Registered No. HSE-49/2016

ఆంధ్రప్రదేశ్ రాజపత్రము

THE ANDHRA PRADESH GAZETTE

PUBLISHED BY AUTHORITY

PART I EXTRAORDINARY

No.503 AMARAVATI, MONDAY, SEPTEMBER 7, 2026 **G.630**

NOTIFICATIONS BY GOVERNMENT

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INDUSTRIES & COMMERCE DEPARTMENT

(MINES-II)

STRENGTHENING OF THE MINERAL EXPLORATION, RESEARCH AND INNOVATION TRUST (MERIT) - FRAMING AND NOTIFICATION OF COMPREHENSIVE RULES FOR GOVERNANCE OF THE TRUST - ANDHRA PRADESH MINERAL EXPLORATION RESEARCH AND INNOVATION TRUST (APMERIT) RULES, 2026.

[G.O.Rt.No.232, Industries & Commerce (Mines-II), 3rd September, 2026.]

NOTIFICATION

In exercise of the powers conferred by sub section (1) read with clause (g) of sub-section (1A) of Section 15 of the Mines and Minerals (Development & Regulation) Act, 1957 (Central Act No. 67 of 1957), the Government of Andhra Pradesh hereby makes the following rules, namely:

1. Short title, extent and commencement-

i. These rules may be called the Andhra Pradesh Mineral Exploration Research and Innovation Trust (APMERIT) Rules, 2026.
ii. They shall extend to the whole of the State of Andhra Pradesh and shall apply to all minor minerals.
iii. They shall come into force on the date of their publication in the Official Gazette.

2. Definitions-

i. 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. "Department" means the Department of Mines and Geology, Government of Andhra Pradesh;
c. "Fund" means the fund referred to in Rule 10;
d. "Government" means the Government of Andhra Pradesh;
e. "Governing Body" means the Governing Body of the Trust;
f. "Executive Committee" means the Executive Committee of the Trust;
g. "Member, Governing Body" means the member of the Governing Body of the Trust;
h. "Member, Executive Committee" means the member of the Executive Committee of the Trust;
i. "Obvious geological potential areas" means the mineral potential areas identified by the Geological Survey of India, from time to time;
j. "Exploration Block" means a delineated area approved for mineral resource exploration;
k. "Non-working Lease" means any mineral lease unused for continuous periods beyond permissible limits;

l. "Beneficiation" means processes that improve ore grade; and
m. "Sand Replenishment Study" means scientific studies aimed at understanding and sustainably managing sand deposits.
n. "Trust" means the Andhra Pradesh Mineral Exploration Research and Innovation Trust.

ii. Words and expressions used and not defined in these rules but defined in the Act shall have the same meaning as assigned to them in the Act.

3. Members of the Governing Body-

i. The Governing Body of the Trust shall consist of the following, namely —

1. Minister for Mines & Geology	Chairperson
2. Secretary, Mines & Geology	Member-Secretary
3. Director, Mines & Geology	Member
4. VC & MD, Andhra Pradesh Mineral Development Corporation (APMDC)	Member
5. Experts nominated by the Government	Special Invitees

ii. The Chairperson of the Governing Body may invite any person who has special knowledge in the field of Mineral Exploration. Such invitee shall have no voting rights in the meeting, but shall be entitled to receive such sitting fee and other allowances as may be decided by the Government, from time to time.

4. Meetings of the Governing Body-

i. The Governing Body shall meet at least twice a year.
ii. The meetings of the Governing Body shall be presided by the Chairperson, Governing Body.
iii. All decisions or resolutions of the Governing Body shall be made or adopted by consensus.

iv. In case of any disagreement or dissent, the ruling of the Chairperson, Governing Body, shall be final.
v. The meetings of the Governing Body 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, or for approval of the annual plan, annual budget and annual report of the Trust.

5. Functions of the Governing Body-

i. The Governing Body shall lay down the broad policy framework for the functioning of the Trust and review its working.
ii. The Governing Body shall approve the annual plan and annual budget of the Trust on the recommendations of the Executive Committee.
iii. The Governing Body shall recommend amendments to these rules for Government approval, and shall meet at least twice a year.

