

BY SPEED POST/ EMAIL

File No.NA-203/17/2020-NA
Government of India
Ministry of Coal
O/o Nominated Authority

120-F Shastri Bhawan, New Delhi 110001

Dated: May 17, 2021

ORDER

Subject : Determination of compensation for land and mine infrastructure payable to M/s. Bhushan Steel Ltd. (formerly known as Bhusan Steel & Strips Ltd.), Adhunik Metaliks Ltd., Deepak Steel & Power Ltd., Adhunik Corp. Ltd., Odisha Sponge Iron Ltd., SMC Power Generation Ltd., Shree Metaliks Ltd. and Visa Steel Ltd. (BSL and Seven others) as prior allottee of New Patrapara Coal Block/Mine in terms of the Coal Mines (Special Provisions) Act, 2015 and Judgment dated March 09, 2017 passed by Hon'ble High Court of Delhi – reg,

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New Patrapara Coal Block/Mine was previously allotted to M/s. BSL and seven others. After cancellation, the said block/mine was allotted to M/s SCCL on 30th October, 2019. The compensation for cost of Geological Report (“GR”) and Cost of Consent (“CC”) have been released to prior allottee vide sanction letter dated 10th February, 2020, following the provisions of the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and Rules framed thereunder, i.e. as mentioned in tabular form Marked as ‘Table A’.

Table ‘A’, Fig. in ‘INR’

| Compensation For Cost of | Sanction letter dated | Compensation released (in Rs.) | Remarks |
|-----------------------------|--------------------------|-----------------------------------|---|
| Geological Report (A) | 10.02.2020 | 9,60,50,290 | This is in addition to and is separate from compensation of land and mine infrastructure as provided u/s 16 of the Act. |
| Consent (B) | 10.02.2020 | NIL | |
| Mine infrastructure (C) | 26.03.2019 | NIL | - |
| Total {D=(A+B+C)} | | 9,60,50,290 | |

Accordingly, a total of INR 9,60,50290/- has been disbursed to prior allottee till date.

2. Further an Order No.203/17/2020-NA dated 11th December, 2020 was issued determining the compensation for land and mine infrastructure of New Patrapara coal mine and both the parties were called upon to present their comments / objections, if any, on the determination of compensation on 22.12.2020.



2.1 In the said meeting, representatives of both the prior, present allottees and IDCO were present and they have stated that the determination of valuation of land which will be done by the Nominated Authority will be acceptable to them. Representatives of IDCO stated that mining lease would be transferred to successful allottee subject to passing of order of valuation of land by the Nominated Authority. Further, in the said meeting, prior allottee raised the following queries/ objections which are as under:-

- i. Cost of Geological Report 'GR' is Rs.9,92,06,368/-. The prior allottee had submitted the claim of Rs.9,92,06,368/- against the cost of Geological Report. The details are as under:-

| Sl | Payment made | Date | Title of report | Amt. (INR) |
|---|--------------|------------|-----------------------------------|-------------|
| 1 | CMPDI | 23.02.2006 | GR of Patrapara Coal Block | 6,22,38,868 |
| 2 | PAO, MoC | 27.02.2012 | Report on additional 22 boreholes | 3,69,67,500 |
| 3. Total SL (1+2) | | | | 9,92,06,368 |
| 4. Already paid by Successful allottee (as per table 'A') | | | | 9,60,50,290 |
| 5. Outstanding balance to be paid to the prior allottee (3-4) | | | | 31,56,078 |

2.2 In view of claim of GR by prior allottee, CMPDI was requested to examine the claim of prior allottee for an amount Rs.9,92,06,368/- and CMPDI has confirmed that the total amount incurred by prior allottee towards preparation of GR is Rs.9,92,06,368/- (copy of CMPDI's mail enclosed). Therefore, successful allottee is directed to deposit INR 31,56,078/- (Thirty One Lakh Fifty Six Thousand Seventy Eight Only) within fifteen days in respect of compensation of Cost of Geological Report of New Patrapara Coal Block/Mine to O/o Nominated Authority for disbursement to prior allottee to the bank account details which are as under :-

| | |
|-------------------------|----------------------------|
| Name of the Bank | Punjab National Bank (PNB) |
| Branch Name | Connaught Circus |
| Account No. | 0276050414586 |
| IFSC Code | PUNB0027620 |
| Name of the Beneficiary | PAO,M/o Coal |
| MICR CODE | 110024773 |

3. Compensation for Land :-

A. Industrial Infrastructure Development Corporation (IDCO) was directed, vide letter dated January 12, 2021, to furnish the details of amount deposited by the prior allottee of New Patrapara Coal mine for acquiring land / mining lease. IDCO replied, vide letter No.IDCO-LAE-5130 (11)/2021- 1754 dated 28-01-2021 and furnished the details amount paid by prior allottee for acquisition of land which are as under:-

| Area in "Acre" & Fig in "Rs." | | | | |
|--|---------------------|---------------------|--------------------------|-----------------------------------|
| Land Area (149.52+459.41 +1671.09) | Private Land (A) | IDCO Charges (B) | Collector Charges (C) | Total Land Amount (D=A+B+C) |
| 2280.02 | 331,28,49,651 | 34,69,50,298 | 4,72,03,572 | 370,70,03,521 |

B. In addition to above, BSL and Seven others vide letter dated 17.01.2021 has intimated the Nominated Authority about all the details of payments of *Ex-gratia* amount of Rs.44,00,00,000/- made to Land Acquisition Officer, Angul for resettlement and rehabilitation of land losers of New Patrapara coal mine along with documentary evidences.

