

Through Email/SPEED POST/Website of Ministry of Coal

File No. NA-203/10/2022-NA

Government of India

Ministry of Coal

Nominated Authority

Room No. 120, "F" Wing, Shastri Bhawan,
New Delhi - 110001, Date: 17.11.2025

FINAL COMPENSATION ORDER-II

Subject: The Coal Mines (Special Provision) Act, 2015, and the Hon'ble High Court of Delhi judgment dated March 09, 2017, which pertains to the valuation of compensation payable to prior allottee, M/s Mivaan Steels Limited (Formerly M/s JSW Steel Limited) in respect of compensation towards Leasehold IDCO Land for Utkal B2 coal mine.

In accordance with the Provisional Compensation Order dated 16.06.2025, a personal hearing was convened on 24.06.2025 to examine objections raised by the prior allottee, M/s Mivaan Steels Limited (MSL), and the successful allottee, M/s Jindal Steel & Power Limited (JSPL), regarding the valuation of compensation towards leasehold IDCO land in respect of the Utkal B2 coal mine.

2. During the hearing, both M/s Mivaan Steels Limited and M/s Jindal Steel & Power Limited were present. Written objections and subsequent replies were also received from both allottees and were duly referred to the Odisha Industrial Infrastructure Development Corporation (IDCO) for verification and comments.

3. The summary of objections and the decisions taken by the Nominated Authority after examination of submissions from both the allottees and IDCO are as follows:

4. Objections submitted by the Successful Allottee (M/s JSPL):

M/s JSPL, vide written submission dated 03.07.2025, raised objections to certain aspects of the provisional compensation order, the gist of which is summarized as under:

(i) That 112.39 acres of land at Nisha village included in the computation is situated *outside the vested boundary of Utkal B2 coal block* and therefore does not qualify for compensation under Section 16(1) of the CMSP Act, 2015.

(ii) That the interest @12% has been erroneously applied to leasehold land, whereas such interest is admissible only for freehold land purchased through registered sale deeds, not for leasehold rights under IDCO.

(iii) That valuation based on a 99-year lease is not in consonance with the tenure prescribed by the State Government/IDCO, where mining leases are typically for 30 years; hence the compensation should be proportionate to the unexpired lease period.

(iv) That any ex-gratia payments claimed by the prior allottee are *non-compensable* under the CMSP framework.

5. Representation submitted by the Prior Allottee (M/s Mivaan Steels Limited):

M/s Mivaan Steels Limited, vide letter dated 04.07.2025, submitted their representation wherein they, inter alia, contended the following:

(i) The ex-gratia amount paid to landowners under the mandatory policy of the State Government formed an integral component of the total land acquisition cost and was a non-discretionary statutory requirement. Hence, the same should be included in the compensation payable to the prior allottee.

(ii) An extent of 112.39 acres of land in Nisha village, acquired specifically for the External Overburden (OB) Dump Area of Utkal B2 Coal Mine pursuant to statutory approvals and clearances, constitutes an essential part of the project facilities and therefore should not be excluded from the land compensation.

(iii) The deduction applied for elapsed lease period and the exclusion of 12.90 acres of land on account of non-availability of lease deed records are unjustified, as the lease rights over the said land were lawfully held and possession was validly taken by the prior allottee.

6. Further, the objections raised by the successful allottee (M/s JSPL) were forwarded to the prior allottee, requesting their comments on JSPL's submissions. M/s Mivaan Steels Limited acknowledged receipt and in response to the objections raised by M/s Jindal Steel & Power Limited (JSPL) on the Provisional Compensation Order dated 16.06.2025, M/s Mivaan Steels Limited (MSL) submitted a detailed reply, wherein following have been stated:

(i) Inclusion of 112.39 acres of land at Nisha village: MSL reiterated that the said land was acquired by IDCO on behalf of the prior allottee under statutory approvals including Mining Plan and Environmental Clearance, forming part of the coal mine's External OB Dump Area. As per Sections 3(p)(ii) and 8(4)(a) of the CMSP Act, the land qualifies as part of "Schedule I coal mine" and is therefore compensable under Section 16(1).

(ii) Applicability of 12% simple interest on leasehold land: MSL submitted that the objection on non-applicability of 12% interest is misconceived, as Section 16(1) provides for reimbursement of actual cost along with 12% interest till vesting, covering both freehold and leasehold land. The provision ensures fair compensation and prevents unjust enrichment of the successful allottee.

