

# **Government of Kerala (India) forms tribunal to claim US \$ 46 million compensation from Coca-Cola**

Sunday 15 August 2010, by [Fian International](#) (Date first published: 11 August 2010).

The government of Kerala state on 14 July 2010 has set up a Plachimada Claims Tribunal to realize compensation US \$ 46.2 million from Hindustan Coca Cola Beverages Company for the ecological damages it caused in Plachimada, Kerala.

The tribunal will adjudicate disputes relating to compensation for the damage the company's bottling plant caused in Plachimada and other villages in vicinity. The sum is meant to compensate Plachimada residents for agricultural losses, health problems and loss of wages, among other things. The plant in Palakkad district was closed in March 2004 following a high court order and continuous protests by Plachimada residents.

In 1988, the Coca-Cola Company had set up a factory near the village of Plachimada in the Indian state of Kerala. The plant was producing 85 truckloads of beverages per day with 550-600 cases, each containing 24 bottles of 300ml. In order to cover the water needs for this production, the company dug several deep bore-wells on the traditional agricultural land that were purchased by the Company. Previous to the purchase of the land from private farmers and conversion of the same into an Industrial Campus, the local village community, in their majority indigenous tribal people, depended on the land for their livelihood as agricultural coolies (wage earners). The Company extracted about 1,500,000 litres of water every day.

The use of these immense amounts of water led to a depletion of ground water. Other small and marginal local farmers were unable to run their pumps long enough to water their fields, which led to a decline in their harvest and subsequent denial of wage employment to the tribal landless agricultural coolies. However, the factory's production process not only led to a dangerous water shortage, but also to a contamination of the local water sources due to the release of toxic metals such as cadmium and lead saline. As a consequence, around 1000 landless indigenous families who are dependent on agricultural wage labour were affected.

After a community-led campaign under the name "Plachimada Struggle Committee" that alerted the state government and attracted significant international attention. Human rights defenders, social workers and development activists working in the Kerala State formed coordination "Plachimada Solidarity Committee".

The Plachimada factory was shut down in 2004. In addition to closing down the plant the Adivasi Samrakshana Sangham core group of Plachimada Struggle Committee and the Plachimada Solidarity Committee submitted a demand for compensation to the state government of Kerala. They requested that a compensation of at least 48 million US dollar be paid to the farmers of the region. The recent appointment of the tribunal by the Kerala Government is announced during the pendency of the case filed by Hindustan Beverages subsidiary of Coca Cola Inc seeking orders to reopen the closed factory.

---

---

**P.S.**

\* <http://www.fian.be/category/43-Communiqu%C3%A9s+de+presse.html>