

SIKKIM



GOVERNMENT

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GOVERNMENT OF SIKKIM MINES AND GEOLOGY DEPARTMENT GANGTOK.

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NOTIFICATION

In exercise of powers conferred by section 9B, sub-section (4) of section 15 and section 15A of the Mines Minerals (Development and Regulation Act), 1957 (Central Act No. 67 of 1957), the State Government hereby makes the following rules, namely:-

Short title, extent and commencement

1. (1) These rules may be called the Sikkim District Mineral Foundation Rules, 2025.
- (2) They shall extend to the whole of Sikkim.
- (3) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. In these rules, unless the context otherwise requires.-
 - (a) "Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act No. 67 of 1957);
 - (b) "Board" means the Board of Trustee of the Trust established under these rules;
 - (c) "Government" means the Government of Sikkim;
 - (d) "PMKKKY" means "Pradhan Mantri Khanij Kshetra Kalyan Yojana", which is a centrally approved scheme implemented through the District Mineral foundations of the respective Districts under these rules using the funds accruing to them.
 - (e) "rules" means the Sikkim District Mineral Foundation Rules;
 - (f) "Trust" means the District Mineral Foundation Trust constituted under these rules;

		(g)	“Years” means financial year commencing from the 1 st April, and ending on the 31 st March;
		(h)	The words and expression used but not defined in these rules shall have the same meaning as are respectively assigned to them in the Mines and Minerals (Development and Regulation) Act, 1957 (Act 67 Of 1957) or, as may be defined under the provisions or the Sikkim Minor Mineral Concession Rules, 2025.
Trust and its constitution	3.	(1)	There shall be constituted for each District of Sikkim a Trust to be known as the District Mineral Foundation for the said District;
		(2)	The Trust shall be a body corporate with perpetual succession and shall have common seal.
Objects of the Trust	4.		The objects of the Sikkim District Mineral Foundation Trust shall be to work for the interests and benefits of persons and areas affected by mining or quarrying related operations in the district, in the manner as specified in these rules.
Composition of Board of Trustee of the District Mineral Foundation	5.	(1)	The Board of Trustee shall consist of the following members namely:-
		(a)	the Collector of the District shall be its chairperson;
		(b)	District Level officers of Forest and Environment and Wildlife Management, authorized officer of Mines and Geology, Rural Management and Development, Public Works Department, Irrigation and Flood Control, Social Justice Empowerment and Welfare, Human Resource Development Department, Health Care, Human Service and Family Welfare, Finance, Revenue and Expenditure Departments and of such other Departments and Organizations as the Government may specify, who shall be its members, <i>ex-officio</i> ;
		(c)	each Member of the Lok Sabha and each Member of the Sikkim Legislative Assembly in whose constituency any major or minor mineral concession is situated, shall be its <i>ex-officio</i> members;
		(d)	a member of the Zilla Parishad situated within the District wherein the area in which any major or minor mineral concession or maximum number of quarry is situated to be nominated by the Government as an <i>ex-officio</i> member;
		(e)	not exceeding 2 (two) members of the Panchayati Raj Institutions or Urban Local Bodies from the area in which any major or minor mineral concession or maximum number of quarry is situated to be nominated by the Government as members;

- (f) Additional District Collector of the District or such other person as maybe decided by the Government shall be the Chief Executive Officer of the Trust.
- (2) The Chairperson may invite such other Officials to the meetings of the Board, as he may consider necessary.
- (3) The quorum for the Board shall be 50 (fifty) percent of the members.
- (4) The Board shall meet at least twice in a financial year.

Powers and Functions of the Board

- 6. (1) The Board shall have the overall control of the management and functioning of the Trust and shall, subject to guidelines or directions, if any, issued by the Government from time to time, have the powers to, –
 - (a) approve the annual budget and action plan for the Trust;
 - (b) approve the master plan or prospective plan;
 - (c) decide upon the priority areas and sectorial allocation;
 - (d) appoint auditors and approve the annual reports;
 - (e) grant administrative sanction of individual projects exceeding the estimated cost of Rupees 50 (fifty) lakhs; and
 - (f) monitor the proper functioning of the Trust.

