



Vedanta – 62 Unanswered Questions for the Company and Management

Questions for Management on Vedanta Limited's Q1 FY26 Earnings Call

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July 30, 2025 - Vedanta Limited's (VEDL) Q1 FY26 earnings call arrives at a critical juncture. The Company has failed to answer mounting questions over governance failures, capital misallocation, and related-party transactions that appear to prioritize the liquidity needs of its promoter over the long-term interests of shareholders and creditors.

The Company's operating foundation continues to erode with dividends outpacing free cash flow, unfinished projects languishing for capital, and critical assets encumbered to service offshore debt. This document sets out a focused set of questions for management and the Board, aimed at addressing the growing gap between narrative and reality and the urgent need for transparency, accountability, and reform.

Financial

1. What is the forecast dividend for FY26? Will management revise this figure if cash flows prove insufficient or will dividends be funded with debt?
2. What is the growth capex forecast for FY26?
3. What is the maintenance capex forecast for FY26?
4. Why does VEDL continue to pay dividends while running a cumulative free cash flow deficit of \$5.6b over the past 3 years?
5. What concrete operational synergies justify VEDL and HZL foregoing committed capex to pay these dividends?
6. Why does VEDL continue to extend the repayment date of the \$956m June 2020 loan rather than offsetting it against dividends and brand fees?
7. Why has the effective interest rate at VEDL jumped to 12.7%, when weighted average rates imply 9.1%? What explains the \$368m interest expense discrepancy?
8. Are there any off-balance sheet debts, revolving credit facilities, or intra-period loans not disclosed in annual reports?
9. Can the Board confirm how VEDL's ₹674 crore (\$79m) exposure to Serentica Renewables is valued on VEDL's balance sheet, and whether any third-party valuation has been conducted, given the instrument's 30-year tenor, 0.0001% coupon, and lack of voting rights?

Governance

10. Why did Deshnee Naidoo, the CEO of VRL, lead the VEDL AGM and Earnings Call instead of a member of VEDL's management?
11. Has the VEDL board reviewed its choice of inappropriate auditors for many subsidiaries?
12. Were some of the subsidiary auditors appointed after the incumbent auditors refused to sign off accounts?
13. Has the Company received notices, inquiries or communications from Indian regulatory authorities?
14. Has the Company received notices, inquiries or communications from Overseas regulatory authorities?
15. Why did Chris Griffith, (CEO, Vedanta Base Metals), suddenly resign?
16. What is the VEDL Board's explanation for the wave of senior executive departures since the demerger announcement, and how is succession being managed?



Expansions and capex

17. How does management plan on covering the shortfall between operating cash flows, expansion capex, maintenance capex?
18. How much in assets was generated by capitalization of environmental violations, such as the purchase of forest land by ESL Steel?
19. What exposure does VEDL have to Konkola Copper Mines? Does the Company have any exposure or funding commitments to KCM or VRL?
20. What is the status of the semiconductor venture? Why is the semiconductor subsidiary's main activity trading copper and gold?
21. What is the status of the nuclear venture?
22. Has Vedanta obtained a license from the Central Government under Section 14 of the Atomic Energy Act, 1962?
23. What is the status of the glass venture?
24. What is the status of the \$2b investment in "Liberia's socio-economic development"¹?
25. What is the status of the \$2b investment in Saudi copper facilities at Ras Al-Khair²?

Brand fees

26. What services justify VEDL paying VRL \$1.16b for brand fees and strategic services over the last 4 years?
27. VRL has no London staff and its office is available to let. How many VEDL employees perform work on VRL's behalf and where are they located?
28. Were brand fee agreements with VRL ever approved by minority shareholders?
29. What is VEDL's contractual exposure to VRL's creditors should the brand payments be stopped?
30. Is there a 'trigger clause' that would capitalize VEDL's brand fees commitment and become payable immediately?
31. How does the continued payment of brand fees align with VEDL's capital expenditure needs, worsening net debt, or minority shareholder rights?
32. How much has been advanced so far this year from VEDL and its subsidiaries including HZL? What is the forecast turnover on which these payments were based?

