a reasonable sum not exceeding ten percent of the annual receipts for providing sustainable livelihood.

(4) All such endowment fund may be invested as fixed deposits in nationalized banks, or Government securities or bonds or other instruments as are permitted by the Government.

(5) The endowment fund shall be used for creating and sustaining livelihoods in areas where mining activity has stopped due to any reason including exhaustion of mineral.

(6) No fund shall be transferred in any manner from the Trust to the State exchequer or State level fund by whatever name called or Chief Minister's Relief Fund or any other funds or schemes.

(7) No sanction or approval of any expenditure out of the Fund of the Trust shall be done at the State level by the Government or any State level agency.

(8) No fund shall be spent outside the directly or indirectly affected areas within a district or for other than the affected people as defined in sub-rule (1)(c) of rule 2.

(9) No fund shall be transferred in any manner from one district to another district except as mentioned in sub-rule (2) of this rule.

15. Perspective Plan and Annual Plan.— (1) The Convener of the Managing Committee of the Trust shall cause preparation of plans for long term projects and short term projects proposed to be undertaken by the Trust for each consecutive five years and in each financial year within the five years period, to be referred as perspective plan and annual plan respectively, together with details of activities to be undertaken or completed by the Trust during such time, the expected time for completion of the projects and cost for such projects.

(2) The Trust shall conduct a baseline survey through Universities or renowned organizations or agencies for perspective plan formulation:

Provided that while conducting such baseline survey, the Universities or renowned organizations or agencies shall consult the Stakeholders viz., Public, Panchayats, Non-Governmental Organizations, Environmentalists, etc., for the suggestions or applications regarding the projects or activities to be included in the perspective plan of the Trust by conducting meetings in the areas affected by mining related operations and/or by publishing notice in the official website of the Trust and/or the District Administration:

Provided further that a copy of the notice shall be sent to all the Local Bodies or Village Administrative Offices in the district, inviting suggestions, so that the Local Bodies and/or Gram Sabha may aid in arriving the requirements of the local public:

Provided also that the applications or suggestions received from the stakeholders shall be scrutinized for their eligibility and priority status and the eligible ones shall be incorporated in the report of baseline survey on priority basis:

Provided also that the Trust may also use the baseline survey or assessment undertaken by any department for perspective plan formulation, if available. The reference and major findings of the surveys shall be included in the Perspective Plans.

(3) On completion of the baseline survey, the Trust shall prepare a strategy for five years based on the findings and gaps as identified through the survey; or any similar survey or assessment undertaken by any department and the same shall be included in the Perspective Plan.

(4) The perspective plan shall be prepared taking into account the current balance available and likely accrual to the Trust Fund over the period of five years.

(5) The five year perspective plan shall contain year wise action plan.

(6) The five year perspective plan shall have separate sections on all priority sectors as provided in rule 13.

(7) The five year perspective plan shall be approved by the Governing Council of the Trust and the approved perspective plan shall be displayed on the official website of the Trust and the District Administration.

(8) Every financial year, the Managing Committee shall, based on the year wise action plan provided in the perspective plan and success achieved in fulfilling its targets in earlier years, prepare the Annual Plan containing all the projects, programmes, activities proposed to be undertaken by the Trust for achieving its objectives and with clearly demarcated milestones and obtain the approval of the Governing Council of the Trust before 1st April of the year.

(9) Notwithstanding anything contained in this rule, the Governing Council of the Trust may, in the interest and benefit of the people and area affected by mining related operations, approve and implement some other works and expenditures considered urgent in nature although not included in the approved perspective plan, to a maximum extent of ten percent of annual plan subject to rule 16.

16. Annual Budget.— The Convener of the Managing Committee of the Trust shall, at the beginning of each financial year, cause preparation of an annual budget containing details of the available fund, fund allocated for the projects in the previous financial year, proposed income and expenditure on activities covered in the annual plan for the financial year, including the administrative, legal and other expenditure proposed to be incurred by the Trust together with details of funding requirements in this regard, for the approval of the Governing Council.

17. Approval of an annual plan and annual budget.— (1) The annual plan and annual budget shall be laid before the Governing Council for its approval.

(2) The Convener of the Managing Committee of the Trust shall, on receipt of the copies of duly approved annual plan and related annual budget from the Chairperson of the Governing Council, furnish the same to the Government within a period of thirty days from the date of receipt of approval of the Governing Council.

