



The Maharashtra Mineral Development (Creation and Utilization) Fund Act,
2001

Act 19 of 2001

Keyword(s):

Advisory Committee, Department, Director, Fund, Maharashtra State Mining Corporation, Managing Director

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**THE MAHARASHTRA MINERAL DEVELOPMENT
(CREATION AND UTILISATION) FUND ACT, 2001.**

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MAHARASHTRA ACT No. XIX OF 2001¹.

[THE MAHARASHTRA MINERAL DEVELOPMENT
(CREATION AND UTILISATION) FUND ACT, 2001]

(The Act received the assent of the Governor on the 21st April 2001 ; assent was first published in the *Maharashtra Government Gazette, Extraordinary, Part IV, on the 21st April 2001.*)

An Act to make special provisions for creation of Mineral Development Fund for the State of Maharashtra and its utilisation towards mineral exploration and development of mining activities in the State.

WHEREAS it was expedient to make special provisions for creation of Mineral Development Fund for the State of Maharashtra and its utilisation towards mineral exploration and development of mining activities in the State and for matters connected therewith or incidental thereto;

AND WHEREAS it was considered necessary to immediately make a law for the same ;

AND WHEREAS both Houses of the State Legislature were not in session ;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action to make a law for the purposes aforesaid ; and, therefore, promulgated the Maharashtra Mineral Development (Creation and Utilisation) Fund Ordinance, 2001, on the 26th February 2001 ;

Mah.
Ord.
IX of
2001.

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature ; It is hereby enacted in the Fifty-second Year of the Republic of India as follows :—

1. (1) This Act may be called the Maharashtra Mineral Development (Creation and Utilisation) Fund Act, 2001.

Short title
and
commence-
ment.

(2) It shall be deemed to have come into force on the 26th February 2001.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "Advisory Committee" means the Advisory Committee constituted under section 7 ;

(b) "Competent Authority" means the Secretary, Trade, Commerce and Mining Department of the Government of Maharashtra ;

1. For Statement of Objects and Reasons, see *Maharashtra Government Gazette, Part VA, Extraordinary, dated the 20th March 2001, page 54.*

(c) "Department" means the Trade, Commerce and Mining Department of Government;

(d) "Director" means the Director, Directorate of Geology and Mining, Maharashtra State, Nagpur;

(e) "Fund" means the Maharashtra Mineral Development Fund constituted under section 3 of the Act;

(f) "Government" means the Government of Maharashtra;

(g) "Maharashtra State Mining Corporation" means the Maharashtra State Mining Corporation Limited, Nagpur;

(h) "Managing Director" means the Managing Director of the Maharashtra State Mining Corporation;

(i) "member" means the member of the Advisory Committee constituted under this Act;

(j) "prescribed" means prescribed by rules made under this Act.

Maharashtra
Mineral
Development
Fund.

3. (1) On the commencement of this Act, the State Government shall constitute, by appropriation duly made from out of the total mineral revenue collected in the immediately preceding financial year, a fund to be called the Maharashtra Mineral Development Fund.

(2) An amount of ten per cent. of such mineral revenue collected during the said year shall be earmarked for this purpose and shall form a part of such Fund.

(3) The State Government shall, thereafter for every completed financial year, contribute, after appropriation duly made, within three months from the appropriation made, ten per cent of the total mineral revenue collection of that financial year, towards the said Fund.

Allotment
of Fund.

4. (1) The Fund so created shall be assigned to the Department.

(2) The fund, shall be made available to the Competent Authority or any other officer appointed in this behalf by the State Government, for disbursement to the Directorate of Geology and Mining and the Maharashtra State Mining Corporation through their respective Director and Managing Director.

Utilisation
of Fund.

5. The Fund so constituted shall be sanctioned by the Competent Authority and utilised for,—

(a) carrying out the functions and activities of the Directorate of Geology and Mining specially for promoting mineral-based industries in the State;

(b) carrying out the activities of the Maharashtra State Mining Corporation as an Organisation and also as a Shell Agency, to perform various functions, like exploitation of minerals, diversification of activities; providing infrastructures at mines and also to perform the functions of the Shell Agency in accordance with the State Mineral Policy of 1999, specially for promoting mineral-based industries in the State; and

(c) financing Government approved schemes connected with the mineral development, with specific previous approval of the State Government for spending on any such scheme for following objects, namely :—

(i) for providing infrastructure facilities for the mines, like roads, water and electricity, or for maintaining ecological or environmental balance;

(ii) for any other activities specially connected with promotion of mineral based industries and mineral development activities which the Government considers to be fit.

6. (1) Any person having Reconnaissance Permit or Prospecting Licence, or Mining Lease or Letter of Intent thereof, desirous of getting financial assistance from the Fund for his project, shall apply, in the prescribed manner, to the Director or, as the case may be, to the Managing Director.

Procedure
for financial
assistance
from Fund.