4. Vide letter No.HO/P&A/LA-E-1530/15/VOL-II/5693 dated March 25, 2021, IDCO has mentioned that as per provisions of CMSP Act, the quantum of compensation for land in relation to Schedule-I coal mine shall be as per registered sale deed in accordance with such rules as may be prescribed, together with 12% simple interest from the date of such purchase or acquisition till the date of execution of vesting order or the allotment order as the case may be. Further, IDCO also mentioned that in this case no lease deed was executed in favour of prior allottee for allotment/transfer of land. Hence, payment of interest to the prior allottee for the invested amount has not been consider as per CMSP Act.

5. This is a peculiar case. The Nominated Authority was established to auction the coal mines and also to pay just compensation to the cancelled mines. There are principles and rules, that were put in place to ensure that neither the prior allottees are robbed nor enriched or successful bidders are robbed or enriched at the either one's cost. NA has been determining the compensation for two classes of lands- lands with sale deeds or lease deeds. But this case is different. The prior allottee has neither sale deeds for the lands nor in possession of lease hold deeds. In Odisha, the state government agency, IDCO acquires the land on behalf of mining lease holders and gives it on lease the required land. In this case also, the prior allottee has paid cost of land acquisition to IDCO for acquiring the land and giving them lease hold rights. IDCO had acquired the land and compensation as determined by IDCO was paid by the prior allottee. However, before the lease deeds could be executed, the coal block was cancelled by the Supreme Court and no further action was taken by the IDCO. Now there are three options before me. One option is to decline to determine compensation since no sale deeds or lease hold deeds are available. This is easiest route most would unhesitatingly take but this is clearly not in the interest of both the parties. The result would be that prior allottee may litigate before an appropriate Court of Law for relief and may cause to delay transfer of land to allocatee resulting in delay in operationalisation of coal mine thereby causing huge loss to the country. Second option is to allow both the parties to come to an understanding on determining the compensation. In this case, the allocatee has clearly mentioned that an authority has to determine the compensation so that it could be the basis for his company to pay the compensation and they have mentioned that it is not feasible for them to negotiate with

prior allottee. Similarly, the prior allottee has also mentioned that NA has to make the order and pay the compensation to them for the value of lands. The third option is Nominated Authority taking an expansive view of its scope and responsibilities by reasonable exercise of powers conferred on Nominated Authority in the public interest and determine the compensation to meet the ends of justice to both the parties. Now as per the CMSP Act and Rules, the prior allottee is entitled to get the cost of land paid and 12% interest or fair market value as per the judgement of Delhi High Court whichever is higher. But this is payable only for lands with sale deeds or lease deeds. IDCO has informed that there is no provision to pay 12% interest as per the rules for lands without sale deeds or lease hold rights. Till now, Nominated Authority is determining land compensation either 12% interest or fair market value as per circle rates issued by the District Collector. There is no methodology adopted for determine fair market value for unexecuted lease deed rights so far. Therefore, it will be difficult to arrive at this option. However, fixed interest on the amount paid is the option provided in the law itself which is safe and justifiable. Therefore, having considered the matter deeply keeping in view the intention of Parliament in enacting the CMSP Act and the orders of Hon'ble High Court of Delhi on the connected cases, to pay just compensation to the prior allottees, the following is decided to meet the ends of justice and as a public policy imperative:-

- (a) The successful allocatee shall pay the cost of land compensation of Rs.370,70,03,521/- and 12% interest on the total amount to the prior allottee - Tata Steel BSL Ltd.
- (b) Successfull allocattee shall also pay *Ex-gratia* amount of Rs.44,00,00,000/- that was paid to the District Collector, Angul to the prior allocattee along with 12% interest.
- (c) IDCO shall transfer the lease hold rights, privileges and obligations of land acquired for prior allottee to the successful allocatee, SCCL, as per vesting order to be issued by the Nominated Authority.

Enclosure as above

 17/5/21
[M. NAGARAJU]

Additional Secretary of Nominated Authority

To,

1. M/s. Bhusan Steel Ltd. (Now as Tata Steel BSL), Ground Floor, Mira Corporate Suites, Plot No.1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065. E-mail:- ankan.mitra@tatasteel.com .
2. SCCL, M/s. CMD, Singareni Collieries Company Limited, Kothagudem Collieries, Bhadradi Dist.: Kothagudem, Telangana-507101.E-mail:- rosccl@rediffmail.com , cgm_bd@scclmines.com

Copy to :-

1. Under Secretary (CBA-II Section), Ministry of Coal.
2. Industrial Infrastructure Development Corporation (IDCO) Towers, Rupali Square, UNIT- 9, Bhubaneswar, Odisha 751022. [Email:- cmd@idco.in , cgmland@idco.in]
3. District Collector, Angul

