

Appeal to Financiers urging Environmental, Social, Cultural and Climate Diligence on Sijimali Bauxite Mining Project

To

The Indian Banks and Financial institutions

(Aditya Birla Finance Limited, Axis Bank Ltd. , Axis Trustee Services Limited, Bank of Baroda , Bank of India, Catalyst Trusteeship Limited, DBS Bank Limited, HDFC Bank Ltd. , ICICI Bank Limited, IDBI Bank Ltd. , Karur Vysya Bank Ltd. , Power Finance Corporation Limited, Punjab National Bank, SBICAP Trustee Company Limited, State Bank of India, Union Bank of India , Yes Bank Ltd. , Bank of, Maharashtra, Canara Bank ,Central Bank of India, Indian Bank, Indian overseas Bank , Panjab and Sind Bank, Uco Bank, Bandhan, Bank Limited, CSB bank Limited, City Union Bank Limited, DCB Bank Limited, Dhanlaxami Bank Limited, Federal Bank limited, IndusInd bank limited, IDFC First Bank Limited, Jammu & Kashmir Bank Limited, Karnataka Bank Limited, Kotak Mahindra Bank Limited, Nainital Bank Limited, RBL Bank Limited, SouthIndian Bank Limited, Tamilnad Mercantile Bank Limited

We, the undersigned, write to draw your attention to concerns that have been widely raised in relation to the proposed Sijimali bauxite mining project in Odisha, being undertaken by Vedanta Limited and Mythri Infrastructure and Mining India Private Limited.

As institutions that finance large projects and set investment mandates, your decisions carry influence beyond providing loans. Increasingly, responsible finance is understood not just in terms of financial profits but also how it takes into account and addresses environmental, social, and governance concerns. The decisions of financial institutions have vital consequences for ecology and communities on the ground. Responsible financial decisions can play a major role in preventing possible adverse impacts on those who are directly impacted by investments in big infrastructure. It is with this understanding that we are reaching out.

The Sijimali bauxite mining block was allotted in 2023 for captive mining linked to Lanjigarh Alumina Refinery. Since then, the project has seen sustained opposition from Adivasi communities across Rayagada and Kalahandi districts. Community concerns highlight not only the environmental consequences of mining, but also to questions of process, participation, and whether statutory safeguards have been meaningfully followed.

Residents and community groups have raised concerns that the project could significantly and irreversibly transform an ecologically sensitive landscape on which local communities depend. The proposed mine reportedly spans approximately 1,549 hectares in the Sijimali hills, including forest areas that support grazing, collection of firewood, food, medicinal plants, and other forest produce that supplement household livelihoods. Villagers have also questioned whether environmental assessments adequately account for local streams, rivers and water systems that may be affected by mining operations. Activists argue that mining at Sijimali threatens to destroy the Panichida-Shuagad river and more than one hundred perennial streams.

Beyond livelihoods, communities describe the hills as holding cultural and spiritual significance, including as the abode of the deity *Tiji Raja*. They have expressed concern that forest diversion and associated infrastructure will sever long-standing ecological and social relationships.

The proposed mining area overlaps and poses a risk to animal habitat too. A study by National Law School India University, Bengaluru, identifies several vulnerable species such as the sloth bear, honey badger, Indian golden gecko, as inhabitants of the core and buffer areas of the mining project.

Alongside environmental concerns, questions have also been raised regarding procedural safeguards intended to govern projects in Scheduled Areas. Community representatives have reported that processes under the Forest Rights Act (FRA), the Panchayats (Extension to Scheduled Areas) Act (PESA), and other legal requirements have not fully reflected the principle of free, prior, and informed consent.

Particular concerns have been raised regarding Gram Sabha proceedings associated with project approvals. Villagers have disputed official claims that Gram Sabhas conducted in December 2023 approved the project, maintaining that no valid meetings took place in several villages. Documents obtained through RTI have reportedly raised further questions, including allegations of irregularities in participation records. In 2024, several villages passed resolutions contesting the validity of these approvals, and related matters were subsequently raised before the Odisha High Court. Concerns have also reportedly been noted during review processes relating to forest diversion, including questions around unresolved objections, compliance with FRA requirements, and ecological assessment.

Recent developments have added urgency to these concerns. Reports indicate tensions in the project area, including allegations of use of force during protests, injuries among residents, restrictions on movement, and cases filed against community members. While different accounts may exist regarding specific incidents, the persistence of such reports suggests a situation that warrants careful attention and independent scrutiny.

For financial institutions, these developments raise questions that go beyond conventional project assessment. Community grievances, unresolved procedural concerns, legal uncertainty, and allegations of environmental and rights-related impacts can create material environmental, social, and governance risks, including delays, reputational consequences, and uncertainty regarding long-term project outcomes.

At the same time, this is a matter of ethical investment. Institutions that invest public money in high-impact sectors play an important role in encouraging responsible project implementation.

Responsible financial engagement demands stronger due diligence, greater transparency, and more meaningful engagement with affected communities.

We therefore urge your institutions to exercise care and diligence as regards a potential exposure to the Sijimali Bauxite Mining operations and to use your influence constructively. For those institutions which already have exposure to the project or the companies involved, this may include seeking independent verification of compliance with legal safeguards, commissioning robust environmental and human rights due diligence, and engaging transparently with affected stakeholders. We urge financial institutions to ensure that project-linked activities are carried out only where concerns regarding free, prior and informed consent, environmental protection, statutory obligations and expectations of the affected communities have been satisfactorily addressed.

Moments such as these provide an opportunity to demonstrate that responsible finance includes active attention to environmental stewardship, community rights, and long-term accountability. We look forward to your considered response and to learning about any steps your institution may take in this regard.

Signed by:

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