

Profit Sharing Formula

89. SHRI M. V. MYSURA REDDY: Will the Minister of MINES be pleased to state:

- (a) the present profit sharing formula between Government and local population;
- (b) whether it is a fact that the Ministry has asked the National Mineral Regulatory Authority to review the profit sharing formula;
- (c) if so, the details thereof;
- (d) whether it is also a fact that the Federation of Indian Mineral Industries has opposed the above formula; and
- (e) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI DINSHA J. PATEL): (a) The Mines and Minerals (Development and Regulation) Act, 1957 and Rules framed thereunder does not provide for profit sharing between Government and local population.

(b) to (e) Does not arise in view of (a) above.

Development of mineral rich areas

90. DR. K. V. P. RAMACHANDRA RAO: Will the Minister of MINES be pleased to state:

- (a) whether it is a fact that Government proposes to give an additional Rs. 10,000 crore annually to the mineral rich tribal districts for development;
- (b) if so, the details thereof; and
- (c) by when it is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI DINSHA J. PATEL): (a) No, Sir.

(b) and (c) Does not arise in view of (a) above.

FDI in mining sector

91. HRIMATI BRINDA KARAT: Will the Minister of MINES be pleased to state:

(a) the inflows of the Foreign Direct Investments (FDIs) that have gone to the mining sectors during the last three years;

(b) the details of such investments and its comparison to domestic investments in mining sectors;

(c) whether such huge investments in mining has caused any deliverable benefits for the local population of mining areas; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI DINSHA J. PATEL): (a) The Foreign Direct Investments (FDI) inflow into the mining sectors during the last three years are as follows:

Sl. No.	Year (April to March)	FDI in Rs. crore	FDI in US\$ million
1	2008-09	161.09	34.16
2	2009-10	829.92	174.40
3	2010-11	357.42	79.51
4	2011-12 (April to May)	436.61	98.28
GRAND TOTAL :		1,785.04	386.35

(Source: Department of Industrial Policy and Promotion)

(b) The National Mineral Policy for non-fuel and non-atomic minerals, has thrown open the mining sector for private investment including Foreign Direct Investment (FDI). The above policy envisages, *inter-alia*, foreign technology and foreign participation in exploration and mining of high value and scarce minerals. FDI upto 100% is allowed in exploration, mining, mineral processing and metallurgy under the automatic route for all non-fuel and non-atomic minerals including diamonds and precious stones. FDI approval granted is only for equity participation in a Company incorporated in India. The companies are required to apply to the concerned State Governments, which are the owners of minerals in their respective territorial jurisdictions, for mineral concessions. The domestic investment in the mining sector is not centrally monitored. Therefore comparison between FDI and domestic investment and their deliverable benefits are not available.

(c) and (d) The Foreign Direct Investment in exploration and mining in India is not considered huge in comparison to the total domestic sector, whose annual production is estimated to be in excess of Rs. 2 lakh crores during 2010-11. In so far as deliverable benefits to local population from investments are concerned, investment from FDI as well as domestic investments are both subject to the same policy and legislative framework and it is not possible, keeping also in view the quantum of Foreign Direct Investment, to distinguish between domestic and foreign investment in so far as deliverable benefits to local population are concerned, and benefits in terms of direct and indirect employment and other income generation have accrued in both cases.

Displacement due to mining operations

92. SHRIMATI BRINDA KARAT: Will the Minister of MINES be pleased to state:

(a) the names of the tribal dominated areas in different States which have been facing displacement problems due to mining activities during the last three years;

(b) the details of their displacements and rehabilitation efforts made by both the Central and State Governments in this regard since 2005;

(c) whether the Central Government has any policy to ensure that certain percentage of profits earned by companies in the areas would accrue to the local population; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI DINSHA J. PATEL): (a) and (b) Rehabilitation and resettlement of persons affected by mining activities is administered under the R&R policies of the concerned State Governments. Details of displacement and rehabilitation of persons, including tribals, are not centrally maintained.

(c) and (d) The National Mineral Policy, 2008, provides that special care will be taken to protect the interest of host and indigenous (tribals) and in so far as indigenous (tribal) populations are concerned a Sustainable Development Framework shall be developed, incorporating models of stakeholder interest for tribals in the mining operation, especially in situations where the weaker sections like the local tribal populations are likely to be deprived of their means of livelihood as a result of the mining intervention.