

Executive Summary

The Ministry of Coal has the overall responsibility of determining policies and strategies in respect of exploration and development of Coal and lignite reserves, sanctioning of important projects of high value and for deciding all related issues. These key functions are exercised through its public sector undertakings, namely, Coal India Limited (CIL) and Neyveli Lignite Corporation (NLC) Limited and Singareni Collieries Company Limited (SCCL), which is a joint sector undertaking of Government of Andhra Pradesh and Government of India with equity capital in the ratio of 51:49 respectively.

The Outcome Budget of the Ministry of Coal for the year 2014-15 begins with an overview of the vision, mission and objectives of the Ministry together with its functions and organizational structure. [Chapter 1]

The 2nd chapter of this document deals with financial outlays, projected physical outputs and the budgeted outcomes. This chapter also brings out the financial outlays/IEBR component of PSUs. An analytical component has been woven in with focus on the outcomes in 2013-14, and the expected outcomes in terms of the quantifiable deliverables in 2014-15. It has not been possible to disaggregate the data by gender, as in the case of coal/lignite sector, the delivery point is not the individual.

The 3rd chapter deals with some important reform measures and policy initiatives undertaken in recent times. These include:

- efforts to increase Public Private Partnership (PPP) in the coal sector; renewed policy thrust to increase coal production and enhancing underground mining; completion of ongoing projects and expansion of existing projects; working towards technology development and modernization of mines; setting up new washeries; monitoring of implementation of third party sampling of coal supplied by CIL; reforming and strengthening the Coal Controller's organization; implementing an ERP solution in Coal India and its subsidiaries and reviewing productivity norms.
- In addition, new policy initiatives have been taken to expedite environmental and forest clearances and push critical rail-link projects. Coal exploration work has been put on fast track; productivity norms are being reviewed; supply and linkage of coal is being rationalized; stringent quality control measures as also supply of crushed coal are being ensured; land and rehabilitation related issues are being streamlined and allocation of coal

blocks and monitoring of development of captive coal blocks are being given a special thrust.

- Major strides have also been taken on the legal/regulatory front to pave way for commercial coal mining by the private sector. To bring in auction by competitive bidding, the Mines and Minerals (Development and Regulation) Act 1957 has been amended in 2010. The Ministry is working on the need to move the Coal Mines Nationalization Amendment Bill, 2000 pending in the Rajya Sabha as well as introducing a suitable amendment in the MMDR Act by removing the restriction on mining of coal by private companies for specified end uses only.
- The work of auction of coal blocks is being fast tracked. For allocation of area containing coal through auction by competitive bidding for specified end use under the 'Auction by Competitive Bidding of Coal Mine Rules, 2012', a notice inviting applications offering 3 coal blocks has been issued, and another 3 are in the pipeline. Updates on the Coal Regulatory Authority Bill and the CCDA Bill have been also provided in this chapter together with detailed expenditure analysis of the CSR policy being implemented by the CIL.

The 4th chapter reviews past performance in terms of targets, analyzes the growth in coal and lignite production, and gives company and project wise status of ongoing projects of Rs.100 crores and above.

The 5th chapter reviews the overall trends in expenditure vis-à-vis Budget Estimates/Revised Estimates.

The 6th and the final chapter comprehensively reviews the performance of Statutory and Autonomous bodies under the control of the Ministry. This chapter also documents important measures taken to increase transparency and accountability.