(3) Without prejudice to the provisions of sub–rule (2), the Trust may, in the interest and benefit of the people and area affected by mining related operations, undertake expenditure for activities that are not approved in the annual plan, but warrants immediate action to prevent or mitigate or manage the disasters caused by natural calamities such as cyclones, floods, drought and spread of pandemic, subject to specific approval by the Chairperson of the Governing Council. However, the same shall be laid before the Governing Council for ratification in the immediate next meeting.

(4) The Trust shall forward the approved annual plan and annual budget, to the District Panchayat, District Administration and the Government for publication on their respective websites.

18. Execution of work.— (1) The activities undertaken by the Trust shall be executed through Government Departments, agencies and Public Sector Undertakings, who are entrusted to, and have specific norms and procurement procedures to, undertake such works, as may be applicable to the implementation of Government projects.

(2) Notwithstanding anything contained in sub rule (1), the Managing Committee may, with the approval of the Governing Council, award the execution of those work which otherwise could not be executed through Government Departments, agencies and Public Sector Undertakings, to other agencies, competent and sound in executing the work, following the Tamil Nadu Transparency in Tenders Act, 1998 (Tamil Nadu Act 43 of 1998) and the Tamil Nadu Transparency in Tender Rules, 2000. In all such cases, all the terms, conditions and procedures that shall be followed for Government projects, whenever the work is executed through Government Departments, agencies and Public Sector Undertakings, as the case may be, shall be followed.

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

(4) The implementing agencies may prefer the Tamil Nadu e-procurement system or GeM portal of Government of India for procurement of goods following due procedures.

(5) Transfer of fund to all executing agencies and beneficiaries shall be through Direct Benefit Transfer only into their bank account.

19. Administrative arrangements.— (1) The Government shall provide services of the personnel under its control including employees working in the District Collectorate for management of the Trust and for execution of the annual plan as may be required for the purpose.

(2) The District Collector shall provide required number of core personnel from regular employees of the District Collectorate or such other cadre, for providing administrative and technical assistance to the Trust. The services of such personnel shall continue to remain in their own respective cadres. The Trust may bear expenditure upto three per cent of its accrued funds for this purpose from the five per cent of the Fund provide for expenditure for administration of the Trust as provided in sub-rule (5) of rule 13.

(3) No temporary or permanent posts should be created under the Trust without prior approval of the State Government.

(4) The Trust may engage minimum required staff on contractual basis for a period of eleven months through service providers as may be needed for smooth functioning of the Trust and may provide for incurring contingent expenditure for its functioning.

(5) The Trust having annual collection above rupees fifty crore shall set up a Project Management Unit for planning, technical, accounting and monitoring support and the cost of such unit shall be met from the administrative expenses.

(6) The Project Management Unit may engage required qualified manpower only on contractual basis for a period of eleven months.

(7) No vehicle shall be purchased by the Trust without the prior approval of the Government.

20. Maintenance of accounts and audit.— (1) The accounts and audit of the Fund shall be in the manner as specified below:-

(a) The accounting of financial year of the Trust shall be from 1st of April to 31st of March of the succeeding year.

(b) The Convenor shall maintain 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, in the form, mode and manner as may be decided by the Government.

(c) The accounts of the Trust shall be audited on the completion of every financial year by the qualified auditor(s) appointed by the Trust within thirty days from the closure of the financial year. The auditor(s) shall submit the annual audit report to the Managing Committee and on receipt, the Managing Committee shall place the report before the Governing Council for approval, by more than fifty percentages of its total members, within a maximum period of thirty days from its submission.

(2) The Trust shall submit the approved audit report to the Government within one month from the date of its approval by the Governing Council and shall host the same on the website of the Trust.

(3) Notwithstanding anything contained in sub-rule (1), the Accountant General (Audit) shall audit the accounts of the Trust annually on completion of each financial year.

21. Appointment of auditor(s).— (1) The Trust shall appoint the auditor(s) for auditing the accounts of the Trust in the meeting of the Governing Council, on such terms and conditions as may be decided by the Trustees, for a maximum period three years.

