GOVERNMENT OF TELANGANA
ABSTRACT


INDUSTRIES AND COMMERCE (MINES-I) DEPARTMENT

G.O.MS.No. 3 Dated: 20/01/2016

Read the following:

2. From the Director of Mines and Geology, Hyderabad Letter No.1046/P/2015 dated 16-06-2015.
5. From the Director of Mines and Geology, Hyderabad Letter No.1046/P/2015 dated:24.11.2015.

ORDER:

In supersession of the orders issued in the reference 3rd and 4th read above, the following Notification will be published in an Extraordinary Issue of Telangana State Gazette, dated the 20.01.2016.

NOTIFICATION

In exercise of the powers conferred by sub-section (4) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) as amended by Act 10 of 2015 and guided by the provisions contained in Article 244 read with Fifth and Sixth Schedule 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, the Governor of Telangana hereby makes the following rules, namely:-

1. Short title and commencement

1.1. These rules may be called the Telangana State District Mineral Foundation (Trust) Rules, 2015.

1.2. They shall come into force from the date of their publication in the Official Gazette.

2. Application

2.1. These rules shall extend to the whole State of Telangana, and

2.2. They shall apply to all minerals, including minor minerals, as specified under the Mines and Minerals (Development and Regulation) Act, 1957 (including as amended in 2015), and any other minerals which the Central Government may by notification declare in the Official Gazette.

2.3 The District Mineral Foundation shall be established in all the (10) Districts of Telangana State viz., Adilabad, Karimnagar, Khammam, Warangal, Medak, Nizamabad, Nalgonda, Mahabubnagar, Ranga Reddy and Hyderabad. Every District Mineral Foundation will have a Governing Council and a Managing Committee.
3. Definitions

(i) “Act” means the Mines and Minerals (Development and Regulation) Act, 1957 (as amended in 2015);

(ii) “Affected areas” means areas affected by mining or mining related operations as identified by the District Government. These will include directly affected areas and indirectly affected areas, as follows –

(iii) **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 a radius of 2 Kilometer from a mine or cluster of mines, irrespective of whether this falls within the district concerned or adjacent district.

*Explanation* – A cluster mining is one where the periphery of one lease area from the periphery of another lease area is less than one kilometer. The total lease area of all mines shall be equal to or more than 50 hectares.

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.

(iv) **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.

The DMF shall prepare and maintain an updated list of such directly and indirectly affected areas by mining related operations.

(v) **Affected people**

(a) The following should include as directly affected persons:

1) ‘Affected family’ as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

2) ‘Displaced family’ as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

3) 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.

(vi) “District Mineral Foundation” means a statutory trust established as a non-profit body by the Government in all districts affected by mining or mining related operations, in accordance with Section 9B of Act;

(vii) “Government” means Government of Telangana State;

(viii) “Gram Panchayat” means an institution of self-government for the rural areas as defined under Article 243(d) and 243B of the Constitution (Seventy-third Amendment) Act, 1992;

(ix) “Gram Sabha” means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level as defined under article 243(b) of the Constitution (Seventy-third Amendment) Act, 1992;

(x) “Rules” means the District Mineral Foundation (Trust) Rules, 2015;

(xi) “Trust” means the District Mineral Foundation, which is a statutory trust as notified by the Government of Telangana State to be governed by its own rules and regulations so notified under these Rules.

4. Objective of the Trust

The Trust shall work for the interests, benefits and sustainable development of areas affected by mining or mining related operations in the district in such ways as may be prescribed by these Rules, in an effective, transparent and accountable manner.

5. The functions of Governing Council and Managing Committee

5.1. The Trust shall consist of a Governing Council and a Managing Committee.

5.2. The authority to manage the Trust shall vest in the Governing Council.

5.3. At least 51 per cent of the members of the Governing Council shall be from villages of directly affected areas.

5.4. The tenure of members of the Governing Council shall be for a maximum of three years. Members and their immediate family members once elected can be re-elected only after a gap of 10 years.

5.5. The tenure of the Government representatives from the respective Department in the Governing Council shall be as long as she/he holds that office or transferred from that district.

5.6. The day to day functioning of the Trust shall vest with the Managing Committee.

(1) The tenure of Members of the Governing Council shall be for a maximum of three years. Members and their immediate family members once elected can be re-elected only after a gap of 10 years.

(2) The tenure of the Government representatives in the Managing Committee shall be three years or as long as she/he holds that office or till transferred from that District.