Composition, Powers and Functions of the Managing Committee

- 7. (1) The Managing Committee of a Trust shall consist of the following members, namely:-
 - (a) District Collector, who shall be the Chairperson;
 - (b) District level Officers of Rural Management and Development, Public Works, Forest, Environment and Wildlife Management, Mines, authorized officer of Mines and Geology, Department and of such other Departments or Organizations as the Government may specify, who shall be its members; and
 - (c) the Chief Executive Officer of the Trust who shall be the Member – Secretary of the Managing Committee.
- (2) The Managing Committee shall be responsible for monitoring the day to day management and supervision of the activities of the Trust under the overall supervision and control of the Board and more specifically, shall have the following powers, namely:-
 - (a) award contracts and works and sanction of payment for the same;
 - (b) grant administrative sanction for individual projects with estimated cost not exceeding Rupees 50,00,000(fifty) lakhs;

- (c) maintenance of accounts ;
- (d) supervision of progress in discharge of contracts and execution of works;
- (e) investment of funds of the Trust in accordance with the guidelines laid down by the Government and the Board ;
- (f) preparation of perspective plan, budget etc. for approval of the Board ;

- (3) The Managing Committee shall meet at least once every quarter and more frequently if required.
- (4) The Managing Committee may delegate such of its powers to the Chief Executive Officer as it may consider appropriate.

Funds of the Trust

8. The fund of the Trust shall comprise of .-

- (a) payment of the Trust made by the lessees of major mineral leases at rates to be specified by the Central Government;
- (b) payment to the Trust made by the lessees of minor mineral leases at the rates specified in these rules;
- (c) all receipt and incomes including interest accrued on the deposits made in the bank ; and
- (d) voluntary contributions, if any, received by the Trust from any person or Organisation.

Bank Accounts

- 9. (1)** All the funds of the Trust shall be credited to the bank account(s) of the Trust to be operated in scheduled bank(s) or shall be deposited in Public Account of the Government, as may be directed by the Government ;
- (2)** The bank accounts(s) of the Trust shall be operated by at least 2 (two) persons, to be decided by the Board, one of whom shall be the Managing Trustee of the Board.
- (3)** All payment of the Trust, except contingent expenditure not exceeding Rs. 5000 (five thousand) and such statutory dues or utility charges for which e- payment facility is not available, shall only be made electronically to the bank account of the recipient;
- (4)** The amounts of the Fund not required for immediate disbursement may be deposited in fixed deposits or flexi deposits, following a transparent and competitive invitation of offers from eligible scheduled banks or may be invested in appropriate instruments, as may be directed by the Government.

**Amount payable
by lessees of
minerals to the
Trust**

10. (1) All holders of major minerals leases shall, in addition to royalty, pay to the respective District Mineral Foundation, an amount equivalent to such percentage of royalty as may be prescribed by the Central Government under sub-section (5) or, as the case may be, sub-section(6) of section 9B of the Act;
- (2) All holder of minor mineral leases shall, in addition to the royalty, pay to the respective Trust amount equal to 20 (twenty) percent of the royalty;
- (3) The amount under sub-rule (1) and (2) shall become payable and be paid on the same day on which such royalty was payable to the Government.

**Permissible
activities**

11. The funds of the Trust may be utilized for implementing the PMKKKY consisting of the following activities, namely:-
- (1) (a) **Drinking water supply:** Centralized purification systems, water treatment plants, permanent or temporary water distribution networks including stand-alone facilities for drinking water, laying of piped water supply systems;
- (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 and surface pollution control mechanisms required for environment-friendly and sustainable mine development. Identification of mineral-specific pollutants and their hazard potential may be done by involving reputed educational institutes or research institutions. The fund may be allocated for identification of the hazards, setting up air quality monitors and displays, and undertaking measures for the implementation of the recommendations of the research;
- (c) **HealthCare:**
- (i) the focus must be on creation of primary or secondary health care facilities in the affected areas and 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;
- (ii) 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;

