

Lack of Bauxite from Odisha forces Vedanta to initiate closure at Lanjigarh

Lanjigarh, Odisha, August 25, 2015: Chief Operating Officer of Vedanta's Lanjigarh refinery Mr K. K. Dave today addressed a massive gathering of employees and representatives of local communities and explained them how absence of bauxite linkage from Odisha had led to economic unviability of Lanjigarh operations.

In an emotionally charged atmosphere, in presence of direct and partner employees, Mr. Dave mentioned, "We ran this unit with all commitment for nearly a decade, despite heavy odds. But with the current market turmoil, which is not likely to improve soon and in absence of access to bauxite from within the State, the plant is operating with a daily loss of Rs.3 crores. Hence, we are forced to initiate the process of gradual closure."

He expressed his concerns and acknowledged that it is going to impact nearly 10,000 people directly and the region at large as the CSR initiatives of the Company like Mid-day Meal in 187 schools and the Vedanta Lanjigarh Hospital that provides free medical treatment will get affected.

The communication was met with strong and emotional reactions of people's representatives and local employees.

"The region and its people have suffered because of vested interest, which neither belonged to this place, nor our concern. We the locals are the worst sufferers, if the closure happens. We will take up the matter with the State and National Government to see that the plant runs," said Vinod Goud.

Laxmidhar Samantray, a land loser, reacted emotionally and said, "We have lost everything today because this was our only hope. He urged all present to support in taking this issue to the State and Chief Minister."

Others including Sreedhar Pesnia, Rajendra Mali and other participants from partner companies also expressed similar sentiment.

The closure is also going to impact Vedanta's Jharsuguda operations and it cannot be helped, said Mr. Dave.

The company is taking steps to formally communicate to the concerned State Government Departments about this development.

“In absence of bauxite supply from Odisha, the current market dynamic has threatened our very survival. With a heavy heart, we are bound to take some steps which are going to be painful,” Mr. Abhijit Pati, CEO – Aluminium, Vedanta Limited said.

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Vedanta Ltd, formerly Sesa Sterlite Ltd. /Sesa Goa Ltd., is the Indian subsidiary of Vedanta Resources Plc, a London-listed company. Sustainable Development is at the core of Vedanta's strategy, with a strong focus on health, safety and environment and on enhancing the lives of local communities. Vedanta Ltd is listed on the Bombay Stock Exchange and the National Stock Exchange in India and has ADRs listed on the New York Stock Exchange.

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