

**Minutes of the meeting held on 30.07.2022 under the Chairmanship of the Oversight Authority constituted by the Hon'ble Supreme Court of India, through Video Conference with regard to Comprehensive Environmental Plan for Mining Impact Zone.**

**Present:**

Sl. No	Name of the Officer	Designation / organization
1.	Hon'ble Justice Sudershan Reddy	Chairman and Oversight Authority
2.	Shri. I.S.N.Prasad, IAS	Additonal Chief Secretary, Development Commissioner, Government of Kanataka & Chairman of the KMERC.
3.	Shri. Pankaj Kumar Pandey, IAS	Secretary, to Government Commerce and Industries (MSME & Mines)
4.	Shri. Prabhash Chandra Ray, IFS	Managing Director, KMERC
5.	Dr. C.V. Raman	Joint Director, DMG & Secreatry to Hon'ble Oversight Authority

The Managing Director, KMERC welcomed the Hon'ble Justice and Oversight Authority, Additional Chief Secretary & Development Commissioner & Chairperson of the Company as well as Secretary to the Government, C&I Department (MSME & Mines) to the meeting.

1. At the very out set, the Oversight Authority felt that while implementing the Hon'ble Supreme Court order dated 21.04.2022, we need to take proper understanding of the expressions spelt out in the said order, especially made in the sub-para iii of para 2 of the said order, which it reads as under:

***“ iii. In-principle approval is granted to the CEPMIZ plan submitted by the State of Karnataka, as recommended by the CEC in its reports dated 22.10.2018 and 16.04.2019. However,***

*the parties are at liberty to place any objections or submissions before the Oversight Authority with regard to the CEPMIZ Plan. The Oversight Authority shall decide the said objections or suggest modifications after hearing the parties and taking the assistance of any expert, including the CEC, as may be required. If any clarification is required, the parties would be at liberty to approach this Court.”*

A plain reading of the above para clearly reveals that, the Hon'ble Supreme Court has granted in principle approval for CEPMIZ plans. Now the question before the Oversight Authority is that, parties can place objections or submissions before the Oversight Authority and for further clarification, the parties can also approach the Hon'ble Supreme Court.

In this backdrop, do we need to hear the parties? if so, to what extent? If we continue to hear, it will be never ending. Hence, Oversight Authority expressed his deep concern and advised to consult the Advocate General as to what is the prepotentscope mentioned in the said order.

In this connection, Managing Director, KMERC brought to the notice of the Authority that, the Hon'ble Supreme Court after obtaining the considered views of Amicus Curiae, CEC, the State Government as well as FIMI (South), had issued its in-principle approval for the CEPMIZ plan. Since FIMI (South) had objections to the in-principle approval because of its opposition to inclusion of Tumkur-Davangere Railway line project from funding under CEPMIZ funds. Hence, Hon'ble Apex Court has kept the above provision. This Authority, therefore, may invite the stake holders viz. CEC, the petitioner and FIMI (South) for their objections or suggestions.

The Oversight Authority requested Additional Chief Secretary and Development Commissioner, to present his views. In response, the Additional Chief Secretary, brought to the notice of the Authority that, at first we may obtain Advocate General's opinion. Thereafter,



hearing may be scheduled or it is better, if we get the suggestions or objections in writing from the parties confined to the CEPMIZ Plan, for which in- principle approval have been given by the Hon'ble Supreme Court of India by putting the information onto the website, a public domain. This will resolve the issue, as contemplated in the order of the Hon'ble Apex Court.

The Secretary, Commerce and Industries Department agreed to the views of the Additional Chief Secretary and Development Commissioner and submitted that in certain aspects, as pointed out earlier by the Managing Director, KMERC that the objections raised by the parties are on the projects that will benefit Districts, other than those affected by the mining. Hence, as per the suggestions given by the Additional Chief Secretary and Development Commissioner one time hearing can be given to the parties, as it will take care of complications.