6. Executive Committee-

i. The Executive Committee of the Trust shall consist of the following, namely —

1. Secretary, Mines & Geology	Chairperson
2. Director, Mines & Geology	Member-Secretary
3. VC & MD, Andhra Pradesh Mineral Development Corporation (APMDC)	Member
4. All Joint Directors, DM&G	Member
5. All Deputy Directors, DM&G	Member
6. Five domain experts (10+ years' exploration/research experience, nominated by the Chairperson)	Invitees

ii. The Chairperson of the Executive Committee may invite any person who has special knowledge in the field of Mineral Exploration. Such invitees shall have no voting right in the meeting, but shall be entitled to receive such sitting fees and other allowances as may be decided by the Government, from time to time.

7. Meetings of the Executive Committee-

i. The Executive Committee shall meet at least once every three months.
ii. The meetings of the Executive Committee shall be presided by the Chairperson, Executive Committee.
iii. 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, or for recommendation to the Governing Body for approval of the annual plan, annual budget and annual report of the Trust.

8. Functions of the Executive Committee-

i. The Executive Committee shall manage, administer and supervise the Trust.
ii. The Executive Committee shall evaluate and approve project proposals technically and financially, and approve funding within delegated limits.
iii. The Executive Committee shall monitor and review project execution and expenditure quarterly, recommend corrective action, and report to the Governing Body.
iv. The Executive Committee shall, while discharging its functions, follow the policy framework and directions of the Governing Body, from time to time.

9. Administrative Framework-

In addition to the Governing Body and Executive Committee, an administrative body shall be formed to support the daily functioning of the Trust.

i. The Director, Mines & Geology may function as the Chief Executive Officer (CEO) of Trust.
ii. No additional human resources shall be provided for the Trust. The entire work shall be carried out through an agency.

10. Constitution of a Fund under the Trust-

i. The State Government shall, by order, constitute a Fund under the Trust to be called the "Andhra Pradesh Mineral Exploration Research and Innovation Trust (MERIT) Fund" (hereinafter referred to as the "Fund").
ii. The Fund shall be a non-lapsable fund and shall be administered and managed by the DM&G and CEO (MERIT) of the Trust in accordance with the provisions of these rules.
iii. The Fund shall be maintained in the existing PD Account and/or bank account in the name of the Trust to enable timely and autonomous expenditure on exploration and allied activities.
iv. Notwithstanding anything contained in any other instructions or procedures, expenditure from the Fund for activities approved under the Annual Plan and Annual Budget shall not require prior case-wise administrative or financial approval from any authority outside the Trust.
v. The Fund shall be utilized strictly for the objectives and functions specified in Rule 13 and for such other purposes as may be approved by the Governing Body.
vi. The Trust shall ensure optimum utilization of the Fund in each financial year in a manner consistent with the applicable provisions of the Income-tax Act, 1961, and other relevant laws.

11. Sources and Credits of the Trust Fund-

i. The Fund shall comprise —
(a) Contributions collected from mining lease holders, quarry licensees and permit holders of minor minerals in accordance with these rules.
(b) Grants, aids, donations, or contributions from the State Government, Central Government or any other source as may be approved by the Executive Committee.

(c) Any interest or other income accrued on the Fund.

ii. The contribution payable to the Fund shall be a sum equivalent to two percent (2%) of the Seigniorage fee paid in terms of the Andhra Pradesh Minor Mineral Concession Rules, 1966 (as amended from time to time).

iii. The amount payable under sub-rule (ii) shall be collected in advance under a separate sub-head through electronic payment and credited directly to the Fund account of the Trust.

iv. Amounts realized through royalty collection contracts or excess royalty collection contracts shall, where applicable, be transferred directly to the fund on a monthly basis.

v. The Director of Mines and Geology shall maintain a record of amounts credited to the Fund and furnish a monthly statement of receipts to the Trust for reconciliation and reporting purposes.

vi. Amounts credited to the Fund shall not be diverted, re-appropriated or subjected to withholding, and shall remain available to the Trust for utilization in accordance with approved plans.

