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**File No. NA-203/2/2025-NA
Government of India
Ministry of Coal
Office of the Nominated Authority**

Room No. 120, "F" Wing, Shastri Bhawan,
New Delhi – 110001, Dated: April 01, 2025

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 i.e. M/s Rungta Mines Limited (RML) for **Bundu** Coal Mine.

Pursuant to the Provisional Compensation Order dated March 13, 2025, a meeting was convened on March 26, 2025, at 16:00 hrs regarding Bundu Coal Mine, to present comments/objections, if any, on the provisional compensation determined by the Nominated Authority.

A. Brief on the Provisional Compensation Order:-

Vide order dated 24.09.2014 in WP (Crl.) No. 120/2012; Manohar Lal Sharma & Ors. v. The Principal Secretary & Ors, Hon'ble Supreme Court quashed the allotments of 204 coal mines including *Bundu* Coal Mine.

Subsequently, the Coal Mines (Special Provisions) Act, 2015 (CMSP Act) was enacted, wherein all 204 coal mines were classified under Schedule I. Further, Schedule I coal mines were categorized into Schedule II and Schedule III as applicable. *Bundu* Coal Mine falls under Schedule I as per the CMSP Act, 2015.

As per **Section 3(1)(p)** of the CMSP Act, 2015:

"Schedule I coal mines" means:

(i) all the coal mines and coal blocks the allocation of which was cancelled by the judgment dated 25th August 2014 and its order dated 24th September 2014, passed in Writ Petition (Criminal) No. 120 of 2012, including those allotments that may have been de-allocated prior to and during the pendency of the said Writ Petition;

(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.

Further, the CMSP Act, 2015 and the rules framed thereunder provide for the determination and disbursement of compensation to prior allottees, including M/s RML, in accordance with the provisions of the Act.

As per **Section 3(1)(n)** of the CMSP Act, 2015:

"prior allottee" means prior allottee of Schedule I coal mines as listed therein who had been allotted coal mines between 1993 and 31st day of March, 2011, whose allotments have been cancelled pursuant to the judgment of the Supreme Court dated the 25th August, 2014 and its order dated 24th September, 2014 including those allotments which may have been de-allocated prior to and during the pendency of the Writ Petition (Criminal) No.120 of 2012".

a) Compensation Provisions:

In accordance with Section 16 of the Coal Mines (Special Provisions) Act, 2015 and Rule 14, this office undertakes the valuation of compensation payable to prior allottees, which includes the cost of Geological Reports, Consents, Land, and Mine Infrastructure, as per Section 9 of the Act and the Hon'ble High Court judgment dated 09.03.2017.

b) Claim and Examination:

M/s RML submitted their compensation claim on 08.02.2018, which has been reviewed. The claim includes geological reports, land, mine infrastructure, and other expenses related to the Bundu coal mine. The details of the claims are summarized below:

Table A Fig in '₹':

Head of Claim	Amount
Geological Report (GR)	3,45,00,063
Consent Costs (CC)	Nil
Land Value	61,90,813
Other expenses, MP, MCP, EMP etc	17,50,944
Mine Infrastructure (Movable)	Nil
Total Claimed	4,24,41,820

c) Provisionally Determined Compensation and its directions:

i. Determinations made:

- Geological Reports:** Compensation of ₹3,45,00,063 based on documentation from CCL.
- Mine Infrastructure, Consents:** No claims for these costs.
- Land Compensation:** The land valuer has determined the fair market value for the land to be ₹2,79,76,399.

4. **Expenses related to Mine Plan (MP), Mine Closure Plan (MCP), and Environmental Management Plan (EMP):** The successful and prior allottee are free to negotiate and mutually settle the amounts related to any expenses or reports.

ii. Directions issued:

1. M/s RML was directed to hand over the **original geological report** to M/s S M Steels and Power Limited (SMSPL) within **15 days** of receiving this order.
2. SMSPL to **deposit ₹1,33,55,023** in the Ministry of Coal's designated account within **15 days**.
3. SMSPL's request on 07.02.2025 regarding land descriptions in Annexure-1 of the Vesting Order will be considered after the finalization of the compensation order.

B. Details of Hearing:

Both allottees attended the meeting on March 26, 2025 (List of participants enclosed at Annexure-I).

M/s Rungta Mines Limited (RML) accepted the compensation as determined in the Provisional Compensation Order. Additionally, M/s RML submitted their written acceptance of the compensation amount for the **Cost of the Geological Report, Cost of Consents, Land, and Mine Infrastructure** through letters dated 17.03.2025.

M/s S M Steels and Power Limited raised objections during the meeting, which were subsequently submitted in writing on 20.03.2025. Their concerns pertain to discrepancies in the mining area, lack of possession of certain land parcels, equitable treatment, and potential legal disputes. They have requested a deferment of compensation payment until ownership issues are resolved.

