

GOVERNMENT OF TELANGANA
ABSTRACT

MINES & QUARRIES – Establishment of State Mineral Exploration Trust Rules under Section 15 of Mines & Minerals (Development & Regulation) Act, 1957 – Notification – Issued.

INDUSTRIES & COMMERCE (MINES-I) DEPARTMENT

G.O.MS.No. 10

Dated: 26/02/2016

Read the following:

- 1) Notification by Ministry of Law & Justice, New Delhi in the Gazette of India, Extraordinary dated 27.03.2015.
- 2) Notification by Ministry of Mines, New Delhi in the Gazette of India, Extraordinary dated 14.08.2015 vide GSR 632(E) dated 14.08.2015.
- 3) Notification by Ministry of Mines, New Delhi in the Gazette of India, Extraordinary dated 14.08.2015 vide GSR 633(E) dated 14.08.2015.
- 4) Notification by Ministry of Mines, New Delhi in the Gazette of India, Extraordinary vide GSR 423(E) dated 10.02.2015.
- 5) From the Director of Mines and Geology, Hyderabad Letter No.16264/P/2015 dated:09.12.2015.

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ORDER:

In the reference 1st read above, the Ministry of Law & Justice issued Gazette Notification on the Mines and Minerals (Regulation and Development) Amendment Act, 2015 enacted by the Parliament which envisages exploitation of minerals after exploration in terms of the Mineral (Evidence of Mineral Content) Rules, 2015.

2. In order to promote mineral exploration in respect of notified and non-notified major minerals, the Central Government in the reference 2nd read above issued notification for National Mineral Exploration Trust Rules, 2015 as per Sub-sections (2), (3) and (4) of Section 9C and Section 13 of the Mines and Minerals (Development and Regulation) Amendment Act, 2015. As per Section 9C (4) the holder of a mining lease or a prospecting license-cum-mining lease shall pay to the Trust, a sum equivalent to two percent, of the Royalty paid in terms of the Second Schedule, in such manner as may be prescribed by the Central Government.

3. In the reference 3rd read above, the Ministry of Mines, Government of India issued notification for establishment of National Mineral Exploration Trust and constitution of Governing Body and Executive Committee for management of the National Mineral Exploration Trust Fund.

4. In the reference 4th read above, the Ministry of Mines, Government of India issued notification under clause(e) of Section 3 of the Mines and Minerals (Development and Regulation) Act, 1957 declaring 31 minerals as minor minerals in addition to the existing minor minerals bringing them in the State Governments domain for regulation.

5. In the reference 5th read above, the Director of Mines and Geology, Telangana State proposes to take-up mineral prospecting and exploration for resource evaluation in terms of grade and mineral reserves as per United Nations Framework Classification in the free-hold areas by the Department for allotment of such areas through auction in tune with the Mines and Minerals (Development and Regulation) Amendment Act, 2015. To take-up mineral prospecting and exploration, the Director of Mines and Geology proposed for establishment of State Mineral Exploration Trust for payment of **two percent** on Seigniorage Fee payable by quarry lease holders as per Rule 10, Schedule-I of the Telangana State Minor Mineral Concession Rules, 1966 towards State Mineral Exploration Trust Fund and the State Mineral Exploration Trust Fund Rules.

[P.T.O.]

6. Therefore, the following notification shall be published in the Extraordinary Issue of Telangana State Gazette dated the 29.02.2016.

NOTIFICATION

In exercise of the powers conferred under Section 15(1) of the Mines and Minerals (Development and Regulation) Act, 1957 the Governor of Telangana hereby accord permission for establishment of State Mineral Exploration Trust and the State Mineral Exploration Trust Fund Rules.

Under Section 15(1A)(g) of the Mines and Minerals (Development and Regulation) Act, 1957 the State Government establish a Trust, as a non-profit body, to be called the State Mineral Exploration Trust.

The object of the Trust shall be to use the funds accrued to the Trust for the purposes of regional and detailed exploration in such manner as may be prescribed by the State Government.

1. Short title and commencement.-

(1) These rules may be called the State Mineral Exploration Trust Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires-

(a) "Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957);

(b) "Chairperson, Executive Committee" means the Chairperson of the Executive Committee of the State Mineral Exploration Trust;

(c) "Chairperson, Governing Body" means the Chairperson of the Governing Body of the State Mineral Exploration Trust;

(d) "Executive Committee" means the Executive Committee of the Trust;

(e) "Fund" means the fund referred to in Rule 5;

(f) "Governing Body" means the Governing Body of the Trust;

(g) "Member, Executive Committee" means the member of the Executive Committee of the Trust;

(h) "Member, Governing Body" means the member of the Governing Body of the Trust;

(i) "Obvious geological potential areas" means the area identified by the Geological Survey of India from time to time; and

(j) "Trust" means the State Mineral Exploration Trust established by the State Government under Section 15 of the Mines and Minerals (Regulation and Development) Act, 1957.