- (iii) the expertise available with the National Institute of Mines' Health may also be drawn upon to design special infrastructure needed to take care of mining related illnesses and diseases;
 - (iv) Group Insurance Scheme for health care may be implemented for mining affected persons not covered under other schemes;
- (d) **Education:** Construction of school buildings, additional class rooms, Laboratories, Libraries, Art and crafts room, toilet blocks, drinking water provisions, residential Hostels for students or teachers in remote areas, sports infrastructure, engagement of teachers or other supporting staff, e-learning set up, other arrangement of transport facilities (bus or van or cycles or rickshaws etc.) and nutrition related programs. Financial support to students of affected areas for pursuing education in government or government aided institutions of higher education;
- (e) **Welfare of Women and Children:** Special programs for addressing problems of maternal and child health, malnutrition, infectious diseases etc;
- (f) **Welfare of aged and disabled people:** Special programs and medical support for welfare of aged and disabled people and financial assistance to District Disability Rehabilitation Centres (DDRCs).;
- (g) **Skill development:** (i) skill development for livelihood support, income generation and economic activities for local eligible persons;
- (ii) The projects or schemes may include training, training kits, development of skill development Centre, incubation center, self-employment schemes, support to Self Help Groups and provision of forward backward linkages for such self-employment economic activities, works to improve and showcase the arts and crafts of the affected people and areas, 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 such other related activities;
- (i) **Housing:** Provision of pucca housing for mining affected families not covered under Central or States schemes etc;
- (j) **Agriculture:** Activities related to agriculture, horticulture and agroforestry. Assistance to farmers through trainings, support to Farmer Producer Organization, Collectives or cooperatives, support for setting up of food processing units, storage including cold storage, marketing facilities like market yards etc., plantation, processing of medicinal herbs;

- (k) **Animal Husbandry:** Promotion of livestock, poultry, piggery, fishery, feed and fodder development and supporting innovation in animal husbandry, Farmers Producer Organization (FPOs), Self Help Groups (SHGs), Farmer Cooperative Organisations (FCOs).

(2) **Other priority activities,-**

- (a) **Physical infrastructure:** providing required physical infrastructure such as road, bridges, railways and waterways projects etc ;
 - (b) **Irrigation:** developing alternate sources of irrigation, check-dams, diversion weirs, adoption of suitable and advanced irrigation techniques;
 - (c) **Energy and Watershed Development:** (a) development of alternate source of energy (including micro-hydel) and rainwater harvesting system;
 - (b) development of orchards, integrated farming and economic forestry and restoration of catchments;
 - (d) **Afforestation:** Plantation of trees and regeneration of degraded forests, soil conservation measures etc;
 - (e) Any other measures for enhancing environmental quality in the districts where mining or quarrying operations are carried on.
- (3) As far as possible, not less than 70 (seventy) percentum of the funds may be utilized for high priority activities and upto 30 (thirty) % of the funds may be utilized for other priority activities:
- Provided that if the Board is of view that it is necessary in the interest of welfare of the affected people and of the development of the affected areas so to do, it may take up projects for other priority areas in excess of the limits specified in this sub-rule.
- (4) Not more than 30 (thirty)percentum of the funds may be utilized for taking up activities in the indirectly affected areas.”

Identification of affected areas and affected people.-

12. (1) The Board shall identify, prepare and maintain a list of affected areas and affected people in accordance with the provisions of sub-rules(2)and(3) respectively.
- (2) Affected areas shall be of 2 (two) types, namely; (a) directly - affected areas(b) indirectly - affected areas.

- (a) Directly-affected areas are areas where direct mining or quarrying- related operations such as excavation, mining, blasting, beneficiation and waste disposal (overburdened dumps, tailing ponds, transport corridors etc.) are located, which may also include,-
 - (i) villages and gram panchayats within which the mines or quarry are situated and are operational, which may extend to neighboring village, block or district or even the state;
 - (ii) an area within a radius of 10(ten) kilometers from a mine or quarry or cluster of mines or quarry, irrespective of the fact whether this falls within the district concerned or adjacent district;
 - (iii) villages in which families displaced by mines have been resettled or rehabilitated by the project authorities; and
 - (iv) villages that significantly depend on the mining areas for meeting their economic needs and have usufruct and traditional rights over the project areas i.e for grazing, collection of minor forest produce etc.
 - (b) Indirectly-affected areas are areas within 25 (twenty five) kilometres from boundary of mines of mineral other than minor mineral, irrespective of whether this falls within the district concerned or adjacent district, where local population is adversely affected on account of economic, social and environmental consequences due to mining-related operations and such operation may have the major negative impacts of mining 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.
3. (1) Affected people may comprise of directly affected persons like,-
- (a) 'affected family' as defined under section 3(c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013, (30 of 2013); and
 - (b) 'displaced family' as defined under section 3(k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or
 - (c) any other family or persons as appropriately identified by the concerned Gram Sabha
- (2) Persons affected by mining or quarrying related operation may also include people who have legal and occupational rights over the land being mined and also those with usufruct and traditional rights.

