

# SIKKIM



**GOVERNMENT**

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**GOVERNMENT OF SIKKIM  
MINES AND GEOLOGY DEPARTMENT  
GANGTOK**

**No. 04/DMG/25-26**

**Dated:- 02.08.2025**

## **NOTIFICATION**

In exercise of the powers conferred by clause (g) of sub-section (1A) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act No. 67 of 1957), the State Government hereby make the following rules, namely:-

**Short title,  
extent and  
commencement.-**

1. (1) These rules may be called the Sikkim State Mineral Exploration Trust Rules, 2025.
- (2) They shall extend to the whole of Sikkim.
- (3) They shall come into force on the date of their publication in the Official Gazette.

**Definitions.-**

2. (1) 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) "Chairperson, Governing Body" means the Chairperson of the Governing Body of the Sikkim State Mineral Exploration Trust;
  - (c) "Chairperson, Executive Committee" means the Chairperson of the Executive Committee of the Sikkim State Mineral Exploration Trust;
  - (d) "Department" means Department of Mines and Geology, Government of Sikkim;
  - (e) "Executive Committee" means the Executive Committee of the Trust;

- (f) "Fund" means the fund referred to in rule 7;
- (g) "Government" means the Government of Sikkim;
- (h) "Governing Body" means the Governing Body of the Trust;
- (i) "Member, Governing Body" means the member of the Governing Body of the Trust;
- (j) "Member, Executive Committee" means the member of the Executive Committee of the Trust;
- (k) "Obvious geological potential areas" means the minerals potential areas identified by the Geological Survey of India, from time to time; and
- (l) "Trust" means the Sikkim State Mineral Exploration Trust referred to in rule 3.

- (2) The 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.

**Establishment of Trust.-**

3. There shall be a Trust at the state level to be known as the Sikkim State Mineral Exploration Trust. The objective of the Trust shall be the planned development of the mineral resources and their exploration in the State.

**Governing Body.-**

4. (1) The Governing Body of the Trust shall consist of the following members, namely:-

1.	Minister-in-charge Mines and Geology Department, Government of Sikkim.	Chairperson
2.	ACS/Principal Secretary or Secretary, Finance Department, Government of Sikkim.	Member
3.	ACS/PCCF-cum-Secretary, Forest and Environment Department, Government of Sikkim.	Member
4.	ACS/Principal Secretary or Secretary, Revenue, Finance Department, Government of Sikkim.	Member
5.	ACS/Principal Secretary or Secretary, Planning and Development Department, Government of Sikkim.	Member
6.	Secretary, Mines and Geology Department, Government of Sikkim.	Member-Secretary

- (2) The Chairperson of the Governing Body may invite any person having special knowledge in the field of Mineral Exploration. Such invitee shall have no voting right in the meeting but they shall be entitled to receive such sitting fee and other allowances as may be decided by the Government, from time to time.

**Member of Executive Committee.-**

5. (1) The Executive Committee of the Trust shall consist of the following members, namely:-

1.	Secretary, Mines and Geology, Government of Sikkim	Chairperson
2.	Director Technical coordination, State Unit Sikkim, GSI	Member
3.	Representative of Regional Controller of Mines, Indian Bureau of Mines	Member
4..	Additional Director or Joint Director, Mines and Geology Department	Member
5.	Principal Director or Director, Mines and Geology Department	Member Secretary

- (2) The Chairperson of the Executive Committee may invite any person having special knowledge in the field of Mineral Exploration. Such invitee shall have no voting right in the meeting but they shall be entitled to receive such sitting fee and other allowances as may be decided by the Government, from time to time.

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

6. (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 on 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, 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.

**Constitution of a fund under the Trust.-**

7. (1) The State Government shall, by order, set up a fund under the Trust to be called as the "Sikkim State Mineral Exploration Trust Fund" to be managed by the Executive Committee of the Trust.
- (2) The Trust Fund shall receive an amount to be paid in accordance with the provisions of rule 8 and may also receive contribution or aid/s from sources as may be approved by the Executive Committee.
- (3) The Fund shall be utilized for the objectives and functions as specified in rule 10.

**Contribution to Trust Fund.-**

8. (1) The Trust shall have power to open and operate bank account in its own name at any Scheduled Bank as specified in the Second Schedule to the Reserve Bank of India Act, 1934 (Central Act No. 2 of 1934).
- (2) The Trust shall communicate the particulars of its bank account to the Principal Director or Director, Mines and Geology, Government of Sikkim for the purposes of receipts and payments.
- (3) The mining lease holders, quarry licensee and permit holders of minor minerals shall pay the contribution to the Trust fund in respect of any mineral removed by him from and/or consumed within the area allotted or permitted to him, a sum equivalent to 2 (two) percent of the royalty in terms of the Second Schedule of the Sikkim Minor Mineral Concession Rules, 2025.
- (4) The payment towards trust fund under sub-rule (3) shall be collected in advance along with royalty under a separate sub-head through e-payment and deposited in the account of trust and if any difference is accrued at the time of assessment of royalty, the same shall be deposited in the account of trust immediately.
- (5) The trust fund may be recovered through contractor of excess royalty collection contract or royalty collection of contract awarded and in such case, monthly installment of the contribution of trust fund shall be directly deposited in the account of trust fund.
- (6) The Government shall transfer 50 (fifty) percent of revenue received as penalty under Chapter VIII of the Sikkim Minor Mineral Concession Rules, 2025 to the Trust.
- (7) The Competent authority or any other officer assigned by him under Sikkim Minor Mineral Concession Rules 2025:-
- (a) shall deposit the amount collected as penalty under Chapter VIII of the Sikkim Minor Mineral Concession Rules, 2025 into the bank account of the Trust.
  - (b) shall be responsible for collection of amount under sub-rule (3), (4) and (5).
  - (c) shall maintain books of accounts and its deposit in the Trust account.
  - (d) shall provide the database of royalty to the Principal Director or Director, Mines and Geology who shall maintain an updated record of the amount transferred to the bank account of the Trust along with a database of royalty so collected and provide such information to the Trust on a monthly basis.

