

PROCEEDINGS OF 40TH STATE HIGH LEVEL CLEARANCE COMMITTEE MEETING HELD ON 14.09.2015 UNDER THE CHAIRMANSHIP OF HON'BLE CHIEF MINISTER OF KARNATAKA.

Members present: List attached

Commissioner for Industrial Development & Director of Industries & Commerce welcomed the Hon'ble Chief Minister, Hon'ble Minister for Large & Medium Industries and Tourism, Hon'ble Minister for IT/BT, Hon'ble Minister for Infrastructure Development, Hon'ble Minister for Water Resources and other members to the meeting. Subjects were taken up for discussion as per the agenda circulated.

SUBJECT-1: PROCEEDINGS OF 39th SHLCC MEETING

- a) Proceedings of the 39th SHLCC meeting were read and recorded.
- b) Committee noted that 39th SHLCC meeting proceedings have been circulated to all the members, relevant G.O's have been issued by C & I Department and the same were communicated to the project proponents.

SUBJECT- 2: CONSIDERATION OF NEW PROJECTS FOR APPROVAL

The Committee discussed and resolved to approve the projects with following general conditions.

- a) *The project proponents to draw water from downstream of the reservoirs with the approval of Water Resources Department.*
- b) *The project proponents shall adopt rain water harvesting, waste water recycling and water conservation facilities. Wherever applicable, zero discharge facility should be adopted.*
- c) *The iron ore / limestone based industries have to make arrangements on their own for their requirement and State Government does not guarantee supply of iron ore / limestone for the projects.*
- d) *In case of projects where power requirement is more than 50,000 KW, the project proponent should necessarily furnish the schedule of commissioning of their project and also contact the distribution utility concerned for tying up the power requirement well in advance by paying the necessary fees and obtaining necessary clearance. Secondly, wherever project proponent intends to export power, the evacuation permission should be obtained from State Load Dispatch Centre/KPTCL.*
- e) *The investors are advised to take necessary statutory clearances and plan approvals from the competent authorities before implementation of the project.*
- f) *The project proponents shall provide a plan for development of Human Resources in State and shall provide employment to local people as per Dr. Sarojini Mahishi report and as per the respective policies of the State Government.*
- g) *Wherever land acquisition through KIADB is proposed, the project proponents shall provide employment for at least one member of the family of each land losers.*

- h) *Wherever there is scope for vendor development for the project, the company shall prepare a vendor development plan, develop local vendors and procure the required inputs, components and sub assemblies from these local vendor units.*
- i) *In respect of land allotted by KIADB, the allotment shall be on lease basis as per KIADB norms.*
- j) *In respect of projects wherein lands approved and allotted by KIADB as SUC and those projects are not implemented in a time frame, the renewals relating to land issues will be subject to rules & penalties of KIADB.*
- k) *The project proponents who have purchased land U/s 109 of KLR Act for a specified project; have to obtain prior approval from SHLCC for undertaking any changes on the project.*

2.1 PROPOSAL OF M/S. ECOMAISTER BEADS INDIA PRIVATE LIMITED., TO ESTABLISH MANUFACTURE OF “PRECIOUS SLAG BALL” AT TORANAGALLU VILLAGE, SANDUR TALUK, BELLARY DISTRICT.

Background :	Private Limited Company
Product/ Activity :	Precious Slag Ball
Extent of Land :	2.32 acres of land allotted by M/s. JSW Steels Limited at Sy. Nos. 84(AB), 88(A), 88(C) and 87(A) of Toranagallu Village, Sandur Taluk, Bellary District
Location :	M/s. JSW Steels Limited land at Sy. Nos. 84(AB), 88(A), 88(C) and 87(A) of Toranagallu Village, Sandur Taluk, Bellary District
Investment :	Rs. 148.72 Crores
Employment :	132 persons
Main Promoters :	Mr. Amit Shrivastava, Managing Director

The Committee after detailed discussion considered the project and approved the investment proposal with the following assistance.

Details	Approval by SHLCC
Activity	Manufacturing of “Precious Slag Ball”
Land:	2.32 acres of leased land allotted by M/s. JSW Steels Limited at Sy. Nos. 84(AB), 88(A), 88(C) and 87(A) of Toranagallu Village, Sandur Taluk, Bellary District
Water :	18,000 LPD from Local Authorities
Power:	3180 KVA from GESCOM
Pollution Control Clearance :	Promoters were advised to obtain CFE from KSPCB. E.C from MOEF, GOI or DFEE GOK if applicable.
Statutory clearances:	The promoters to take all necessary statutory clearances.
Incentives and Concessions:	As per New Industrial Policy 2014-19 of the State.
Employment to Local persons:	Promoters to provide local employment in the project as per the New Industrial Policy 2014-19 of the State.