3. **Functions of Governing Body and Executive Committee-**

(1) The Governing Body shall lay down the broad policy framework for the functioning of the Trust and review its working.

[Contd.P.2]

- (2) The Governing Body shall approve the annual plan and annual budget of the Trust upon the recommendations of the Executive Committee and it shall meet at least once in a year.
- (3) The Executive Committee shall manage, administer and supervise the Trust and shall also monitor and review the expenditure of the Trust fund at regular intervals.
- (4) The Executive Committee shall, while discharging its functions, follow the policy framework and the directions of the Governing Body from time to time,
- (5) The Chairperson of the Executive Committee may vary the term of office of any nominated member or remove him from the Executive Committee before the completion of his term.

4. Membership of Governing Body.-

- (1) The Members of the Governing Body shall be *ex-officio* members.
- (2) Special Invitees, if any, of the Governing Body shall be entitled to such sitting fee, conveyance and out of pocket expenditure as the Governing Body may decide.

5. Membership of Executive Committee.-

- (1) The ex officio members only shall have voting rights.
- (2) Members, other than ex-officio members including special invitees shall have no voting rights but shall be entitled to such sitting fee, conveyance and out of pocket expenditure as the Governing Body may decide.

6. Constitution of a Fund under the Trust.-

- (1) The State Government shall, by order, set up a fund under the Trust to be called as the "State Mineral Exploration Trust Fund" to be managed by the Executive Committee of the Trust.
- (2) The Trust Fund shall receive monies to be paid in accordance with the provisions of Rule 5 and may also receive contributions from such other sources as may be approved by the State Government.

7. Contribution to Trust Fund.-

- (1) The Trust shall have power 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).
- (2) The Trust shall communicate the particulars of its bank account to the State Government for the purposes of payments required to be made.
- (3) The holders of quarry lease under Schedule-I including temporary permit shall make payments for contribution to the Trust Fund of an amount payable as per Rule 5 of these rules to the State Government simultaneously with payments of the Seigniorage Fee.
- (4) The Assistant Director of Mines and Geology concerned shall deposit the amount collected from such payments into the bank account of the Trust.
- (5) The deposit referred to in Sub-rule (4) by the Assistant Director of Mines and Geology concerned into the designated bank account of the Trust, shall be made as soon as possible, but in any case not later than tenth day of the succeeding month in respect of the amount collected in any particular month.

- (6) The responsibility of collection and depositing the amount so collected in the Trust Fund and maintaining necessary accounts shall be that of the Director of Mines and Geology.
- (7) The Director of Mines and Geology shall provide information regarding amounts paid pursuant to Sub-rule (4) and the Seigniorage Fee payments to the State Government on a monthly basis.
- (8) The Director of Mines and Geology shall maintain an updated record of the monies transferred to the bank account of the Trust along with a database of Seigniorage Fee and provide such information to the Trust on a periodic basis.

8. Office and Bank Account:

- (1) The office of the Trust shall be situated at Industries and Commerce (Mines) Dept. Secretariat, Hyderabad or at such other place as may be determined by the Executive Committee.
- (2) The bank account of Trust shall be opened and operated through the Member-Secretary or any other Member of the Executive Committee or any officer of the State Government, as may be authorized by the Executive Committee.

9. Objects and Functions of the Trust:

- (1) The Trust shall carry out regional and detailed exploration for minerals and it shall undertake such activities as may be deemed necessary by the Governing Body to achieve its objects including:-
 - (a) Funding special studies and projects designed to identify, explore, extract, beneficiate and refine deep seated or concealed mineral deposits;
 - (b) Undertaking studies for mineral development, sustainable mining adoption of advanced scientific and technological practices and mineral extraction metallurgy;
 - (c) Taking up exploration of areas for regional and detailed exploration, giving priority particularly to strategic and critical minerals;
 - (d) Consulting State Geological Programming Board to decide the priorities for exploration of the Trust;
 - (e) Facilitating exploration activities in such a manner that areas explored can be taken up for grant of mineral concessions in accordance with the provisions of these rules made hereunder;
 - (f) Facilitating completion of brown field regional exploration projects in obvious geological potential areas(G3) including conducting high-risk exploration for deep-seated mineral deposits through modern technologies;
 - (g) Promoting completion of detailed exploration (G2 or G1) across Telangana in the areas where G3 stage exploration has been completed;
 - (h) Facilitating geophysical, ground and aerial, survey and geochemical survey of obvious geological potential areas and rest of State;

