

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2073
ANSWERED ON:07.12.2011
PROFIT SHARING MECHANISM
Panda Shri Prabodh;Singh Shri Dushyant

Will the Minister of COAL be pleased to state:

- (a) whether the Mines and Minerals (Development & Regulation) Bill envisages to sharing 26 per cent net profit by coal mining companies;
- (b) if so, the details thereof;
- (c) whether his Ministry has taken up the matter with the Finance Ministry and if so, the response thereof;
- (d) whether such a provision may likely to impact Coal India Limited and Singareni Collieries Company Limited only, while other coal block allocates may not be subjected to this profit-sharing clause; and
- (e) if so, the details thereof and the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE FOR COAL (SHRI PRATIK PRAKASHBAPU PATIL)

- (a) & (b) :Yes, Sir. The Government has prepared a new draft Mines and Minerals (Development and Regulation) Act, 2010 which inter-alia proposes to make it mandatory for all coal mining lease holders including Public Sector Undertakings (PSUs) to share 26 per cent of their profits after tax with the concerned District Development Authority.
- (c) to (e) :The matter has been taken up with the Ministry of Finance which, in turn, has referred the same to Ministry of Mines for its examination.