

Through Email/SPEED POST/Website of Ministry of Coal

File No NA-203/3/2022-NA

Government of India

Ministry of Coal

Nominated Authority

Room No. 120, "F" Wing, Shastri Bhawan,
New Delhi – 110001, Dated: December 05th, 2023

FINAL COMPENSATION ORDER

Subject: The Coal Mines (Special Provision) Act, 2015 and Hon'ble High Court of Delhi, judgment dated March 09, 2017 - Valuation of compensation payable to prior allottee, M/s Utkal Coal Limited (formerly M/s ICCL), pertaining to land for Utkal C coal mine.

In pursuance to the Provisional Compensation Order dated September 22, 2023, both the prior allottee M/s Utkal Coal Limited (formerly M/s ICCL) and successful allottee, M/s Jindal Steel and Power Limited (JSPL) were called upon October 3, 2023 at 3.30 PM to present their views / objections, if any, on the determination made by the Nominated Authority.

2. Further, a meeting was rescheduled to October 13, 2023 at 5.00 PM, accordingly, both the prior allottee, M/s Utkal Coal Limited (UCL), successful allottee, M/s Jindal Steel and Power Limited (JSPL) and IDCO attended the meeting (the list of attendees is enclosed in Annexure I). Thereafter, allottees requested for additional time for submission of their written objections/comments pertaining to the valuation of land determined by Nominated Authority in the Provisional Compensation Order dated September 22, 2023.

3. Subsequently, vide letters dated 13.10.2023, 20.10.2023, 27.10.2023, 31.10.2023, and 07.11.2023, M/s JSPL (successful allottee) & M/s UCL (prior allottee) submitted their objections/comments which are summarized as follows:

a. Leasehold Land:

M/s JSPL stated that Section (16) of the CMSP Act addresses the ownership of freehold land, stipulating that its value appreciates over time and hence an additional 12% simple interest is applied based on the registered sale deeds. However, this provision does not extend to leasehold land, as the superior right to the land is vested with IDCO and the District Authority. Furthermore, M/s JSPL asserted that M/s UCL possessed only limited rights for a specified period concerning the leasehold land. Therefore, the prior allottee is entitled to compensation only up to the date of vesting to the successful allottee. Additionally, M/s JSPL stated that stamp duty charges, registration charges, annual statutory charges, etc., cannot be compensated to the prior allottee as the successful allottee is required to pay these charges again.

In response to M/s JSPL's letter, M/s UCL stated that valuation of compensation for leasehold land must be determined as per Sec (16) of CMSP act and they asserted that, M/s JSPL is liable to pay compensation on leasehold land for entire lease period.

b. Diverted Government Forest Land:

M/s JSPL stated that leases were not executed for forest land and diverted areas under Section 2(ii) of the Act of 1980. Consequently, they indicated that any amount spent by the prior allottee in respect of such land should be directly claimed by IDCO. Additionally, they clarified that the State government has granted a mining lease to them for 1421 Ac of land, including forest land (424.28 Ac), upon the payment of dues.

In response to M/s JSPL's letter, M/s UCL clarified that they have paid the entire acquisition cost for the Lease deed pertaining to Government Forest Land, which was executed between the Collector and IDCO. Therefore, they asserted that they are entitled to compensation for the acquisition cost and other statutory expenses borne by them.

c. Permissive Possession:

M/s JSPL stated that permissive possession was granted to M/s UCL over 61.29 acres of government communal land, for which M/s UCL had only paid an annual license fee during the period of occupation. The land continues to be recorded in the Government's Revenue Department. According to M/s JSPL, since no rights and ownership of the land were created in favor of the prior allottee, no compensation is payable to M/s UCL.

In response to M/s JSPL's letter, M/s UCL stated that the rights over the said land had been vested and transferred to M/s JSPL through vesting order dated 10.10.2022. Therefore, M/s UCL asserted that they are entitled to compensation for the land under the head of permissive possession.

d. Freehold Land:

M/s JSPL stated that they are agreeing to the compensation for freehold land determined by NA vide Provisional Compensation Order dated 22.09.2023.

M/s UCL requested for the consideration of the higher rate between the values stipulated by the CM(SP) Act and the fair market value on a Mauza-wise basis, as opposed to evaluating the total higher value encompassing both assessments.

3. After consideration of comments and objections from both the prior allottee, M/s UCL and the successful allottee, M/s JSPL, the following decisions were made by Nominated Authority:

It was conveyed in the meeting that the assessment of compensation for all 204 coal mines under the CM(SP) Act will be conducted in alignment with the interpretations of the CM(SP) Act and its associated rules, as per the Hon'ble Delhi High Court order dated 09.03.2017 (W.P 973 of 2015). Additionally, the recommendations set forth in the "Report of the Committee for Valuation and Assessment of 204 Coal Mines," dated 16.11.2018, will be duly considered in the process.

However, in the state of Odisha lease deeds were executed from Govt. of Odisha to OIIDC (IDCO) and IDCO to allottee. Since IDCO is involved in acquiring land on lease from the state government on behalf of the allottee, the valuation of compensation of land is conducted differently for leasehold IDCO land of Odisha compared to mines in other states.

a) **Leasehold Land:** For leasehold land, a valuation encompassing 12% simple interest in addition to the land cost, up to the date of the vesting of Utkal C coal mine shall be undertaken. However, for IDCO leasehold land compensation entitlement for M/s UCL is deducted to the specific duration during which they actively utilized the land ie, from date of registration of the Lease Deed to the date of the Vesting Order for Utkal C coal mine to the successful allottee.