(2) The Governing Council may decide to remove the auditor(s) of the Trust with the approval of more than fifty percentages of its total members for incorrect auditing of the accounts of the Trust, if any found.

22. Annual report.— (1) The Convener of the Managing Committee shall, every year, within two months from the date of closure of the financial year, cause to prepare an annual report on the activities of the respective financial year and the Managing Committee shall place the report before the Governing Council for approval within a month from its submission.

(2) The annual report shall be submitted to the Government within one month from the date of its approval by the Governing Council and shall also be hosted in the website of the Trust.

(3) The annual report of each Trust shall be laid before the State Legislative Assembly.

23. Compliance of transparency.— (1) Every foundation shall prepare and maintain a website or may subscribe to a common website which may be developed for this purpose by the State Government on which, inter alia, the following information will be hosted and kept updated, namely—

(i) details of composition of the bodies of the Trust;

(ii) list of areas and people affected by mining;

(iii) quarterly details of all contributions received from lessees and others;

(iv) all meeting agendas, minutes and action taken reports of the Foundation;

(v) five years perspective plan, details of investment of endowment fund, annual plans and budget, work orders and annual report within thirty days of issuance of the document;

(vi) status of ongoing projects – implementation status or progress of all the projects or programs being undertaken by the Trust 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 the previous quarter etc.;

(vii) list of beneficiaries under various welfare programmes; and

(viii) Voluntary disclosures under the Right To Information Act, 2005 (Central Act 22 of 2005).

(2) Trust shall display description of the project and amount sanctioned on a notice board at the project site.

(3) Trust shall undertake information, education and communication activities to create awareness regarding schemes implemented under Trust Fund through social media, films, videos etc.

(4) Trust shall share information pertaining to its performance including deposit of funds and implementation of works to the State Government and Ministry of Mines, Government of India as per the formats prescribed and manner specified.

(5) Trust shall compulsorily sanction, release funds and monitor execution of projects through the online portal to be developed by the Government of India from the date as may be notified by the Government of India.

24. State Level Monitoring Committee.— (1) The Government shall constitute a State Level Monitoring Committee under the Chairpersonship of the Chief Secretary with Secretaries of executing Departments viz., Finance and Planning Departments and one representative of Indian Bureau of Mines, Ministry of Mines, Government of India as members.

(2) The Secretary of Natural Resources Department or any other Department entrusted by the Government to supervise Trusts in the State shall be the Member Secretary of the State Level Monitoring Committee.

(3) The Directorate of Geology and Mining or any other Department as entrusted by the Government shall constitute a State Level Nodal District Mineral Foundation Cell for monitoring activities of Trusts in the State and shall act as the Secretariat to the State Level Monitoring Committee.

(4) The State Level Monitoring Committee shall monitor the performance of the Trusts and compliance of transparency norms, audit and annual report of the Trusts.

(5) The State Level Monitoring Committee shall meet at least twice in a year.

25. Penalty.— Whoever contravenes rule 9 shall be chargeable with an amount equivalent to one time payment of contribution in addition to the contribution to paid along with twelve percent of interest for such period of contravention.

26. Grievance redressal.— (1) The Trust shall devise and implement a grievance redressal mechanism to redress grievances and to give suitable reply to the complainant within thirty days of making a complaint to the Chairperson or any other officer as may be notified by the Government.

(2) The State Government may, on receipt of any complaint or public grievance ensure each grievance is redressed by the Trust and a suitable reply is given to the complainant within the stipulated time frame.

27. Compliance mechanism.— (1) In all cases where a Trust,–

(a) transfers any fund in violation of rule 14;

(b) fails to maintain an endowment fund as mandated in rule 14;

(c) fails to get the accounts audited as mandated in rule 20;

(d) fails to prepare and publish annual report as mandated in rule 22;

(e) fails to comply with any of the provisions in rule 23; and

(f) fails to follow the directions of the Government of India or the State Government, as the case may be, the Government of India or the State Government may direct suspension of sanction of any or all new works or execution of any or all of already sanctioned works; and/or suspension of release of funds for any or all the works by the bank(s) where Trust fund is deposited or the bank account of the executing agencies where funds have been transferred from Trust.

(2) The Government of India or the State Government may revoke such suspension, after being satisfied that necessary corrective measures have been taken by the Trust.