12. Operation of Trust Accounts-

i. The Trust shall operate one dedicated PD Account.

ii. The accounts of the Trust shall be operated by the DM&G and CEO (MERIT).

iii. The Executive Committee shall be competent to sanction and incur expenditure within the approved Annual Plan and financial limits delegated under these rules.

iv. In cases of urgent, time-sensitive or unforeseen exploration activities, the Executive Committee or the Chairperson thereof may authorize expenditure not exceeding such limits as may be prescribed, subject to post-facto ratification by the Governing Body.

v. All expenditure shall be subject to internal controls, accounting procedures, periodic reporting and audit, as may be specified by the Executive Committee.

vi. A quarterly statement of receipts and expenditure shall be placed before the Executive Committee and the Governing Body for review and oversight.

vii. Nothing in this rule shall exempt the Trust from audit, reporting, or compliance with applicable financial, taxation and statutory requirements.

13. Objectives and Functions of the Trust-

Objectives and functions of the Trust shall be as under —

i. to prepare vision and mission plans for the short term, mid-term and long term for the planned development of mineral resources and their exploration in the State.

ii. to prepare a master plan of exploration and to undertake regional and detailed exploration and assaying of resources.

iii. to undertake exploration in forest areas after obtaining permission under the Forest (Conservation) Act, 1980.

iv. to facilitate geophysical, ground and aerial survey and geo-chemical survey of obvious geological potential areas.

v. to undertake study and advocacy of mineral development, sustainable mining, adoption of advanced scientific and technological practices, and mineral extraction metallurgy.

vi. to organize capacity-building programs for raising the technical capability of Department personnel engaged in the Trust.

vii. to undertake research and development in the field of mineral analysis and testing of ores, and identification of associated impurities of rocks and mineral samples submitted by the Department, public sector undertakings, private sector mineral industries, research institutions, laboratories, etc., so as to assess the quality of ores and minerals by chemical, physical testing and instrumental analysis on a no-profit-no-loss basis; and to initiate action to strengthen and upgrade the Department laboratory.

viii. to provide impetus to research and development, and to provide certification on the basis of testing and analysis to exporters of mineral-based products, after obtaining accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL).

ix. to appoint officers, geologists or scientists, technical persons, financial consultants, management consultants and other employees as are necessary for carrying out the functions of the Trust, on deputation or contractual basis.

x. to develop a State Mineral Directory and State Mineral Atlas/Geo-Informatics Mineral Resource Information System for the State, and to make geological and other geo-scientific data available in digital format for the public domain.

xi. to facilitate the Government in introducing innovation and adoption of new technology, and to provide technical/consultancy services.

xii. to assess needs and design courses for generating qualified persons and skill development, and to identify institutions for skill development.

xiii. to undertake mineral beneficiation and value-addition studies on low-grade minerals.

xiv. to provide logistic support for exploration projects, i.e., GPS, GNSS, vehicles, etc.

xv. to establish a business development center for facilitating and promoting investors in mineral-based industries; and

xvi. such other purposes as the Governing Body may decide for the development and exploitation of mineral resources in the State.

xvii. to monitor mining and related activities through modern technologies such as drones and survey etc. in the State.

14. Management of the Trust-

i. The overall control, periodical review and policy direction of the Trust shall vest with the Governing Body.

ii. The Executive Committee shall manage, administer and supervise the administrative team for the day-to-day activities of the Trust.

iii. Cost-approval limits shall be as follows —

(i) Administrative Body: up to ₹10 lakhs;

(ii) Executive Committee: above ₹10 lakhs and up to ₹50 lakhs;

(iii) Governing Body: above ₹50 lakhs.

iv. In respect of exploration blocks, the Director of Mines & Geology is authorized to invite tenders, outsource the exploration works and approve the costs thereof, and shall place the same before the Governing Body for ratification in its next meeting.

15. Committees-

i. The Executive Committee may constitute committees or sub-committees to fulfil the objectives of the Trust, or such other tasks as may be assigned or delegated to it by the Executive Committee.

ii. The committee or sub-committee constituted under sub-rule (i) shall discharge its duties and responsibilities under these rules, and in exercise of such powers and functions as may be specified by the Executive Committee.

16. Implementation of Identified Projects by the Executive Committee-

i. The Executive Committee shall implement the identified projects consistent with the objectives of the Trust, as approved by the Governing Body.

ii. In implementation the projects referred to in sub-rule (i), the Executive Committee shall devise its own procedure consistent with the Act and the rules made thereunder.

17. Monitoring of Implementation of Projects-

i. The Trust shall monitor the implementation of projects, either by itself or by engaging any entity.

