

## **NOTICE**

The Ministry of Mines has prepared the draft National Mineral Exploration Trust Amendment Rules, 2018 seeking to amend the National Mineral Exploration Trust Rules, 2015.

As part of the Pre-Legislative Consultation Policy, the draft Amendment Rules along with an explanatory note is made available below. Comments/suggestions are invited from the general public, Governments of States and Union Territories, Mining Industry, Stake Holders, Industry Associations, and other persons and entities concerned, on the draft Amendment Rules. The last date for receipt of the comments/suggestions is **16<sup>th</sup> February, 2018**.

The comments/suggestions may be sent by e-mail in MS-Office Word to the following ID:

[nmet-mines@gov.in](mailto:nmet-mines@gov.in)

The subject of the e-mail should be **“Comments/suggestions on the draft National Mineral Exploration Trust Amendment Rules, 2018”**.

Alternatively, comments/suggestions may also be sent by post to the following address:

Pradeep Singh, Director  
NMET Division  
Ministry of Mines  
Room No 311, D-Wing  
Shastri Bhawan  
Dr Rajendra Prasad Road  
New Delhi -110 001

The envelope may kindly be super scribed on the top with: **“Comments/suggestions on the draft National Mineral Exploration Trust Amendment Rules, 2018”**.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

GOVERNMENT OF INDIA  
MINISTRY OF MINES

New Delhi, the February, 2018.

Notification

G.S.R. [E].— In exercise of the powers conferred by sub-section (2), (3) and (4) of section 9C of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules to amend the National Mineral Exploration Trust Rules, 2015, namely:—

1. (1) These rules may be called the National Mineral Exploration Trust Amendment Rules, 2018.  
  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the National Mineral Exploration Trust Rules, 2015 (hereinafter referred to as the principal rules), in rule 6,—

(a) For sub-rule (2), the following shall be substituted, namely:—

“(2) The holders of mining lease and prospecting licence-cum-mining lease shall make payments for contribution to the Trust Fund of amount payable under sub-section (4) of section 9C of the Act to the State Government simultaneously with payments of the royalty.”;

(b) After sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) The Trust fund shall be non-lapsable under non-interest bearing section of Public Account of India and shall be administered by the Ministry of Mines.”.

3. In the principal rules, for rule 7, the following rule shall be substituted, namely:—

**“7. Contribution to Trust Fund.—** (1) The State Governments shall collect monies as per sub-section (4) of section 9C of the Act and the sum so collected will be booked under a Head in the Public Account of a State and will be transferred to the Consolidated Fund of India.

(2) The accretions will thereafter be periodically transferred to the Fund under the Public Account of India through appropriations during the financial year and Suitable Budget provisions for the inter account transfer shall be formulated.

(3) The responsibility of collections and transferring the amount to Consolidated Fund of India and maintaining the necessary accounts shall be that of the State

Government. The receipts so collected by the State Government will be transferred to the Consolidated Fund of India as early as possible and not later than the tenth day of the succeeding month of amount collected in any particular month.

(4) The State Government shall provide information regarding amount collected vis-a-vis the royalty and the amount transferred to Consolidated Fund of India to Indian Bureau of Mines on a monthly basis under intimation to the Trust.

(5) Indian Bureau of Mines shall maintain an updated record of the amount transferred to Consolidated Fund of India along with a database of royalty payments and provide such information to the Trust on a periodic basis.”.

4. In the principal rules, in rule 8, for sub-rule (2), the following sub-rule shall be substituted, namely:–

“(2) The bank account of the Trust shall be closed as soon as possible on notification of this amendment and till then the bank account of the Trust shall continue to be operated through the Member-Secretary or any other Member of the Executive Committee or any other officer of the Central Government as may be authorized by the Executive Committee.”.

5. In the principal rules, in rule 19, for sub-rule (1), the following sub-rule shall be substituted, namely:–

“(1) The Member Secretary of the Executive Committee shall, before 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 projects.”.

6. In the principal rules, for rule 20, the following rule shall be substituted, namely:–

“**20. Annual Budget.**– (1) The Member Secretary of the Executive Committee shall, before 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 funding requirements in this regard, to be referred as the Annual Budget.

(2) Annual Budget provision shall also be made in the Demands for Grants of Ministry of Mines under appropriate Head for incurring expenditure under Trust fund. The equivalent amount shall be met from the Trust fund.

(3) After due appropriation of fund and receipt of sanction of the Competent Authority, the expenditure under Trust fund will be incurred from the relevant sub-major/minor heads. On the basis of sanctions issued by the Trust office, Ministry of Mines, the Pay & Accounts Office shall make the payment by debiting the Government account.”.

7. In the principal rules, for rule 21, the following rule shall be substituted, namely:–

**“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 well before the beginning of each financial year so that the necessary provision could be made in the Demands for Grants of the Ministry of Mines.