(iii) Deduction for elapsed lease period / mine life: MSL contended that no deduction should be made for the elapsed lease period since CMSP Act does not prescribe any pro-rata reduction. The lease tenure exceeds the mine life of 30 years, and compensation must be based on the actual acquisition cost plus 12% interest till vesting.

(iv) MSL reiterated that the ex-gratia component was a mandatory part of land acquisition under the Odisha R&R Policy and approved by the Rehabilitation and Periphery Development Advisory Committee (RPDAC) of the State Government. It was not a voluntary act but a statutory requirement for taking possession of the land. They emphasized that excluding this component would result in under-compensation to the prior allottee and violate principles of equity and natural justice.

(v) MSL stated that the provisional order correctly reflects the valuation certified by IDCO and is consistent with the CMSP Act, 2015 and requested to finalize the compensation in accordance with the calculation submitted by IDCO for Utkal B2 coal mine.

7. Thereafter, the matter was referred to IDCO along with the objections and comments of both the Successful and Prior Allottees for examination and submission of observations. In response, IDCO, submitted the following observations in response to the provisional compensation order and the objections raised by both the prior and successful allottees:

(i) The calculation sheet submitted by IDCO vide letter dated 30.03.2025 includes Government land measuring Ac.12.90 (Ac.0.61 in village *Golagadia*, Ac.8.99 in *Rajharan*, and Ac.3.30 in *Kanusnidhia*), which may kindly be taken into account while considering compensation valuation of Utkal B2 coal mine as it is payable to the prior allottee.

(ii) It was confirmed that an ex-gratia amount of ₹3,92,11,320/- was paid to the land losers by the Project Authority/Prior Allottee through the Land Acquisition Officer, in accordance with the R&R Policy and guidelines of the R&BD Department, Government of Odisha. This payment has not been considered while determining the compensation valuation. Hence, IDCO has suggested that both the prior and successful allottees may settle the issue in consultation with the Ministry of Coal, Government of India.

(iii) IDCO has clarified that, as per the records, M/s Mivaan Steels Limited and its predecessor had applied for sanction of Government land measuring Ac.112.39 in Nisha village for the *External Overburden (OB) Dump Area* of the Utkal B2 coal block. It has been stated that this area may be treated as an integral part of the Utkal B2 Coal Mine Infrastructure, and the expenditure incurred for its sanction may be considered as part of the compensation payable to the prior allottee.

(iv) As per the Coal Mines (Special Provisions) Act, 2015, IDCO has reaffirmed that compensation for land shall be paid as per the lease deed or sale deed along with 12% simple interest from the date of acquisition or execution of the deed till the date of vesting.

(v) Apart from the above, IDCO has stated that statutory dues, including ground rent and cess, are payable to the Revenue Authorities from the date of sanction of Government land till the date of deallocation. These dues for the intervening period between deallocation and reallocation are to be borne by the successful allottee, to ensure smooth transfer of the land from the prior allottee.

8. After careful consideration of the submissions made by both allottees and the submissions of IDCO, the issues raised are examined and decided as under:

(i) Inclusion of 112.39 acres at Nisha village:

The successful allottee (M/s JSPL) had objected that the 112.39 acres of land situated at Nisha village lies outside the vested boundary of the Utkal B2 coal block and therefore should not qualify for compensation under Section 16(1) of the CMSP Act, 2015. In response, the prior allottee (M/s Mivaan Steels Limited) submitted that the said land was acquired through IDCO for the External Overburden (OB) Dump Area of the Utkal B2 Coal Mine, in accordance with statutory approvals and Environmental Clearance, and thus forms part of the coal mine facilities. IDCO also confirmed that the land was sanctioned for the OB Dump Area and may be treated as an integral part of the Utkal B2 Coal Mine infrastructure.

Upon verification of records, it is observed that 112.39 acres of land has already been included in the compensation sheet issued with the provisional order under the category of Government Land (Lease Deed Executed). The valuation includes both the principal cost and 12% simple interest till vesting. Accordingly, the inclusion of this land in the provisional order is found justified and appropriate.

(ii) Applicability of 12% interest on leasehold land:

The successful allottee, M/s JSPL, contended that the application of 12% simple interest on leasehold land is not justified, arguing that such interest is admissible only in cases of freehold land purchased through registered sale deeds. In response, the prior allottee, M/s Mivaan Steels Limited (MSL), submitted that Section 16(1) of the *Coal Mines (Special Provisions) Act, 2015* mandates payment of compensation equivalent to the actual cost incurred for acquisition or purchase of land together with 12% simple interest from the date of acquisition until vesting,

without drawing any distinction between freehold and leasehold land. IDCO has also confirmed that compensation for land, whether freehold or leasehold, is to be computed as per the relevant lease/sale deed along with 12% simple interest till the date of vesting.