(3) In case any direction under sub-rule (1) or (2) is given by the Government of India, the withdrawal of such direction shall only be done by the Government of India.

28. 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.

29. Trustees' remuneration.— The Trustees shall not be entitled to any remuneration for their services.

30. 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 Chairperson and the Chairperson shall have the authority to use the same for and on behalf of the Trust.

31. Revocability.— The Government shall have the discretion to revoke the Trust if desired to do for the reasons recorded in writing. The Trust shall continue to exist till such time as may be decided by the Government. At the time of extinguishment of the Trust, all the assets and liabilities of the Trust shall be transferred to the Government.

SHUNCHONNGAM JATAK CHIRU,
Additional Chief Secretary to Government (FAC).

APPENDIX.

(See sub - rule (6) of rule 6 of the Tamil Nadu District Mineral Foundation Rules, 2025)

DISTRICT MINERAL FOUNDATION TRUST DEED

THIS DEED OF TRUST EXECUTED AT ——————ON THIS _____ DAY OF ____ IN THE YEAR TWO THOUSAND——————.

BY

THE GOVERNOR OF TAMIL NADU, represented by the Secretary to Government, Natural Resources Department, Government of Tamil Nadu having his office at Secretariat, Fort St. George, Chennai-9, herein after called "the SETTLOR", OF THE ONE PART.

IN FAVOUR OF

The following 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, namely:-

Sl. No.(___) Name (———) Designation in the Governing Council

1.

2.

3.

WHEREAS sub-section (1) of section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) provides for establishment of a District Mineral Foundation Trust by the Government, a non-profit body, with an objective to work for the interest and benefit of persons, and areas affected by mining related activities in such manner as may be prescribed by the Government;

AND WHEREAS the Tamil Nadu District Mineral Foundation Rules 2025 framed under sub-section (4) of section 15 and section 15A read with section 9B of the said Act provides for the composition and function of the District Mineral Foundation Trust, the manner in which it shall function and the amount of payment to be made by the concession holders to the Trust;

AND WHEREAS, the SETTLOR for this purpose has decided to set up a Trust as an entity under the 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 activities in such manner as may be prescribed by the 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 Rs.1,000/-(Rupees one thousand only), which sum is hereinafter referred to as the "INITIAL SETTLEMENT".

NOW THIS DEED OF TRUST WITNESSETH AS FOLLOWS:—

1. Interpretation And Definitions.— (1) IN THIS DEED OF TRUST wherever the context permits, the following words shall have the meaning mentioned herein namely:-

(a) **'Act'** means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957);

(b) **"Auditor"** means the Auditor appointed by the Trustees, from the approved auditors notified by the Accountant General of the Tamil Nadu or other Auditors nominated by the Settlor;

(c) **"contribution"** means the contribution to be collected from the holders of -

(i) a mining lease or a composite license under the provisions of sub-section (5) of section 9B of the Act;

(ii) a mining lease under the provisions of sub-section (6) of section 9B of the Act; and

(iii) 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;

(d) "**Fund"** means the District Mineral Foundation Trust Fund generated as per rules 8 and 9 of the Tamil Nadu District Mineral Foundation Trust Fund Rules, 2025.

(e) **'District Magistrate'** means the Head of the Revenue Administration at the District level;

(f) **"Governing Council"** means all the Trustees of the District Mineral Foundation Trust;

(g) **"Trust"** means the ——————— (Name of the district) District Mineral Foundation Trust created by the Government;

(h) **"Year"** means a financial year beginning on April 1st and ending on March 31st of the succeeding year or part period there of ending on March 31st.

(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 hereof 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 it's office shall be located in the District Collectorate or any other place as may be decided by the District Collector.

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 activities in the District in such manner as provided in rule 13 of the Tamil Nadu District Mineral Foundation Rules, 2025.

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 SETTLOR may at any time increase the number of TRUSTEES in any of the categories as might be deemed fit by the SETTLOR.

(4) 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.

(5) 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 the Governing Council, which shall consist of all the members of the Trust. However, the day to day management of the Trust shall be managed by a Managing Committee, as defined in paragraph 9 below. The SETTLOR may, however, decide to alter the composition of the Managing Committee at any time. The powers and functions of the Governing Council and of the Managing Committee shall be as contained herein.