- (i) Facilitating a State core repository for encouraging research in earth sciences and for evaluation of the mineral prospects;
 - (j) Organizing capacity building programmes to raise technical capability of personnel engaged in or to be engaged in exploration; and
 - (k) Using the Trust Fund for such other purposes that the Governing Body may decide, or authorize the Executive Committee, to be necessary or expedient in the interest of conservation; development and exploitation of mineral resources of State.
- (2) In furtherance of the objectives referred to in Sub-rule (1), the Governing Body may employ or hire personnel, own and dispose of property, including intellectual property, incur administrative expenses and execute documents as may be necessary.

10. Management of the Trust-

- (1) The overall control, periodical reviews and policy direction the Trust shall vest with the **Governing Body**.
- (2) The Executive Committee shall manage, administer and supervise the day to day activities of the Trust.
- (3) The Governing Body may authorize the Executive Committee to exercise any or all of its powers as mentioned in Sub-rule (1).
- (4) The Executive Committee shall formulate and finalize the scheme for delegation of financial powers.

11. Committees.-

- (1) The Executive Committee may constitute committees or sub-committees to undertake such tasks that may be assigned or delegated by the Executive Committee to such committees or sub-committees.
- (2) The committee or sub-committee constituted under sub-rule (1) shall devise its own procedure in the discharge of the duties and responsibilities under these rules and in exercise of such powers and functions as may be specified by the Executive Committee.

12. Implementation of projects by the Executive Committee.-

- (1) The Executive Committee may implement the projects consistent with the objectives of the Trust on its own accord or upon receipt of a project proposal from the Director of Mines and Geology or any other entity, including private sector entities.
- (2) In implementation of the projects referred to in Sub-rule (1), the Executive Committee may devise its own procedure consistent with the rules made hereunder.

13. Monitoring of projects-

- (1) The Trust shall monitor implementation of the projects either by itself or by engaging any government entity, including the Indian Bureau of Mines.
- (2) For the purposes of Sub-rule (1), the Trust may devise its own procedure consistent with the rules made hereunder

14. Meetings of the Governing Body.-

- (1) The Governing Body shall meet at least once in year.
- (2) The meetings of the Governing Body shall be presided by the Chairperson, Governing Body and in the absence of the Chairperson, Governing Body, the ex-officio Members of the Governing Body may elect an Officiating Chairperson, from among themselves.
- (3) All decisions or resolutions including circular resolutions of the Governing Body shall be made or adopted by consensus.
- (4) In case of any disagreement or dissent, the ruling of the Chairperson, Governing Body shall be final.

15. Meetings of the Executive Committee.-

- (1) The Executive Committee shall meet at least once in every three months.
- (2) The meetings of the Executive Committee shall be presided by the Chairperson, Executive Committee and in the absence of the Chairperson, Executive Committee, the ex-officio Members of the Executive Committee may elect an officiating Chairperson, from among themselves.
- (3) The meetings of the Executive Committee may be either physical or virtual or by circulation or by combination of both:

Provided that the meeting by circulation shall not apply for adoption of accounts of the Trust, recommendation to Governing Body for approval of annual plan, annual budget and annual report of the Trust.

- (4) All decisions or resolutions including circular resolutions of the Executive Committee shall be made or adopted by a majority of votes of the members of the Executive Committee present and voting.
- (5) In case of equality of votes, the Chairperson, Executive Committee, or in his absence, the member presiding over such meeting as the Chairperson shall have a casting vote:

Provided that no member shall vote or take part in the discussion of any matter coming up for consideration at a meeting of the Executive Committee or any of its committees or sub-committees, if the matter is one in which such member has any direct, indirect or pecuniary interest.

16. Notice and agenda for meeting of Governing Body and Executive Committee.-

- (1) The Chairperson or the Convener of the Governing Body with the consent of the Chairperson, Governing Body, shall convene the meeting of the Governing Body by giving a minimum fifteen days' notice to all the members:

Provided that the Chairperson, Governing Body may authorize to convene a meeting with a shorter notice period.

- (2) The Chairperson or the Member-Secretary of the Executive Committee, with the consent of the Chairperson shall convene the meeting of the Executive Committee by giving a minimum seven days' notice to all the Members:

Provided that the Chairperson of the Executive Committee may authorize to convene a meeting with a shorter notice period.

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- (3) Notice for any meeting may include an agenda for that meeting, draft minutes of the earlier meeting and action taken report on the minutes of the earlier meeting.