Further, the Report of the Committee for Valuation and Assessment of 204 Coal Mines (Ministry of Coal O.M. dated 16.11.2018) recognizes that leasehold rights in land or surface rights have compensable value under Section 16(1) of the CMSP Act, 2015, and are to be treated at par with other interests in land. The rationale for applying 12% interest, as also reflected in the Committee's report and upheld in judicial interpretation, is to ensure fair reimbursement to the prior allottee for the time value of money between acquisition and vesting.

Accordingly, the application of 12% simple interest on leasehold IDCO land in the provisional order is found to be consistent with the provisions of the CMSP Act, 2015, Rule 14 of the CMSP Rules, and the valuation principles adopted by the Nominated Authority.

(iii) Lease tenure considered for valuation:

The successful allottee, M/s Jindal Steel & Power Limited (JSPL), submitted that the valuation of leasehold IDCO land has been computed on the basis of a 99-year tenure, whereas mining leases are typically granted for 30 years, and therefore, compensation should be restricted proportionately.

It is observed that the leasehold land in question pertains to industrial land allotted by IDCO, wherein the lease tenure actually sanctioned by the State Government/IDCO is 99 years. This lease tenure governs the surface rights and is independent of the mining lease tenure, which relates solely to mineral extraction and can be extended separately by the competent authority as per the provisions of the MMDR Act.

In the present case, the compensation is being determined towards the land leasehold rights granted under a 99-year IDCO lease, and therefore, the valuation must correspond to the full tenure of lease rights actually held and transferred. The elapsed period up to the vesting date (10.10.2022) has already been duly reduced in the valuation, ensuring that the compensation corresponds only to the unexpired portion of leasehold rights that vests in the successful allottee.

As a matter of fairness and natural justice, the compensation payable to the prior allottee must reflect the actual cost and tenure of the land lease granted by the State, since the leasehold rights for 99 years were legally created and registered for the Utkal B2 coal mine. Any attempt to restrict compensation on the basis of the mine's operational life (typically 30 years) would be inconsistent with the legal character of the land lease and contrary to the intent of the CMSP framework, which recognizes leasehold rights as compensable interests under Section 16(1) of the Coal Mines (Special Provisions) Act, 2015.

Accordingly, the valuation based on the 99-year lease tenure as sanctioned by IDCO, with proportionate adjustment for the elapsed period till vesting, is found to be appropriate and justified, and the methodology adopted in the Provisional Compensation Order dated 16.06.2025 is upheld.

(iv) Inclusion of ex-gratia payments:

The successful allottee, M/s Jindal Steel & Power Limited (JSPL), objected to the inclusion of ex-gratia payments claimed by the prior allottee, contending that such payments were voluntary and not covered under the CMSP framework. The prior allottee, M/s Mivaan Steels Limited (MSL), however, submitted that the ex-gratia component was a mandatory payment under the *Odisha R&R Policy* and was duly approved by the *Rehabilitation and Periphery Development Advisory Committee (RPDAC)* of the State Government. It was further stated that without such payment, the acquisition process could not have been lawfully concluded, as the amount formed an integral part of the compensation to land losers under the State policy.

In this regard, it is observed that the Provisional Compensation Order dated 16.06.2025 has already examined the matter and held that ex-gratia payments, if made by the prior allottee to the District Authority as part of the land acquisition process, do not form part of the statutory acquisition cost payable under the CMSP Act, 2015. The said Act provides for compensation towards the *actual cost of land acquired or purchased*, as certified by the State agency (IDCO in this case). Since ex-gratia payments are neither part of the certified cost nor supported by lease deed or government sanction, they fall outside the purview of the statutory compensation payable under Section 16(1).

However, as noted in the provisional order, the prior allottee is free to pursue recovery of such ex-gratia payments directly from the concerned District Authority in accordance with State government procedures. Accordingly, no modification is warranted to the position already adopted in the provisional compensation order.

