

Government of Haryana
Mines & Geology Department

Notification
10th July, 2015

Establishment of the
"Mines and Mineral Development,
Restoration and Rehabilitation Fund"

No. DMG/HY/MMDR&RF/2015/6016.— In super-session of Section-III (Establishment of the Aravalli Rehabilitation Fund) notified as part of the 'Scheme of Mining' dated 14th January 2010, the Governor of Haryana is pleased to accord his approval to the establishment of a Fund to be known as the "Mines & Mineral Development, Restoration & Rehabilitation Fund" pursuant to the provisions contained in Chapter 12 of the "Haryana Minor Mineral Concession, Stocking, Transportation of Minerals and Prevention of Illegal Mining Rules, 2012".

2. Accordingly, the Government of Haryana hereby establishes a 'Fund' known as the 'Mines & Mineral Development, Restoration & Rehabilitation Fund' (MMDR &RF). The fund shall be maintained as an interest bearing deposit under the Public Account of the State under the Head: "Public Account, Deposits and Advances and Remittances - 8229 - Development & Welfare Funds - 114 - Mines Welfare Funds - 'Mines & Mineral Development, Restoration & Rehabilitation Fund'".

3. Objects of the Fund:

The 'Mines & Mineral Development, Restoration & Rehabilitation Fund' is established with a view to funding all such schemes/ programmes / projects as are considered necessary for the environmentally sustainable growth of the mining sector, protection, preservation and rehabilitation of the mining sites operated in the state of Haryana and to undertake other related works in the overall interest of protection and preservation of ecology and environment of the area in accordance with the provisions contained in Chapter 12 of the "Haryana Minor Mineral Concession, Stocking, Transportation of Minerals and Prevention of Illegal Mining Rules, 2012". The following objectives are intended to be achieved through the said Fund:

- (i) Funding of the restoration or reclamation or rehabilitation works in the sites affected by mining operations;
- (ii) Provision of common facilities for the benefit of community in and around areas where mining activities are undertaken;
- (iii) Development of infrastructure facilities for orderly growth of the mining operations and allied activities e.g. roads, stone crusher estates, water supply etc.;
- (iv) Funding of the studies commissioned or activities related to the mining sector e.g. survey, exploration and prospecting of minerals, procurement of equipment and machinery required to support such activities;
- (v) Education, awareness and training of the mineral concession holders and the staff of the Department through field visits and exposure to the best mining practices;
- (vi) Funding of expenditure incurred on implementation of any scheme of incentives that the state government may frame for recognition and awards for scientific mining undertaken with highest regard to mineral conservation, rehabilitation measures along with environmental safeguards and other measures;

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- (vii) Any other objects, which the Government may consider expedient to support in the overall interest of the mining sector.

4. Accruals to the Fund:

The following amounts shall be credited to the Fund:

- 4.1 An amount equal to 10% of the 'Dead Rent' or 'Royalty' or 'Contract Money' paid to the state shall be charged from the mineral concession holders in the nature of 'other charges' for restoration and rehabilitation works and credited to the Fund in addition to the amount payable to the Government on account of such dead rent or royalty or contract money;
- 4.2 An amount equal to 5 % of the amount received by state government on account of the Dead Rent or Royalty or Contract Money in a financial year to be deposited/ transferred in the Fund as Government contribution to the Fund;
- 4.3 Any other amount granted by any agency/ government for achieving the objectives of the Fund.
- 4.4 While the amount under 4.1 above shall be deposited by the mineral concession holders in the Government Treasury along with each installment under intimation to the Mines & Geology Department, the Finance Department shall credit the Government share in the following manner:

Sr. No.	Funds received during the Quarter ending	Amount to be transferred to the Fund as on
1	June	31 st August
2	September	30 th November
3	December	28 th February
4	March	31 st May

- 4.5 The Mines & Geology Department shall submit the details of the amount credited to the Government Account on account of 'Dead Rent' or 'Royalty' or 'Contract Money' at the end of each quarter by the close of the following month and the Finance Department shall in turn transfer an amount equal to 5% of the amount so deposited in the government treasury to the Fund;
- 4.6 Interest on the accumulated deposits in the Fund shall be calculated @ 6% per annum and credited to the Fund by the Finance Department as on 31st March by the quarter ending June of the year.