(3) The tenure of the Secretary shall be for a maximum of three
years, and may be renewed for an additional two years based on the decision of the Governing Council. It shall be non-renewable after tenure of three plus two years.

6. Power and functions of the Trust

Powers of Governing Council:

6.1. The Governing Council shall be responsible for or vested with –

6.1.1 Voting on the annual account;

6.1.2 Coordinating with the Managing Committee on development of annual plan (through the involvement of the Planning Committee of the Governing Council) and passing of the annual plan of the Trust;

6.1.3 Nominating representatives from directly affected areas including the Co-chairperson, Coordinators (three in numbers, to be nominated from among the members of the Governing Council, for calling Requisition Meetings of the Governing Council, as and when required) and Treasurer to the Managing Committee.

Explanation – A Treasurer for the Managing Committee shall be appointed by Governing Council from among the members the officials of Managing Committee.

6.1.4 Constituting sub-committees such as Planning Committee for assisting in preparation of annual plans of the Trust, as found expedient from time to time, for smooth functioning of the Trust.

6.1.5 Ratifying the appointments of officers and auditors to run the Trust;

6.1.6 Ratifying the audit reports presented by the Managing Committee;

6.1.7 Deciding the salaries of appointed persons, excluding the Secretary of Managing Committee;

6.1.8 The power to remove any members of the Managing Committee (excluding official members) by simple majority, where the quorum for such meeting shall be at least 50 per cent of the members of the Governing Council, with at least 51 per cent representation from directly affected areas;

6.1.9 Conducting social-audits of the developmental schemes/works of the Gram Sabhas, with at least 10 per cent of all the Gram Sabhas social-audited in a year. The committee responsible for conducting the social-audit for each selected Gram Sabha shall comprise of five selected members of the Governing Council, excluding members from the Gram Sabhas which are to be social-audited in that year.

6.1.10 Allocating funds for the efficient working of the Ombudsman’s office as and when it is established by the DMF in accordance to the decision of the Government.

Powers of the Managing Committee:

6.2. The Managing Committee shall be responsible for –

6.2.1 Coordinating, consolidating and developing the annual plan of the Trust as described under Rule 10;

6.2.2 Approving the lists of works as identified by the Gram Sabha;
6.2.3 Allocation and distribution of funds through bank transfer to the works identified by Gram Sabha.

6.2.4 Undertaking such other activities as are in furtherance of the objective of the Trust, including supporting essential services and maintenance of local infrastructure for socio-economic purposes in the affected areas;

6.2.5 Appointing officers to run the Trust and auditors; however, these appointments shall require ratification by the Governing Council;

6.2.6 Organizing meetings of the Trust;

6.2.7 Presenting audit reports for ratification to the Governing Council.

6.2.8 Shall initiate effective steps for strengthening the regulatory mechanism to curb the illegal mining/quarrying and transportation of minerals in the District.

6.2.9 Shall take effective steps curb the frequent disturbance and hindrances from the local unsocial elements (demanding money and other favors by locals in return for conduction of mining operations)

7. Meetings of the Trust

7.1. The Governing Council shall meet at least once every six months.

7.2. Requisition meeting(s) of the Governing Council may be called by the Chair person of the Governing Council. The agenda of such meeting(s) must be shared with the Governing Council at least 15 days prior to the date of the meeting(s), and must be ratified by 51 per cent members of the Governing Council. The meeting(s) shall take place, giving 15 days notice to the Governing Council, at a place as found appropriate and convenient to the members.

7.3. The Meeting of the Managing Committee shall be held bi-monthly and shall convene as decided by the Chairperson of the Managing Committee.

7.4. The quorum for such meetings, both for Governing Council and for Managing Committee, shall be 50 per cent of the total members, with minimum 51 per cent representation from directly affected areas.

8. Power and functions of the Gram Sabha of affected areas

8.1. The Gram Sabha shall be responsible for identification of developmental schemes/works for the village that may be supported by the Trust Fund, formulation of criteria for fixing their priorities, and developing an annual plan as described under Rule 10. But such works shall not overlap with the works to be taken up in the Panchayat by the Line Departments as part of their regular works.

8.1.1 The quorum of the Gram Sabha meeting where a resolution will be passed, shall not be less than 50 percent of all members of such Gram Sabha, and shall include members belonging to the Scheduled Castes, Scheduled Tribes, Other Backward Classes and women in general proportion to their population. At least one-third of the members present must be women.

