

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, Date – 29.02.2024

PAYMENT ORDER

Subject: Order for payment of Rs 1,31,52,57,422/- towards compensation payable to prior allottee, M/s Utkal Coal Limited (formerly M/s ICCL), pertaining to land for Utkal C coal mine.

This Order is in continuation to the Final Compensation Order dated 05.12.2023.

Vide Final Compensation Order dated 05.12.2023, the compensation pertaining to land was finalized for an area of 1399.19 Ac amounting to **INR 352,89,70,761/-** payable M/s Utkal Coal Limited (M/s UCL, prior allottee). Subsequently, M/s Jindal Steel and Power Limited (M/s JSPL, Successful allottee) was directed to deposit incremental fixed cost of **INR 221,37,13,339/-** to the designated account of Nominated Authority.

2. M/s JSPL (Successful Allottee) filed an application no 12/2023 along with Stay Application before the tribunal (at Talcher) constituted under CBA Act, 1957 against the Final Compensation Order dated 05.12.2023. Additionally, M/s UCL (Prior Allottee) filed a Caveat on 11.12.2023 before the aforesaid Tribunal praying for an opportunity of hearing before any interim order is issued regarding the said application. The matter was presented before the tribunal (at Talcher) on **06.01.2024**.

3. In addition to the above, the case was admitted in the tribunal (at Talcher) and no stay order has been passed in this case basing on the petition of the applicant/petitioner. Hence, the prayer of the petitioner being devoid of merit stands rejected by the tribunal.

4. Thereafter, M/s JSPL deposited incremental fixed cost of **INR 221,37,13,339/-** to designated account of MoC on 24.01.2024 under protest, requesting that payment shall not be disbursed to the prior allottee until the final outcome of application no 12/2023 (accompanied by a stay application) before the Tribunal at Talcher.

5. Further, it is pertinent to mention that M/s UCL vide letters dated 16.12.2023 & 11.12.2023, requested Nominated Authority to at least release the amount deposited by M/s JSPL as a part of fixed cost amounting to Rs 1,31,52,57,422/- as part payment of compensation towards land, to avoid further loss of interest.

6. The details of fixed amount deposited by M/s JSPL as a part of CMDPA is mentioned below:

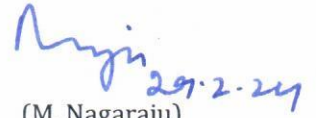
Fixed cost deposited by M/s JSPL for Utkal C coal mine as a part of CMDPA dated 17.08.2022					
GR (A)	CC (B)	Land Value (C)	Mine Infrastructure (D)	CMPDIL expenses (E)	Total Claimed {F=A+B+C+D+E}
18,55,97,244	18,23,73,696	1,31,52,57,422	8,31,80,802	4,78,042	1,76,68,87,206

5. In view of the above, it has been decided to disburse INR 1,31,52,57,422/- to M/s UCL, the Prior Allottee of Utkal C coal mine, which was deposited by M/s JSPL as fixed cost for land as a part of CMDPA dated 17.08.2022 in respect of Utkal C coal mine. Furthermore, it was decided that the incremental fixed cost of INR 221,37,13,339/- deposited by M/s JSPL under protest will be disbursed subsequently.

6. In accordance with section 27 of the Act and the judgement dated 09.03.2017, liberty has been given 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: -

1. Final Compensation Order dated 05. 11.2023
2. M/s UCL letters dated 16.12.2023 & 11.12.2023


(M. Nagaraju)

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.

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.

List of attendees for the meeting dated 13.10.2023 (Annexure I)

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	
14	Shri Manoranjan Mallik	CGM (Land)	IDCO
15	Shri Bhupendra Singh Poonia, IAS	Managing Director	



UTKAL COAL LIMITED

16th December 2023.

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Mr M Nagaraju,
Additional Secretary & Nominated Authority,
Ministry of Coal, Government of India,
120, F-Wing, 1st Floor, Shastri Bhawan,
New Delhi - 110001.

Dear Sir,

Sub: Final Compensation Order dated 5th December 2023 - Valuation of compensation payable to M/s Utkal Coal Limited (the "Prior Allottee") pertaining to land for Utkal C coal mine.

This is in furtherance to our letter dated 11th December 2023; wherein, we requested your goodself for release the payment of INR 131,52,57,422/- deposited by Jindal Steel & Power Ltd (JSPL) the successful bidder with Ld. Nominated Authority as fixed cost for land to Utkal Coal Limited as part payment of compensation towards land.

The Nominated Authority in its final Compensation Order dated 5th December 2023 directed JSPL the successful bidder to deposit incremental fixed cost INR 221,37,13,339/- in the designated account of Ministry of Coal, within 7 days of receipt of final Compensation Order i.e. by 12th December 2023.

