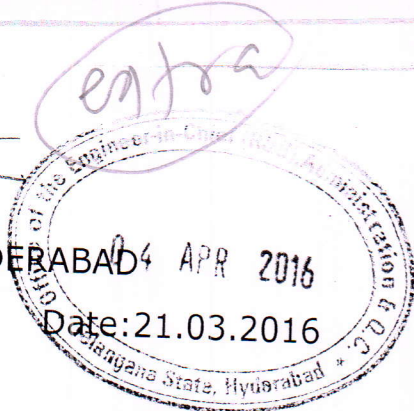


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GOVERNMENT OF TELANGANA
DEPARTMENT OF MINES AND GEOLOGY::HYDERABAD

Letter No.1046/P/2015-9

From
B.R.V. Susheel Kumar, B.E.(Mining),
Director of Mines and Geology,
8th Floor, B.R.K.R. Bhavan Complex,
Tank Bund, Hyderabad.

To,
The Engineer, - in- Chief
(Roads & Buildings)
Department, Erramanzil
Somajiiguda, HYDERABAD-
500082.



Sir,

Sub: Mines & Minerals (Development & Regulation) Amendment Act, 2015 - Insistence for payment of contribution towards District Mineral Foundation Trust (DMF) by the Govt. Engineering Depts. from the contractors involved in execution of civil works, to take care of the areas affected by mining or mining related operations alongwith recovery of Seigniorage Fee from work bills on the quantity of minor minerals consumed in execution of civil works by Govt. Engineering Depts. - Requested - Reg.

- Ref: 1. Govt. of India Gazette Notification No.10 issued by Ministry of Law & Justice, dated 12.01.2015.
2. Govt. of India Gazette Notification No.13 issued by Ministry of Law & Justice, dated 27.03.2015.
3. G.O.Ms.No.3, Ind. & Com. Dept., dated 20.01.2016.
4. G.O.Ms.No.4, Ind. & Com. Dept., dated 20.01.2016.
5. G.O.Ms.No.5, Ind. & Com. Dept., dated 20.01.2016.

I invite kind attention to the subject and references cited and state that vide reference 1st cited, the Central Govt. promulgated the Mines & Minerals (Development & Regulation) Amendment Ordinance, 2015 proposing certain amendments to the Mines & Minerals (Development & Regulation) Act, 1957. Among the amendments, Section 15(4) of the amendment Ordinance stipulates a mechanism to take care of the areas affected by mining or mining related operations through establishment of a non-profitable trust called the District Mineral Foundation (DMF) Trust. The funds for the DMF Trust is linked to the production of minerals and payment of seigniorage fee i.e., 30% contribution on seigniorage fee for the quarry leases granted on application basis or 10% on seigniorage fee for the quarry leases allotted through auction route w.e.f. 12.01.2015. Further, it is informed that the Mines & Minerals (Development & Regulation) Amendment Ordinance, 2015 was enacted by the Parliament and the Central Govt. vide reference 2nd cited, issued notification as the Mines & Minerals (Development & Regulation) Amendment Act, 2015.

Further, the Central Govt. issued guidelines for utilization of the funds paid to the DMF Trust duly adhering to the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) in consultation with the persons affected due to mining or mining related operations.

Hence, in compliance to the MMDR Amendment Act, 2015 the State Govt. under Section 15 of MMDR Act, 1957 vide references 4th, 5th and 6th cited issued the following notifications:

- (1) Establishment of District Mineral Foundation in all the Districts of Telangana State.
- (2) District Mineral Foundation Rules, 2016 and



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- (3) Constitution of the Governing Council and Managing Committee to look after the affairs of the District Mineral Foundation.

Further, it is informed that all the Govt. Engineering Depts. executing civil works deduct seigniorage charges from the bills of the contractors on the quantity of minor minerals utilized as per G.O.Ms.No.94, Irrigation & Command Area Development (PW-COD) Dept., dated 01.07.2003. Therefore, in view of the notification on establishment of DMF it becomes mandatory on the Govt. Engineering Depts. either to enforce the contractors to procure minor minerals from the bonafide quarry leases granted by the Dept. alongwith evidence of payment of contribution towards the District Mineral Foundation or the Consuming Dept. shall in addition to seigniorage charges also recover 30% contribution on seigniorage charges from the contractor bills towards DMF and remit in the Scheduled Bank as specified in the Second Schedule to the Reserve Bank of India Act, 1934 and authorized by the District Collector & Magistrate as Chairperson of the Managing Committee on receipt of communication.

In view of the above, it is requested to kindly issue suitable instructions to the concerned in your Dept. for compliance of Govt. orders by either insisting upon the contractors to produce evidence of payment of mandatory contribution towards DMF while procuring minor minerals from the bonafide leases or to deduct the same as per the rates fixed by the Govt. alongwith recovery of seigniorage fee from the work bills of contractors and intimate the collections to the District Mineral Foundation every month.

Yours faithfully
Sd/- B.R.V. Susheel Kumar
Director of Mines and Geology

// Attested //


for Director of Mines and Geology

Copy to the Asst. Directors of Mines & Geology concerned with a direction to take-up the matter with the District Collectors for immediate opening of bank account and to pursue with the Govt. Engineering Depts. at the District level.