8.1.2 The quorum of the Gram Sabha to pass any resolution with respect to approval of works in the affected areas would require the presence of at least 50 per cent quorum. The resolution shall be passed by a simple majority.
8.2. The Gram Sabha shall be responsible for the monitoring of the developmental schemes/works supported by the Trust Fund.

9. Trust Fund

9.1 The total amount that the Trust Fund will receive in a year shall be earmarked specifically for various purposes as:

(a) Five per cent of the total annual amount accrued to the Trust Fund shall be deposited in a Nationalized Bank for future use, when once the mining activity ceases in the affected areas, for mitigation of post-mining affects.

(i) This amount must be strictly used towards the objective as stipulated herein or as well for emergency situations, such as natural calamities as may be considered necessary.

(ii) The utility of the amount shall be subject to approval of the Governing Council on proposals from the Managing Committee.

(b) Eighty-five per cent shall be spent in the following manner

(i) Not less than 60 Per cent shall be spent on schemes laid for High Priority areas as laid in PMKKKY.

(ii) Not more than 40 per cent shall be used in other priority areas as laid in PMKKKY.

(c) Not more than five per cent shall be spent for paying the salary and allowance to ombudsman and for running ombudsman office;

(d) Not more than five per cent shall be used as administrative expenses of the Trust.

10 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.

10.1 Scope of PMKKKY and Utilization of Funds

The PMKKKY may cover the activities as prioritized below:

10.1.1 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.

(e) **Welfare of Women and Children**- Special programmes for addressing problems of maternal and child health, malnutrition, infectious diseases, etc. can be taken up under the PMKKKY.

(f) **Welfare of aged and disabled people** – Special program for welfare of aged and disabled people.

(g) **Skill development**–skill development for livelihood support, income generation and economic activities for local eligible persons. The projects / schemes may include training, development of skill development 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.

10.1.2 **Other priority Areas – Upto 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.**

10.2 **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 utilized 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.

10.3 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)]

10.4 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.
10.5 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.

11 Development of annual plan

11.1 The Trust shall develop an annual plan which shall be operational for a financial year.

11.2 The annual plan shall include the type and quantum of developmental schemes/works for which the Trust Fund shall be used. Such developmental schemes/works shall be implemented within a defined timeframe for the welfare of persons in the affected areas.

11.3 The fund allocation for various developmental schemes/works shall be as provided under Rule 9 and such allocations shall be guided by provisions made thereunder.

11.4 The process of developing the annual plan shall strictly adhere to the principles of bottom-up approach, involving the Gram Sabhas of affected areas. The Governing Council and the Managing Committee shall be involved in respective capacities as provided under these Rules.

11.5 The Trust shall commence the annual planning process at the beginning of the fourth financial quarter every year, for the developmental schemes/works to be executed in the following financial year.

11.6 The Managing Committee at the beginning of the fourth financial quarter, shall inform respective Gram Sabhas of affected areas about the funds available (provisional) for the year as provided under Rule 9.

11.7 In accordance with the funds provisionally earmarked, each Gram Sabha shall prepare an annual plan for the deployment of such funds for various developmental schemes/works.

11.8 The Trust shall take initiatives for training and capacity building of Gram Sabhas of affected areas for preparation of such plans at the beginning of planning process.

11.9 The developmental schemes/works for which the funds shall be used to identify in a manner such that local needs and priorities of the affected areas
are reflected. Every identified developmental scheme/work shall also have a verifiable and time bound outcome component.

11.10 The Gram Sabhas shall submit their respective annual plans to the Managing Committee by the middle of the fourth financial quarter. The Managing Committee shall consolidate all the annual plans received from Gram Sabhas of affected areas and prepare a consolidated annual plan for the Trust by the end of fourth financial quarter of the year.

11.11 The annual plan of the Trust shall include a compendium of such plans submitted by Gram Sabhas of affected areas besides other planned activities of the Trust for the financial year. The consolidated annual plan of the Trust shall also be guided by the principles contained in Rule 9 of these Rules for allocating the Trust Fund to various affected persons and affected areas.

11.12 The annual plan shall be finalized by the Managing Committee in consultation with the Planning Committee of the Governing Council by the end of the fourth financial quarter and submitted to the Governing Council. The Governing Council shall review and pass the annual plan unanimously as provided under Rule 6.

12 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.

13 Constitution of Trust Fund

The Trust shall have powers to open and operate bank accounts in its own name at any scheduled bank as specified in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

13.1 The resources for Trust Fund shall include –

13.1.1 Contributions from the holders of a mining lease or a prospecting license-cum-mining lease, under the provisions of sub-section (5) of section 9B of the Act, 2015 for an amount equivalent to 10 percent of royalty payable in terms of the Second Schedule or as may be prescribed by the Central Government from time to time.

