

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:2473

ANSWERED ON:08.12.2014

PROFIT SHARING SCHEME FOR MINERS

Adsul Shri Anandrao ;Patil Shri Shivaji Adhalrao;Yadav Shri Dharmendra

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

- (a) whether the Government proposes to drop the profit sharing schemes for miners;
- (b) if so, the details thereof along with the reasons therefor;
- (c) the amount fixed by the Government for development of mining areas; and
- (d) the steps taken by the Government to ensure that a fixed percentage of profits from mines is kept aside for welfare of the people impacted by the projects particularly in tribal regions?

**Answer**

THE MINISTER OF STATE FOR MINES AND STEEL (SHRI VISHNU DEO SAI)

(a) to (d): There is no provision of profit sharing schemes in the Mines and Minerals (Development and Regulation) Act, 1957 for the benefit of people affected by mining.

However, In accordance with the National Mineral Policy, 2008, the Government had introduced a draft Mines and Minerals (Development and Regulation) Bill (MMDR Bill), 2011 in Lok Sabha on 12.12.2011 in which there is a provision for sharing of benefits with the local population which would have enabled monetary benefit to families affected by mining related activities and creation, management and maintenance of local infrastructure in areas affected by mining related operations. The draft provision also provided that special care would be taken to protect the interest of tribal populations by developing models of stakeholder interest in mining projects and stakeholder consultations.

The other important provisions of the Bill were:

i) suitable compensation for all exploration activities to be payable to the person or family holding occupation or usufruct or traditional rights on the area of exploration;

ii) all Mining Lease holders, including public sector undertakings and private sector companies to pay annually into a District Mineral Foundation set up at District level –

(a) a sum equivalent to royalty in case of major minerals (other than coal);

(b) a sum equivalent to 26% of profit in case of coal minerals; and

(c) in case of minor minerals a sum prescribed by the State Government.

iii) a portion of the amount paid into the District Mineral Foundation shall be used to make recurring payments to people affected by mining related operations;

iv) all mining companies to allot atleast one share at par to each person of the family affected by mining, so as to give a sense of ownership in the enterprise; and

v) all mining companies to provide employment or other compensation as stipulated under Rehabilitation &Resettlement policy.

The MMDR Bill, 2011 has lapsed with the dissolution of the XV Lok Sabha.