2.2 PROPOSAL OF M/S. TOYOTA INDUSTRIES INDIA PVT. LTD., TO ESTABLISH MANUFACTURE OF “TEXTILE MACHINERY” AT VASANTHANARSAPURA INDUSTRIAL AREA, TUMKUR DISTRICT.

Background :	Private Limited Company
Product/ Activity :	Textile Machinery
Extent of Land :	41 Acres
Location :	Plot No.699, 700, 701, 708, 709, 710 & 711 at Vasanthanarsapura Industrial Area, Tumkur District
Investment :	Rs. 410.00 Crores
Employment :	800 Persons
Main Promoters :	Mr. So Furukawa, Managing Director

The Committee after detailed discussion considered the project and approved the investment proposal with the following assistances and facilities.

Details	Approval by SHLCC
Activity	Manufacturing of “Textile Machinery”
Land:	KIADB to allot 41 acres of land at Vasanthanarsapura Industrial Area, Tumkur District.
Water :	80,000 LPD from KIADB
Power:	4000 KVA power from BESCOM
Pollution Control Clearance :	Promoters were advised to obtain CFE from KSPCB. E.C from MOEF, GOI or DFEE GOK if applicable.
Statutory clearances:	The promoters to take all necessary statutory clearances.
Incentives and Concessions:	As per New Industrial Policy 2014-19 of the State.
Employment to Local persons:	Promoters to provide local employment in the project as per the New Industrial Policy 2014-19 of the State.

SUBJECT NO.3: PROPOSAL OF M/S SUMMIT DEVELOPERS PRIVATE LIMITED, TO ESTABLISH “IT PARK/COMMERCIAL WITH RESIDENTIAL AND SUPPORTING FACILITIES CATERING TO THE REQUIREMENTS OF SME SECTOR OF IT/ITES/BPO INDUSTRY AT BANGALORE” IN THARAHUNSE VILLAGE, JALA HOBOLI, BANGALORE RURAL DISTRICT, KARNATAKA-REQUEST OF THE COMPANY TO ACQUIRE LAND UNDER KIAD ACT INSTEAD OF U/S.109 OF KLR ACT.

- M/s. Summit Developers Pvt Ltd, Infantry Rd, Bangalore, submitted an application on 18-03-11 to KUM for approval of an investment plan to establish an IT Park/Commercial space with residential and supporting facilities catering to the requirements of SME Sector of IT/ITES/BPO industry with a proposed investment of Rs 4551 Cr. In 216 acres of land Sy No 223/1,223/2 and 149/2 Tarahunse Village, Jala Hobli, Bangalore North Taluk.
- The subject was placed in the 25th SHLCC meeting held on 14-07-11 for a discussion and was deferred for want of clarification from Revenue Department from the perspective of KLR Act and BIAPPA from the perspective of land utilization pattern.

- Based on the report from Deputy Commissioner Bangalore urban District, Principal Secretary, Revenue Dept has informed KUM on 12-04-2012 that there was no violation of provisions of KLR act by the Company, no objection for approving the project and that the promoters need to take permission for change of land use from the competent authority before implementing the proposed project.
- Further, the subject was again discussed in the 27th SHLCC Meeting held on 13-04-2012 and it was also agreed that KIADB shall acquire the land on 80% consent basis and allot to the project proponents. Accordingly GO CI 139 SPI 2012 , Dt: 23-04-12 was issued.
- KIADB has initiated land acquisition proceedings after collecting required deposit from M/s Summit Developers. Notification under section 3(1), 1(3) and 28(1) of KIAD Act was issued on 30.01.2013.
- Hon'ble Chief Minister directed C & I Department to obtain AG's opinion and SHLCC approval before issuing 28(4) notification in view of jurisdiction of both KT & CP Act and KIAD Act. Accordingly AG's opinion was obtained.

The following are the opinion of the Advocate General mentioned in the letter dated 21.11.2013.

Even without resorting to the process of securing change of land use U/s.14A of KT & CP Act, it is open to issue a declaration U/s.3 of KIAD Act if the following steps are adhered to before doing so.

- The Government should balance the requirements of both enactments so as to provide a harmonious construction of both the statutes.
 - Before notification U/s. 3(1) of the KIAD Act, the Government should consider the fact that such declaration would result in change of land use.
 - There should be a clear indication of the application of mind to all aspects of the matter relating to change of land use where the land is to be declared as an industrial area as against the earlier ear marking for a different purpose.
 - There should be a clear finding that development of such industry is possible only in that area and that area alone is suitable for the purpose and that there is no other alternative.
 - If these steps precede, the decision to notify U/s. 3(1), then the notification U/s.3(1) of the act would be legal and valid.
- The subject was placed in the next SHLCC Meeting for a final decision along with Advocate General's opinion.