(2) The Director or, as the case may be, the Managing Director shall, after scrutinising the application, decide the eligibility of such person or company for financial assistance out of the Fund, as per the general guidelines prescribed.

7. (1) The State Government shall by notification in the *Official Gazette*, constitute an Advisory Committee for the purposes of giving directives for proper utilisation and allocation of the Fund. The Advisory Committee shall also perform such other functions as may be prescribed.

Advisory
Committee.

(2) The Fund shall be held and administered on behalf of the Government by the Competent Authority and its utilisation shall be subject to the approval of the Advisory Committee :

Provided that, the Fund shall not be diverted for any other purposes other than those for which it is created and assigned.

(3) The Advisory Committee shall consist of the following members :—

- (a) Chief Minister . . . *Ex Officio* Chairman ;
(b) Minister for Trade, . . . *Ex Officio* Member ;
Commerce and Mining.

- (c) Guardian Ministers for Bhandara, Chandrapur, Nagpur and Yeotmal districts. *Ex Officio* Members ;
- (d) Minister for State for Trade, Commerce and Mining. *Ex Officio* Member ;
- (e) Secretary to Government, Trade, Commerce and Mining Department. *Ex Officio* Member ;
- (f) Members of Parliament from Bhandara, Chandrapur, Nagpur and Yeotmal Districts. *Ex Officio* Members ;
- (g) Four Members of the Maharashtra State Legislature to be nominated by the Government on the recommendation of the Chairman. Members ;
- (h) One expert in the field of mining to be appointed by the Government. Member.

(4) Secretary to Government, Trade, Commerce and Mining Department, shall also act as a Member-Secretary of the Advisory Committee.

(5) No act or proceeding of the Advisory Committee shall be invalid by reason only of a vacancy therein, or any defect in nomination of any member, if such act or proceeding is otherwise in accordance with the provisions of the Act.

(6) Appointments made, from time to time, as members under clauses (g) and (h) of sub-section (3) shall be published in the *Official Gazette*.

(7) The *Ex-Officio* members of the Committee, under clause (f) and the nominated members under clauses (g) and (h) of sub-section (3) shall receive such fee and allowances as may be prescribed.

(8) A person appointed as an expert member under clause (h) of sub-section (3) shall hold the office for a period of three years from the date of his appointment unless his term of office is determined earlier by the State Government, by notification in the *Official Gazette* :

Provided that, the Members of the Parliament and Members of the Maharashtra State Legislature shall cease to be the Members of the Advisory Committee if they cease to be the Members of the Parliament or of the Maharashtra State Legislature, as the case may be.

8. (1) A non-official members appointed under clause (h) of sub-section (3) of section 7 shall be disqualified for being appointed as and for being continued as a member, if he,—

Disqualification and removal of appointed member.

(a) is convicted by Criminal Court for an offence involving moral turpitude, unless such conviction has been set aside; or

(b) is of unsound mind, and stands so declared by a competent court; or

(c) is an undischarged insolvent; or

(d) refuses to act or becomes incapable of acting; or

(e) is otherwise unsuitable to continue as a member.

(2) The State Government may remove the member who is or has become disqualified under sub-section (1), from the membership of the Advisory Committee :

Provided that, no person shall be removed under this section unless that person had been given a reasonable opportunity of being heard by the Government.

9. (1) The account of the amounts credited, withdrawn and spent from the Fund, from time to time, shall be maintained by the Competent Authority in the prescribed manner and shown under appropriate heads in the annual financial statement.

Accounting of Fund.

(2) The annual financial statement shall be placed before each House of the State Legislature, as soon as may be, after it is prepared by the Competent Authority.

10. No suit, prosecution or other legal proceeding shall lie against the Government or the Competent Authority or an officer or an employee of the Government or of the Directorate of Geology and Mining, Maharashtra State or of the Maharashtra State Mining Corporation for anything which is in good faith done or intended to be done under this Act or rules made thereunder.

Protection of action taken in good faith.

11. (1) The State Government may, by notification in the *Official Gazette*, and subject to the condition of previous publication, make rules to carry out the purposes of this Act.

Power to make rules.

(2) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature, while it is in session for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule, or both Houses agree that the rules should not be

made, and notify such decision in the *Official Gazette*, the rule shall from the date of publication of such notification have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

Power to
remove
difficulties.

12. If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by an order published in the *Official Gazette*, do anything not inconsistent with the provisions of this Act, which appears to it to be necessary or expedient for the purpose of removing the difficulty :

Provided that, no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

Repeal of
Mah. Ord.
IX of 2001
and Saving.

13. (1) The Maharashtra Mineral Development (Creation and Utilisation) Fund Ordinance, 2001, is hereby repealed.

Mah.
Ord.
IX of
2001.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification issued or nomination, appointment or rule made) under the said Ordinance, shall be deemed to have been done, taken, issued or made, as the case may be, under the corresponding provisions of this Act.