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

7. Powers and functions of the Governing Council.— The Governing Council, consisting of all the TRUSTEES shall be responsible for, —

(i) monitor the collection and accounting of the contribution from the concerned mining lease holders;

(ii) supervise, monitor and review the expenditure of the Trust Fund at regular intervals;

(iii) approve the updated list of mine affected areas in the district prepared by managing committee;

(iv) engage academic institution or renowned organisation or agencies to conduct base line survey for the formulation of perspective plan;

(v) approve the Vision Document and Perspective Plan prepared by managing committee;

(vi) approve the annual plan and the annual budget of the Trust prepared in accordance with the approved perspective plan by managing committee;

(vii) monitor the progress of the utilization of Trust funds;

(viii) inspect and monitor the progress of execution of approved schemes and projects;

(ix) approve the audited accounts along with an annual report;

(x) appoint an auditor to audit the Trust fund in the meeting of the Governing Council on such terms and conditions as may be decided by the Trustees;

(xi) exercise due diligence in carrying out its duties for protecting the interests of the Trust;

(xii) do all other things which are necessary for smooth functioning and management of the Trust.

8. Meetings of the Governing Council.— (1) The Governing Council shall meet at least twice in a year and shall be convened as may be decided by the Chairman, as per the convenience of the Members of Parliament who are members of the Governing Council.

(2) The quorum of such meeting shall be more than fifty percentage of the total members. However, at least fifty percentage of the total elected representatives shall be present in the quorum.

9. Managing Committee. — The affairs of the Trust shall be managed by a Managing Committee, which shall consist of —

(i) District Collector – Chairperson;

(ii) Deputy Director or Assistant Director of Geology and Mining – Member-Secretary and Convener;

(iii) Project Director – District Rural Development Agency – Member;

(iv) Deputy Director (Health) – Member;

(v) Chief Educational Officer – Member;

(vi) District Treasury Officer – Member;

(vii) District Social Welfare Officer – Member;

(viii) Assistant Director (Panchayat) – Member;

10. Meetings of Managing Committee. — The meeting of the Managing Committee shall be held at least once in every quarter in a financial year and it shall be convened as decided by the Chairperson of the Managing Committee.

11. Powers and functions of the Managing Committee: The Managing Committee shall, **—**

(i) ensure timely collection of contribution from the concerned mining lease holders in accordance with the provisions of the Act and rules made there under;

(ii) prepare updated list of mine affected areas in the district and maintain the same;

(iii) prepare the vision document and perspective plan based on the base line survey conducted by any institutions or agencies engaged by the Trust or by any Government department and place it for approval of the Trust;

(iv) prepare the annual plan and the annual budget of the Trust in accordance with the approved perspective plan;

(v) supervise and ensure the execution of the annual plan and the approved schemes and projects;

(vi) while discharging its functions, follow the policy framework and the directions of the Governing Council from time to time;

(vii) exercise due diligence in carrying out its duties for protecting the interests of the Trust;

(viii) verify the completion of projects;

(ix) operate the Fund and to invest the same in diligent manner and to open bank accounts in the name of the Trust and operate such accounts and investments;

(x) manage, administer and monitor the utilization of Trust funds;

(xi) place the audited accounts along with an annual report before the Governing Council for its approval within 60 days of close of financial year;

(xii) do all other things which are necessary for smooth functioning and management of the Trust.

12. Fund of the Trust.— The Fund of the Trust would include the following, namely: **—**

(i) initial deposit of Rs.1,000/- (Rupees one thousand only) made by the Settlor;

(ii) payment to the Trust made by the holders of major mineral concessions at the rates specified by the Government of India;

(iii) payment to the Trust made by the holders of minor mineral concessions at the rates specified in these rules;

(iv) all receipts and incomes including interest accrued on the deposits made in the bank;

(v) voluntary contributions, if any, received by the Trust from any person or Organisation; and

(vi) deposits made by any person based on the direction of a Court or any other authority for violation of Act and rules made there under.

(vii) investments and other deposits and the interest accrued thereon and any other income derived there from;

(viii) all other properties of the Trust and the income derived there from or appreciation thereof.

13. Operation of the Fund.— The Fund shall be deposited in any nationalized bank only in the name of the Trust and all accounts shall be operated under the joint signatures of the Chairperson and the Convenor. The Trust shall maintain the books of accounts of the Fund.

