

File No NA-203/6/2022-NA
Government of India
Ministry of Coal
Office of Nominated Authority

120-F, Shastri Bhawan, New Delhi

Dated: June 27, 2023

FINAL COMPENSATION ORDER

Subject: The Coal Mines (Special Provisions) Act, 2015 and Hon'ble High Court of Delhi, Judgment dated March 09, 2017- Valuation of Compensation for payment to prior allottee M/s Usha Martin Limited (UML) Reg., for Kathautia coal mine.

Provisional determination of compensation of land and mine infrastructure was issued on May 01, 2023 in accordance with Coal Mines (Special Provisions) Act, 2015 and Hon'ble High Court of Delhi, Judgment dated March 09, 2017. Further, corrected table B of provisional order dated 01.05.2023 is stated below:-

Table 'B', Figures in 'INR'

Type of Land	Purpose of Land	Category of Land	Area in Ha~2.47*Acres	Consideration (Cost of Land) 'COL' (INR)	As per CMSP ACT 2015 (as on 01.04.2015)	Fair market value as on 01.04.2015	Final Land value (as per CMSP or FMV whichever is higher)
Freehold	Mining	Private	163.36~403.67	5,09,02,964	7,71,93,171	22,27,42,645	22,27,42,645
Freehold	R&R	Private	3.60~8.90	7,11,680	14,12,143	34,10,894	34,10,894
Freehold land Total			166.96~412.57	5,16,14,644	7,86,05,314	22,61,53,539	22,61,53,539
Leasehold	Mining	Govt.	67.12~165.86	3,85,00,693	5,02,72,412	-	5,02,72,412
Lease Hold Total			67.12~165.86	3,85,00,693	5,02,72,412	-	5,02,72,412
Grand Total			234.08~578.43	9,01,15,337	12,88,77,726	22,61,53,539	27,64,25,951

2. In pursuance to the Provisional Order dated May 01, 2023, M/s Usha Martin Limited [UML] (Prior allottee) and M/s Hindalco Industries Limited [HIL] (Successful allottee) were called upon May 03, 2023 at 12:00 noon, to present their comments/objections, if any, on the determination of compensation amount determined by Nominated Authority. Accordingly, both allottees attended the meeting on May 03, 2023 (List of participants is at Annexure) and requested the Nominated Authority for submission of objections in writing against the said provisional order of compensation for land and Mine Infrastructure.

3. Thereafter, vide letters dated May 09, 2023 and dated June 01, 2023, HIL raised their objections against the said provisional order. M/s HIL's objections to the provisional order from May 1st, 2023 are summarised below:

a) Land: - In a letter dated May 09, 2023, M/s HIL claimed that they were not informed of the new claim for 165.86 acre of leasehold land (which had been made by M/s UML in letters dated 22.02.2018, 10.04.2023, and 26.04.2023) or the related Land Valuator Report. After, receiving the land valuation report on 09.05.2023, they raised same objection in their letter dated June 01, 2023 and also requested to grant them a personal hearing against the said order before the Nominated Authority. In relation to 165.86 acres of land, HIL further said that only 51.67 Acres may be transferred to HIL because the state government holds the remaining area as Jungle Jhari Land, hence prior allottee is entitled for only 51.67 Acre of the Govt. Land.

b) M/s HIL stated that in Table 'B' of said provisional order, detailed classification of 403.27 acres of land as claimed by prior allottee has not been furnished, which is 75.37 - Outside ML Area, 7.05 - GM Land, 111.50 - JJ Land, 144.70 - Mined out by prior allottee and only 64.66 Acres of land is available for the HIL which has not been mined out by prior allottee. In this regard, they claimed that the prior allottee is only entitled to receive claims for a total of 209.36 Acres of land (144.70 Acres + 64.66 Acre), for a total of INR 11,56,35,281/-.

c) Mine Infrastructure: - No objection has been raised under this head.

4. Reply of M/s UML, dated May 13, 2023, in response to M/s HIL's concerns and objections to the provisional order dated May 01, 2023 are summarised below:-

a) In respect of Leasehold land 165.86 acres: - M/s UML stated that the claim for 165.86 acres leasehold land was already the part of their claim in previous letters dated 22.02.2018, 19.12.2014 and 26.04.2023. The details of these lands were also uploaded by Ministry of Coal (MoC) during tender.

b) Mining land 403.27 Acres: - M/s UML stated the bifurcation of land in various categories viz. Mined out, GM, JJ, Outside ML, as done by HIL is beyond the ambit of the CMSP Act 2015 and rules made thereunder. Also, The Ministry had already provided bifurcation details to HIL in the Approved Mine Plan and Mine Dossier appropriately. Further, UML referred the agreement between HIL and UML dated 18.05.2017 where HIL had agreed to compensate UML for entire 403.66 Acres vested land.

5. Further, M/s UML's raised objections to the provisional order from May 01, 2023 as summarised below:

a) Land: M/s UML requests that the circle rate (F.Y 2014-15) of date of vesting be replaced with the current fair market value (FY 2022-23) of the land. UML asked for interest that was given to the landowners, Solatium (30%), and R&R remuneration in addition to the land's base cost. Additionally, M/s UML claimed that HIL surrendered 492.72 ha of vested land after approximately two years had passed and abandoned the Land Acquisition proceedings, which were nearing their conclusion and had already resulted in final awards under LA. UML also stated that the State Government of Jharkhand has refunded majority of UML's investment amount, and as interest (INR 53,10,30,071/-) for this land has not yet been paid, it has asked the MoC to take this into consideration in accordance with the CMSP Act of 2015 and the Honorable HC Delhi verdict.

b) Mine Infrastructure:- M/s UML pointed to the Agreement between HIL and UML dated May 18, 2017, in which HIL agreed to a total valuation of INR 11.84 crore for infrastructure, mobile assets, civil infrastructure, and R&R. According to the agreement (a copy of which is enclosed), HIL has subtracted or adjusted the amount received through MoC for infrastructure from the total sum agreed upon. As a result, any deduction made by MoC in this account will result in a loss for UML relative to the infrastructure's agreed upon valuation with HIL.