13.1.2 Contributions from the holders of a mining lease under the provisions of sub-section (6) of section 9B of the Act, 2015 for an amount equivalent to 30 percent of royalty payable in terms of the Second Schedule or as may be prescribed by the Central Government from time to time.

13.1.3 Contributions from the holders of minor mineral concession under the provisions of Section 15A (4) of the Act shall be an amount equivalent to 30 percent on seigniorage fee for the leases granted prior to the commencement of the District Mineral Foundation.

13.1.4 Contributions from the holders of minor mineral concession under the provisions of Section 15A (4) of the Act for the leases granted after the commencement of the District Mineral Foundation shall be:
13.1.4.1 An amount equivalent to 30 percent on seigniorage fee for the leases granted through processing of Mineral Concession Applications.

13.1.4.2 An amount equivalent to 10 percent on seigniorage fee for the leases granted through auction.

13.1.4.3 An amount equivalent to 10 percent on seigniorage fee shall be recovered by the Govt. Engineering/Consuming Depts. alongwith seigniorage fee from contractor bills on the quantity of minor minerals consumed in the construction and remitted to DMF account.

13.1.5 Any interests accrued to the bank accounts of the Trust Fund.

13.2 The Government may give financial assistance to any such Trust by way of loan, capital grants or other payments.

13.3 Any contributions by others.

14. Operation of the Trust Fund

14.1 The Trust shall operate all its account(s) under the joint signatures of at least two of the three signatories; the three signatories being the Chairperson, Secretary and the Treasurer of the Managing Committee.

14.2 The Trust shall maintain the books of accounts of the Fund.

15. Accounts and Audits

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 alongwith the Annual Report.

15.1 The Trust shall maintain a register giving details of –

(a) The list of holders of a mining lease in the district and the annual payments made by them to the Trust;

(b) The list of welfare measures identified in the district;

(c) The allocation/distribution of funds to the affected areas;

(d) Annual audited accounts of the Trust.

15.2 The Trust shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, income and expenditure and balance sheet in respect of the funds available with the Trust, in a manner as may be prescribed by the Government in consultation with the Accountant General of the State.

15.3 The accounts of the Trust shall be annually audited in a manner as may be prescribed by the Government in consultation with the Accountant General of the State.

15.4 In addition to the financial audit, there shall be an independent social-audit by the Governing Council under the provisions of Rule 6. The parameters of such social audit could include coverage of mining affected areas with respect to funds sharing, timeliness of payments, timeliness of developmental schemes/works undertaken, work completion rates, and any such related issues.

15.5 The Trust at the end of each year shall prepare an annual report on the activities it has undertaken and share it with the Government.

15.6 The accounts of the Trust together with the financial audit report, the social-audit report and the Annual Report shall be forwarded annually to the
Government by the Trust. The Government shall cause the reports to be laid, as soon as it is received, before the State Legislature.

15.7 All information concerning the Trust, including accounts, fund disbursement and use, audit reports, annual report and meeting minutes, must be put in the public domain, which shall involve developing a website of the Trust for such purpose. The annual report shall be distributed to each Gram Panchayat in the local language.

15.8 The proceedings of the Gram Sabha meetings related to the Trust activities shall be certified by all Gram Sabha members and the original copy shall be kept with representatives of the Governing Council from each Gram Sabha. For other purposes, certified copies with the signature of the two representatives of Gram Sabha shall be made available as and when required by the Managing Committee.

16. Mode of fund collection and payment:

Trust fund shall be collected along with the Royalty/Seigniorage to the separate head of account and should be directly transferred to DMF Bank account maintained by the DMF Trust without routing it through Consolidated Fund of State.

17. Ombudsman

The Government shall appoint Ombudsman for addressing the grievances related to the Trust. Any person, who has a grievance against any member, or the functioning of the Trust, or is aggrieved by any decision of the Trust; may, in person or through a representative, may file a complaint to the Ombudsman, in accordance with the procedure as given specified below:

17.1 Appointment, tenure and removal.

The Government shall appoint Ombudsman for the Trust. Depending on the scale of mining or mining related operations, the Government shall appoint one person as Ombudsman for one or more districts-

17.1.1 There shall be a separate Ombudsman for each district where royalty collected on an average is equal or more than Rs. 20 Crore per year for the past three consecutive years.