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

18. Notice and Agenda for Meetings of the Governing Body and Executive Committee-

i. The Member-Secretary of the Governing Body, with the consent of the Chairperson, Governing Body, shall convene meetings of the Governing Body by giving a minimum of fifteen days' notice to all members: Provided that the Chairperson, Governing Body, may authorize convening of a meeting with a shorter notice period.

ii. The Member-Secretary of the Executive Committee, with the consent of the Chairperson, shall convene meetings of the Executive Committee by giving a minimum of seven days' notice to all members: Provided that the Chairperson of the Executive Committee may authorize convening of a meeting with a shorter notice period.

iii. Notice for any meeting may include the agenda for the meeting, draft minutes of the earlier meeting, and the action-taken report on the minutes of the earlier meeting.

19. Quorum for Meetings-

i. The quorum for any meeting of the Governing Body shall be four.

ii. The quorum for any meeting of the Executive Committee shall be four.

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

i. The Member-Secretary of the Executive Committee shall —

(i) administer and manage the Trust, subject to the superintendence, control and direction of the Executive Committee; and

(ii) exercise such administrative and financial powers as may be delegated by the Executive Committee, or as may be assigned by the Chairperson, Executive Committee.

ii. The Member-Secretary of the Executive Committee shall have the following duties and responsibilities, without prejudice to the generality of sub-rule (i), namely —

(i) to carry out 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;

(ii) to ensure that due diligence has been exercised before considering proposals or projects to be undertaken by the Trust, in accordance with the best practices, procedure, rules or directions of the Executive Committee;

(iii) to ensure that the activities of the Trust are being conducted in accordance with the annual plan and related annual budget; and

(iv) to submit to the Governing Body the annual approved plan and related annual budget for each financial year, to the Government, by the end of January of previous financial year.

21. Annual Plan-

i. The Member-Secretary of the Executive Committee shall, before the beginning of each financial year, initiate process of preparation of plans for short-term and long-term projects proposed to be undertaken by the Trust in the ensuing financial year (to be referred to as the "annual plan"), including details of activities to be undertaken or to be completed during such time, the expected time for completion of the projects, and cost for such project.

ii. The annual plan shall contain all projects, programs and activities proposed to be undertaken by the Trust for achieving its objectives, and shall have clearly demarcated milestones.

22. Annual Budget-

The Member-Secretary of the Executive Committee shall, before the beginning of each financial year, initiate process of preparation of an annual budget in advance, containing details of the proposed income and expenditure on activities covered in the annual plan for ensuing 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 to as the "annual budget"), which shall be approved by the Executive Committee for onward approval of the Governing Body, well in advance.

23. Approval of the Annual Plan and the Annual Budget-

i. The annual plan and the annual budget shall be laid before the Governing Body for its approval thirty days before the commencement of each financial year.

ii. The Member-Secretary of the Executive Committee shall, on receipt of the copies of the duly approved annual plan and related annual budget from the Member-Secretary of the Governing Body, submit the same to the Government within a period thirty days from the date of receipt of approval of the Governing Body.

iii. Without prejudice to the provisions of sub-rule (ii), 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.

iv. 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's plan or budget.

24. Annual Report-

i. 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.

ii. 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.

iii. A copy of the annual report shall be sent to the Government within a period thirty days from the date of its approval by the Executive Committee, after approval of the Governing Body.

25. Financial Year-

i. The accounting or financial year of the Trust shall be from the 1st of April to the 31st of March.
ii. The first year of operations of the Trust may be a partial year.

26. Maintenance and Audit of Accounts-

i. The accounts of the Trust shall be maintained in the form, mode and manner as may be decided by the Executive Committee.
ii. The accounts of the Trust Fund shall be audited in such manner as may be decided by the Executive Committee.
iii. After the audit referred to in sub-rule (ii), the Trust shall submit the annual report to the Governing Body.

This orders are issued with the concurrence of Finance (FMU-I&I & I&C) Department vide their U.O.No. FIN01-FMU0BES(IIE)/6/2026 (Computer No. 3162591), dt:15.06.2026.

MUKESH KUMAR MEENA,
Principal Secretary to Government (Mines).

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Published and Uploaded by the Commissioner of Printing, Government of Andhra Pradesh at Government Regional Press, Vijayawada, www.apegazette.cgg.gov.in