- SHLCC in its 34th meeting held on 04.03.2014 resolved not to proceed with final notification by KIADB. The Committee advised the promoters to follow Section 109 of KLR Act route and obtain change of land use from BIAPPA.
- Aggrieved by the decision of the SHLCC, M/s. Summit Developers Pvt. Ltd., represented to the Government on 22.04.2014 and 09.05.2014 to reconsider the decision of 34th SHLCC in view of the notifications issued by KIADB under Section 3(1), 1(3), 28(1), 28(2) and 28(3) and that the land had already become industrial land by virtue of above notifications. Further the company has stated that it was not proper for the Government to back on its decision taken in 2012 after due deliberation in 27th SHLCC.
- In the meantime, on verification of the encumbrances the following information has come to our notice.
 - i. Government of Mysore granted the 216 acres of land in Survey No. 223/1 , 223/2 and 149/2 at Tarahunase village, Devanahali Taluk (Now Bangalore North Taluk) to Mr. Maradi Subbaiah in March 1926 under large landed estates scheme to develop an Agriculture estate.
 - ii. The descendents of Mr. Maradi Subbaiah sold the property to M/s. Bobbli Stud and Agriculture Farm Pvt Ltd., in March 1964, which subsequently changed its name to Ruia Stud and Agriculture Farm Pvt Ltd in 1969 which is in existence from 1970 and changed its name to M/s. Southern Paradise Stud Farm Pvt. Ltd.
 - iii. Government has granted exemption under section 107 (1)(v) of the KLR Act to run the stud farm and retain 216 acres of land for the purpose.
 - iv. A joint development agreement for consent acquisition of 203.5 acres by KIADB and handing over it to Summit Developers Pvt Ltd., for establishment of IT Park/ Commercial space with Residential Apartments has taken place on 24.05.2011 between Southern Paradise Stud and Developers Pvt Ltd., Sapphire Investment Pvt Ltd., and Summit Developers Pvt Ltd.,
 - v. A joint development agreement has taken place on 09-06-2011 between Mr. Janakiraman – owner of 12 Acres 12 Guntas of land in Sy. No. 149/2 at Tarahunase village.
- In view of the information furnished above, and considering issual of 3(1), 28(1), 28(2) & 28(3) notification by KIADB, payment of Rs.121 crores deposited by the company to KIADB and at the request of the company, the subject was placed before the SHLCC for decision taken in 34th SHLCC and whether the KIADB is to proceed with 28(4) notification.

The 37th SHLCC meeting held on 27.03.2015 discussed the subject in detail and the decision of SHLCC is as follows:

“Committee after detailed discussion decided to obtain opinion from Revenue Department & BMRDA and to resubmit the proposal.”

- Accordingly, the Karnataka Udyog Mitra has obtained the opinion of Revenue Department and BIAPPA, which is as follows:

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- In the meantime, the company has filed a Writ Petition no. 32699/2015 on 04.08.2015 in the Hon'ble High Court of Karnataka making the State of Karnataka and others as 'Respondents' and his prayer is mentioned below:
 - a) *Issue direction to Government to issue final notification u/s 28(4) of KIAD Act in respect of the subject land.*
 - b) *Issue direction to complete the acquisition proceedings in respect of the scheduled property and handover the possession of the same to the Petitioner.*
 - c) *Issue direction to execute Absolute Sale Deed in favour of the Petitioner.*
 - d) *Issue direction to pay an amount of Rs. 39.00 crores as compensation for the interest liability suffered by the Petitioner on account of delay in completion of acquisition proceedings with further interest till the date of payment of the same.*
 - e) *Award costs of these proceedings in favour of the Petitioner.*
 - f) *Pass other Orders as Hon'ble Court may deemed fit on the facts and in the circumstances of the case and in the interest of justice and equity.*
- The Additional Advocate General of Karnataka vide his letter dated 05.09.2015 informed the Government that the matter came up before the Court on 03.09.2015 and the Hon'ble Court has taken serious note of the fact that since the Petitioner has deposited 121.16 Crores in the year 2012-13 for acquisition, but the Government is unnecessarily delaying the matter to take a decision either to issue final notification or not. On account of delay, the Hon'ble Court has also intimated that the Government has to pay interest on the said amount on account of delay. Now, the matter is posted on 10.09.2015 and the Hon'ble Court has directed that decision should be taken within that date and to be informed to the Court.
- The Government vide letter dated 07.09.2015 informed the Advocate General, High Court of Karnataka that the opinion of Revenue Department and BIAPPA has to be placed before the next SHLCC for discussion and decision, accordingly requested to defend the Government and to seek additional 2 months time from the Hon'ble Court for taking suitable decision.
- The Hon'ble Court vide Order dated 10.09.2015 has given direction as mentioned below:

“The learned Government Advocate submits that proposals of Revenue Department and BMRDA are placed before the SHLCC. If that is so, the SHLCC may convene the meeting so as to enable the Government Advocate to have his say by 15th September 2015. The reasons for this though is manifold, nevertheless Rs. 121.16 Crores is in deposit with the KIADB from 04.07.2012 and 14.06.2013 in installments.