17.1.2 The Government may appoint, as it deems appropriate, one Ombudsman for more than one district in cases where the royalty for each such district is less than Rs.20 Crore per year for the past three consecutive years, provided that the Government shall review such appointments every five years.

17.2 Appointment shall be based on the recommendations of the Selection Committee consisting of the following three persons:-

Chief Minister of the State         Member
Leader of Opposition of the State  Member
Chairperson of the State Public Service Commission    Member

The appointment of the Ombudsman should be based on consensus of the Committee members.

17.2.1 The Ombudsman so appointed will be from among persons of eminent standing and impeccable integrity.

17.2.2 The Ombudsman shall be appointed for tenure of three years extendable by two years based on performance appraisal or till the incumbent attains the age of 65 years, whichever is earlier. There shall
be no reappointment. Annual performance appraisal shall be made by the Governing Council.

17.2.3 On unsatisfactory performance, the Ombudsman may be removed by the Government on the recommendation of the Governing Council.

17.3 Salary and Allowance

17.3.1 The salary and allowances allocated to the Ombudsman shall be determined by the Governing Council but not less than that paid to an officer of the rank of first class Judicial Magistrate.

17.3.2 In case where one Ombudsman is appointed for a number of districts, the salary shall be as determined by the Government in consultation with concerned Governing Councils and contributions of various Trusts shall be proportionate to their annual royalties.

17.4 Jurisdiction

The jurisdiction of the Ombudsman shall include all issues concerning the Trust.

17.5 Location of Office

The office of the Ombudsman shall be located in the District Headquarters. In case where there is one Ombudsman for more than one district, in one of the districts.

17.6 Office support

Ombudsman may employ or may keep on retainership the following, subject to approval by the Governing Council-

17.6.1 Legal officers with at least 5 years experience as an advocate,

17.6.2 Administrative staff to support the office

17.6.3 Technical staff

17.7 Powers and duties

17.7.1 Receive complaints against the functionaries of the Trust on any matters as specified in Rule 17.8.

17.7.2 Determine if such complaints are frivolous.

17.7.3 In cases of non-frivolous complaints, initiate and pursue the matter in the courts and follow it to the logical conclusion. The Ombudsman shall represent the case of the complainant before the Court, and shall present herself/himself before the court as required.

17.7.4 Present the facts, witnesses and evidence before the Court to enable the Court to make a fair decision.

17.7.5 Prepare affidavits, and other documents as required in pursuance of the complaint.

17.7.6 Requisition of any public record or document or copies thereof from any Court or office.

17.7.7 To maintain confidentiality of any information or document coming into his knowledge or possession in the course of discharging his duties and not disclose such information or document to any person except with the consent of the person furnishing such information or document; provided that nothing in this clause shall prevent the Ombudsman from disclosing information or documents furnished by
a party in a complaint to the other party or parties, to the extent considered by him/her to be reasonably required to comply with the principles of natural justice and fair play in the proceedings.

17.7.8 To furnish a report every year containing a general review of activities of the office of the Ombudsman during the preceding financial year to the Governing Council along with such other information that may be considered necessary. In the annual report, the Ombudsman, on the basis of grievances handled by him/her, will review the quality of the working of the Trust members/authorities/committees and make recommendations to improve functioning of the Trust and Trust Fund. The report shall be put on the website of the Government.

17.8 Grounds on which complaint can be filed.

A complaint pertaining to any one or more of the following subjects alleging deficiency in the implementation of the Trust can be filed with the Ombudsman:

- Gram Sabha functioning related to the Trust
- Discrimination on the basis of caste, religion, gender in relation to utilization of Trust Fund.
- Quality of work of the Trust, its members or Committees
- Engagement of contractors
- Operation of accounts in the bank or post offices
- Registration and disposal of complaints
- Inspection of documents
- Use of funds
- Release of funds
- Annual audits of the Trust
- Social audit
- Maintenance of records

17.9 Procedure for filing the complaint and disposal thereof.

17.9.1 Any person, who has a grievance against the Trust Authorities or member(s), may, in person or through an authorized representative, make a complaint in writing to the Ombudsman.

17.9.2 The complaint shall be duly signed by the complainant and his authorized representative, if any, and shall state clearly the name and address of the complainant, the name of the office and official of the Trust against whom the complaint is made, the facts giving rise to the complaint supported by documents, if any, relied on by the complainant and the relief sought.