**Office and  
Bank Account.-**

9. (1) The office of the Trust shall be situated at Sikkim 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 Director, Mines and Geology and Financial Advisor of the department or any other officer authorised by the Executive Committee.

**Objectives  
and Functions  
of the Trust.-**

10. Objectives and Functions of the Trust shall be as under:-
- (i) to prepare vision and mission plans of short term, mid-term and long term for the planned development of minor mineral resources and their exploration in the State;
  - (ii) to prepare master plan of exploration and to undertake regional and detailed exploration and assaying of resource;
  - (iii) to do exploration in forest area after obtaining permission under the Forest (Conservation) Act, 1980;
  - (iv) to facilitate geophysical, ground and aerial survey and geo chemical survey of the 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 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, 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 quality of ores, minerals by chemical, physical testing and instrumental analysis on no profit no loss basis;
  - (viii) to initiate action to strengthen and upgrade the Department laboratory and provide impetus to research and development and to provide certificate on the basis of testing and analysis to exporters of mineral based products after obtaining accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL);
  - (ix) to appoint officers, geologist or scientists, technical persons, financial consultants, management consultants and other employees as are necessary for carrying out the functions of the Trust on deputation/contractual basis;

- (x) to develop State Mineral Directory, State Mineral Atlas/Geo-Informatics Mineral Resource Information System for the State and putting up geological and other geo scientific data in digital formats for public domain;
- (xi) to facilitate the Government to introduce innovation and adoption of new technology and to provide technical/ consultancy services;
- (xii) to assess the needs, designing of courses for generating qualified persons and skill development, identification of 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. Global Positioning System, Global Navigation Satellite System, vehicles etc.;
- (xv) to establish business development center for facilitating and promoting investors of mineral based industries; and
- (xvi) Such other purposes that 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 drone, survey etc. in the State.

**Management of the Trust.-**

- 11.** (1) The overall control, periodical review and policy direction of 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 Executive Committee shall formulate and finalize the scheme for delegation of financial powers.

**Committees.-**

- 12.** (1) The Executive Committee may constitute committees or sub-committees to fulfill the objectives of the Trust or such other tasks that may be assigned or delegated to it by the Executive Committee .
- (2) The committee or sub-committee so constituted under sub-rule (1) shall discharge the duties and responsibilities under these rules and in exercise of such powers and functions as may be specified by the Executive Committee.

**Implementation of identified projects by the Executive Committee.-**

- 13.** (1) The Executive Committee shall implement the identified projects consistent with the objectives of the Trust as approved by the Governing Body.

- (2) In implementation of the projects referred to in sub-rule (1), the Executive Committee shall devise its own procedure consistent with the Act and rules made there under.

**Monitoring of exploration projects.-**

14. (1) The Trust shall monitor the implementation of the projects either by itself or by engaging any entity.
- (2) For the purposes of sub-rule (1), the Trust may devise its own procedure consistent with the Act and rules made thereunder.

**Meetings of the Governing Body.-**

15. (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.
- (3) All decisions or 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.
- (5) 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, for approval of annual plan, annual budget and annual report of the Trust.

**Meetings of the Executive Committee.-**

16. (1) The Executive Committee shall meet at least once in every 3 (three) months.
- (2) The meetings of the Executive Committee shall be presided by the Chairperson, Executive Committee.
- (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.

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

17. (1) The Chairperson or Member Secretary of the Governing Body with consent of the Chairperson, Governing Body shall convene meeting of the Governing Body by giving a minimum 15 (fifteen) days notice to all members:

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

- (2) The Chairperson or Member Secretary of the Executive Committee with consent of the Chairperson shall convene meeting of the Executive Committee by giving a minimum 7 (seven) days notice to all members:

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

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

**Quorum for meeting.-**

18. (1) The quorum for any meeting of the Governing Body shall be four.  
(2) The quorum for any meeting of the Executive Committee shall be four.

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

19. (1) 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; and
  - (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.
- (2) The Member Secretary of the Executive Committee shall have the following duties and responsibilities, without prejudice to the generality of sub-rule (1), 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 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;
  - (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 approved plan and related annual budget for each financial year to the Government, by the end of January of previous financial year.



- Annual Plan.-** 20. (1) 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 as the annual plan, including details of activities to be undertaken or to be completed during such time and expected time for completion of the projects and cost for such project.
- (2) The annual plan shall contain all projects, programs, activities proposed to be undertaken by the Trust for achieving its objectives and shall have clearly demarcated milestones.

- Annual Budget.-** 21. 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 the 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 as the annual budget which shall got approved by the Executive Committee for onward approval of the Governing Body well in advance.

- Approval of the Annual Plan and the Annual Budget.-** 22. (1) 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.
- (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 Member Secretary of the Governing Body, submit the same to the 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.

- Annual Report.-** 23. (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 submitted to the Government within a period of thirty days from the date of its approval by the Executive Committee after approval of the Governing Body.
- Financial year.-** 24. (1) The accounting or financial year of the Trust shall be from the 1st of April to the 31<sup>st</sup> of March.
- (2) The first year of operations of the Trust may be a partial year.
- Maintenance and Audit of Accounts.-** 25. (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.
- (3) After the audit referred to in sub-rule (2), the Trust shall submit it's annual report to the Governing Body.

**Dicky Yangzom, IAS**  
**Secretary**  
**Mines and Geology Department**