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Q62

**What is/are the purpose/purposes of 'District Mineral Foundations' in India? 1. Promoting mineral exploration activities in mineral-rich districts 2. Protecting the interests of the persons affected by mining operations 3. Authorizing State Governments to issue licenses for mineral exploration Select the correct answer using the code given below (a) 1 and 2 only (b) 2 only (c) 1 and 3 only (d) 1, 2 and 3 Official key: B.**

UPSC Civil Services Prelims 2016 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

**Explanation****(a)**

Statement 1 (promoting mineral exploration in mineral-rich districts) and statement 2 (protecting persons affected by mining) together overstate DMF. Exploration and licensing remain with the State under the MMDR framework; DMF is a trust for affected people, not an exploration agency. 1 and 2 only is not the key.

**(b) Official key**

District Mineral Foundations were created by the **MMDR Amendment Act, 2015** to work in the interest of persons and areas affected by mining operations, using a share of royalty. They do not promote exploration as their purpose and they do not authorise States to issue mineral licences. Statement 2 only is therefore the official key.

**(c)**

Statements 1 and 3 both assign exploration and licensing roles that belong to the existing mineral-concession regime, not to DMF. This pair is wrong.

**(d)**

All three would treat exploration and State licensing as DMF purposes. They are not, so this option is not the key.

**Summary**

Official key is (b) 2 only. DMF is a district-level trust funded by a prescribed share of royalty so that mining-affected communities get compensation in the form of welfare and infrastructure (**PMKKKY** guidelines). Mineral exploration and the grant of licences remain statutory functions of the State and the Union as laid down in MMDR and mineral concession rules. Statements 1 and 3 therefore fail. Only the affected-persons purpose is correct.

**Related possible facts**

These can be asked in a future Prelims paper.

**MMDR Amendment Act, 2015**

Inserted **Section 9B** on District Mineral Foundation

**PMKKKY**

Pradhan Mantri Khanij Kshetra Kalyan Yojana, implemented through DMF

**Contribution**

Percentage of royalty paid by miners, higher for leases granted without auction in the transition period

**National Mineral Exploration Trust**

Separate body for regional exploration, not DMF

**Gram Sabha**

Consultation emphasised in DMF/PMKKKY in scheduled areas

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