

# Troubles mount for Vedanta – OECD accepts Survival complaint as chairman faces fraud inquiry

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UK mining giant [Vedanta Resources](#) was dealt a double blow today as the OECD agreed that all the complaints made by Survival about the company's planned bauxite mine in Orissa merit further consideration, and Indian police investigate fraud allegations against the company's [billionaire chairman Anil Agarwal](#).

The OECD complaints procedure exists to investigate claims that companies are breaking international guidelines for multinational enterprises. Survival has submitted a complaint that Vedanta is pushing ahead with a massive bauxite mine in Orissa on the land of the remote [Dongria Kondh](#) tribe even though they have never been consulted, and will be destroyed by it.



Dongria Kondh children  
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Vedanta sought to have the complaint thrown out, but the OECD's 'UK National Contact Point' has now accepted that there is a case to answer.

In a further setback for the company, police in the state of Andhra Pradesh are investigating allegations of fraud against Vedanta subsidiary Vedanta Aluminium Ltd, its chairman Anil Agarwal, his brother Navin Agarwal and seven other directors. Anil Agarwal is also the chairman of parent company Vedanta Resources, and owns most of its shares. The inquiry centres on allegations that Vedanta Aluminium cashed a \$12 million bank guarantee provided for the construction of a workers' township.

Survival's Director, Stephen Corry, said today, 'This is a wake-up call for Vedanta and all multinationals that ignore their duty of care to tribal people affected by their projects. The law is clear: indigenous peoples must be consulted and their views must be respected. Vedanta cannot plough ahead with this mine, ignoring the strong protests from local people and the rights of the Dongria Kondh.'

1. Download a copy of the [Initial Assessment of the OECD's UK National Contact Point \(pdf\)](#).
2. The OECD (Organisation for Economic Cooperation and Development) is a grouping of thirty, mostly Western, countries, formed to promote 'democracy and the market economy.' See <http://www.oecd.org>

For more information please contact Miriam Ross at Survival International on (+44) (0)20 7687 8734 or (+44) (0)7504 543 367 or email [mr@survival-international.org](mailto:mr@survival-international.org)