

No. M.VI-1/2/2024-Mines VI

Government of India

Ministry of Mines

Shastri Bhawan, Dr. Rajendra Prasad Road

New Delhi-110 001

Dated:- 22nd February, 2024

NOTICE

Subject: Framing of rules under the OAMDR Act, 2002 - the Offshore Areas Mineral Trust Rules, 2024.

Ministry of Mines administers the Offshore Areas Mineral (Development & Regulation) Act, 2002 [OAMDR Act]. The Act provide for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India and to provide for matters connected therewith or incidental thereto.

2. The OAMDR Act has recently been amended through the OAMDR (Amendment) Act, 2023 w.e.f. 17.08.2023. The amendment, *inter alia*, inserted provision for establishment of the Offshore Areas Mineral Trust under section 16A of the Act. Ministry of Mines is in the process of framing the rules for implementing the provisions of the amended OAMDR Act.

3. In this regard, a copy of draft Offshore Areas Mineral Trust Rules, 2024 is enclosed herewith.

4. As part of the Pre-Legislative Consultation Policy, comments/ suggestions are invited from the general public, Governments of States and Union Territories, mining industry stakeholders, industry associations, and other persons and entities concerned, on the above draft notifications for amendment of the rules.

5. The last date for receipt of the comments/suggestions is 23.03.2024.

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

offshore-mines@gov.in

The subject of the e-mail should be “Comments/ suggestions on the draft Offshore Areas Mineral Trust Rules”.

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

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No 313,
D-Wing Shastri Bhawan,
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New Delhi -110 001

The envelope may kindly be superscribed on the top with:

“Comments/ suggestions on the Offshore Areas Mineral Trust Rules”.

Encl.: As above.



(Mustaq Ahmad)

Director

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**TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART
II, SECTION 3, SUB-SECTION (i)]**

GOVERNMENT OF INDIA

MINISTRY OF MINES

NOTIFICATION

New Delhi, the February, 2024

G.S.R... (E).—In exercise of the powers conferred by clause (jj), (jk), (jl) and (jm) of sub-section (2) of section 35 read with Section 16A of the Offshore Areas Mineral (Development and Regulation) Act, 2002 (17 of 2003), the Central Government hereby makes the following rules, namely:—

- 1. Short Title and Commencement.-** (1) These rules may be called the Offshore Areas Mineral Trust Rules, 2024.

(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 Offshore Areas Mineral (Development and Regulation) Act, 2002 (17 of 2003);
 - (b) “**Chairperson, Executive Committee**” means the Chairperson of the Executive Committee of the Offshore Areas Mineral Trust established under sub-section (1) of section 16A of the Act;
 - (c) “**Chairperson, Governing Body**” means the Chairperson of the Governing Body of the Offshore Areas Mineral Trust established under sub-section (1) of section 16A of the Act;
 - (d) “**Executive Committee**” means the Executive Committee of the Trust;
 - (e) “**Fund**” means the fund referred to in rule 6;
 - (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) “**offshore obvious geological potential areas**” means the area identified by the Geological Survey of India from time to time; and

- (j) “**Trust**” means the Offshore Areas Mineral Trust established by the Central Government under sub-section (1) of section 16A of the Act.
 - (2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings as assigned to them in the Act and Rules made thereunder.
- 3. The Functions of the Governing Body and the Executive Committee.-** (1) The Governing Body shall lay down the broad policy framework for the functioning of the Trust and review its working.
- (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 Central Government shall notify composition of the Governing Body having *ex officio* members and other special invitees.
- (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 Central Government shall notify composition of the Executive Committee having *ex officio* members and other members.
- (2) The *ex officio* members only shall have voting rights.
 - (3) 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 Central Government shall, by order, set up a fund under the Trust to be called as the “Offshore Areas Mineral Trust Fund” to be managed by the Executive Committee of the Trust.
- (2) The Fund shall be opened under the Public Account of India which shall be a non-lapsable and non-interestbearing account and shall be administered by the Central Government.
 - (3) The Fund shall comprise of payments, as provided under Rule 7 below, payable by the holders of the production lease.