6. In light of the aforementioned requests, comments, and objections from both allottees, this order has been considered and determined as below:

a) Leasehold land 165.86 acres: In prior letter dated 22.02.2018 (copy enclosed), M/s UML stated that 165.86 acres of leasehold property was already part of their claim. This claim was considered correct. And all information on the area, including the said leasehold land, was sent to HIL in the Mine Dossier. In the valuation report, the land valuator only accounts for the length of the lease that is still in effect, and this ministry has taken that into consideration as well. Hence, the compensation determined by this ministry in said provisional order for 403.27 acres of land stands final.

b) 403.27 acre of Land: All information on the area, including the land schedule of said land, was sent to HIL in the Mine Dossier. Further, as per sub clause (ii) of clause (p) of section 3 of CMSP Act 2015, Schedule I coal mines" means,—

"(ii) all the coal bearing land acquired by the prior allottee and lands, in or adjacent to the coal mines used for coal mining operations acquired by the prior allottee;"

So, the previous allottee has a right to compensate for land they acquired outside of the mining lease for coal mining purposes. In addition to above, the compensation of 403.27 acres of land has already been finalized on October 28, 2016 in accordance with section 16 of CMSP Act 2015 and rules made thereunder. Now, this order is determined as per Hon'ble High Court of Delhi, Judgment dated March 09, 2017. Hence, the compensation determined in said provisional order for 403.27 acres of land stands final.

c) Mine Infrastructure: According to the guidelines of the Inter-Ministerial Valuation Committee for mine infrastructure [guidelines attached as annexure 1], the prior allottee's claim against the mine infrastructure has been determined. The prior allottee's claim for mining infrastructure has been sent to CMPDIL in accordance with the recommendations of the aforementioned committee. The assets which qualify for the claim of Mine Infrastructure were classified by CMPDIL. Thereafter, the same classification of assets were forwarded to Chief Advisory Cost (CAC) to submit their report. The Final sum, **INR 2,41,96,346.00** was provided by O/o CAC in its report. The same was considered by this ministry in provisional order. Hence, the determination against mine infrastructure in provisional stands final.

7. Hence, the compensation determined in the provisional order dated May 01, 2023 stands final with details as below:

Fig in 'INR'

SL	Particulars	Land (A)	Mine infrastructure (B)	Total [C=(A+B)]
1	Compensation determined in provisional order dated 01.05.2023	27,64,25,951	2,41,96,346	30,06,22,297
2	Compensation released to M/s UML vide sanction letter dated 28.10.2016	7,68,52,517	3,81,19,215	11,49,71,732
3	Incremental Fixed cost payable by M/s HIL [SL 2 minus SL 1]	19,95,73,434	(1,39,22,869)	18,56,50,565


8 In view of the above, M/s Hindalco Industries Limited is directed to deposit **INR 18,56,50,565.00-** in the designated account of Ministry of coal, within 7 days of receipt of this order and the prior allottee, M/s Usha Martin Limited is entitled to the same.

9. **Priority of disbursal of proceeds:** In compliance of Section 9 of CMSP Act, 2015 r/w Rule 15 of the CMSP Rules, 2014 regarding priority of disbursal of compensation for land and mine infrastructure, it has to be paid to secured creditors first. Accordingly, claims from Secured creditors, Government of India, State Government(s) and Local Authority had been invited for the schedule I coal mines (including Kathautia coal mine) vide Notices dated 28.12.2021 and dated 28.02.2022 for which no responses have been received till date for Kathautia coal mine.

10. In accordance with section -27 of the Act and the judgement dated 09.03.2017, it is open to M/s Usha Martin Limited and M/s Hindalco Industries Ltd to raise disputes with regard to the quantum of compensation before the Tribunal constituted under the Coal Bearing area (Acquisition and Development) Act 1957.

Enclosure: -

1. Provisional order dated May 01, 2023
2. M/s HIL letter dated 09.05.2023, & 01.06.2023
3. M/s UML letter dated 13.05.2023


28.6.23

[M. Nagaraju]

[Additional Secretary/Nominated Authority]

To,

1. Prior Allottee :- The Managing Director, Usha Martin Limited, Crosswindz Building ,3rd Floor, 41, Kutchery Road, Ranchi-834001.
2. Successful Allottee : - The Managing Director, Hindalco Industries Ltd. Aditya Birla Centre, 3rd Floor, B-Wing S.K. Ahire Marg, Worli, Mumbai-400030.

Copy to:-

1. The Coal Controller, Coal Controllers' Organisation, 1, Council House Street, Kolkata.
2. U.S, P&S-II (For Kind information).
3. Sr.T.D, NIC, MOC with request to upload this on the website of MOC.

Annexure- I

List of Participants:-

SL No	Participants	Organisation/Company/MoC
1	Shri M Nagaraju (Chairperson)	AS&NA
2	Shri Ajitesh Kumar	Director, NA
3	Shri Harishchand	Manager, NA
4	Mrs Reshma Mohan	YP, NA
5	Shri Vivek Mishra	President ,HIL
6	Dr Vinod K Verma	Head Regulatory Affairs, HIL
7	Shri V R Shankar	Legal President ,HIL
8	Shri Vijay Dubey	Legal, HIL
9	Shri N K Patotia	A V P Commercial, M/s UML
10	Shri Rajeev Singh	Advisor, M/s UML