

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:71
ANSWERED ON:27.11.2014
THEFT BLACKMARKETING OF COAL
Devi Smt. Rama;Kumar Shri P.

Will the Minister of COAL be pleased to state:

- (a) whether the cases of theft, blackmarketing, illegal mining and haulage of coal have come to the notice of the Government during the last three years and the current year;
- (b) if so, the details thereof year-wise, State-wise and company-wise along with the loss incurred as a result thereof;
- (c) whether the Government has conducted any investigation in this regard during the said period;
- (d) if so, the outcome thereof and the action taken against the guilty persons, year, State and Company- wise; and
- (e) the steps taken/being taken by the Government to check such illegal activities?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

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

STATEMENT REFERRED IN REPLY TO THE LOK SABHA STARRED QUESTION NO.71 FOR ANSWER ON 27.11.2014 REGARDING THEFT/BLACKMARKETING OF COAL ASKED BY SHRI P.KUMAR AND SHRIMATI RAMA DEVI.

(a) & (b) Theft/pilferage of coal is carried out stealthily and clandestinely. As such, it is not possible to specify the exact quantum of coal stolen and loss of revenue on account of theft/pilferage of coal. However, as per raids conducted by the security personnel as well as joint raids with the law and order authorities of the concerned State Governments, the quantity of coal recovered and its approximate value in respect of Coal India Limited (CIL) during the last three years and current year (till June, 2014), year-wise, subsidiary-wise and State-wise, is given as under:-

(i) Theft of Coal
Co.

| State | | 2011-12 2012-13 2013-14 2014-15 (upto June'14) | | | | | | | |
|------------|--|--|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| | | Qty. Re- covered | Approx. Value | Qty. Re- covered | Approx. Value | Qty. Re- covered | Approx. Value | Qty. Re- covered | Approx. Value |
| | | (Te) | (Rs. Lakh) | (Te) | (Rs. Lakh) | (Te) | (Rs. Lakh) | (Te) | (Rs. Lakh) |
| ECL WB | | 4634.00 | 92.68 | 1944.00 | 38.86 | 1801.00 | 36.02 | 395.72 | 7.92 |
| Jhar- | | 1014.00 | 20.28 | 2104.00 | 42.08 | 2068.00 | 41.36 | 419.65 | 8.39 |
| khand | | 5648.00 | 112.96 | 4048.00 | 80.94 | 3869.00 | 77.38 | 815.37 | 16.31 |
| BCL Jhar- | | 8539.32 | 191.59 | 8352.58 | 181.20 | 12212.86 | 497.60 | 3713.93 | 156.59 |
| khand | | | | | | | | | |
| WB | | 0.00 | 0.00 | 0.00 | 39.51 | 1.66 | 67.04 | 2.81 | |
| | | 8539.32 | 191.59 | 8352.58 | 181.20 | 12252.37 | 499.26 | 3780.97 | 159.40 |
| CCL Jhar- | | 488.73 | 6.20 | 2333.69 | 28.61 | 352.40 | 8.21 | 317.00 | 9.40 |
| khand | | | | | | | | | |
| NCL MP | | 9.00 | 0.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| UP | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 9.00 | 0.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| WCL Maha- | | 92.60 | 1.61 | 146.71 | 3.34 | 61.81 | 0.93 | 50.36 | 0.99 |
| rashtra | | | | | | | | | |
| MP | | 17.21 | 0.35 | 22.84 | 0.32 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 109.81 | 1.96 | 169.55 | 3.66 | 61.81 | 0.93 | 50.36 | 0.99 |
| SECL MP | | 16.00 | 0.72 | 4.40 | 0.26 | 21.01 | 1.02 | 0.00 | 0.00 |
| Chhattis- | | 48.11 | 1.73 | 114.92 | 2.91 | 39.00 | 1.06 | 0.00 | 0.00 |
| garh | | | | | | | | | |
| | | 64.11 | 2.45 | 119.32 | 3.16 | 60.01 | 2.079 | 0.00 | 0.00 |
| MCL Odisha | | 59.60 | 0.59 | 30.80 | 0.31 | 33.23 | 0.33 | 24.30 | 0.24 |

NEC Assam 0.00 0.00 313.93 17.77 212.00 11.62 10.00 0.50

(ii) Illegal Mining of Coal

Co. 2011-12 2012-13 2013-14 2014-15 (upto June'14)

2011-12 2012-13 2013-14 2014-15 (upto June'14)

Qty. Re- Approx. Qty. Re- Approx. Qty. Re- Approx. Qty. Re- Approx.
covered Value covered Value covered Value covered Value
(Te) (Rs. Lakh) (Te) (Rs. Lakh) (Te) (Rs. Lakh) (Te) (Rs. Lakh)

