

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2662**  
ANSWERED ON 04.08.2021

**USE OF FUNDS IN DMF**

†2662. SHRI HANUMAN BENIWAL:

Will the Minister of MINES be pleased to state:

- (a) whether the Government has sent District Mineral Foundation (Trust) Rules to State Government for effective utilization of funds deposited therein and if so, the details thereof;
- (b) whether the Government intends the participation of local Members of Parliament(MPs) in these Trusts so that public interest works could be executed on priority basis; and
- (c) if so, the details thereof?

**ANSWER**

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

(a). As per sub-section (2) and (3) of Section 9B of the MMDR Act State Government are empowered to make rules prescribing composition and functions of the District Mineral Foundation. However, the Union Government has circulated Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY) guidelines on 16.09.2015 to be incorporated in the DMF rules framed by the State Government.

(b) & (c). The Mines and Minerals (Development and Regulation) Amendment Act, 2021 which came into effect on 28.03.2021 empowers the Central Government to issue directions to the State Governments with respect to composition and functions of DMF. Accordingly Central Government has issued order on 23.04.2021 to all the States to include MPs, MLAs and MLCs in the Governing Council of DMF in the larger public interest.( Annexure )

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## Annexure referred to in reply to part (b) & (c) of Unstarred Question No – 2662

F. No. 7/9/2021-M. IV  
GOVERNMENT OF INDIA  
MINISTRY OF MINES

New Delhi, Shastri Bhawan,  
Dated the 23 April, 2021

### ORDER

WHEREAS sub-section (1) of Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), mandates that the State Governments shall, by notification, establish a District Mineral Foundation in every district in the country affected by mining related operations.

AND WHEREAS sub-section (3) of Section 9B of the Act provides that the composition and functions of the District Mineral Foundation shall be as may be prescribed by the State Government.

AND WHEREAS the proviso to sub-section (3) of Section 9B of the Act, states that the Central Government may give directions regarding composition and utilization of fund by the District Mineral Foundation.

AND WHEREAS it is observed that composition of Governing Council and Managing Committee of District Mineral Fund (DMF) varies from State to State, especially with respect to Chairman of Governing Council and Managing Committee as well as inclusion of Members of Parliament in the Governing Council.

AND WHEREAS, the DMF is meant to work for interest and benefit of persons and area affected by mining related operations within the district, it is necessary that the administrative head of the district is the Chairman of the DMF and the elected representatives of mining affected area in the district are included as members of Governing Council.


THEREFORE, the Central Government, in exercise of the powers conferred under the proviso of sub-section (3) of Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957, hereby directs the State Governments and Union Territories to incorporate the following in the rules regulating the composition of Governing Council and Managing Committee of District Mineral Foundation with immediate effect.

1. The Chairman of Governing Council and Managing Committee shall be District Magistrate/ Deputy Commissioner/ District Collector, of the district. No other person can function as Chairman of the Governing Council and Managing Committee.
2. Member of Parliament (MP), Lok Sabha of the district shall be a member of the Governing Council. In case, there are more than one MPs of Lok Sabha in a

district, all MPs of Lok Sabha of the districts shall be members of the Governing Council.

3. In case, the constituency of one MP of Lok Sabha falls in more than one districts, the MP of Lok Sabha shall be member of the Governing Council of all such districts.
4. MP of Rajya Sabha from a State shall be a member of the Governing Council of one district selected by him/her. *(The Rajya Sabha MP shall intimate name of the district selected by him/her to the Secretary in-charge of Mining Department of the State who in turn shall inform the concerned District Magistrate/ Deputy Commissioner/ District Collector.)*
5. The Members of Legislative Assembly (MLAs) of the district shall be members of the Governing Council.
6. The Members of Legislative Council of the State (MLC) shall be a member of the Governing Council of one district selected by him/her. *(The MLC shall intimate name of the district selected by him/her to the Secretary in-charge of Mining Department of the State who in turn shall inform the concerned District Magistrate/ Deputy Commissioner/ District Collector.)*

Any meeting of Governing Council or Managing Committee of District Mineral Foundation of a district held after issue of this order will be held with composition as mandated above.



(Sanjay Lohiya)

Additional Secretary to the Government of India

To,

1. Chief Secretaries of all States,
2. Administrators of Union Territories,

Copy for information to:

PS to Minister for Mines; PPS to Secretary (Mines)