5. Expenditure out of the Fund:

- 5.1 The expenditure on restoration and rehabilitation of the mining sites shall remain the first charge on the fund;

5.2 Reimbursement of Expenditure incurred on execution of Restoration and/or Rehabilitation as part of the Progressive Mine Closure Plan:

- 5.2.1 In case of execution of any restoration and/or rehabilitation works as part of any progressive mine closure plan, the mineral concession holder shall be entitled to get the actually expended and admitted amount reimbursed from out of the Fund subject to such re-imburement being limited to the amount contributed by him. Any expenditure incurred over and above this limit shall have to be borne by the mineral concession holder from his own account;

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- 5.2.2 Every mineral concession holder, before undertaking the restoration and rehabilitation works as part of his Progressive Mine Closure Plan shall get his estimates of expenditure on such works duly approved from the Director or an officer authorised by him and submit the expenditure certificate duly certified by a duly registered Chartered Accountant;
 - 5.2.3 The Director, Mines & Geology, shall approve such estimates, with or without any modifications, and reimburse the expenditure actually incurred on the site by the implementation agency in a phased manner out of the Fund.
 - 5.2.4 The Director may require the mineral concession holder to engage an independent agency for implementation of the restoration and rehabilitation works/ measures and evolve a system of monitoring the deliverables through an independent agency.
- 5.3 Reimbursement of Expenditure incurred on execution of Comprehensive Restoration and/or Rehabilitation works as part of the Final Mine Closure Plan:
- 5.3.1 Notwithstanding the expenditure incurred by a mineral concession holder on the measures taken as part of the progressive mine closure plan, the occasion for undertaking complete restoration and rehabilitation works in respect of any mining area shall arise only when a mine reaches the closure stage and/or when so declared by the department. It is likely that the mining operations would have been undertaken by multiple concession holders before reaching the stage of closure of a mine. As such, it becomes imperative that the comprehensive measures for restoration and rehabilitation of a mining site are taken up only upon closure of such mine.
 - 5.3.2 A mineral concession holder operating the mine at the time of its final closure shall be responsible for execution of the restoration and rehabilitation works as per the final mine closure plan. He shall prepare and submit the estimates for implementation of the final restoration and rehabilitation plan to the Director, Mines & Geology for approval of the estimates.
 - 5.3.3 The Director, Mines & Geology, shall approve such estimates, with or without any modifications. The Director may require the mineral concession holder to execute such works either by himself or engage an independent agency for implementation of the restoration and rehabilitation works/ measures and evolve a system of monitoring the deliverables through an independent agency.
 - 5.3.4 Since the contribution to the fund is also made by each of the lessees/ contractors who have operated the area during the earlier periods, the financial burden of comprehensive restoration and rehabilitation measures shall not be borne by the last contractor/ lessee alone. In such an eventuality, the mineral concession holder, who undertakes execution of the comprehensive restoration and/or rehabilitation measures at the time of final mine closure plan, shall be entitled to get the amount expended by him, reimbursed from out of the Fund to the extent of actual and admitted expenditure. The amount so reimbursed shall be limited to the total amount received from the mineral concession holders in respect of that site after adjusting the expenditure already incurred earlier.

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- 5.4 After meeting the obligations for completion of the restoration and/ or rehabilitation works in respect of any mining area, the balance amount available in the Fund shall be used for fulfillment of its other objectives, subject to approval from the Committee constituted for the purpose.
- 5.5 The Administrative Secretary of the Mines & Geology Department shall evolve a system of requisite systems of monitoring of the works, safeguards and authorizations for re-imburement of funds or incurring of expenditure in this behalf through an office order, which may be modified from time to time as deemed necessary.
6. Administration of the Fund for the residual purposes:

