

F. No. J-11011/81/2003-JA-II (I)
Government of India
Ministry of Environment & Forests

Paryavaran Bhawan
CGO Complex, Lodi Road,
New Delhi - 110 003
Dated: August 31st, 2010

To

The Director (Business Development)
M/s Vedanta Aluminium Limited
Vedanta, 75, Nehru Road
Vile Parle East
Mumbai - 400 099

Sub : Show Cause Notice under Section 5 of the Environment (Protection) Act, 1986 for revocation of the environmental clearance in view of non-compliance to the conditions stipulated while according environmental clearance to the 1 MTPA Alumina Refinery and 75 MW Captive Power Plant at Lanjigarh in District Kalahandi in Orissa by M/s Vedanta Aluminium Limited.

Whereas environmental clearance for 1 MTPA capacity for Alumina Refinery at Lanjigarh, District Kalahandi, Orissa was accorded to M/s Vedanta Aluminium Limited (the unit) vide letter No. J.11011/81/2003-IA-II (I) dated 22nd September, 2004 subject to stipulation of environmental safeguards; and

2. Whereas site inspection of the unit was carried on 16th -17th May, 2010 by Ministry's Eastern Regional Office at Bhubaneswar; and

3. Whereas the Monitoring Report of the Regional Office, Bhubaneswar vide their letter dated 25th May, 2010 (a copy of which is annexed) has revealed non-compliance of various conditions as stipulated in the environmental clearance letter dated 22nd September, 2004. Some of the serious violations being as under:

- (i) The unit has already proceeded with construction activity for expansion project without obtaining prior environmental clearance (general condition no. ii)
- (ii) No piezometers for monitoring of ground water quality around red mud and ash disposal ponds have been established as per the condition No. (v) of Specific Condition.
- (iii) The bauxite for the refinery was to be sourced from the mines which have already obtained environmental clearance. The Ministry vide letter of even No. dated 15th June, 2006, has accorded approval to the unit to source bauxite from indigenous mines which have already obtained environmental clearance. The inspection report has listed 14 mines from which bauxite was being sourced by the project proponents. However, out of these 11 mines, only one had received environmental clearance.

- (iv) The project authorities are yet to achieve the stipulated area under plantation i.e. 166 ha.
- (v) The fugitive emissions in the lime and coal handling area are not up to mark; and

4. Whereas findings of report of the Committee for Investigation into the proposal submitted by the Orissa Mining Company for Bauxite Mining in Niyamgiri under the chairmanship of Dr. N.C. Saxena submitted to the Ministry on 16th August, 2010 (a copy of which is annexed) has brought out the following :

- (i) The 1 MTPA Alumina Refinery was accorded environmental clearance on the condition that no forest land would be used for establishment of the Refinery. But now, it is established that the unit has occupied 26.123 ha. of village forest land within the Refinery boundary. Hence, the environmental clearance accorded to the company for setting up of refinery is legally invalid.
- (ii) The unit has already proceeded with the construction activity for its expansion project from 1 MTPA to 6 MTPA without obtaining environmental clearance as per provisions of the EIA Notification, 2006 under the Environment (Protection) Act, 1986.
- (iii) The bulk of the Bauxite Ore being used by the refinery is sourced from 14 mines, 11 of which do not have the requisite environmental clearance and two mines have been granted Terms of Reference (TOR) for undertaking EIA/EMP Study; and

5. Whereas serious non-compliance with the stipulated environmental conditions reported above mandate commensurate action.

6. Now, therefore under Section 5 of the Environment (Protection) Act, 1986, you are hereby directed to show cause within 15 days of the issue of this Notice as to:

- (i) Why the Environmental Clearance accorded on 22nd September, 2004 to your 1 MTPA Alumina Refinery should not be revoked, and
- (ii) Direction for closure of the 1 MTPA Alumina Refinery should not be issued.

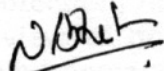
7. It may be noted that if no response is received within 15 days, appropriate orders as deemed fit will be passed under the circumstances of the case without any further notice to you.

(Dr. Nalini Bhat)
Scientist 'G'

Encl: as above

Copy to:

1. Secretary (Environment), Government of Orissa, Bhubaneswar
2. The Chairman, Orissa State Pollution Control Bhawan, A-118, Neelkanta Nagar, Unit (viii), Bhubaneswar
3. The Chairman, Central Pollution Control Board, Parivesh Bhawan, East Arjun Nagar, Delhi -110 032
4. Chief Conservator of Forests, Ministry of Environment and Forests, Eastern Regional Office, A/3, Chandrasekharapur, Bhubaneswar - 751023
5. Scientist 'F' (Monitoring Cell)/ Monitoring File/Guard File
6. Website, MoEF


(Dr. Nalini Bhat)
Scientist 'G'