(v) 12.90 acres of land where lease deed not available:

The successful allottee, M/s Jindal Steel & Power Limited (JSPL), objected to the inclusion of 12.90 acres of land in the compensation valuation, citing the non-availability of lease deeds between the Government of Odisha, IDCO, and the prior allottee. In response, the prior allottee, M/s Mivaan Steels Limited (MSL), clarified that the said land had been duly acquired by IDCO on behalf of the project, possession was formally handed over, and the land was under continuous use by the prior allottee for mine-related activities. MSL also submitted supporting documents, including lease execution papers and payment records, to establish possession and lawful occupancy.

IDCO, in its letter dated 23.07.2025, confirmed that the 12.90 acres of land (comprising *0.61 acres in Golagadia, 8.99 acres in Rajharan, and 3.30 acres in Kanusnidhia*) had already been included in its calculation sheet submitted vide letter dated 30.03.2025. It further stated that while the final lease deeds could not be traced, the land had indeed been acquired, possession delivered, and lease rent paid by the prior allottee. IDCO specifically recommended that the said land may be taken into account while finalizing the compensation valuation, as it represents a legitimate cost incurred by the prior allottee.

In view of the above confirmation from IDCO and the documents furnished by M/s Mivaan Steels Limited establishing payment, possession, and continuous utilization of the said land, the 12.90 acres has been considered for valuation of compensation. This inclusion is in line with the provisions of Section 16(1) of the CMSP Act, 2015, ensuring that all legitimately acquired and utilized land is duly accounted for in the final compensation determination.

(vi) Statutory dues (ground rent and cess):

The issue relating to payment of ground rent, cess, and other statutory dues was examined in light of the provisions of the *Coal Mines (Special Provisions) Act, 2015* and the comments furnished by IDCO. It is observed that IDCO, in its letter dated 23.07.2025, has clarified that such dues are payable to the Revenue Authorities for the period from the date of sanction of government land till the date of deallocation, and the same are to be settled by the respective lessees corresponding to their period of possession.

In accordance with Section 14(3) and 14(6) of the CMSP Act, 2015, every liability of the prior allottee in relation to a Schedule I coal mine for any period prior to the date of vesting shall remain enforceable only against such prior allottee and not against the successful allottee or the Central Government. Consequently, statutory dues such as rent, cess, or any incidental charges arising prior to the vesting order (dated 10.10.2022 for Utkal B2 coal mine) shall be the responsibility of the prior allottee, while those accruing after the vesting date shall be payable by the successful allottee.

Accordingly, the liabilities towards ground rent and cess up to 10.10.2022 shall be borne by the prior allottee, and dues accruing thereafter shall be the responsibility of M/s Jindal Steel & Power Limited (JSPL), the current lessee of the coal mine. This position is consistent with the provisions of the CMSP Act and ensures clear delineation of liability between the prior and successful allottees.

9. The compensation towards Cost of Geological Report (GR), Cost of Consents (CC), Land & Mine Infrastructure in respect of Utkal B2 coal mine payable to the Prior Allottee (i.e., M/s Mivaan Steels Limited) are as follows:

a. Geological Reports (GR) & b Cost of Consents (CC): -

Vide Final order dated 27.01.2025 the compensation pertaining to Cost of Geological Reports & Cost of Consent for Utkal B2 coal mine payable to prior allottee has been finalized as Rs 5,05,58,188/-. The same has been issued vide sanction dated 07.02.2025.

c. Leasehold IDCO Land:-

The compensation towards leasehold land has been determined as specified in the table below:

Table 'A' Fig in 'INR'

Particulars	Area (Ac)	Total cost incurred by M/s Mivaan Steels Limited	Value of land after reducing elapsed time till 10-10-2022	Interest accrued 12 % till 10.10.2022 (vesting)	Compensation payable to M/s Mivaan Steels Limited
Private Land (Deed executed)	201.84	13,79,30,067	12,16,73,287	16,99,93,893.94	29,16,67,180.94
Govt Land (Deed executed)	124.44	3,56,55,478	3,23,90,086.19	3,52,34,218.89	6,76,24,305.08
Govt Land (Deed execute)	12.90	13,55,474	11,42,409.32	21,33,332.03	32,75,741.35
Land Value	339.18	17,49,41,019	15,52,05,782.51	20,73,61,444.86	36,25,67,227.37

d. Mine Infrastructure:-

The determination of compensation towards Mine Infrastructure concerning to Utkal B2 coal mine is in process and will be finalized in due course.