14. Expenditure from the Fund.— (1) The Fund available with the Trust shall be used for undertaking activities for the interest and benefit of persons and overall development of the areas affected by mining related operations in the district, in accordance with the annual plan prepared by the Trust for the purpose, subject to such guidelines as may be issued by the Government, from time to time;

(2) The Fund may be utilized for the developmental activities and welfare projects or programmes for meeting the social and infrastructure needs of the people and area affected by mining related operations in such a way as to complement the existing schemes or projects of the State Government and Government of India; to minimize or mitigated the adverse impacts, during and after mining, on the environment, health and socio- economics of the people in mining districts; and to ensure long term sustainable livelihoods for the affected people in mining areas as specified in sub-rules (3) and (4) of rule 13.

(3) A minimum of seventy per cent of the Trust Fund shall be spent only in the directly affected area.

(4) Not less than seventy per cent of the Trust Fund shall be utilized for the following high priority sectors:—

(a) **Drinking water supply**: Centralized purification systems, water treatment plants, permanent or 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; other air, water and surface pollution control mechanisms required for environment-friendly and sustainable mine development, identification of mineral-specific pollutants and their hazard potential by involving reputed educational institutes or research institutions, identification of the hazards, setting up air quality monitors and displays, and undertaking measures for the implementation of the recommendations of the research;

(c) **Health care:** Creation of primary or secondary health care facilities in the affected areas, creation of the health care infrastructure, provision of necessary staffing viz. doctors or paramedical or support staff; equipment and supplies required for making such facilities effective and to supplement as well as work in convergence with the existing health care infrastructure of the local bodies, State Government and Government of India; drawing the expertise available with the National Institute of Miners' Health to design special infrastructure needed to take care of mining related illnesses and diseases, mobile health care units in the mining affected areas and implementing Group Insurance Scheme for health care for mining affected persons;

(d) **Education:** Construction of school or college or vocational training institute buildings, additional class rooms, laboratories, libraries, art and crafts rooms, toilet blocks, drinking water provisions, residential schools, residential hostels for students of affected areas and teachers in remote areas, sports infrastructure, engagement of teachers or other supporting staff, e-learning setup, other arrangement of transport facilities viz. bus or van or cycles or rickshaws or such other mode of transport and nutrition related programs and financial support to students in the affected areas for pursuing education in Government or Government aided institutions of higher education;

(e) **Welfare of Women and Children:** Special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases or such other problems encountered in the affected area;

(f) **Welfare of aged and differently abled:** Special program and medical support for welfare of aged and differently abled people and financial assistance to District Disability Rehabilitation Centres;

(g) **Skill development and Livelihood generation:** Skill development for livelihood support, income generation and economic activities for local eligible persons, the projects or schemes for training, training kits, development of skill development center, incubation center, self-employment schemes, support to Self Help Groups; provision of forward and backward linkages for such self-employment economic activities, works to improve and showcase the arts and crafts of the affected people and areas, and collection and processing of minor forest produce;

(h) **Sanitation:** Collection, transportation and disposal of waste, cleaning of public places, provision of proper drainage and Sewage Treatment Plant, provision for disposal of fecal sludge, provision of toilets and other related activities;

(i) **Housing:** Provision of pucca housing for mining affected people not covered under any Government of India or State Government schemes;

(j) **Agriculture:** Activities related to agriculture, horticulture and agroforestry, assistance to farmers through trainings, support to Farmers Producer Organizations or collectives or cooperatives; support for setting up of food processing units, storage including cold storage, marketing facilities like market yards, plantation and processing of medicinal herbs;

(k) **Animal Husbandry:** Promotion of livestock, poultry, piggery, fishery, feed and fodder development; supporting innovation in animal husbandry, Farmers Producer Organizations, Self Help Group and Farmer Cooperative Organisations;

(5) Not more than thirty per cent of the Trust Fund may be utilized for the following other priority sectors:—

(a) **Physical infrastructure:** Providing required physical infrastructure viz. roads, bridges, railways and waterways projects.

(b) **Irrigation:** Developing alternate sources of irrigation including check dams and diversion weirs, adoption of suitable and advanced irrigation techniques, assistance for micro irrigation facilities including drip irrigation and assistance for bore wells and pump energization.