ECL WB 644.00 12.88 0.00 0.00 4.00 0.08 34.75 0.70

Jhar- 23.42 0.47 0.00 0.00 0.00 0.00 0.00 0.00

khand

667.42 13.35 0.00 0.00 4.00 0.08 34.75 0.70

BCCL Jhar- 1182.30 23.92 883.98 18.07 1096.46 45.77 0.00 0.00

khand

WB - - 0.00 0.00 188.33 7.88 0.00 0.00

1182.30 23.92 883.98 18.07 1284.79 53.65 0.00 0.00

CCL Jhar- 62.00 0.62 39.00 0.42 4.33 0.19 9.00 0.25

khand

NCL MP 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

UP 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

WCL Maha- 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

rashtra

MP 0.00 0.00 0.00 0.00 12.00 0.50 0.00 0.00

0.00 0.00 0.00 0.00 12.00 0.50 0.00 0.00

SECL MP 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

Chhattis- 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

garh

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

MCL Odisha 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

NEC Assam 203.86 9.93 0.00 0.00 37.45 1.16 0.00 0.00

(c) & (d) Law and Order is State subject and hence, primarily, it is the responsibility of State/District administration to take necessary deterrent action to stop/curb theft/pilferage. However, any incident of theft/pilferage of coal comes to notice of the subsidiary companies, First information Reports (FIRs) are lodged and appropriate action taken against the guilty. Details of complaints/investigations conducted are given below:

1 A complaint alleged that M/s. Mahalaxmi Traders siphoned off the entire coal lifted from North Eastern Coalfields (NEC) by Nagaland Govt. for State Undertakings and sold to customers in Punjab in black market in connivance with officials of Coal India Limited (CIL). Vigilance Wing of CIL investigated and did not find any substance in the complaint.

2 A Complaint was registered by the CIL alleging that M/s. Somal Pipes Limited, Ludhiana received coal under Fuel Supply Agreement (FSA) from NEC to manufacture pipes but they are selling coal in black market.

3 A Complaint was registered alleging that for distribution of 7.95 lakh Te. of coal against allocation in favour of UP State Authority from Central Coalfields Limited (CCL). The UP State Authority nominated a state agency who has again nominated a private agency and coal available to the State at notified price is sold in black market at double the notified price.

4. A complaint was registered alleging that some industrial units like Rolling Mills and other material manufactures situated in Nagpur District are lifting coal at subsidized rate from WCL and without consuming the said coal in their industrial units, they are selling the said coal in open market illegally and at the same time they are using imported coal/hard coke/ Electricity in their industries.

5. A complaint has been registered against Sri PawanKejriwal of Damodar Group of Industries alleging that he engaged in coal scam and having illegal trading of coal. He purchased the linkage/ FSA coal in bulk quantity at a low price from different subsidiaries of CIL and sell the coal in open market at higher prices.

6. As per the information provided by the CIL, the following cases of alleged black marketing of coal have been registered by CBI:-

RC.No& Date Officials of NEC, an unit of CIL.

RC0172011A 0005 dated 12/04/11 1. Shri Deepakumar K, ASM, NEC

2. Shri S. Bhattacharjee, SO (Mining), NEC

3. Shri S. Acharjee, Sr. AO, NEC

4. Shri RajenMech, SOM, Tikak, NEC

RC0172011A 0014 dated 19/9/11 1. Shri Deepakumar K, Area Sales Manager, NEC

RC-0062011A0004 dt 13.04.2011 Shri A.C.Verma, GM(S&M),CIL, Shri B.Pradhan, CVO, NCL

RC 0062011A0005 dt 13.04.2011 Shri A C Verma, then GM(S&M),CIL, Shri B.Pradhan,CVO,NCL
 RC 0062011A0006 dt 13.04.2011 Shri A C Verma then GM(S&M),CIL,ShriB.Pradhan, CVO NCL.
 RC - 0062011A0007 Shri A C Verma,GM(S&M),CIL,
 Dt 13.04.2011 Shri B. Pradhan, CVO NCL.
 RC 0062011A0008 dt 13.04.2011 Shri A C Verma, then GM(S&M),CIL, Shi B.Pradhan, CVO, NCL

7. As and when there is report of Theft of Coal and Illegal Mining, cases are reported FIRs lodged with the Police Deptt. of the State and investigation is carried out by the State Police Deptt. The details are given company-wise & State-wise as under:

EASTERN COALFIELDS LIMITED (ECL)

| Year | West Bengal | Jharkhand |
|------------------------------|----------------------------------|------------------------------|
| No. of FIR involved/arrested | No. of Persons involved/arrested | No. of FIR involved/arrested |
| Theft 2011-12 | 26 | 02 |
| 2012-13 | 19 | 02 |
| 2013-14 | 05 | 03 |
| Illegal 2011-12 | 09 | 44 |
| 2012-13 | 00 | 00 |
| 2013-14 | 03 | 06 |