17. Quorum for meeting.-

- (1) The quorum for any meeting of the Governing Body shall be four, excluding the special invitees.
- (2) The quorum for any meeting of the Executive Committee, including a virtual meeting, shall be eight, excluding the nominated members.

18. Powers, Duties and Responsibilities of Member-Secretary of Executive Committee.-

- (1) There shall be a Member-Secretary of the Executive Committee to discharge the functions of the Executive Committee.
- (2) The Member-Secretary of the Executive Committee shall.-
 - (a) Administer and manage the Trust subject to the superintendence, control and direction of the Executive Committee.
 - (b) Exercise such administrative and financial powers as may be delegated by the Executive Committee or as may be assigned by the Chairperson, Executive Committee.
- (3) The Member-Secretary of the Executive Committee shall have the following duties and responsibilities, without prejudice to the generality of sub-rule (2) and (3), namely:-
 - (a) To cause the preparation of the annual plan and related annual budget and submit them to the Executive Committee for consideration and recommendation to the Governing Body;
 - (b) To ensure that due diligence has been exercised before considering proposals or projects to be undertaken by the Trust in accordance with the practices, procedure, rules or directions of the Executive Committee;
 - (c) To ensure that the activities of the Trust are being conducted in accordance with the annual plan and related annual budget; and
 - (d) To submit to the Governing Body the approved annual plan and related annual budget for each financial year to the Central Government, by the end of January of previous financial year.

19. Annual Plan:

- (1) The Member-Secretary of the Executive Committee shall, at the beginning of each financial year, cause preparation of plans for short term projects and long term projects proposed to be undertaken by the Trust in the relevant financial year, to be referred as the annual plan, together with details of the activities to be undertaken or completed by the Trust during such time, the expected time for completion of the projects and cost for such project.
- (2) The annual plan shall contain all projects, programmes, activities proposed to be undertaken by the Trust for achieving its objective and shall have clearly demarcated milestones.

20. Annual Budget-

The Member-Secretary of the Executive Committee shall, at the beginning of each financial year, cause preparation of an annual budget containing the details of the proposed income and expenditure on activities covered in the annual plan for that particular financial year, including the legal, administrative and other costs and expenditure proposed to be incurred by the Trust together with details of the funding requirements in this regard, to be referred as the annual budget.

21. Approval of the Annual Plan and the Annual Budget:

- (1) The annual plan and the annual budget shall be laid before the Governing Body for its approval.
- (2) The Member-Secretary of the Executive Committee shall, on receipt of the copies of the duly approved annual plan and the related annual budget from the Convener of the Governing Body, submit the same to the State Government within a period of thirty days from the date of receipt of approval of the Governing Body.
- (3) Without prejudice to the provisions of sub-rule (2), the Trust may undertake expenditure for activities that are not approved in the annual plan subject to specific approval by the Chairperson, Governing Body, which shall be laid before the Governing Body in the next annual budget.
- (4) The annual plan and related annual budget may be amended at any time subject to the approval of the Chairperson, Governing Body, which shall be laid before the Governing Body in the next year plan or budget.

22. Annual Report. -

- (1) The Member-Secretary of the Executive Committee shall, within ninety days of the end of each financial year, submit an annual report containing such information as deemed appropriate by the Executive Committee.
- (2) The annual report shall be approved by the Executive Committee and shall contain details, *inter alia*, of the activities completed by the Trust during the financial year and the expenditure incurred by the Trust during such financial year.
- (3) A copy of the annual report shall be sent to the State Government within a period of thirty days from the date of its approval by the Executive Committee.

23. Financial year:

- (1) The accounting or financial year of the Trust shall be from the 1st of April to the 31st of March.
- (2) The first year of operations of the Trust may be a partial year.

24. Maintenance and Audit of Accounts, -

- (1) The accounts of the Trust shall be maintained in the form, mode and manner as may be decided by the Executive Committee.
- (2) The accounts of the Trust Fund shall be audited in such manner as may be decided by the Executive Committee.

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(3) After the audit referred to in Sub-rule (2), the Trust shall submit the annual report to the Governing Body.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA STATE)

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.I) Dept.,).

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.

The Revenue Department.

The Environment, Forest, Science and Technology Dept.

All the Departments of Telangana Secretariat.

Copy to:

P.S. to Principal Secretary to the Hon'ble Chief Minister.

P.S to Hon'ble Minister for Mines and Geology.

P.S. to Hon'ble Minister for Revenue.

P.S. to Hon'ble Minister for Forest.

P.S. to Chief Secretary to Government.

P.S. to Secretary to Government & CIP, 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.

Sf/Sc.(C.No.8674 /M.I(1)/2015)

//FORWARDED : : BY ORDER//

SECTION OFFICER