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Supreme Court ruling on Orissa mining case could set precedent

Some lawyers see Sterlite decision paving way for many projects to fund rehabilitation and pollution costs

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Weeks after it halted Vedanta Alumina Ltd's mining project in Orissa, the Supreme Court will soon weigh in on the issue in what many see as a possible precedent-setting decision.

Acting on the court's own directions; Vedanta's associate company, Sterlite Industries India Ltd, has filed a fresh application. Meanwhile, a review petition has also been filed by Oriya tribal activist Siddarth Nayak, a party to the previous proceedings, seeking a review of the court's order.

In issuing its previous order over Vedanta's mining plans in Orissa's Niyamgiri Hills, the Supreme Court bench suggested Sterlite could file a fresh proposal after forming what is called a special purpose vehicle, or SPV, with the Orissa government, which would set aside 5% of net profits from mining activities, or Rs10 crore, whichever is higher, for tribals in the area. It also suggested other funds for wildlife and tribal development.

Such a public-private partnership was dubbed as a "precarious precedent" by some environmentalists but was



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Uncertain future: A file picture of villagers from Orissa protesting in front of the Supreme Court in New Delhi against Vedanta's activities.

seen as a "welcome judgment" by C.V. Krishnan, head of business development at Sterlite.

Now, "abiding by the court's directions, we have filed an application complying with the rehabilitation package," said Krishnan. The "court is on vacation and, once it reopens, it will look into our application and pass necessary orders."

Krishnan, however, declined to comment on Nayak's petition saying he was unaware of it. The court is set to resume early January.

Nayak's petition will be decided internally by the judges as per the procedure in review

petitions. If it is dismissed, Nayak can file a curative petition that will then come up before a larger bench.

Many industrial and infrastructure projects have stalled in recent years primarily over court battles between environmentalists and companies.

"We talk of climate change and greenhouse gases but, in our country, there is a state of lawlessness in relation to environmental issues," complains M.C. Mehta, an environmentalist who has filed many legal challenges over implementation of Indian environmental laws.

