GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. †2894
ANSWERED ON 05.08.2026

ROAD CONSTRUCTION THROUGH DMF

†2894. SHRI MURARI LAL MEENA:

Will the Minister of MINES be pleased to state:

(a) whether there is any provision to make Gram Panchayats executing agencies for road construction and other public works funded through the District Mineral Foundation Trust (DMFT);
(b) if so, the standards laid down to ensure technical sanction, quality control, tendering process and financial audit for such works;
(c) whether instances have come to the notice of the Government particularly from Rajasthan in which works executed through DMFT funds by Gram Panchayats lacking competent technical mechanisms led to complaints of financial irregularities or revenue loss; and
(d) if so, the details thereof and the action taken against the defaulters, State-wise?

ANSWER

MINISTER OF STATE FOR COAL AND MINES
(SHRI SATISH CHANDRA DUBEY)

(a) & (b): As per the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) Guidelines, 2024, the power to sanction projects and approve expenditure from the District Mineral Foundation (DMF) funds lies with the Governing Council of the concerned DMF, headed by the District Magistrate. The Governing Council comprises elected representatives, including Members of Parliament (MPs), Members of the Legislative Assembly (MLAs), Members of the Legislative Council (MLCs), and representatives of Panchayati Raj Institutions and Gram Sabhas. These Guidelines also provide for the constitution of a State Level Monitoring Committee under the Chairpersonship of the Chief Secretary to monitor the performance of DMFs, compliance with transparency norms, audit requirements, and annual reporting obligations.

Further, to strengthen accountability and transparency in the utilization of DMF funds, the PMKKKY Guidelines stipulate audit of DMF accounts by the Comptroller and Auditor General (CAG) as per the schedule decided by CAG. Additionally, the Ministry of Mines in December 2025 directed all DMFs to conduct annual audits of DMF accounts through Chartered Accountants empaneled by CAG.

The PMKKKY Guidelines also provide that, in case of mining-affected villages located within Scheduled Areas, the approval of the Gram Sabha is mandatory for all plans, programmes, and projects undertaken under PMKKKY.

Further, as per the information received from Government of Rajasthan, Rajasthan DMFT Rules, 2025 provides that the Governing Council of the Trust is empowered to engage any works department or Gram Panchayat as the implementing agency for any specific project or work approved by the Trust. The Rajasthan DMFT Rules, 2025 also stipulate that works executed by the designated implementing agency are required to be carried out in accordance with the applicable rules, procedures, financial provisions, technical standards, and departmental guidelines of the Department of Rural Development and Panchayati Raj, Government of Rajasthan.

(c) & (d): As per the information received from the Government of Rajasthan, adequate technical and financial control mechanisms are in place for works executed through Gram Panchayats using DMFT funds. Such works are subject to prescribed technical approvals, supervision and inspection by competent technical officers, quality control, measurement and verification, financial controls, audits, and other applicable standards and procedures.

*****