10. In view of the above, the valuation of compensation payable to Prior Allottee pertaining to Leasehold IDCO Land w.r.t Utkal B2 coal mine is determined as Table 'B' mentioned below:

Table 'B' Fig in 'INR'

Private Land [A]	Govt. Land [B]	Total Amount {C=A+B}
29,16,67,180.94	7,09,00,046.43	36,25,67,227.37

Hence, the prior allottee is entitled to a total compensation of ₹36,25,67,227.37 (Rupees Thirty-Six Crore Twenty-Five Lakh Sixty-Seven Thousand Two Hundred Twenty-Seven and Paise Thirty-

Seven only) towards Leasehold IDCO Land in respect of the Utkal B2 coal mine under the provisions of Section 16(1) of the Coal Mines (Special Provisions) Act, 2015.

11. It is important to note that M/s Jindal Steel & Power Limited (JSPL), the successful allottee, has deposited a total of ₹16,59,90,851/- as part of the fixed cost for Utkal B1 & B2 coal mines, which includes ₹9,56,084/- towards CMPDIL expenses. Further, an amount of ₹5,05,58,188/- has already been sanctioned on 07.02.2025 towards the cost of Geological Reports (GR) and Cost of Consents (CC). Accordingly, the balance available as part of the fixed cost with the Office of the Nominated Authority stands at ₹11,44,76,579/-.

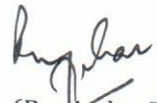
However, since the total compensation payable to M/s Mivaan Steels Limited for Leasehold IDCO Land has been determined at ₹36,25,67,227.37, there remains a differential amount of ₹24,80,90,648.37, which is required to fully settle the compensation for land payable to the prior allottee.

12. Accordingly, M/s Jindal Steel & Power Limited (JSPL) is directed to deposit the incremental fixed cost of ₹24,80,90,648.37 (Rupees Twenty-Four Crore Eighty Lakh Ninety Thousand Six Hundred Forty-Eight and Paise Thirty-Seven only) in the designated account of the Ministry of Coal within seven (7) days from the date of receipt of this order, in accordance with Clause 3.1(d) of the Coal Mine Development and Production Agreement (CMDPA) dated 17.08.2022 executed between M/s JSPL and the Nominated Authority.

13. In accordance to Section 27 of the Act and the judgment dated March 09, 2017, prior allottee, M/s Mivaan Steels Limited (Formerly M/s JSW Steel Limited), as well as the successful allottee, M/s Jindal Steel & Power Limited (JSPL), have the option to raise disputes regarding the compensation amount before the Tribunal constituted under the Coal Bearing Area (Acquisition and Development) Act, 1957.

Enclosure as above: -

1. Provisional Compensation Order dated 16.06.2025.
2. Calculation sheet
3. IDCO letter dated 23.07.2025
4. M/s Mivaan Steels Limited letters dated 04.07.2025 & 16.07.2025
5. M/s JSPL letter dated 03.07.2025



(Rupinder Brar)

Additional Secretary & Nominated Authority

To,

1. (Prior Allottees):- The Managing Director, M/s Mivaan Steels Limited (Formerly M/s JSW Steel Limited), 12, masjid Moth, Greater Kailash Part-2, New Delhi-110048.
2. (Successful Allottee):- The Chairman, M/s Jindal Steel and Power Limited, Corporate Office Jindal Center, 12 Bhikaji Cama Place, New Delhi -110066.
3. The Chairman-cum-Managing Director, IDCO, IDCO Tower, Janpath, Bhubaneswar -22
4. Coal Controller's Organisation, Ministry of Coal, SCOPE MINAR, 5th Floor, Core - II Laxmi Nagar, Delhi - 110092.
5. Under Secretary (P&S-II Section), Ministry of Coal.
6. Sr. TD, NIC: for uploading on the Website of Ministry of Coal.

List of Participants for the meeting dated 26.06.2025

SL No	Participants	Designation	Organisation
1	Shri Rupinder Brar	Additional Secretary & Nominated Authority	MoC
2	Shri Ajitesh Kumar	Director	NA, MoC
3	Shri Marapally Venkateshwarlu	Director (Tech)	NA, MoC
4	Shri Alok Verma	Under Secretary	NA, MoC
5	Shri Prince Kumar	Executive Engineer	NA, MoC
6	Zulqurn An Imam	VP	M/s Jindal Steel & Power Limited (JSPL)
7	Shri Vikash Kedia Kalla	VP	
8	Shri Pawan Kumar Sharma	Consultant	M/s Mivaan Steels Limited
9	Shri Sudhir Mittal	GM, Accounts	