

No. 47011/1(16)/99-CPAM/CA-I
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi
Dated the 4th October, 2010

To

M/s Shree Baidyanath Ayurved Bhawan Limited,
20, Great Nag Road,
Nagpur- 440 009

Subject- Show cause notice for inordinate delay in development of Bhandak (West) coal block.

Sir,

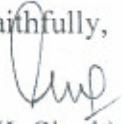
I am directed to refer to this Ministry's letter No. 47011/1(11)/99-CPAM/CA dated 27.11.2003 conveying allocation of Bhandak (West) coal block for meeting the coal requirement of 0.331 mtpa in the proposed captive power plant to supply power to their paper mill located in Nagpur Distt, Maharashtra.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of M/s Shree Baidyanath Ayurved Bhawan Limited. In the review meeting 22nd and 23rd June, 2009 it was noted that Mining Plan had not yet been approved. Other milestones are pending for want of MP approval. In the review meeting held on 20/21.07.2010, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that the mine plan is delayed due to the fact that company has changed the capacity of EUP, location of EUP, purpose of EUP, name of company and shareholding pattern of company since the block is allocated. In the earlier review meetings, though these issues were raised, however Review Committee did not recommend issue of show cause notice / advisory. However, the Review Committee was of the view to examine the issue and take up the matter with the company. In line with this, the matter was taken up with the company seeking details and to verify the change of shareholding pattern on various occasions. Because of changes carried out in the name of original allocatee and other changes proposed by the allocatee as mentioned above, the company has seriously lagged behind in actually developing the coal block and associated EUP. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions to this Ministry and thus non-serious about timely development of the block.

3. Under the above circumstances, you are hereby called upon to show cause, within a period of 30 days from the date of issue of the show cause notice on each milestone separately, to this Ministry as to why the delay in the development of the coal block should not

be held as violation of the terms and conditions of the allotment of Bhandak (West) coal block failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for deallocation of Bhandak (West) coal block.

Yours faithfully,



(S.K. Singh)

Section Officer

NIC M/o Coal