(2) The annual plan and the related annual budget may be amended with the approval of the Executive Committee which shall then be informed to the next Governing Body.”.

8. In the principal rules, for rule 24, the following rule shall be substituted, namely:–

**“24. Maintenance & Audit of Accounts.–** (1) The Pay & Accounts Office, Ministry of Mines shall maintain a broadsheet of accretions to and payment from the Trust fund and effect reconciliation on monthly basis thereof with the concerned divisions. It shall be ensured that there are no adverse balances under the Reserve Fund at any moment of time.

(2) The Appropriation Accounts of Ministry of Mines shall reflect a synopsis of the transactions flows and balances in the Fund together with project/activity wise utilization.

(3) The account of the Trust fund shall be subject to statutory audit by the Comptroller & Auditor General of India. The accounts shall also be subject to audit by internal audit wing of the O/o. Chief Controller of Accounts, Ministry of Mines.”.

[F. No. 11/8/2015-M.I]

(Niranjan Kumar Singh)

Joint Secretary to the Government of India

Note:- The National Mineral Exploration Trust Rules, 2015 were published in the Gazette of India, Extraordinary, part II, section 3, sub-section (i) vide notification number G.S.R. 632(E), dated the 14<sup>th</sup> August, 2015.

**AMENDMENT PROVISIONS TO THE NATIONAL MINERAL EXPLORATION TRUST RULES, 2015 WITH EXPLANATORY NOTES**

<b>SL. NO.</b>	<b>RULE</b>	<b>EXISTING PROVISION</b>	<b>PROPOSED AMENDMENTS</b>	<b>EXPLANATION</b>
<b>Constitution of a fund under the Trust</b>				
1	6(2)	The Trust Fund shall receive monies to be paid in accordance with the provisions of rule 8 and may also receive contributions from such other sources as may be approved by the Central Government.	The holders of mining lease and prospecting licence-cum-mining lease shall make payments for contribution to the Trust Fund of amount payable under sub-section (4) of section 9C of the Act to the State Government simultaneously with payments of the royalty.	As per the accounting procedure, the State Government will collect NMET contribution which will be booked under a head in Public Account of State. The amount so collected will be transferred to Consolidated Fund of India.
2	6(3)		The NMET fund shall be non-lapsable under non-interest bearing section of Public Account of India and shall be administered by the Ministry of Mines.	It has been decided that NMET shall be non-lapsable under non-interest bearing section of Public Account of India and shall be administered by the Ministry of Mines.
<b>Contribution to Trust Fund</b>				
3	7(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 of the Reserve Bank of India Act, 1934 (2 of 1934).	The State Governments shall collect monies as per sub-section (4) of section 9C of the Act and the sum so collected will be booked under a Head in Public Account of a State and will be transferred to the Consolidated Fund of India (CFI).	NMET shall be maintained in the Public Account of India. Therefore, a separate account in the scheduled bank would not be required.
4	7(2)	The Trust shall communicate the particulars of its bank account to the State Government for the purposes of payments required to be made under sub-section (4) of section 9C of the Act.	The accretions will thereafter be periodically transferred to the NMET Fund under Public Account of India through appropriations during the financial year. Suitable Budget provisions for the inter account transfer	NMET shall be maintained in the Public Account of India. Therefore, a separate account in the scheduled bank would not be required

			shall be formulated.	
5	7(3)	The holders of mining lease and prospecting licence-cum-mining lease shall make payments for contribution to the Trust Fund of amount payable under sub-section (4) of section 9C of the Act to the State Government simultaneously with payments of the royalty.	The responsibility of collections and transferring the amount to CFI and maintaining the necessary accounts shall be that of the State Government. The receipts so collected by the State Government will be transferred to the CFI as early as possible and not later than the tenth day of the succeeding month of amount collected in any particular month.	The State Government will collect NMET contribution which will be booked under a head in Public Account of State. The amount so collected will be transferred to Consolidated Fund of India.
6	7(4)	The State Government shall deposit the amount collected from such payments into the bank account of the Trust.	The State Government shall provide information regarding amount collected vis-a-vis the royalty and the amount transferred to CFI to Indian Bureau of Mines on a monthly basis under intimation to NMET.	NMET shall be maintained in the Public Account of India. Therefore, a separate account in the scheduled bank would not be required.
7	7(5)	The deposit referred to in sub-rule (4) by the State Government 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.	Indian Bureau of Mines shall maintain an updated record of the amount transferred to CFI along with a database of royalty payments and provide such information to the Trust on a periodic basis.	The State Government shall collect the NMET contribution to be booked in the Public Account of State. The receipts so collected by the State Government will be transferred to the CFI as early as possible and not later than the tenth day of the succeeding month of amount collected in any particular month. The database of the NMET amount paid by State Government in CFI and the royalty payments to State shall be maintained by IBM.