However, on 11th December 2023, JSPL the successful bidder preferred to file an application under Section 27 of the Coal Mine Special Provisions Act, 2015 ('CMSP Act') alongwith an application for stay of the final Compensation Order dated 5th December 2023 before the Hon'ble Tribunal, Talcher constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957.

We would like to bring to your kind notice that, no stay has been granted by the Hon'ble Tribunal. In fact, the application filed by JSPL is yet to be admitted by the Hon'ble Tribunal, Talcher. The Hon'ble Tribunal is pleased to post the above applications on 6th January 2024 for admission and issuance of notice.

We would also like to bring to your kind notice that Utkal Coal Limited, Prior Allottee has also filed a Caveat Petition on 11th December 2023 before the Hon'ble Tribunal, Talcher with a prayer to grant an opportunity of hearing and not to pass any order without giving prior notice to the Utkal Coal Limited, the Caveator.

Since no order, staying the final Compensation Order dated 5th December 2023, has been passed by the Hon'ble Tribunal, we once again make a without prejudice request to your goodself to immediately release at least the admitted amount of INR 130,13,99,717/- to Utkal Coal Limited as part payment of compensation towards land, pending disbursal of balance compensation amount. It is reiterated that there was no dispute by JSPL before the Nominated Authority on the amount of INR 130,13,99,717/-, while an amount of INR 131,52,57,422/- was deposited by JSPL with the Nominated Authority towards fixed cost for land.

Thanking You.

Yours faithfully,
For **Utkal Coal Limited**


(Prem Khandelwal)
Director



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11th December 2023

Mr M Nagaraju,
Additional Secretary & Nominated Authority,
Ministry of Coal, Government of India,
120, F-Wing, 1st Floor, Shastri Bhawan,
New Delhi - 110001.

Dear Sir,

Sub: Final Compensation Order- Valuation of compensation payable to prior allottee, M/s Utkal Coal Limited, pertaining to land for Utkal C coal mine.

This is with reference to Final Compensation Order dated 5th December 2023 passed by Ld. Nominated Authority in respect of Utkal C coal mine payable to M/s Utkal Coal Limited ('UCL').

In this regard we would like to submit that the Ld. Nominated Authority earlier in its Provisional Compensation Order dated 22nd September 2023 determined the valuation of compensation payable to M/s UCL, towards Leasehold Land of 1421.785 Ac and Freehold Land of 38.69 Ac, with respect to Utkal C coal mine at Rs 3,92,33,02,465/- and Rs 24,37,54,600/- (including interest accrued @12% till 10th October 2022 i.e. date of vesting order), respectively.

However, to our shock and surprise, vide Final Compensation Order dated 5th December 2023, the valuation of compensation payable to M/s UCL pertaining to Leasehold Land of 1360.5 Ac has been revised to Rs 3,28,52,16,161/-.

It is observed from the final order that compensation on account of following heads have been disallowed:

1. Rs. 18,27,96,839/- on account of lapsed lease period in respect of 988.95Ac (876.13Ac + 112.82Ac) of leasehold land,
2. Rs. 8,06,41,002/- towards Stamp Duty charges & Registration charges for the aforesaid land and
3. Rs. 27,22,015/- in respect of 61.29 Ac of land, over which permissive possession was granted to UCL.

In this context, we would like to bring to your kind notice that UCL had expressly brought to the notice of Ld. Nominated Authority in its response dated 27th October 2023 and 7th November 2023 that it has legitimately incurred above cost for acquisition of land and as such



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entitled to be compensated fully, in terms of the provisions of CMSP Act, 2015 ('Act'). Besides, UCL is also entitled to be compensated for interest on above land value @ 12% in terms of the Act, which works out approximately Rs. 38 crore and any disallowance of compensation would not only be highly unfair but also seriously prejudice the prior allottee.

Further, as your goodself is aware, UCL has been out of pocket of its compensation claim now for more than 9 years which has legitimately been incurred by it. You will appreciate that time is the essence and the compensation amount due to us is very significant for us, as once the compensation amount is paid, it will enable UCL to repay its liabilities.

Moreover, we are now even losing interest on the total land value, since as per the provisions of Coal Mines (Special Provisions) Act, 2015 the interest on the land value is paid only till the date of vesting order, which itself has huge financial implication. Needless to say, any delay in payment of compensation would add further pain and agony to us. It may kindly be noted that, it would be iniquitous if the compensation amount is not paid to us, while the M/s Jindal Steel and Power Limited (JSPL) the successful bidder is allowed to continue mining operation.

In view of the above, without prejudice to our rights and contentions, we request your goodself to immediately release the payment of Rs.1,31,52,57,422/- deposited by JSPL with Ld. Nominated Authority as fixed cost for land to UCL as part payment of compensation towards land, to avoid further loss of interest, pending disbursal of balance compensation amount.

Thanking You

Yours faithfully,

For **Utkal Coal Limited**

(Prem Khandelwal)
Director