**General
guidelines**

- (3) Affected families may also be identified, as far as possible, in consultation with the local or elected representatives of Gram Sabha.
- 13.** (1) The development and welfare activities to be taken up by the Trust shall, as far as possible, be in the nature of State as well the Central Government.
- (2) Activities meant to be taken up under the 'polluter pays principle' shall not be taken up under the Trust.
- (3) Without prejudice to the powers of the Trust, efforts shall be made to achieve convergence with the State and the District Plans so that the activities taken up by the Trust supplement the development and welfare activities and are treated as extra-budgetary resources for the State Plan. There shall be focus on convergence with ongoing central and state schemes for achieving the Sustainable Development Goals (SDGs) in mining affecting areas. While formulating schemes, priority shall be given to achieving under Aspirational Districts Programme and Aspirational Block Programme.
- (4) An amount not exceeding five percentum of the annual receipts of the Trust or such other limit not exceeding five percentum, as may be fixed by the Government, may be utilized for administrative, supervisory and overhead of the Trust.
- (5) No temporary or permanent posts should be created by the Trust and for purchase of vehicle; the Trust shall require prior approval of the Government for such activity. However, minimum required staff can be engaged on contractual basis.
- (6) If the affected area of a mine/quarry in one district also falls in the jurisdiction of another district, such percentage of amount collected from the mine by the Trust, as may be decided by the Government, shall be transferred to the Trust of the other district concerned for taking up the activities in such areas.
- (7) A project that is for benefit of the affected area or people, but stretches beyond the geographical boundary of the district should be taken up by the Trust of the respective district.
- (8) 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.
- (9) Prior approval of the Government must be obtained, before under taking any works in excess of the limits of fund utilization.
- (10) A reasonable sum of the annual receipts as decided by the Board, may be kept as endowment fund for providing sustainable livelihood."

Execution of Works of Contracts	<p>14. (1) As far as possible, the works undertaken by the Trust shall be executed only through Government Departments, agencies and public sector undertakings normally undertaking such works which follow the relevant norms and procurement procedures as may be applicable to the Government projects implemented by organization while executing or awarding contracts. Procurement through Government e-marketplace (GeM) portal should be preferred.</p> <p>(a) technical approval and supervision of the work will be looked after by officers competent to do so under the administrative delegation of powers as applicable to the Department concerned;</p> <p>(b) in respect of such work which cannot be executed through Government Departments, agencies or public sector undertakings, the Managing Committee may award the work to any other competent and sound agencies following a transparent process, after obtaining prior approval of the Board.</p>
Maintenance of accounts	<p>15. (1) The accounts of the Trust shall be maintained in accordance with such accounting procedure as the Government may notify in the Official Gazette.</p> <p>(2) The investments from the fund of the Trust shall be made in accordance with such guidelines as the Government may notify in the official gazette.</p>
Audit	<p>16. The accounts of the Trust shall be audited every year by the Chartered Accountant appointed by the Board, or in such other manner as the Government may specify, and the report thereof shall be submitted to the Government along with the Annual Report and shall also be placed in the public domain.</p>
Annual Report	<p>17. (1) Every year, within 3(three) months from the date of its closure, the Board shall cause to prepare an Annual Report on the activities of the Trust for the respective year.</p> <p>(2) The Annual Report will be submitted to the Government within 1 (one) month from the date of its approval by the Board and will also be placed on the website of the Trust.</p>
Maintenance of transparency	<p>18. (1) The Trust shall maintain transparency in respect of its activities.</p> <p>(2) Each Trust shall have a website of the District administration on which, inter-alia, following information will be hosted and kept updated, namely:-</p> <p>(a) details of composition of the Board and the Managing Committee;</p> <p>(b) decisions of all meetings of the Board and the Managing Committee;</p>

