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## **Vedanta SPV for development around Niyamgiri bauxite mines**

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It is reported that London based Vedanta Resources Plc has formed a special purpose vehicle Lanjigarh Project Area Development Foundation to take up peripheral development works around Niyamgiri bauxite mines in Orissa Kalahandi and Rayagada districts.

The SPV, where Vedanta Resources through its subsidiary Sterlite Industries has 49% stake, the Orissa government and Orissa Mining Corporation have 26% and 25%, respectively has been formed as per the directive of the Supreme Court. The apex court had made formation of an SPV as one of the conditions for exploitation of bauxite mines in Niyamgiri hills.

The court has directed Sterlite to provide INR 10 crore per annum for carrying out peripheral development in the area. Vedanta Resources has contributed INR 20 crore at the rate of INR 10 crore per annum for 2007 to 2008 and 2008-09.

The SPV in its first meeting has decided to take up program of solar electrification, development of infrastructure for education, health and communication in the peripheral area spreading over two districts of Kalahandi and Rayagada at a cost of INR 17.70 crore. Orissa steel and mines minister Mr Raghunath Mohanty said the SPV is a step towards making Niyamgiri mines operational.

He said the state government is taking steps for granting bauxite mining lease over an area of 721.323 hectares in Niyamgiri hills of Kalahandi and Rayagada districts to the state owned OMC which in turn would firm up a joint venture company with Sterlite Industries for operation of the mines. The JVC will sell the bauxite to Vedanta's plant at Lanjigarh.

(Sourced from Financial Express)

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