

Vedanta Iron Ore business may come to a standstill if truck issue is not resolved

Goa, 30 October 2015: Vedanta's – Sesa Goa Iron Ore Division has begun mining operations after a good amount of struggle with help from all stakeholders. The company started transportation of the cargo purchased through e-auction for shipment at a trucking rate as declared by the DMG vide its circular on rate of transport dt. 21/04/2015. For an industry that has been suspended for almost three years, resuming operations has not been an easy task. Based on the Supreme Court directive, the company has purchased huge quantity of the e-auctioned ore for its Blast furnace operations at Pig Iron Plant as well as for exports.

From the past ten days the company has been facing untold problems with truck operators hampering business with unreasonable demands for a hike in freight tariff. The company has been compliant in adhering to the DMG circular in totality where payment towards e-auction cargo is concerned. But the demand of the truck owners exceeds what is fixed by the DMG. They want higher rates for e-auctioned cargo while the present e-auctioned cargo transport rate at present is far higher and if this is the case, there will be no solution for transport of freshly mined cargo if business needs to sustain.

The problem now seems to have grown beyond proportions with the truck owners holding the organization at ransom and also indulging in violent attacks which has become an everyday feature and continues. It is a known fact that employees of Vedanta Sesa Goa Iron Ore were physically assaulted and their vehicles carrying ore were also damaged on several occasions, its drivers were assaulted, number of police complaints and FIRs have been registered.

The organization was forced to knock at the doors of the Hon'ble Goa High Court to continue business operations. The Court has ordered the State Government to support the company and also given a directive to the State Police department to provide police security to the trucks transporting the company cargo. Vedanta Sesa Goa Iron Ore has been trying to transport its ore as per the directive but things now have reached a stage where business has reached a standstill. The truck owners are now posing a hindrance to the transportation of e-auctioned ore as well and refusing to allow its movements unless and until their unreasonable demands are met by company.

It is worthy to note that no other mining companies have started the mining operations so far and if this agitation continues they may not start operations for a long time.

An official spokesperson of the company said, "We have been trying our best to keep the business running. Company has been forced to shut down one of its blast furnace at Amona and will shut down the other two soon if the transportation of ore is hindered by vested interest. The company's Pig Iron plant at Amona depends on ore from its mines in Codli and Bicholim and this could affect a large workforce that earns their livelihood. We have been law abiding and have knocked on each and every door for a solution, approached every stakeholder of the industry to intervene and help resolve the problem amicably. Our efforts seem to be in vain, if things continue this way, the company will have no other option but to close down operations. All stakeholders must realize if this happens, it is not just the organization that is at a loss. Every direct and indirect stakeholder will find sustenance difficult if they do not adopt a proactive approach to resolve the crisis at the earliest. Sustenance for everyone is bleak."

About Vedanta Limited (Formerly Sesa Sterlite Ltd.)

Vedanta Limited (Vedanta Ltd) is a diversified natural resources company, whose business primarily involves exploring and processing minerals and oil & gas. The Company produces oil & gas, zinc, lead, silver, copper, iron ore, aluminium and commercial power and has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and Sri Lanka.

Vedanta Ltd, formerly Sesa Sterlite Ltd. is the Indian subsidiary of Vedanta Resources Plc, a London-listed company. Governance and Sustainable Development are 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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