

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:127
ANSWERED ON:04.03.2011
PROFIT SHARING IN MINING ENTITIES
Thamaraiselvan Shri R.;Virendra Kumar Shri

Will the Minister of MINES be pleased to state:

- (a) whether the mining Public Sector Units propose to share profits with the oustees, including tribals, from mining related operations;
- (b) if so, the details thereof;
- (c) whether the Government has constituted any High Level Committee (HLC) for the resettlement and rehabilitation of the mining affected people;
- (d) if so, the details of the composition, terms of reference and recommendations of the HLC and the action taken by the Government thereon; and
- (e) the details of the other schemes/programmes undertaken by the Government for the welfare and rehabilitation of the people affected by mining?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE STARRED QUESTION NO 127 ON PROFIT SHARING IN MINING ENTITIES ASKED BY SHRI VIRENDRA KUMAR AND SHRI R. THAMARAISELVAN FOR REPLY ON 4.3.2011

(a) and (b): The "Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises", applicable to Public Sector Units in mining, issued by the Central Government in March 2010, enunciates that Corporate Social Responsibility (CSR) is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. The guidelines further state that the approach to CSR planning needs to shift from an ad-hoc charity to a long-term sustainable approach involving skill enhancement, entrepreneurship development and employment generation. As per the guidelines the CSR budget will be mandatorily created through a Board Resolution as a percentage of net profit as follows:

Type of Central Public Sector Enterprises Expenditure range for CSR in a
Financial year (% of profit)

Net profit (previous year)

(i) Less than Rs100 crore 3% - 5%

(ii) Rs100 crore to Rs 500 crore 2% - 3% (subject to minimum of
Rs 3 crore)

(iii) Rs 500 crore and above 0.5% - 2%

(c) and (d): The Government has announced the National Rehabilitation & Resettlement(R&R) Policy, 2007 on 31.10.2007. The Central Government has set up a National Monitoring Committee in the Department of Land Resources, Ministry of Rural Development for reviewing and monitoring the progress of implementation for Rehabilitation and Resettlement Schemes or Plans relating to all cases to which the National Rehabilitation and Resettlement Policy, 2007, applies, which includes the mining projects also. So far no recommendations have been received with regard to mining. The composition of the said committee is given below:

(i) Secretary, Department of Land Resources- Chairman

- (ii) Secretary, Ministry of Agriculture- Member
- (iii) Secretary, Ministry of Coal- Member
- (iv) Secretary, Ministry of Commerce- Member
- (v) Secretary, Department of Industrial Policy & Promotion - Member
- (vi) Secretary, Ministry of Defence- Member
- (vii) Secretary, Ministry of Environment & Forests- Member
- (viii) Secretary, Ministry of Law & Justice- Member
- (ix) Secretary, Ministry of Mines- Member
- (x) Secretary, Ministry of Panchayati Raj- Member
- (xi) Secretary, Planning Commission- Member
- (xii) Secretary, Ministry of Power- Member
- (xiii) Secretary, Department of Road Transport & Highways- Member
- (xiv) Chairman, Railway Board- Member
- (xv) Secretary, Ministry of Social Justice & Empowerment- Member
- (xvi) Secretary, Ministry of Tribal Affairs- Member
- (xvii) Secretary, Ministry of Urban Development- Member
- (xviii) Secretary, Ministry of Water Resources - Member

(e) : The National Rehabilitation & Resettlement (R&R) Policy, 2007 provides for certain basic minimum requirements that must be met by all projects including mining activities leading to involuntary displacement of people. State Governments are at liberty to put in place greater benefit levels than those prescribed in the National Policy. The State Governments are the owners of land and also mineral wealth. In so far as mining projects are concerned, the State Government not only grants mineral concessions but also administer the Rehabilitation and Resettlement measures as per the State R&R Policy for people affected because of mining. The data regarding the people affected and rehabilitation measures taken up because of mining activities is, therefore, not centrally maintained.