



GOVERNMENT OF KERALA

Abstract

Water Resources Department –Recommendations of High Power Committee for assessing the nature and magnitude of loss sustained on account of functioning of the Coco Cola Company in Plachimada - Approved- Orders issued.

WATER RESOURCES (GW) DEPARTMENT

G.O.(MS) No. 37 /2010 /WRD

Dated, Thiruvananthapuram , 03 ..07 ..2010.

Read: 1. G.O.(Rt) No. 425/09/WRD dated 17..04..2009.

2. G.O.(Rt) No. 542/09/WRD dated 23..05..2009.

3. Report of the High Power committee headed by the Additional Chief Secretary.

ORDER

As per G.O read as 1st paper above, Government had decided to appoint a High Power Committee to assess the nature and magnitude of loss sustained on account of functioning of Coca Cola Company in Plachimada. Vide G.O. read as 2nd paper above, a High Power Committee was constituted with experts from different fields , viz. Agriculture ,Health, Animal Husbandry ,Kerala State Pollution Control Board etc. for the purpose.

The High Power Committee, in its report read as 3rd paper above, has recommended and observed as follows:

- "The Coca Cola Company at Plachimada has been causing environmental degradation by over extraction of ground water and irresponsible disposal of the sludge.
- The Coca Cola Company is culpable under several laws in force.
- The water resources of the area have been affected and the water scarcity has been compounded.
- By passing off the sludge as manure, the Company has not only misguided the farmers but has become responsible for the soil degradation, water contamination and consequential loss of agriculture.
- There has been a steady decline in the agriculture production in the area.
- The production of milk, meat and eggs also has suffered.
- Metals like cadmium, lead and chromium have been detected in the sludge and this has affected the health of the people.
- The general health of the people has been affected with skin ailments, breathing problems and other debilities.

- Low birth weight of children has also been noticed.
- Environment of the Village has acutely been damaged by polluting water and soil.
- Drinking water has become scarce and women have to walk long distances and this has deprived them of their wages, and this needs to be compensated.
- Children have dropped out of the school on account of the social, health and economic factors caused by the pollution and this opportunity cost has to be compensated.
- The Grama Panchayath has been providing drinking water in tanker lorries ever since the wells and water bodies have been rendered useless by the Company by its extraction of water and disposal and effluents.
- The actual economic loss on account of the depletion of water resources has not been quantified but its proxies have been used.
- The compensation that could be claimed on various losses has been calculated as below:

Agriculture loss :	Rs.84.16 crores
Health damages:	Rs.30.00 crores
Cost of providing water:	Rs.20.00 crores
Wage loss and opportunity cost :	Rs.20.00 crores
Cost of pollution of the water resources:	Rs.62.10 crores
Total :	Rs.216.26 crores.

- There are sufficient provisions under the existing laws to claim this compensation of these damages from the Company under the "polluter pays principle."
- However it is desirable to set up a dedicated institution to adjudicate the individual claims . Such a dedicated mechanism could either be

- (a) a Tribunal under Article 323 B of the Constitution of India to be legislated by the State Legislature, or
- (b) an Authority under Section 3 (3) of the Environment (Protection) Act, 1986 to be created by the Central Government.

- Once Government decides on a suitable mechanism and it comes into being, individual claims will have to be assessed and actual compensation decreed and the polluter Company made to pay it.
- The Company located in this drought-prone area, should not resume its operation"

Government have examined the matter in detail in consultation with the Industries Department and Law Department and order the following:

- The recommendations and observations of the High Power Committee headed by Sri.K. Jayakumar, Additional Chief Secretary, to assess the extent of damages caused by Coca Cola Plant at Plachimada and claiming compensation is approved.
- The Law Department is entrusted with the drafting of the legislation for setting up a Tribunal for this purpose .

(BY ORDER OF THE GOVERNOR)

L.RADHAKRISHNAN,
PRINCIPAL SECRETARY

To

✓ The Director, Ground Water Department, Thiruvananthapuram.
General Administration(SC)Department(Vide item No.4825 dated 30..06..2010.)
Law Department (Vide U.O.No.11814/Leg F2/2010/Law dated 21..06..2010)
Industries Department (Vide Note No. 10752/ J3/2010/ ID dated 15/6/2010)
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Forwarded/By Order

J. J. as
Section Officer

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