



Vedanta - AGM Annual General Mockery of Stakeholders

VEDL's AGM answered none of our concerns, instead concerned with flattering Anil Agarwal, not answering brand fee questions, and unrealistic demerger timelines

PLEASE READ IMPORTANT DISCLAIMER – PAGE 5

July 14, 2025 – On July 9, 2025, Vedanta Limited (**NSE: VEDL**) issued a press release claiming our extensively referenced report was “false propaganda”, despite being unable to disprove a single point in our report and complaining that we had not engaged with management (who we have shown are habitually dishonest).

Vedanta followed this up with a stage-managed AGM event, where the Q&A of approximately 2 hours consisted almost entirely of extremely long speeches praising Anil Agarwal specifically by likely VEDL plants. One caller praised Mr Agarwal in song.

After accepting Management's complaints that we did not contact them, we sent the company an extensive correspondence on July 11, 2025, and have still received no response or acknowledgement.

It is very clear who the propagandists are.

The entire AGM is available here: <https://www.youtube.com/watch?v=VUQY-O6xx9A>

AGM Key Takeaways

The AGM was a parade of shareholders paying tribute to Anil Agarwal in heavily stage-managed performance. In this sense: there is no structure within this governance model for holding the promoter entity VRL PropCo accountable. Investor questions were neither encouraged nor meaningfully answered.

- Anil Agarwal commenced the AGM by addressing to shareholders that the company would be simultaneously investing tens of billions of dollars into numerous specious capital projects, and a “deleveraging” initiative. This is, obviously, ludicrous.
 - VEDL's capital flow priority was then stated to be dividends first, followed by investment, and lastly deleveraging. It is quite clear where VRL believes this “deleveraging” will take place.
- The Q&A was run by Deshnee Naidoo, VRL's CEO, and not a member of the VEDL Board or management. It is highly unusual for the CEO of the majority shareholder to speak on behalf of the Company's Chairman, especially given that VRL is looting VEDL.
 - Not a single institutional investor or bondholder asked questions or was allowed to speak.
 - Many of the callers had no questions and called to make extremely long speeches praising Anil Agarwal specifically. One caller treated us to a rendition of a song in praise of Agarwal. The operator did not intervene at any time.
- Of the ~20 callers, only 3 had actual questions. We are certain the inclusion of one of these was an oversight, as the caller “broke rank” with a question on VEDL's about brand fees, capex spending, and related party transactions.
 - Anil Agarwal responded by calling our report “motivated” and refused to answer the question.
 - VEDL CFO Ajay Goel ignored questions about the justification and amount of brand fees entirely, without offering any explanation.



- Goel then incorrectly claimed that VEDL's subsidiaries are audited "around the world by Big 4 auditors". Avanstrate, THL Zinc Holdings and Monte Cello BV, subsidiaries with operations in Australia, Ireland, Japan, Taiwan, and Korea are audited by Rakesh M Agrawal & Associates.
- Many of the biggest frauds of the last 20 years was also audited by Big 4 auditors, who we believe are substantially more capable than Vedanta's auditors.
- Goel then incorrectly claimed that VEDL's dividends were covered by HZL and Cairn India. This is objectively false. VEDL cannot sustain its dividend *at a consolidated level* (i.e. including HZL and Cairn India).
 - VEDL has incurred a \$5.6b FCF shortfall on \$8b of dividends paid over the last 3 years.

Free Cash Flow Analysis USD \$m	Vedanta Limited				
	2025	2024	2023	2022	2021
NPBT	3,213	2,460	2,527	4,407	2,318
Cash from operating activities	3,479	3,120	3,431	3,969	2,509
Less:					
Purchase of PPE & intangibles	(2,033)	(2,024)	(1,718)	(1,421)	(927)
Proceeds from disposal of PPE & intangibles	35	24	17	43	23
Dividends paid to NCI	(528)	(233)	(1,394)	(357)	(754)
Viceroy Estimated FCF	953	887	335	2,235	850
Reverse changes in working capital	79	(187)	(573)	637	212
Normalized FCF	1,032	700	(238)	2,872	1,061
Dividend paid	(2,005)	(2,244)	(3,733)	(2,230)	(474)
Shortfall	(1,052)	(1,356)	(3,398)	N/A	N/A

Figure 1 – Viceroy Free Cash Flow Analysis

- This shortfall has been funded by a \$6.7b increase in net debt, which is disproportionately larger than the FCF shortfall.