- (4) The Fund shall be utilized for carrying out the objects and functions as specified in rule 9.
- 7. Contribution to Fund.**-Theholder of productionlease shall, while making payment of royalty to the Central Government, pay to the Trust a sum equivalent to ten percentageof the royalty by depositing the same in the Public Accountof the Indiaunder the Head booked for this purpose.
- 8. Office.**- The office of the Trust shall be situated at Ministry of Mines, Central Secretariat, New Delhi or at such other place as may be determined by the Executive Committee.
- 9. Objects and Functions of the Trust.**- (1) The Trust shall undertake such activities as may be deemed necessary by the Governing Body to achieve its objectsprescribed under the Actincluding,-
- (a) research and studies with respect to offshore areas and mitigation measures for any adverse impact that may be caused to the ecology in the offshore areas, due to operations undertaken;
 - (b) providing relief upon the occurrence of any disaster in the offshore areas;
 - (c) exploration in the offshore areas;
 - (d) activities for the interest and benefit of persons affected by exploration or production operations;
 - (e) funding institutions, start-ups and micro, small and medium enterprises for undertaking special studies and projects designed to identify, explore, extract, beneficiate and refine minerals occurring in offshore areas;
 - (f) studies for mineral development, sustainable production operations,adoption of advanced scientific and technological practices and mineral extraction metallurgy;
 - (g) consultationwith theCentral Geological Programming Board to decide the priorities for exploration of the Trust;
 - (h) facilitation ofreconnaissance or exploration operationin such a manner that offshore areas explored can be taken up for grant of operating rights in accordance with the provisions of the Act and the rules made thereunder;
 - (i) promoting completion of detailed exploration (G2 or G1) in the areas where G3 stage exploration has been completed;
 - (j) facilitation of geological and geophysical survey of offshoreobvious geological potential areas;
 - (k) funding procurement of sophisticated scientific equipment for advanced survey and exploration operations by government organizations;
 - (l) promotingspecialized exploration operations including remotely operated vehicle (ROV) and submersibles;

- (m) facilitating a national marine core repository for encouraging research in earth sciences and for evaluation of the mineral prospects;
 - (n) organizing capacity building programmes to raise technical capability of personnel engaged in or to be engaged in reconnaissance or exploration or production operations;
 - (o) promoting conservation of marine areas or marine ecosystem and any community dependent on such marine ecosystem in the vicinity of the identified offshore areas;
 - (p) encouraging and assisting international co-operation in knowledge and technology exchange programmes;
 - (q) funding and encouraging organization of national and international workshops, seminars in the field of geological, geophysical, environmental and metallurgical studies in offshore areas; and
 - (r) using the Trust Fund for such other purposes that the Governing Body may decide, or authorise the Executive Committee, to be necessary or expedient in the interest of conservation, development and exploitation of mineral resources in offshore areas, not inconsistent with the provisions of the Act.
- (2) In furtherance of the objectives referred to in sub-rule (1), the Governing Body may employ or hire personnel, own and dispose off 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 directions 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) Subject to any direction by the Executive Committee, 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 undertake projects to implement the objectives of the Trust on its own accord or upon receipt of a project proposal from the Central Government, State Government, Geological Survey of India, Indian Bureau of Mines 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 Act and the rules made thereunder.

13. Monitoring of projects.- (1) The Trust shall monitor implementation of the projects either by itself or by engaging any government entity.

- (2) For the purposes of sub-rule (1), the Trust may devise its own procedure consistent with the Act and the rules made thereunder.

14. Meetings of the Governing Body.- (1) The Governing Body shall meet at least once in a 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) The meetings of the Governing Body may be either physical or virtual or by circulation or by combination of either:

Provided that the meeting by circulation shall not apply for adoption of accounts of the Trust or for approval of annual plan and annual budget of the Trust.

- (4) All decisions or resolutions including circular resolutions of the Governing Body shall be made or adopted by consensus.

- (5) 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 either:

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 the Governing Body and Executive Committee.-

(1) The Chairperson or the Convenor 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.

(3) Notice for any meeting shall 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 one-third of the total number of members, excluding the special invitees.

(2) The quorum for any meeting of the Executive Committee, including a virtual meeting, shall be one-third of the total number of members, excluding the nominated members.

18. Powers, Duties and Responsibilities of the Member Secretary of the 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 (1) and (2), 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 annual plan and related annual budget for each financial year, by the end of January of previous financial year.
- 19. Annual Plan.-** (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.
 - (2) The annual plan shall contain all projects, programmes, activities proposed to be undertaken by the Trust for achieving its objects and shall have clearly demarcated milestones.
- 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 Central Government under appropriate Head for incurring expenditure under Fund and equivalent amount thereof shall be met from the Fund.
 - (3) After due appropriation of fund and receipt of sanction of the Competent Authority, the expenditure under the Fund shall be incurred from the relevant sub-major or minor heads and on the basis of the sanction issued by the Central Government, the Pay and Accounts Office of the Central Government shall make the payment as per the General Financial Rules, 2017.
- 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 thirty days before the beginning of each financial year.
 - (2) Any amendment in the annual plan or the annual budget subsequent to the approval of the Governing Body may be done with the approval of the Executive Committee and informed to the Governing Body in its next meeting..
- 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 Central 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 Pay and Accounts Office in the Central Government shall maintain a broadsheet of accretions to and payment from the Fund and effect reconciliation on monthly basis thereof with the concerned divisions and shall ensure that there are no adverse balances in the Fund at any point of time.
- (2) The account of the Trust shall be subject to the audit by the Comptroller and Auditor General of India and also to audit by internal audit wing of the office of the Chief Controller of Accounts, in the Central Government.