- (c) list of areas and people affected by mines or quarry;
- (d) quarterly details of all contributions received from lessees and others;
- (e) all meeting agendas, minutes and action taken report (ATRs);
- (f) 5 (five) years Perspective plan, details of investment of endowment fund, Annual plans and budget, work orders and Annual report within 30 (thirty) days of approval of the Board;
- (g) details of progress of work including description of work, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress up to last quarter etc; and
- (h) details of individual beneficiaries and the extent of assistance sanctioned and disbursed to them.

- (3) Each Trust shall display description of the project and amount sanctioned on a notice board at the project site.
- (4) Each Trust shall ensure Information, Education and Communication (IEC) activities to create awareness regarding schemes implemented under PMKKKY through social media, films, videos etc.
- (5) Each Trust shall provide information on the performance of DMF including deposit of funds and implementation of works to the State Government and Ministry of Mines, Government of India as per formats prescribed and manner specified.
- (6) Each Trust shall make voluntary disclosure of the information under the Right to Information Act, 2005 (Act No. 22 of 2005).

Monitoring of the amount payable to the Trust

- 19. (1) Every lessee shall remit the amount payable to the Trust into the credit of such bank account as the Trust may specify, under intimation to the officer to whom the royalty is payable.
- (2) Every officer who is authorized to collect royalty shall maintain a register of the amount payable or paid by each lessee and furnish the monthly consolidated statement thereof to the Chief Executive Officer of the Managing Committee at the end of every month.

Powers of the State Government

- 20. (1) In the interest of convergence with State Plans, District Plans and such other matters deemed fit; the State Government shall have powers to issue guidelines and directions to District Mineral Foundation.
- (2) The Trust shall abide by such guidelines or directions of the State Government.

**Monitoring by
the State Level
Committee**

21. (1) The Government may constitute a State Level Committee to monitor and review the functioning of the Trusts consisting of the following members and such other persons as the Government may notify.

Chief Secretary	Chairman
Development Commissioner-cum Additional Chief Secretary/ Secretary, Planning and Development Department	Vice Chairman
Secretary, Finance Department	Member
Secretary, Water Resources Department	Member
PCCF/Secretary, Forest and Environment Department	Member
Secretary, Rural Development Department	Member
Secretary, Education Department	Member
Secretary, Health and Family Welfare Department	Member
Secretary, Power Department	Member
Secretary, Panchayati Raj Department	Member
Secretary, Public Health Department	Member
Secretary, Roads and Bridges Department	Member
Secretary, Buildings Department Secretary,	Member
Secretary, Mines and Geology Department	Member Secretary

- (2) The State Level Committee shall have the powers to call for reports and returns from the Trusts and issue directives or advisories to the Trusts not inconsistent with the provisions of these rules.

- (3) The State Level Committee may set up a State Project Management Unit with Mines and Geology Department as Nodal Department and shall act as Secretariat to State Level Monitoring Committee. The costs relating to the Project Management Unit may be met from contributions to be made by the Trusts in such manner and proportion, as may be determined by the Committee:

Provided that the total amount of the administrative expenses incurred by the Trusts together with the contribution made to the State Project Management Unit shall not exceed the limit specified in sub-rule(4) of rule 13 of this rule for the administrative, supervision and overhead costs of the Trust”.

- (4) The State Level Monitoring Committee shall meet at least twice a year.

**Power of
Government to
relax the
operation of
any provision
of these rules**

- 22.** State Government may, by an order, relax the operation of any of the provisions of these rules as may be specified therein if, in the opinion of the Government, such relaxation is in the public interest.

**Power of
Government
to remove
difficulties**

- 23.** If any difficulty arises in giving effect to the provisions of these rules, the State Government may, by order publish in the Sikkim Gazette, make such provisions not inconsistent with the provisions of these rules as it appears to it to be necessary or expedient for removing the difficulty.

**Dicky Yangzom, IAS
Secretary
Mines and Geology Department**