

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2707**  
ANSWERED ON 10.03.2021  
**DISTRICT MINERAL FUNDS**

2707. SHRI ANUBHAV MOHANTY:

Will the Minister of MINES be pleased to state:

- (a) whether there are regulations in place to ensure regular spending of the District Mineral Funds (DMFs) being accumulated from mining royalties and if so, the details thereof;
- (b) the organisations that are authorised to draw money from DMF for spending;
- (c) whether the areas where money from DMF can be spent is defined; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS  
(SHRI PRALHAD JOSHI)

(a): Section 9B of the MMDR Act, 1957 empowers the State Government to make rules for composition and functions of District Mineral Foundation. Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY) guidelines were circulated on 16.09.2015 by the Union Government with a direction to State Governments to incorporate the same into the rules framed by them from DMF. It lays emphasis on transparency in implementation of projects, regular audit and publication of annual reports.

(b): The funds accrued under DMF is spent by the concerned DMF as per the rules framed by the relevant State Governments.

(c) & (d): With respect to the areas where money from DMF can be spent, following provisions are included in the PMKKKY guidelines issued to States:

**Affected areas:**

a. **Directly affected areas** – where direct mining-related operations such as excavation, mining, blasting, beneficiation and waste disposal (overburdened dumps, tailing ponds, transport corridors etc.), etc. are located.

a) Villages and gram panchayats within which the mines are situated and are operational. Such mining areas may extend to neighboring village, block or district on even state.

b) An area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district.

c) Villages in which families displaced by mines have resettled/rehabilitated by the project authorities.

d) Villages that significantly depend on the mining areas for meeting their economic needs and have usufruct and traditional rights over the project areas, for instance, for grazing, collection of minor forest produce etc. should be considered as directly affected areas.

b. **Indirectly affected areas** –Those areas where local population is adversely affected on account of economic, social and environmental consequences due to mining-related operations. The major negative impacts of mining could be by way of deterioration of water, soil and air quality, reduction in stream flows and depletion of ground water, congestion and pollution due to mining operations, transportation of minerals, increased burden on existing infrastructure and resources.

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