The objections raised are as under:

- a. **Change in Mining Area:** There is a discrepancy between the vested coal block area (540.54 Ha) as determined through the DGPS survey and the originally allotted area (568 Ha). As a result, they are unable to ascertain whether the land falls within their designated mining area.
- b. **Lack of Possession by Previous Allottee:** The land (**12.41 acres**) is still under the control of the original landowners and was never acquired by M/s RML. SMSPL expressed concerns about compensating for land that M/s RML does not possess or control.
- c. **Principle of Equitable Treatment:** The compensation should reflect factual and legal realities, and that any compensation to M/s RML without possession or clear title would be inequitable.
- d. **Potential Legal Disputes:** The risk of potential disputes with the original landowners should enhanced compensation be paid to M/s

RML. These disputes could disrupt mining operations and result in significant financial and operational losses. They requested that any payout be delayed until the ownership and possession issues are resolved.

C. Nominated Authority has examined the objections made by M/s S M Steels and Power Limited and observed the following:

- The land acquired by the prior allottee admeasured 12.41 acres (5.022 hectares). The said land was acquired for mining purposes and is part of the cancelled coal mine. The successful bidder is statutorily obligated to compensate for the said land.
- The title of the said chunk of land admeasuring 12.41 acres, as per registered sale deed, is with RML ". The Successful Allocattee should approach the local authorities, if needed for getting the land vacated and taking over peaceful possession.

Further, the relevant provisions regarding objections are reiterated below:

- *Section 8(4) specifically provides that the vesting or allotment order issued by the Nominated Authority shall be deemed to be a valid and enforceable instrument, granting the successful allottee the rights and obligations associated with the coal mine. The Section 8(4) further mandates that the vesting order shall vest, transfer, and vest upon the successful bidder all the rights, title, and interest of the prior allottee in Schedule-I coal mines, as well as any statutory approvals, mining lease entitlements, and rights related to the approved mining plan.*
- *Section 16 (1) provides that "The quantum of compensation for the land in relation to Schedule I coal mines shall be as per the registered sale deeds lodged with the nominated authority in accordance with such rules as may be prescribed, together with twelve per cent. Simple interest from the date of such purchase or acquisition, till the date of the execution of the vesting order or the allotment order, as the case may be."*
- *Further, the Rule 14(2) of CMSP, Rules 2014 specifies that the compensation amount for land is to be determined based on sale deeds and other relevant records.*
- *Asper Section 3(1)(n), Section 3(1)(p), Section 8(4), Section 16(1) of the Act, and Rule 14(2) of the CMSP Rules, 2014, that irrespective of whether the land falls within the designated mining area of the successful allottee, if it was originally acquired by the prior allottee for mining operations, it is the responsibility of the successful allottee to pay the compensation, including the upward revision of the fixed amount determined by this office. It remains the obligation of M/s S M Steels and Powver Limited, as the successful allottee, to take possession of the land.*

IV. Finalization of Compensation:

In view of the above, the compensation determined in the Provisional Order dated March 13, 2025, is hereby finalized. The details are as follows:

Table B Fig in '₹'

Particulars	Amount
Geological Report (A)	3,45,00,063
Consent Costs (B)	Nil
Land Value (C)	2,79,76,399
Mine Infrastructure (D)	Nil
Grand Total (E = A to D)	6,24,76,462

Hence, the Prior Allottee, M/s RML, is entitled to receive an amount of ₹ 6,24,76,462/- (Rupees Six Crore Twenty-Four Lakh Seventy-Six Thousand Four Hundred Sixty-Two only) as compensation towards the Geological Report and Land for Bundu coal mine.

V. Adjudication:

In accordance with Section 27 of the Coal Mines (Special Provisions) Act, 2015, and the Hon'ble High Court of Delhi's Judgment dated 09.03.2017, both M/s Rungta Mines Limited and M/s S M Steels and Powver Limited retain the right to raise disputes regarding the quantum of compensation before the Tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957.

Enclosures:

1. Provisional Compensation Order dated March 13, 2025
2. Letter from M/s RML dated March 17, 2025
3. Letter from M/s SMSPL dated March 20, 2025


(Rupinder Brar)

Additional Secretary & Nominated Authority

To:

1. Prior Allottee:
M/s Rungta Mines Limited
8A, Express Tower, 42A-Shakespeare Sarani, Kolkata-700017
Corporate Identity Number: U26911WB1962PLC025691
Email: rungta_cal@runtamines.com
2. Successful Allottee:
M/s S M Steels and Powver Limited
Godrej Waterside, Tower-1, Unit-504, 5th Floor, Sec-V, Salt Lake City, Block

DP-5, Kolkata-700091, Corporate Identity Number:
U27209WB2022PLC252950

Copy to:

1. The Coal Controller, Coal Controller's Organisation, 1, Council House Street, Kolkata.
2. Under Secretary, P&S-II (For kind information).
3. Sr. Technical Director, NIC, Ministry of Coal (With a request to upload on the Ministry's website).

Annexure-I: List of Meeting Participants

SL No	Name	Designation	Organization
1	Ms. Rupinder Brar	Additional Secretary	Nominated Authority, Ministry of Coal
2	Shri Ajitesh Kumar	Director	Ministry of Coal
3	Shri Marapally Venkateshwarlu	Director (Tech)	
4	Shri Alok Verma	US, NA	
5	Shri Harishchand	Senior Manager	
6	Smt. Hitakshi	Young Professional	
7	Shri B K Jha	Director	Rungta Mines Limited
8	Shri K.S.RAO	CEO	S M Steels and Powver Limited
9	Ms Madhumitha Gosh ,	Sr Manager , Legal Department	