According to learned counsel, that entire project, envisages employment for 3 lakhs of citizens and there is a legitimate expectation of several Stakeholders.

Keeping in view of the good governance of the State of Karnataka, it is hoped that SHLCC could convene the meeting and complete process.

Re-listed on 15.09.2015.”

- Based on the direction of the Hon’ble High Court and opinion received from BIAPPA and Revenue Department, the subject placed before the committee was discussed in detail for a decision.

Decision of SHLCC

In light of the different views of Revenue Department over a period of time, it was decided to request for 10 days time from the Hon’ble High Court to examine the opinions and to take a considered view.

Committee directed Revenue Department to examine, if any, such permissions of exemption were given earlier.

Committee decided to meet after 10 days.

Meeting ended with vote of thanks to the Chair and to the members present.

(GAURAV GUPTA, IAS)
Commissioner for Industrial Development and
Director of Industries and Commerce &
Member Secretary, SHLCC

(K.RATNAPRABHA, IAS)
Additional Chief Secretary to Government
Commerce and Industries Department

(R V DESHPANDE)
Hon’ble Minister for Large & Medium
Industries and Tourism

(SIDDARAMAIAH)
Hon’ble Chief Minister
& Chairman, SHLCC

**MEMBERS PRESENT DURING 40th STATE HIGH LEVEL CLEARANCE
COMMITTEE MEETING HELD ON 14.09.2015 AT 04.00 P.M**

Members

SRIYUTHS:

1. Siddaramaiah
Hon'ble Chief Minister Chairman
2. R.V.Deshpande
Hon'ble Minister for Large & Medium Industries and Tourism
3. Dr. H Mahadevappa,
Hon'ble Minister for PWD.
4. R. Roshan Baig
Hon'ble Minister for Infrastructure Development
5. Kaushik Mukherjee IAS
Chief Secretary to Government.
6. K.Ratna Prabha, IAS
Additional Chief Secretary to Government
C & I Dept.
7. Pradeep Singh Kharola IAS
Additional Chief Secretary to Government
Tourism Dept.
8. M Madangopal IAS
Additional Chief Secretary to Government
Department Forest, Environment and Ecology
9. D Sathya Murthy IAS
Additional Chief Secretary to Government
UDD
10. Ravikumar.P, IAS
Additional Chief Secretary to Government
Energy Department
11. Boraiah
Deputy Secretary -1
Rep. of ACS to Government, Labor Department.

12. V .R. Muralidhar,
Deputy Secretary –KBJNL
Rep. of Additional Chief Secretary to Government
Water Resources Department
13. I.S.N.Prasad ,IAS
Principal Secretary to Govt.
Finance Department
14. N Chadrashekar
Director PPP
Rep. of Principal Secretary to Government IDD
15. M S Swamy
Additional Secretary
Rep of Principal Secretary to Govt.
Revenue Department
16. V.Manjula, IAS
Principal Secretary,
IT, BT & Science & Technology Department
17. Nilaya Mitash, IAS
Secretary to Govt.
Mine, Textile, Sugar and Small Industries
18. Naveen Raj Singh IAS
Managing Director,
KSIIDC
19. Chairman
KSPCB
20. B.Shekarappa, IAS
CEO & EM
KIADB
21. Commissioner
Commercial Tax Department.
22. Gaurav Gupta, IAS
Commissioner for Industrial Development and Director of Industries and Commerce
- Member Secretary

SPECIAL INVITEES

1. G. Kumar Nayak , IAS
Commissioner
B.B.M.P
2. Tushar Girinath, IAS
Commissioner
BMRDA
3. Durga Prasad KV
DD T&CP
Rep. of Member Secretary, BIAAPA.
4. T Sham Bhat IAS
Commissioner BDA
5. R Ramesh
Director (TC) I/c
Commerce & Industries Department.
6. B Radha
Joint Director, TP
Rep. of Member Secretary, BMICAPA
7. Chief Engineer
Rep. of Managing Director
KUWSSB
8. Commissioner
Excise Department.
9. M Maheshwara Rao IAS
Managing Director,
KPCL

PERMANENT INVITEES:

1. D.N .Narasimha Raju, IAS,
Additional Chief Secretary to Hon'ble Chief Minister.
2. M. Prabhu
Managing Director, Karnataka Udyog Mitra.