<b>Office and bank account</b>				
8	8(2)	The bank accounts of the Trust shall be opened and operated through the Member Secretary or any other Member of the Executive Committee or any other officer of the Central Government, as may be authorised by the Executive Committee.	The bank account of the Trust shall be closed as soon as possible on notification of this amendment and till then the bank account of the Trust shall continue to be operated through the Member-Secretary or any other Member of the Executive Committee or any other officer of the Central Government as may be authorized by the Executive Committee.	NMET shall be maintained in the Public Account of India. Therefore, a separate account in the scheduled bank would not be required. Therefore, the bank account of the Trust shall be closed as soon as possible on notification of this amendment.
<b>Annual Plan</b>				
9	19(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 projects.	The Member Secretary of the Executive Committee shall, before 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 <b>Annual Plan</b> , 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 projects.	The Annual Plan together with details of the activities are required to be prepared before the beginning of the financial year.
<b>Annual Budget</b>				
10	20(1)	The Member Secretary of the Executive Committee shall, at the beginning of each financial year, cause preparation of an <b>Annual Budget</b> containing the details of the proposed income and	The Member Secretary of the Executive Committee shall, before the beginning of each financial year, cause preparation of an <b>Annual Budget</b> containing the details of the proposed income and expenditure on activities covered in the Annual Plan	The Annual Budget is required to be prepared before the beginning of the financial year.

		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 funding requirements in this regard, to be referred as the <b>Annual Budget.</b>	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 funding requirements in this regard, to be referred as the <b>Annual Budget.</b>	
11	20(2)		Annual Budget provision shall also be made in the Demands for Grants of Ministry of Mines under appropriate Head for incurring expenditure under NMET fund. The equivalent amount shall be met from the NMET fund.	As the fund will be administered by the Ministry of Mines, the Budget provision shall have to be made in the Demands for Grants of Ministry of Mines under appropriate Head for incurring expenditure under NMET fund.
12	20(3)		After due appropriation of fund and receipt of sanction of the Competent Authority, the expenditure under NMET fund will be incurred from the relevant sub-major/minor heads. On the basis of sanctions issued by the NMET, the Pay & Accounts Office, Ministry of Mines shall make the payment by debiting the Government account.	As the fund will be administered by the Ministry of Mines, the expenditure out of NMET Fund will be incurred from relevant sub-major/minor heads on the basis of sanctions of the Competent Authority.
	21(1)	The annual plan and the annual budget shall be laid before the Governing Body for its approval.	The annual plan and the annual budget shall be laid before the Governing Body for its approval well before the beginning of each financial year so that the necessary provision could be made in the Demands for Grants of the Ministry of Mines.	The Annual Plan and Annual Budget shall be approved by the Governing Body so that the necessary provision could be made in the Demands for Grants of the Ministry of Mines.
	21(2)		The annual plan and the related annual	The approved Annual Plan and



			budget may be amended with the approval of the Executive Committee which shall then be informed to the next Governing Body.	Annual Budget may have to be modified in order to incorporate new project proposals in a particular financial year, and to make provisions in the Revised Budget Estimates/ Supplementary Grant accordingly.
<b>Maintenance and Audit of Accounts</b>				
13	24(1)	The accounts of the Trust shall be maintained in the form, mode and manner as may be decided by the Central Government.	The Pay & Accounts Office, Ministry of Mines shall maintain a broadsheet of accretions to and payment from the NMET fund and effect reconciliation on monthly basis thereof with the concerned divisions. It shall be ensured that there are no adverse balances under the Reserve Fund at any moment of time.	The NMET fund will be administered by Ministry of Mines through the PAO, Ministry of Mines, the necessary broadsheet of accretions to and payment from NMET will be maintained by PAO, Mines.
14	24(2)	The accounts of the Trust Fund shall be audited in such manner as may be decided by the Central Government.	The Appropriation Accounts of Ministry of Mines shall reflect a synopsis of the transactions flows and balances in the Fund together with project/activity wise utilization.	The provision regarding statutory audit of the Trust Fund have been incorporated in sub-rule 24(3). The synopsis of the transactions flows and balances in the Fund in Appropriation Accounts of Ministry of Mines is required for effective fund management and monthly reconciliation.
15	24(3)	After the audit referred to in sub-rule (2), the Trust shall submit the annual report to the Central Government.	The account of the NMET fund shall be subject to statutory audit by the Comptroller & Auditor General of India. The accounts shall also be subject to audit by internal audit wing of the O/o. Chief Controller of Accounts, Ministry of Mines.	As the NMET Fund will be maintained in the Public Account of India, statutory audit by O/o C&AG and internal audit by the O/o CCA, Mines would be required.