(c) **Energy and Watershed Development:** Development of alternate sources of energy viz. micro-hydel, decentralized solar or other renewable sources and rainwater harvesting system. Development of orchards, integrated farming and agroforestry and restoration of catchments.

(d) Any other measures for enhancing environmental quality in the mining affected areas district.

(6) An amount not exceeding five per cent of the annual receipt of the Fund may be utilized for administrative, supervisory and overhead costs or establishment expenses of the Foundation.

(7) The Trust may bear an expenditure upto three per cent, from and within the five per cent as provided in sub-rule (5) of rule 13, of its accrued funds for the services of the personnel appointed from the Government departments or from regular employees of the District Panchayat or such other cadre as may be decided by the Government, for providing administrative and technical assistance to the Trust.

(8) Notwithstanding anything contained in sub-rules (4) and (5) of rule 13, the Trust Fund or any part thereof shall not be used for advancement of any loan or grants in any case to any of the beneficiaries other than the purposes specified therein.

(9) No fund shall be transferred in any manner from the Trust to the State exchequer or State level fund by whatever name called or Chief Minister's Relief Fund or any other funds or schemes.

(10) No sanction or approval of any expenditure out of the Fund of the Trust shall be done at the State level by the Government or any State level agency.

(11) No fund shall be spent outside the directly or indirectly affected areas within a district or for other than the affected people as defined in sub-rule (1)(c) of the rule 2 of the Tamil Nadu District Mineral Foundation Rules, 2025.

(12) No fund shall be transferred in any manner from one district to another district except as mentioned in sub rule (2) of rule 14 of the Tamil Nadu District Mineral Foundation Rules, 2025.

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 realisation, 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. Maintenance of accounts and audit.— (1) The accounts and audit of the Trust Fund shall be in the manner as specified below: **—**

(a) The accounting of financial year of the Trust shall be from 1st of April to 31st of March of the succeeding year.

(b) The Convenor shall maintain 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, in the form, mode and manner as may be decided by the Government.

(c) The accounts of the Trust shall be audited on the completion of every financial year by the qualified auditor(s) appointed by the Trust within thirty days from the closure of the financial year. The auditor(s) shall submit the annual audit report to the Managing Committee and on receipt, the Managing Committee shall place the report before the Governing Council for approval, by more than fifty percentages of its total members, within a maximum period of thirty days from its submission.

(2) The Trust shall submit the approved audit report to the Government within one month from the date of its approval by the Governing Council and shall host the same on the website of the Trust.

(3) Notwithstanding anything contained in clauses (1), the Accountant General (Audit) shall audit the accounts of the Trust annually on completion of each financial year.

17. Administrative Arrangements.— (1) The Government shall provide services of the personnel under its control including employees working in the District Collectorate for management of the Trust and for execution of the annual plan as may be required for the purpose.

(2) The District Collector shall provide required number of core personnel from regular employees of the District Collectorate or such other cadre, for providing administrative and technical assistance to the Trust. The services of such personnel shall continue to remain in their own respective cadres. The Trust may bear expenditure upto three per cent of its accrued funds for this purpose from the five per cent of the Fund provide for expenditure for administration of the Trust as provided in the second proviso to sub-rule (5) of rule 13.

(3) No temporary or permanent posts should be created under the Trust without prior approval of the State Government.

(4) The Trust may engage minimum required staff on contractual basis for a period of eleven months through service providers as may be needed for smooth functioning of the Trust and may provide for incurring contingent expenditure for its functioning.

(5) The Trust having annual collection in excess of rupees fifty crore shall set up a Project Management Unit for planning, technical, accounting and monitoring support and the cost of such unit shall be met from the administrative expenses.

(6) The Project Management Unit may engage required qualified manpower only on contractual basis for a limited period.

(7) No vehicle shall be purchased by the Trust without prior approval of the State Government.

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 wilful 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 Chairperson and the Chairperson 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 Government.

IN WITNESS where of the parties here to have executed this deed on the_______ day and _______ year first herein before appearing.

Signed and Delivered on behalf of the SETTLOR.

(________________________________)

__________________________District Collector,

____________ District.

District Collector.

SHUNCHONNGAM JATAK CHIRU,
Additional Chief Secretary to Government (FAC).

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