BHARAT COKING COAL LIMITED (BCCL)(Jharkhand and West Bengal)

| Year | No. of FIR involved/arrested | No. of Persons involved/arrested |
|-----------------|------------------------------|----------------------------------|
| Theft 2011-12 | 17 | 08 |
| 2012-13 | 14 | 09 |
| 2013-14 | 12 | 04 |
| 2014-15 | 07 | 07 |
| (upto Sept) | | |
| Illegal 2011-12 | 00 | 00 |
| 2012-13 | 00 | 00 |
| 2013-14 | 00 | 00 |
| 2014-15 | 00 | 00 |
| (upto Sept) | | |

NORTHERN COALFIELDS LIMITED (NCL) -

In respect of reports of black marketing of coal, CBI Lucknow and NCLvigilance dept. had jointly conducted surprise check at 7 small scale industries at Kanpur, Ramnagar, Chanduli, in Yttar Pradesh on 25.03.2011. CBI has registered cases against 5 of the said units. The names of these units are as under:-

- | S. No. | Case No. | Case No. |
|--------|-------------------------------|--|
| 1. | RC0062011A004dated 13.04.2011 | M/s. Swastik Cement Products Pvt. Ltd., A-5 Industrial Area, Ramnagar, Dist. Chandauli, UP |
| 2. | RC0062011A008dated 13.04.2011 | M/s Drolia Coke Industries Pvt. Ltd., D-8 Industrial Area, Ramnagar, Dist. Chandauli, UP. |
| 3. | RC0062011A005dated 13.04.2011 | M/s. Fertico Marketing & Investment Pvt. Ltd., B-20, Industrial Area, Ramnagar, Dist. Chandauli, UP. |
| 4. | RC0062011A006dated 13.04.2011 | M/s. Jai Durga Industries, B-12 Industrial Area, Ramnagar, Dist. Chandauli, UP. |
| 5. | RC0062011A007dated 13.04.2011 | M/s. Shree Ram Fuels, BH-4 Industrial Area, Ramnagar, Dist. Chandauli, UP. |

At Kanpur, joint check was carried out at the following two (2) units.

1. M/s Eastern Flames Pvt. Ltd.
2. M/s Pandit Fuels Co. Pvt. Ltd.

No case has been registered against the above two units Pursuant to surprise check by CBI and NCL Vigilance Department, NCL has suspended coal supplies to all 22 SSI units with whom FSAs had been entered into. The FSAs of the said SSI units have since expired. The units have filed a writ petition with the Hon'ble Allahabad High Court for the renewal of the FSAs with NCL.

SOUTH EASTERN COALFIELDS LIMITED (SECL) -

Only one case relating to black marketing has been reported.

WESTERN COALFIELDS LIMITED (WCL)

| Year | Maharashtra | | Madhya Pradesh | |
|-------|-------------------|----------------|-------------------|----------------|
| | No. of FIR | No. of Persons | No. of FIR | No. of Persons |
| | involved/arrested | | involved/arrested | |
| Theft | 2011-12 | 15 26 | 05 | 10 |
| | 2012-13 | 20 22 | 02 | 02 |
| | 2013-14 | 09 07 | 00 | 00 |
| | 2014-15 | 09 12 | 00 | 00 |
| | (upto Sept) | | | |

(e) The measure taken by the coal companies to check such illegal activities: include:

- i) Rat holes created by illegal mining are being dozed off and filled up with stone and debris wherever possible.
- ii) Concrete walls have been erected on the mouth of the abandoned mines to prevent access and illegal activities in these areas.
- iii) Regular raids/checks being conducted by security personnel and static security pickets including armed guards during the night hours are being deployed at pithead depots.
- iv) Surprise raids/checks being conducted jointly by security personnel and law and order authorities of the concerned State Government.
- v) Fencing is being constructed at the various illegal mining sites along with displaying of signboard mentioning "dangerous and Prohibited Place".
- vi) Dumping of the overburden is being done on the outcrop zones, which are not required to be mined.
- vii) Collection of intelligence reports about illegal coal depots and illegal movement of coal and informing district authorities of the same for taking preventive action.
- viii) Installation of check posts at vulnerable points to check transport documents.
- ix) Training of existing security personnel, refresher training of CISF personnel and basic training of new recruits in security discipline for strengthening the security set up.
- x) The coal companies maintain close liaison with the State authorities.
- xi) Committee/task force has been constituted at different level (block level, sub-divisional level, district level, state level) at some subsidiaries of CIL to monitor different aspects of illegal mining.
- xii) Fencing, lighting arrangements and deployment of armed guards round the clock has been done around the coal dumping yards.
- xiii) Regular patrolling is conducted in and around the mine including overburden dumps.
- xiv) Armed Guards have been deployed at Railway sidings.
- xv) Technology initiatives like GPS/GPRS/CC TVs and electronic weight bridges have been installed.
- xvi) Challans for coal transportation by trucks outside the district are being issued after fixing hologram and putting signatures of authorized officials of CISF to check pilferage.
- xvii) Regular FIRs are lodged by the Management of the collieries and CISF with local Police stations against the pilferage/ theft of coal. A close watch on the activities of criminals is kept done by CISF, etc.