

Date: February 9, 2010

Response

Reference: Business Human Rights Resource Centre, New Delhi, query regarding – "Pro-mining goons harass and intimidate human rights investigators in India. – Survival International – 21st December 2009..

Survival International allegations are completely false, baseless and present a distorted picture of unrest in the region and appear to be designed to spoil the image of Vedanta Resources plc. and malign and defame it, for reasons best known to them. Vedanta Resources plc. does not have any operations in Orissa. The business activities in Orissa State in India, are being undertaken by Vedanta Aluminium Ltd., a Vedanta subsidiary, which is a distinct and separate legal entity in India and operates within the legal framework applicable in India. Vedanta is neither aware of any such incident, as alleged by Survival International, nor aware if Survival International has reported/complained of any such matter to the local authorities responsible for maintaining law and order in the area, and if so, what has been the outcome of the investigations by the authorities into the alleged incident.

Vedanta's Indian entity has not commenced mining operations in Lanjigarh till date. Vedanta understand that representatives of Survival International visited India purporting to be "tourists" on "Tourist Visas" and traveled to Niyamgiri, which is not a tourist destination, and their alleged visit needs explaining from this perspective. If Survival International's team was coming for business/investigative work as self styled "human rights investigators", why was this not appropriately disclosed to the Indian authorities, while applying for visas, and why they chose to make a surreptitious visit as "tourists". Vedanta is unaware, whether Survival International took permission either from Govt. of India, for their so called "investigation work" or at least kept them apprised of their objective or secured approval from the local administration, to visit this place. Recognizing the sensitivity in the region, paramilitary forces are regularly carrying out surveillance and search operations in these areas, to maintain law and order and prevent unlawful activities. It is quite possible that, what Survival describes as 'goons', were responsible officials of Central or State Governments, who may have been obliged as a part of their normal functioning and intelligence gathering activities to question presence (possibly unauthorized and unexplained) on the part of so called foreign tourists in a sensitive area, language barriers may have further accentuated the misunderstanding on the part of NGO representatives. Be as it may, if indeed the NGO representatives were threatened or manhandled by local goons as alleged – Vedanta as a law abiding organization with deep respect for human rights and dignity condemns it, without assuming in any manner any responsibility, whatsoever, for it.

The story of Survival International appears to be completely untrue, biased and designed to misguide the international audiences and defame Vedanta Resources plc. In order to provide a fair and objective perspective on the substantive issue, Vedanta desire to state as follows:

1. Survival International need to understand and recognize that, India's highest judicial authority (Supreme Court of India), has cleared this project after assessing all aspects and related issues and after providing an opportunity of being heard, to all interested parties, which desired to make submissions to the Hon'ble Court, on related aspects of the case. Survival International neither chose to intervene in the hearings or make submissions to the Hon'ble Supreme Court nor provided any other assistance to the Hon'ble Supreme Court, to deal with the issues on merits. It would be a fair expectation, from any responsible interest group or NGO, to operate within the constitutional framework of a country and assist the highest court of land, to deal with and decide the issue, by making appropriate submissions before it and seek legally binding orders and directions on all concerned, rather than remain passive in such proceedings, choose to operate on the periphery and issue statements and stories, designed to gain cheap publicity, based on false and misleading statements and sensationalizing the issue, in international media, without disclosing the full facts to its audiences.