2. Thereafter, Managing Director sought the approval of the revised costing of the Dharmapura and Sushilnagar railway sidings & sub-lines, which were approved on 18.06.2022, as per sub-para xii. of para 2 of the order of the Hon'ble Court. It was submitted that the cost of the Dharmapura Railway sidings & sub-lines now based on 2021 Railway schedule of rates is Rs. 241.67 Crores plus taking Rs. 35.32 Cr., as tentative cost of land acquisition comes to Rs. 276.99 Cr., which is 83 % more than Rs. 131.96 Cr., estimated earlier in 2018.

Similarly, the cost of the Sushilnagar Railway sidings & sub-lines now based on 2021 Railway schedule of rates is Rs. 229.39 Crores plus taking Rs. 29.32 Cr, as tentative cost of land acquisition comes to Rs. 258.72 Cr., which is 67 % more than Rs. 137.12 Cr., estimated in 2018. It was explained that the earlier cost was as per 2011 rates, which has now been revised in 2021, plus there is additional 6% GST as per 13.07.2022 Central Tax Notification. Also among others, new signalling and telecommunication facility has been added.

3. Further, Managing Director placed certain house keeping matters before the Oversight Authority pertaining to KMERC. They include:

(a) Operationalization of Personnel Deposit Account in the name of KMERC after obtaining approval of the Finance Department and in consultation of the Accountant General, required as per sub-para vii. of para 2 of the Hon'ble Court order.

(b) Further, as per sub-para vi. of para 2 of the order, the SPV funds are being received from the Monitoring Committee. Rs. 2864.21 Crores have been received till 27.07.2022. Of these, after keeping Rs. 2.00 Crores for administrative expenses of KMERC, Finance Department has been requested to invest the idle and surplus funds through Treasury auction bills, as per sub-para x of para 2 of the Hon'ble Court order.

Additional Chief Secretary and the Chairman, KMERC suggested to keep a regular agenda in every meeting about the financial status of the SPV. The Oversight Authority agreed to the suggestions given by the Additional Chief Secretary.

(c) In the previous board meeting of KMERC, approval was given to carry out socio-economic survey of 283 villages affected by mining. The Terms of the Reference (TOR) has now been finalized. A tender now will be called to fix the agency to collect base-line survey required for evaluation of the various interventions.

(d) Further, KMERC through tender has engaged PwC as the agency to provide 6 key professionals for managing the Program Management Unit (PMU); out of which 5 of them have joined and working well.

(e) KMERC is also developing an IT applications through state-owned Centre for Smart Governance for processing, approving and monitoring the CEP MIZ projects in a transparent manner.



(f) Shifting of KMERC office to Khanija Bhavan.

4. The Oversight Authority by summarising the facts, which are discussed at length during the course of the meeting and finally arrived at a conclusion that there is a need to take care of the issues as envisioned by the Hon'ble Supreme Court in finalising the CEPMIZ projects with the following:

### DECISIONS

(1) The CEPMIZ Plan approved by the Hon'ble Supreme Court shall be put onto the website, for stakeholders to make suggestions, if any.

(2) It is resolved to get legal opinion from the Advocate General, State of Karnataka with regard to the Order dated 21.04.2022 particularly on sub-para iii of para 2 of the Supreme Court order.

(3) The revised costing of both the Dharmapura and Sushilnagar Railway Sidings and Sub-lines submitted by M/s RITES were approved.

(4) It is resolved to appoint an independent auditor in consultation with Comptroller & Auditor General (CAG) for the purpose of auditing the accounts of KMERC funds.

(5) It is resolved to request the Comptroller & Accountant General to appoint Statutory Auditor from among the auditors empanelled by it for the Special Purpose Vehicle.

Meeting concluded with vote of thanks to the Chair.



**JUSTICE SUDERSHAN REDDY**  
**OVERSIGHT AUTHORITY**