For purposes other than the restoration and rehabilitation works, as per the progressive or final mine closure plans, the 'Mines & Mineral Development, Restoration & Rehabilitation Fund' (MMDR &RF) shall be administered by a Committee headed by the Administrative Secretary to the Government of Haryana, Mines & Geology Department. The Committee shall comprise the following members:

Sr. No.	Name/ Designation of the Officer	Status
1.	Principal Secretary to Government of Haryana, Department of Mines & Geology	Chairman
2.	Representative of the Finance Department not below the rank of Special Secretary (Finance), Haryana	Member
3.	Representative of the Environment Department not below the rank of Director, Environment, Haryana	Member
4.	Representative of the Forest Department not below the Rank of Addl. PCCF, Haryana	Member
5.	Representative of the Health Department not below the rank of Special Secretary/Health or the Director General Health, Haryana	Member
6.	Representative of the Panchayat & Development Department not below the Rank of Special Secretary or Director, Panchayat & Development, Haryana	Member
7.	Representative of the Education Department not below the rank of Director, Primary Education, Haryana	Member
8.	Director, Mines & Geology, Haryana	Member
9.	Any other officer/s of other concerned departments and/ or representatives of the Mineral Concession holders of the area concerned as may be decided by the Committee or the Chairman	Special invitee
10.	State Mining Engineer, Mines & Geology Department, Haryana	Member Secretary

The quorum for the meetings of the Committee shall be five members including the Chairman.

7. Manner of implementation of approved projects:
- 7.1 The Committee shall decide the manner and mode of implementation of the projects funded from the 'Mines & Mineral Development, Restoration &

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Rehabilitation Fund' (MMDR &RF). It may consider and approve projects either *suo moto* or on receipt of proposals from any of the state government departments/ agencies.

7.2 The Committee shall be competent to select/ approve the agency for implementation/ execution of the projects. The broad guiding principles would be driven by the intended and clearly defined outcomes;

7.3 There shall be put in place a mechanism for physical audit of the implementation of projects through an independent *third-party* agency.

8. Duties and Responsibilities of the Committee:

The Committee shall meet at least three times during any Financial Year and at least once every six months. A minimum of 5 members (including the Chairman) shall constitute the quorum. The Committee shall:

- (i) Review the status of the Fund;
- (ii) Approve the projects found eligible for funding;
- (iii) Monitor the progress on implementation of the projects approved;
- (iv) Establish a mechanism for audit of the physical deliverables and outcomes; and
- (v) Take appropriate corrective measures wherever required.

9. Account- keeping for the Fund:

9.1 The Director, Mines & Geology will act as the Drawing and the Disbursing Officer (DDO) for the purposes of appropriation of any money out of the Fund and shall be responsible for the following:

- (i) Maintain a proper ledger of accounts qua the amount credited by the mineral concession holders to the Fund and its quarterly reporting to the Finance Department;
- (ii) Submission of statement of accounts and claim statements to the Finance Department for crediting 5% of the Government share to the Fund and its timely credit;
- (iii) Maintain a proper ledger of accounts in respect of the expenditure incurred from the Fund and reconciliation of accounts at the end of the financial year;
- (iv) Get the interest earnings from the corpus in the Fund credited to the Fund and its reconciliation.
- (v) Get the Audit of the Fund conducted from the Accountant General (Audit).

9.2 The Director shall be competent to establish a small cell consisting of no more than a staff of 5 persons to maintain the accounts of the Fund (amount received and expended) and its reconciliation with the Accountant General and its audit. The Director may either deploy the staff resources from out of the regular sanctioned staff or hire the services of any firm of Chartered Accountants for the purpose. The Status of Accounts shall be placed before the Committee in every meeting.

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9.3 The expenditure incurred on the manpower and other associated expenses shall be chargeable to the Fund.

10. Audit of the Fund:

The Fund shall be subject to audit by the Accountant General (Audit), Haryana.

This notification issues with the concurrence of the Finance Department received vide their U. O. No. 11/162/2009-2FD-III/2015 (4897) dated 27.05.2015.

Secretary to Government of Haryana,
for Additional Chief Secretary to Government of Haryana
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