GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 648
ANSWERED ON 22.07.2026

WELFARE OF MINING AFFECTED COMMUNITIES

648: SMT. PRATIMA MONDAL:

Will the Minister of MINES be pleased to state:

(a) the manner in which the Government is monitoring compliance with District Mineral Foundation (DMF) obligations to ensure that mining-affected communities receive the intended benefits in healthcare, education and local infrastructure; and
(b) the details of the action taken by the Government to curb illegal mining and improve real-time monitoring of mineral extraction, transportation and royalty collection across the country?

ANSWER

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

(a) As per the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) Guidelines, 2024, the power to approve expenditure of DMF funds lies with the Governing Council of DMF headed by District Magistrate having elected representatives such as MPs, MLAs, and MLCs as members. Further, the Guidelines 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 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.

(b) Section 23C of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 empowers the State Government to frame rules to prevent illegal mining and improve real time monitoring of mineral extraction, transportation and storage of minerals and for purposes connected therewith. Section 9 of the MMDR

Act, 1957 mandates holder of mining lease to pay royalty for minerals as per rates notified in Schedule-II of the Act. Hence, these matters fall primarily under the purview of the State Government. However, the Central Government has taken various measures for curbing illegal mining across the country. Some of these steps are as under:

(i) The MMDR Act, 1957 was amended through the MMDR (Amendment) Act, 2015, wherein Sections 30B and 30C read with Section 21 and 23C, inter-alia, provide stringent punitive provisions for illegal mining, transportation and storage. These are punishable with imprisonment for a term which may extend to five years and with fine which may extend to five lakh rupees per hectare of the area. Provisions have also been made for setting up of Special Courts for the purpose of providing speedy trial of offences relating to illegal mining, transportation and storage of minerals.

(ii) The Ministry of Mines has launched the Mining Surveillance System (MSS) through Indian Bureau of Mines (IBM) in collaboration with Ministry of Electronics and Information Technology (MeitY) and Bhaskaracharya Institute for Space Applications and Geo-informatics (BISAG), Gandhinagar for detection of incidence of illegal mining by use of space technology and surveillance of area up to 500m outside the lease boundary to check incidences of illegal mining.

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