

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA

UNSTARRED QUESTION NO: 4209

ANSWERED ON: 02.05.2012

LEGAL ACTION AGAINST CIL

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Will the Minister of

COAL

be pleased to state:-

- (a) whether U.K. based Children's Investment Fund has threatened to take legal action against Coal India Limited (CIL) ;
- (b) if so, the facts in this regard;
- (c) the details of allegations levelled by the said organization against CIL ;
- (d) the reaction of the Government to the said allegations alongwith the action taken/ proposed to be taken by the Government in this regard ?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) & (b): Children's Investment Fund , a minority shareholder, had indicated that it would take legal action against the individual Coal India Limited (CIL) Board Members for breach of fiduciary duties.

(c): The points raised/allegations levelled were:-

- (i) underpricing of Fuel Supply Agreement coal as compared to market levels;
- (ii) slow implementation in setting up of washeries;
- (iii) lack of action on prevalent theft of coal;
- (iv) inefficiencies in underground mines; and

(v) not achieving target production despite abundant reserves.

(d): The allegations levelled against CIL are relating to operational matters of CIL and CIL needs to address them as per the framework set up by the company to handle investor grievances.