2. A Green Bench of Hon'ble Supreme Court of India, headed by the Chief Justice of India, while granting permission vide its judgment and Order dated August 8, 2008, had looked at all aspects, including tribal development, wild life impact, environment impact, and sustainable development in the area connected with this project, taking into account all arguments, and came to the conclusion that starting mining operations at Niyamgiri Hills, subject to fulfillment of all statutory requirements, will definitely give a boost to the development of the entire area. The Hon'ble Supreme Court of India also observed that, there is abject poverty in the area, and the area is lacking in health, education, communication, infrastructure etc., to name a few. On the recommendation of the apex court, the concerned Vedanta entity agreed for investing each year 5% of the profit or Rs. 100 million (US\$ 2.1 million), whichever is more, from this project, for the developmental work within 50 km of the project area.
3. The Hon'ble Supreme Court, also observed that, since mining is an important source of revenue generation, such projects should be encouraged along with principle of sustainable development, so that these areas and its populace can be brought to the main stream. The Hon'ble Court passed these Orders, while dealing with a Public Interest Litigation, which sought to prevent the project from being granted permission by regulatory authorities, to proceed with implementation. Specifically, the Court considered the several arguments that included alleged obstruction of a proposed wildlife sanctuary and residence of indigenous people including the Dongria Kondh tribals etc. at the instance of other parties who choose to participate in the proceedings before it.
4. In delivering its judgment, the Hon'ble Court, balanced the development needs with the protection of the environment and ecology. It also considered whether the local community had been consulted, and was satisfied with the evidence that this consultation process had taken place. The Survival International is thus, not only maligning the Vedanta but more reprehensively seeking to engage in challenging and questioning the fairness and objectivity of decisions of the apex institutions, of a sovereign democratic republic, and thereby striking at the roots of the State organs, which needs to be condemned by all right thinking people. Survival International needs to be reminded that, India is a republic with its own constitution, and a robust regulatory framework, and therefore, their actions and expectations, on issues of concern to them, need to be addressed in this framework.
5. The Minister of Steel and Mines, Government of Orissa, Mr. Raghunath Mohanty, on 18th November 2009, also informed the Orissa Assembly that "Not a single tribal family would be displaced due to this mining project." The Hon'ble Minister also informed that 'No Dongria Kondha tribe lives, at the proposed mining area of Lanjigarh, located between Rayagada and Kalahandi districts'.
6. Vedanta group company, Sterlite Industries (India) Limited has, at the behest of the Government of Orissa, entered into an MOU with Orissa Mining Corporation (OMC) for setting up a million tonne Alumina Refinery project in Lanjigarh in Kalahandi district based on the bauxite resources in Lanjigarh and Karlapat. As directed by Hon'ble Supreme Court of India, the Orissa Govt. has incorporated a Special Purpose Vehicle (SPV) in the name of Lanjigarh Project Area Development Foundation (LDADF), with equity contribution of State Government as 25%, Orissa Mining Corporation as 26% and Sterlite Industries Ltd as 49%. The Revenue Divisional Commissioner (RDC) - Southern Division, Govt. of Orissa, is the Chairman of the Special Purpose Vehicle, which on its first meeting itself, decided to take up development Projects worth Rs. 1770 million (US\$ 37 million), in the areas of health, education, road, infrastructure development, that are required for the upliftment of Dongria and Kutia Kondha tribes, inhabiting the neighbourhood of proposed mines, in a radius of 50 KMs of the Project.
7. The development of the of the Dongria Kondh community (including enhancing their quality of life and conservation of their culture) is being sensitively addressed by the Dongria Kondh Development Agency ("DKDA"), an Orissa Govt. body. The DKDA has developed a comprehensive plan, which forms a part of India's National Eleventh Five-Year Plan 2007-2012, to address these objectives.
 - The plan has been developed based on priorities identified by the Gram Sabhas (Village Committees) of 62 village settlements as well as anthropologists familiar with the Dongria Kondh.
 - Vedanta entities in India are working actively with the DKDA to associate itself in the process of development of the resources of the Dongria Kondh.

8. On the directions of the Hon'ble Supreme Court, local entities of Vedanta group, have already deposited Rs. 200 million (US\$ 4.2 million), as their contribution for initial two years, for carrying out various programmes on community development including livelihood programmes, infrastructure development, health & hygiene, education and nutrition to children, to name a few. The Group has already adopted over 1000 child care centres in Kalahandi and Rayagada districts and providing nutritious diet, regular health check-ups and education through play-way method, to rural children. Mobile health units are providing health facilities, in remote villages, at their door-steps. Vedanta Group is very proud that, it has successful association with 82 NGO - regional, national and international, who are with it – hand in hand - carrying Group's commitment towards socio-economic development in the region.
9. Vedanta (including its local entities), is a highly reputed organization, and false and distorted allegations, of the kind, made in the Survival International's report, are not acceptable. It is very clear from the above, that the allegations mentioned repeatedly by Survival International are baseless and are designed to malign the name of Vedanta and defame it and damage the name and its reputation and more importantly, seek to harm and damage the reputation of India as a free market, a growth economy and a destination for international investments with a strong judiciary, other democratic institutions and free press providing an enabling environment for international business to prosper. The releases of Survival International are also instigative, where-in Group is being asked to address same queries again and again. It is worth mentioning that, Highest Court under the Indian constitutional framework has taken into cognizance, all possible aspects before clearing the said project, which is on-course of being implemented, under partnership with Orissa Government, once all the requisite approvals are accorded. We highly respect the judiciary and sovereignty of the country and expect all, to respond accordingly. Vedanta believes that allegations of Survival International need to be discarded and ignored, in the light of facts and circumstances, clarified by the Group.
10. To sum up, the fundamental issue between Vedanta and Survival International is one related to Survival's opposition to Vedanta, State Govt. of Orissa and Govt. of India's priority for primacy to economic and human development of the region and its people and endeavour to make them part of national mainstream while optimally retaining their unique identity and culture. The proposals have been scrutinized by various organizations of Indian State including the highest judicial body Supreme Court of India and found to be worthy of sanction and approval.

We leave it to the readers to judge the issue for themselves.


Pavan Kaushik
Head - Corporate Communication
Cell No.09928844499