

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 514
ANSWERED ON 22.07.2026**

DMF FUNDS COLLECTION FROM COAL PROJECTS

†514. SHRI VISHNU DAYAL RAM:

Will the Minister of **COAL** be pleased to state:

- (a) the status of coal production in the country during the last three years;
- (b) the amount collected and utilised under District Mineral Foundation from coal projects operational in Jharkhand;
- (c) the steps taken by the Government to handle rehabilitation, environmental protection and local employment in coal mining areas; and
- (d) whether the Government is contemplating to establish a special monitoring mechanism to ensure effective utilisation of funds in coal mining areas of Palamu and Gadhwā?

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

- (a) The quantity of coal produced in the country during the last three years is given below:

[Figures in Million Tonnes]

Year	Production
2023-24	997.83
2024-25	1047.52
2025-26 (provisional)	1040.08

(b) The contributions by the mining lease holders are made directly to the respective DMF Trusts established at the concerned District level, without being routed through any State or Central fund. As of May, 2026, a cumulative amount of ₹12,957.72 crore has been collected under the District Mineral Foundation (DMF) from coal and lignite mining operations in the State of Jharkhand.

The approval of expenditure from DMF funds lies solely with the Governing Council of the concerned DMF, which is headed by the District Collector/District Magistrate and comprises elected representatives, including MPs, MLAs, and MLCs.

(c) The major steps taken by the Government for rehabilitation and local employment in coal mining areas are as under:

- i. Land compensation benefits are provided as per Schedule I of RFCTLARR Act, 2013 or as per mutually consented agreement under section-14(1) of CBA Act, 1957. In case, land is acquired under CBA Act 1957, the Rehabilitation & Resettlement (R&R) benefits are accorded as per the provisions of Schedule II of RFCTLARR Act, 2013 and the amenities provided in the new rehabilitation site are as per Schedule III of RFCTLARR Act 2013.

- ii. Transparency in compensation and R&R activities is ensured by R&R committee headed by District Collector or his representative.
- iii. Land is taken into possession only after payment of due benefits to the eligible Project Affected Families (PAFs).
- iv. Vocational training for unemployed youth.
- v. Skill development programs to promote self-employment and jobs with contractor in coal mining areas.
- vi. Skill upgradation and capacity-building programmes to enhance the employability of local youth and displaced persons.
- vii. CSR activities focusing on livelihood enhancement, entrepreneurship development and economic empowerment of local communities.
- viii. Coal India Limited (CIL) and its subsidiaries provide employment and other R&R benefits to eligible landowners as per the provisions of R&R Policy of CIL-2012.
- ix. Singareni Collieries Company Limited (SCCL) provide free coaching for Army, Police & other government recruitment and training in various trades to enhance employability in outsourced and private sector jobs.

To promote environmental sustainability in Coal/Lignite mines in the country, initiatives such as plantation/ bio-reclamation, mine water utilization for community use, development of eco-parks and adoption of energy efficiency measures have been taken.

Further, the Coal Block Development and Production Agreement for commercial mining executed between Successful Bidder and Nominated Authority mandates that the Successful Bidder shall implement mechanised coal extraction, transport and evacuation in the coal mine, in line with modern and prevalent technologies. Accordingly, the Successful Bidder shall strive to minimise the carbon footprints from operations at the coal mine, undertake steps to reduce environmental pollution and promote sustainability, in accordance with Good Industry Practice.

In addition to the above, coal companies have also taken the following steps for the sustainable development of the coal mines while ensuring environmental protection:

- i. Minimization of road transportation and enhancement of mechanized coal loading and transportation including First Mile Connectivity projects.
- ii. Adoption of blast-free mining technologies through surface miners, X-centric rippers.
- iii. Mitigation of dust pollution by using fixed sprinklers, mist sprinklers, mobile water sprinkler, fog cannons, robotic nozzles water sprayer, mechanical road sweeper, Wheel Washing system, wind barriers etc.
- iv. Extensive plantation in and around mining areas for the control of dust, carbon sequestration, restoration of degraded land.
- v. Development of eco-parks in mined out areas after proper stabilization.
- vi. Regular ecological assessments/ studies by reputed institutions aimed to prepare baseline conditions and action plan for further augmentation of ecology.
- vii. Greening activities such as grassing, bamboo plantation over temporary dumps for stabilization and restoration of ecosystem.
- viii. Black-topping or paving of coal transportation roads including its periodical maintenance to reduce dust generation.
- ix. Promoting Underground Coal Mining.
- x. Scientific Closure of Mines.

(d) To ensure transparent and accountable utilization of DMF funds, Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) guidelines 2024 mandates that the accounts of the DMF shall be audited by the Comptroller and Auditor General (C&AG) as per schedule decided by C&AG.
