MINISTRY OF MINES

Accounting procedure set for the renamed NMEDT Fund

S.O. 6149(E), November 11, 2026: States collect 3% of royalty from miners for the NMEDT Fund and send it to the Centre monthly; the Fund pays for exploration.

HOLDERS OF A MINING lease or a composite licence pay three percent of the royalty they pay into the National Mineral Exploration and Development Trust (NMEDT) Fund; the State Governments collect it from miners and transfer it to the Central Government every month. The Ministry of Mines set out this accounting procedure, down to the account heads used when the Fund is spent, in notification S.O. 6149(E), dated November 11, 2026, under F. No. 42/1/2017-NMET, signed by Farida M. Naik, Joint Secretary. It is published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 5910, dated November 11, 2026 (CG-DL-E-18112026-278022), and was put online on November 18, 2026.

KEY FACTS

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Notification S.O. 6149(E), F. No. 42/1/2017-NMET

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Ministry of Mines · November 11, 2026

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The Trust was set up under section 9C(1) of the Mines & Mineral (Development and Regulation) Act, 1957, as amended on March 26, 2015, as the National Mineral Exploration Trust, with a fund called the NMET Fund. The notification says the Mines & Mineral (Development and Regulation) Amendment Act, 2025 changed the Trust's name to National Mineral Exploration and Development Trust, so the fund's name "will also be changed" to the NMEDT Fund. The Fund is non-lapsable, sits in the non-interest-bearing section of the Public Account of India, and is administered by the Ministry of Mines.

Under section 9C(4), as the notification cites it, the holder of a mining lease or a composite licence "shall pay to the Trust a sum equivalent to three percent of the royalty paid in terms of the second schedule". State Governments collect this 3% from miners and book it under Major Head 8449 Other Deposits, Minor Head 123 National Mineral Exploration and Development Trust Deposits. They transfer it to the Central Government on a monthly basis. The Ministry of Mines classifies the receipts as revenue receipts under the Consolidated Fund of India and then transfers them periodically to the NMEDT Fund. The whole year's accretion "should be transferred before close of the financial year", and each month's progressive accretion "should have been transferred preferably". States report accretions each month or quarter through an MIS (electronically) prescribed by the Ministry of Mines.

The Trust uses the Fund for regional and detailed exploration for minerals within India, including offshore areas, and outside India for regional and detailed exploration and development of mines and minerals. The notification lists 13 activities, from (a) to (m). They include funding special studies and projects on critical and strategic minerals or deep-seated or concealed mineral deposits; exploration giving priority to strategic and critical minerals; consulting the Central Geological Programming Board on exploration priorities; supporting the National Critical Mineral Mission, including support of exploration outside India, risk coverage of foreign sourcing and mineral recovery; and funding mining, processing, beneficiation, evacuation infrastructure, technology upgradation and other activities related to mine development. The Governing Body may decide other purposes, "not inconsistent with the provisions of the Act".

The Pay and Accounts Office of the Ministry of Mines keeps a broadsheet of what goes into and out of the Fund and reconciles it every month. The Fund's accounts are subject to statutory audit by the Comptroller and Auditor General of India and to audit by the Internal Audit Wing of the Office of the Chief Controller of Accounts, Ministry of Mines. The notification sets the account entries for each step: spending through Major Heads 2853, 4853, 3601 and 3602, met from the Fund under Major Head 8235, Minor Head 144. It gives no date from which the procedure applies.

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Subject	Accounting Procedure of National Mineral Exploration and Development Trust
Fund renamed	NMET Fund to NMEDT Fund, after the Mines & Mineral (Development and Regulation) Amendment Act, 2025
Who pays	Holders of a mining lease or a composite licence
How much	A sum equivalent to three percent of the royalty paid in terms of the second schedule
Collected by	State Governments, under head 8449.00.123, then transferred to the Central Government on a monthly basis
Where the Fund sits	Non-interest-bearing section of the Public Account of India, non-lapsable, administered by the Ministry of Mines
Audit	Comptroller and Auditor General of India; Internal Audit Wing, Office of the Chief Controller of Accounts, Ministry of Mines
Signed by	Farida M. Naik, Joint Secretary
Takes effect	Not stated

The notification (PDF, 587 KB)

Source: Gazette of India, CG-DL-E-18112026-278022.

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IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

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