17.9.3 A complaint made through electronic means shall also be accepted by the Ombudsman and a printout of such complaint shall be taken on the record of the Ombudsman. A printout of the complaint made through electronic means shall be signed by the complainant at the earliest possible opportunity before the Ombudsman takes steps for disposal. The signed printout shall be deemed to be the complaint and it shall relate back to the date on which the complaint was made through electronic means.

17.9.3 Disposal of such complaint by Ombudsman shall be made at the earliest after considering all facts and evidences.

17.9.4 No complaint to the Ombudsman shall lie unless:

- It pertains to subjects or persons outside the purview of the Trust defined in these Rules.
- The complaint is not in respect of the same subject matter which was disposed by the Office of the Ombudsman in any previous proceedings whether or not received from the same
complainant or along with any one or more complainants or any one or more of the parties concerned with the subject matter.

17.9.4.3 No complaint shall be made to the Ombudsman on an issue which has been or is the subject matter of any proceeding in an appeal, revision, reference or writ before any Tribunal or Court.

17.10 Register of complaints and annual report:

17.10.1 The Ombudsman shall maintain a register of complaints with details of related facts and evidences.

17.10.2 The Ombudsman shall prepare an Annual Report of its activities including number of complaints, relevant details thereof and the actions taken in a financial year. The report shall also include the amount received from the Trust Fund and details of expenditure incurred during the financial year.

17.10.3 The Ombudsman shall submit the Annual Report to the Governing Council.

17.10.4 The Register and Annual Report so prepared shall be put in public domain by the Ombudsman.

18 Review Clause

The Government shall review and revise the provisions declared under such Rules from time to time as per the need to remain effective to uphold the "objective" of the Trust.

(By Order and in the Name of the Governor of Telangana)

Arvind Kumar
Secretary to Government & CIP

To
The Commissioner of Printing, Stationary & Stores Purchase (Ptg. Wing)
Hyderabad. (He is requested to publish the above Notification in the Extra-Ordinary issue of Telangana Gazette, and arrange to send 2500 copies of the same to Government in Industries & Commerce (M.II) Department).
The Director of Translation, Telangana, Hyderabad. (He is requested to furnish the Telugu version of the Notification direct to the Commissioner, Printing, Stationary & Stores Purchase (Ptg.Wing), Hyderabad)
The Director of Mines and Geology, Telangana State, Hyderabad.
The Vice Chairman & Managing Director, Telangana State Mineral Development Corporation Ltd., Hyderabad.
All the District Collectors/Joint Collectors in the State of Telangana.
All the Superintendents of Police in the State of Telangana.
The Principal Chief Conservator of Forests, Telangana State.
The Project Officers, Integrated Tribal Development Agency through the Commissioner, Tribal Welfare Dept., Telangana State.
The Chief Executive Officer, Zilla Parishads through the Commissioner, Panchayat Raj & Rural Development.
The Commissioner and Director, Agriculture Department.
The Superintending Engineers, Irrigation Dept., through Engineer-n-Chief, Irrigation Department, Telangana State.
The Superintending Engineers, Rural Water Supply through Engineer-n-Chief, Panchayat Raj & Rural Water Supply, Telangana State.
The Superintending Engineers, Road & Buildings through the Engineer-n-Chief, Road & Buildings Dept., Telangana State.
The Director, Ground Water Dept., Telangana State.
The Member-Secretary, Telangana State Pollution Control Board.
The Representatives of Mining/Quarry/Mineral Dealer Associations through
the Director of Mines & Geology.
The Irrigation & CAD Department.
The Transport, Roads & Buildings Department.
The Revenue Department.
All the Departments of Telangana Secretariat.

Copy to:
P.S. to Principal Secretary to the Hon'ble Chief Minister.
P.S. to the Deputy Chief Minister, Revenue Dept.
P.S. to the Hon'ble Home Minister.
P.S. to the Hon'ble Minister for B.C. Welfare, Forests and Environment,
Science & Technology.
P.S. to the Hon'ble Minister for Road & Buildings.
P.S to Hon'ble Minister for Irrigation, Marketing, Legislative Affairs & Mines
and Geology.
P.S. to Hon'ble Minister for Panchayat Raj & Information Technology.
P.S. to Chief Secretary to Government.
P.S. to Secretary to Government & CIP, Ind & Com Dept.
P.S. to Secretary to Government, Ind.&Com. Dept.
The Joint Directors/Deputy Directors/Assistant Directors of Mines and
Geology Dept., through the Director of Mines & Geology, Hyderabad.
The Law (A) Department.
The General Administration (Cabinet) Department.

Sf/Sc.

//FORWARDED :: BY ORDER //

SECTION OFFICER