

File No NA- NA-203/8/2020-NA
Government of India
Ministry of Coal
Office of Nominated Authority

120-F, Shastri Bhawan, New Delhi
Dated: November 13, 2024

The Managing Director,
Araanya Mines Pvt. Ltd. (AMPL)
Near Ramgarh Gymkhana Club
Opp. Ashok Cinema, Ranchi Road
P.O.- Marar, District -Ramgarh, Jharkhand-829117.

SPEAKING ORDER

Subject: Imposition of Penalty under Section 24 of the CMSP Act, 2015 for Non-compliance with Issued Directives – Regarding Lohari Coal Mine.

Kindly refer Final Compensation Order dated April 11, 2023, mandating the deposit of an additional fixed land compensation of ₹6,36,28,511/- by M/s Araanya Mines Private Limited (AMPL) to the designated account of the Ministry of Coal within seven days of receiving the order. This amount pertains to the differential land compensation due to the prior allottee, M/s Usha Martin Limited (UML), in relation to the Lohari coal mine.

2. Requirement for Deposit of Additional Fixed Cost for Land Compensation

Following the Supreme Court of India's cancellation of the Lohari coal mine allotment from M/s UML in 2014, the coal mine was vested to M/s AMPL on April 22, 2015, under the CMSP Act, 2015. In accordance with Section 16 of the Act, initial compensation of ₹3,53,48,674/- was determined for the land. However, subsequent legal directives from the Hon'ble Delhi High Court on March 9, 2017, allowed for a revaluation based on fair market value. M/s UML's revised claim, submitted on February 22, 2018, resulted in an enhanced land compensation value of ₹9,89,77,185/-, thereby necessitating an additional payment by AMPL.

In addition to the above, it is important to mention here that M/s Usha Martin Limited (UML), holds a registered sale deed for the land in their name, and as per the Hon'ble Delhi High Court's directive dated March 9, 2017, the land valuation must be determined based on fair market value. Furthermore, there has been no stay granted on the CBC (A&D) No 15 /2023 filed by M/s Araanya Mines Private Limited (AMPL) in this regard, meaning the directives for compensation remain enforceable.

3. Non-compliance and Subsequent Notices

This office issued several notices to M/s AMPL on April 21, April 26, May 22, and a Show Cause Notice on June 8, 2023, directing compliance with the payment of the differential compensation amount. Despite these notices, the required deposit remains outstanding.

In response to the Show Cause Notice, M/s AMPL submitted a letter dated June 20, 2023, informed that they had filed CBC (A&D) No 15 /2023, challenging the Final Compensation

Order dated 11.04.2023, which is currently under review in the court of the Additional Judicial Commissioner-1 cum Special Judge under the CBA Act.

They indicated that they had sought a stay on the order, with notices served to the respondents, including the Union of India and M/s UML. However, no one appeared on behalf of these respondents.

AMPL contended that they hold a statutory right to challenge such orders under the CMSP Act and requested the recall of the show cause notice dated 08.06.2023. They also sought cooperation for the early disposal of CBC 15/2023.

4. Penalty for Non-compliance

In accordance with Section 24 of the CMSP Act, 2015, which stipulates penalties for failure to comply with directives issued by the Central Government or nominated authority, M/s AMPL is liable to a penalty of ₹1,00,000/- and an additional daily penalty of ₹2,00,000/- for each day of non-compliance. The effective date of this penalty is April 18, 2023, and as of November 1, 2024, the accumulated penalty totals ₹11,36,00,000/- (₹2,00,000 x 568 days).

"24. Penalty for failure to comply with directions of Central Government.--If any person fails to comply, without reasonable cause, with a direction given by the Central Government or nominated authority or the designated custodian, he shall be punishable with a fine of one lakh rupees and in the case of continuing failure with a maximum fine of two lakh rupees for every day during which the failure continues, depending upon the nature of the offence."

5. Final amount along with penalty to be deposited

M/s AMPL is hereby directed to deposit ₹6,36,28,511/- within fifteen days of receipt of this order, failing which legal action will be initiated to realize the payment along with penalty.

Enclosure:-

1. Letter issued to M/s AMPL on 21.04.2023, 26.04.2023, and 22.05.2023 and one show cause notice on 08.06.2023.
2. AMPL letter dated 20.06.2024
3. Final compensation order dated 11.04.2023
4. Provisional order dated March 28.03.2023



[Rupinder Brar]

[Additional Secretary/Nominated Authority]

To,

1. Prior Allottee.- The Managing Director, Usha Martin Limited, Crosswindz Building ,3rd Floor,41,Kutchery Road,Ranchi-834001.