ED Interview

33. Why was the Enforcement Directorate (ED) interview and the \$123m brand fee rebate never disclosed to VEDL shareholders or in any market filings?
34. Why did VEDL CEO Sunil Duggal not attend the ED interview?
35. Why were auditors not informed of the ED interview or the \$123m brand fee repayment from VRL?

Demerger

36. Do management still believe that the demerger will happen by September 2025? If not, why not?
37. With the ongoing legal and regulatory issues to the demerger, most recently the Ministry of Petroleum and Natural Gas' objection, does the demerger plan still stand?
38. Post-demerger, which demerged entities would be self-sustaining?

¹ <https://economictimes.indiatimes.com/news/company/corporate-trends/vedanta-arm-wcl-plans-to-invest-2-bn-for-liberias-socio-economic-development/articleshow/110997385.cms>

² <https://m.economictimes.com/industry/indl-goods/svs/metals-mining/vedanta-to-invest-2-bn-in-saudi-copper-projects/articleshow/115698244.cms>



Hindustan Zinc Limited

39. What is the status of the Government of India's sovereign put/call options on HZL?
40. What are the potential exposures VEDL would face in case of the exercise of either of these options?
41. What is the VEDL Board's response to the ongoing criminal investigation into the original HZL disinvestment and the potential for reversal or penalties?
42. Can the Board confirm how HZL's ₹788 crore (\$92m) exposure to Serentica Renewables is valued on HZL's balance sheet, and whether any third-party valuation has been conducted, given the instrument's 30-year tenor, 0.0001% coupon, and lack of voting rights?
43. HZL CEO Arun Misra claimed that the 3% brand fee paid to VRL explains HZL's success. If this is the case, what is HZL's Indian management, Arun Misra included, being paid for?

Bharat Aluminum Company

44. Can the Board confirm how BALCO's ₹494 crore (\$58m) exposure to Serentica Renewables is valued on BALCO's balance sheet, and whether any third-party valuation has been conducted, given the instrument's 30-year tenor, 0.0001% coupon, and lack of voting rights?

Talwandi Sabo Power

45. What is the current status of the disputes between TSPL and the PSPCL? What is the status of the withheld revenues?
46. What is the current status of the dispute between TSPL and SEPCO?
47. Is there any update on the NCLT's rejection on TSPL's demerger scheme?

Fujairah Gold

48. What steps has the VEDL board taken to investigate and address the serious allegations of gold laundering through Fujairah Gold, including implausible feedstock and criminal associations?
49. Has the Company engaged any external firm to review the supply chain and compliance protocols for Fujairah Gold, in light of recent allegations and past regulatory alerts?

Runaya entities

50. How does HZL justify funding at least three separate Agarwal-owned entities whose sole purpose is to extract profits from HZL? (Serentica Renewables, Minova Runaya, Runaya Green Tech)?
51. Why has HZL outsourced these critical functions instead of developing them in-house?
52. Is management aware that in 2022 Anil Agarwal seized ownership of the Runaya group (through Runaya Metsource LLP) from his brother Navin's family?
53. What measures were put in place to manage the conflict of interest between the Promoter group and the Runaya entities?

International Zinc Assets

54. What due diligence justified a \$504m impairment reversal at Black Mountain Mining despite deteriorating operations? Or was this done purely to create distributable reserves?
55. Can the Company confirm that there is a winding up petition against BMM in South Africa?
56. What is the path to monetizing the international zinc assets and what are the projected costs and completion times?



Steel Asset Sale

57. When did VEDL internally decide to abandon the sale of the steel assets? Was it in October 2023?
58. Was the Board, or any VEDL executive, in possession of internal communications confirming the decision to halt the steel asset sale prior to the June 2024 public update?
59. If they were, why was this not announced publicly until June 2024?
60. Was this decision made before VRL's liability management exercise and arrangement of the private credit facility?
61. Why was the steel sale called off?
62. How much of ESL Steel's capex is being used to finance compensatory land for the Forestry Department?



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