



# Payment of Mineral Royalty to Districts

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Ministry of Mines has amended the Mines and Minerals (Development and Regulation) (**MMDR**) Act, 1957 through the MMDR Amendment Act, 2015, one of the important provisions being the introduction of section 9(B); for the establishment of District Mineral Foundation (**DMF**) in districts affected by mining related operations. The object of DMFs is to work for the interest and benefit of persons and areas affected by mining related operations, the DMFs will be funded by statutory contributions from holders of mining lease and in this regard, rules specifying rates of contribution to DMFs has been notified on 17.09.2015, which prescribes the rate of contribution to DMF as follows:

- (a) 10% of royalty in respect of mining leases granted on or after 12.1.2015; and
- (b) 30% of royalty in respect of mining leases granted before 12.1.2015

Contribution will directly go to the District Mineral Foundation Trust (**DMFT**) of the respective district.

The Pradhan Mantri Khanij Kshetra Kalyan Yojana (**PMKKKY**) has been conceived by the Central Government which will be implemented by the District Mineral Foundations (DMFs) of the respective districts using the funds accruing to the DMFT. At least 60% of PMKKKY funds will be utilized for high priority areas like: (i) drinking water supply; (ii) environment preservation and pollution control measures; (iii) health care (iv) education;

(v) welfare of women and children; (vi) welfare of aged and disabled people; (vii) skill development; and (viii) sanitation. The rest of the funds will be utilized for the following: (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district.

Directions have been issued under section 20A of MMDR Act on 16.09.2015 to all States to incorporate the PMKKKY into the rules framed by them for the District Mineral Foundations.

As per the information made available by Government of Maharashtra, total amount of Rs. 26.35 Crores has been collected by Pune District under DMF and Rs. 365.94 Crores has been collected by Government of Maharashtra under DMFs. As per Section 9(B)(2) of the MMDR Act, the manner in which the DMF shall work for the interest and benefit of persons and areas affected by mining related operations shall be prescribed by the State Governments through rules framed in this regard. The funds accrued to DMF will be utilized for the activities as per the PMKKKY. The details of the expenditure made in this regard are not maintained centrally by the Ministry of Mines.

This information was given by Shri Piyush Goyal, Minister of State (Independent Charge) for Ministries of Power, Coal, New & Renewable Energy and Mines in written reply to a question in Rajya Sabha.

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