Consequently, M/s UCL is entitled to compensation along with 12% simple interest for the remaining lease period of the land.

Further, the exclusion of registration charges and stamp duty paid by M/s UCL for the land's registration in their name has been deemed appropriate in the valuation of compensation. Therefore, the determination of compensation for leasehold land has been revised accordingly.

b) **Diverted Government Forest Land:** It was decided that in the absence of Lease Deeds executed in the name of M/s UCL, the allottee is entitled to compensation along with 12% interest from the date of payment made to IDCO till the date of the issuance of Vesting Order.

c) **Permissive Possession:** It was decided that since M/s UCL has exclusively remitted an annual license fee for 61.29 acres of land, and no acquisition or registration of the land has been executed, M/s UCL is not eligible for compensation for the same.

d) **Freehold Land:** M/s UCL is entitled to receive compensation equivalent to the higher amount between the total of valuation as per the CM(SP) Act 2015 or the fair market value amounting to INR 24,37,54,600/- as mentioned in Provisional Compensation Order dated September 22, 2022.

4. Therefore, the compensation towards leasehold land stands revised as specified in the table below:

Table 'A' Fig in 'INR'

Particulars	Area (Ac)	Total cost incurred by UCL	Value of land less elapsed time till 10-10-2022 (vesting)	Interest accrued 12% till 10.10.2022 (vesting)	Compensation payable to M/s UCL
Private Land (Deed executed)	876.13	1,24,56,80,098.80	1,06,86,29,630.21	1,59,44,77,409.45	2,66,31,07,039.65
Govt Land (Deed executed)	112.82	3,19,51,296.00	2,62,04,925.54	3,81,14,640.24	6,43,19,565.78
Govt Land (Deed not executed)	371.55	26,56,93,706.00	26,56,93,706.00	29,20,95,849.62	55,77,89,555.62
Land Value	1,360.5	1,54,33,25,100.80	1,36,05,28,261.75	1,92,46,87,899.31	3,28,52,16,161.05

5. In view of the above, compensation towards land in respect of Utkal C coal mine stands final and determined as mentioned in below table 'B':

Table 'B' Fig in 'INR'

Leasehold IDCO Land -1360.5 Ac (A)	Freehold Land -38.69 Ac (B)	Total Amount {C=A+B}
3,28,52,16,161	24,37,54,600	3,52,89,70,761


6. M/s JSPL, the successful allottee has paid INR 1,31,52,57,422/- as fixed cost for land. Therefore, it is directed to M/s JSPL to deposit incremental fixed cost of INR 2,21,37,13,339/- in the designated account of Ministry of Coal, within seven days of receipt of this order as per **Clause no**

3.1.d of CMDPA dated 17.08.2023 executed between M/s Jindal Steel and Power Limited and Nominated Authority.

7. In accordance with section 27 of the Act and the judgement dated 09.03.2017, it is open to prior allottee, M/s Utkal Coal Limited (UCL) and successful allottee, M/s Jindal Steel and Power Limited (JSPL) 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 as above: -

1. Provisional Compensation Order dated September 22, 2023
2. M/s UCL letters dated 27.10.2023 and 07.11.2023,
3. M/s JSPL letters dated 13.10.2023, 20.10.2023 and 31.10.2023


(M.Nagaraju) 5.12.23

Additional Secretary & Nominated Authority

To,

1. **(Prior Allottee):** Managing Director, Utkal Coal Limited (formerly ICCL), A-19, Safdarjung Shopping Center, Safdarjung Enclave, Delhi-11029, India, Email ID: pkhandelwal@imfa.in
2. **(Successful Allottee):** Managing Director, M/s Jindal Steel and Power Limited, O.P Jindal Marg, Hisar , Haryana -125005, India and principal place of business is at Jindal Center , 12, Bhikaji Cama Place, New Delhi- 110066, India.
3. **Coal Controller's Organisation**, Ministry of Coal, SCOPE MINAR ,5th Floor, Core – II Laxmi Nagar, Delhi – 110092
4. **Under Secretary** (CBA-II Section), Ministry of Coal.
5. **Sr. TD**, NIC: for uploading on the Website of Ministry of Coal.

<u>List of attendees for the meeting dated 13.10.2023 (Annexure I)</u>			
SL No	Participants	Designation	Organisation
1	Shri M Nagaraju	Additional Secretary	NA, MoC
2	Shri Ajitesh Kumar	Director	O/o NA, MoC
3	Shri Marapally Venkateshwarlu	Director (Tech)	O/o NA, MoC
4	Shri Manish Uniyal	Under Secretary	O/o NA, MoC
5	Shri Prince Kumar	Executive Engineer	O/o NA, MoC
6	Smt Reshma Mohan	Financial Analyst	O/o NA, MoC
7	Shri Prem Khandelwal	Director	M/s Utkal Coal Limited
8	Shri Ashok Nayak	Chief Financial Officer	
9	Shri Rajeev Lala	General Manager	
10	Shri Kapil Dhagat	Executive Vice President	M/s Jindal Steel and Power Limited
11	Shri Neeraj Kalla	Vice President	
12	Shri Siddharth Mohanty	Vice President	
13	Shri Malleswara Rao	General Manager	IDCO
14	Shri Manoranjan Mallik	CGM (Land)	
15	Shri Bhupendra Singh Poonia, IAS	Managing Director	