Debt Analysis USD \$m	Vedanta Limited				
	2025	2024	2023	2022	2021
Current interest bearing liabilities					
Borrowings	2,546	2,535	2,747	2,333	2,631
Operational buyers' credit / suppliers' credit	1,962	1,792	1,658	1,539	1,141
Non-current interest bearing liabilities					
Borrowings	6,348	6,076	5,261	4,996	5,239
Gross interest bearing liabilities	10,856	10,403	9,666	8,868	9,010
Cash					
Cash & equivalents	944	519	1,120	2,119	2,295
Short-term investments	1,776	1,710	1,984	2,683	2,556
Gross cash & short term investments	2,720	2,229	3,104	4,802	4,851
Net debt	8,136	8,174	6,562	4,066	4,159
Add: Payables					
Trade & other payables	4,492	4,733	5,410	6,042	5,189
Provisions	2,458	2,595	2,318	670	481
Current tax liabilities	-	-	-	-	-
Less: Receivables & Inventory					
Trade & other receivables	1,708	2,416	2,223	2,614	1,525
Inventory	1,743	1,560	1,816	1,975	1,369
Current tax assets	944	519	1,120	2,119	2,295
Other non-current assets	772	826	743	889	879
Net Payables Adjustment	1,783	2,007	1,826	(886)	(399)
Net debt + Net Payables	9,919	10,181	8,388	3,180	3,761

Figure 2 – Viceroy Debt Analysis



Consistent Demerger Delays

VEDL's demerger has been a consistently retreating mirage for almost 2 years at this point. As mentioned in our earlier report, the demerger will do nothing to fix the fundamental issues at VEDL's operating subsidiaries, which will be saddled with unsustainable debt¹.

While VEDL has always treated the demerger as a "done deal", it has *already* been delayed multiple times. The current September 2025 completion date represents a 12-month delay from the originally communicated completion date.

Vedanta Limited Demerger Timeline Changes		
Date	Form	Content
29-Sep-23	Press Release	Demerger announced with completion date before September 2024
04-Nov-23	FY24 Q2 Financials	Same completion timeline given (before September 2024) during Q2 financials publication
27-Feb-24	Analyst Meet	Demerger completion date moved from September 2024 to December 2024
20-Mar-24	Investor Meet Presentation	Any mention of the completion timeline was removed from March 2024 Investor Meet. The same presentation from the February Analyst meet is used, though the completion timeline was changed.
10-Jul-24	VEDL FY24 AGM	No specific completion timeline was given. The completion date was quietly moved to March 2025, stating that the "Demerger in FY24-FY25 to maximise growth" was still underway.
06-Aug-24	Company Presentation	Company Presentation states demerger is "On track", with demerger scheme filed with the NCLT
11-Sep-24	Investor Presentation	Presentation to investors contains no delays or changes to the timeline, but does not mention a completion date unlike other presentations.
20-Dec-24	BSE/NSE Announcement	Changes in the Scheme of Demerger due to the removal of Base Metals. No completion timeline given nor mentions of delays.
31-Jan-25	Q3 FY25 Earnings Presentation	The demerger is said to be on track at a meeting of shareholders and creditors scheduled in February.
28-Mar-25	BSE/NSE Announcement	Vedanta announces extension of the demerger timeline from March 31, 2025 to September 30, 2025.
10-Jul-25	VEDL FY25 AGM	Anil Agarwal states "We are absolutely confident that before September [2025] it is the time that it should happen."

Figure 3 – VEDL Demerger Timeline – Viceroy Analysis

At VEDL's AGM last week, Anil Agarwal stated:

"We are absolutely confident that before September [2025] it is the time that it should happen."

This is unrealistic:

- The NCLT rejected VEDL's Scheme of Arrangement in its entirety after it found TSPL concealed its liabilities to SEPCO. The Company is appealing this judgement, and the first appeal hearing is not scheduled until August 4, 2025.
- The Ministry of Petroleum and Natural Gas raised objections to the merger related to Cairn India on July 2, 2025, with the NCLT's next hearing due on August 20, 2025.
- The Base Metals demerger was called off, likely since Vedanta cannot demerge an entity with an adverse "going concern" opinion: ESL Steel.
- These ongoing disputes relate to the demergers of TSPL and Cairn India, and the outcomes of these hearings not likely to provide a definitive outcome.

Agarwal's suggestion that the demerger could be completed in less than 10 days after the NCLT's next hearing strains credulity. Based on the original September 2023 timeline for the demerger's implementations, a demerger by September 2025 would be impossible even if all required approvals were obtained in August.

¹ Viceroy will present our analysis of how this debt would hypothetically be distributed in coming reports.

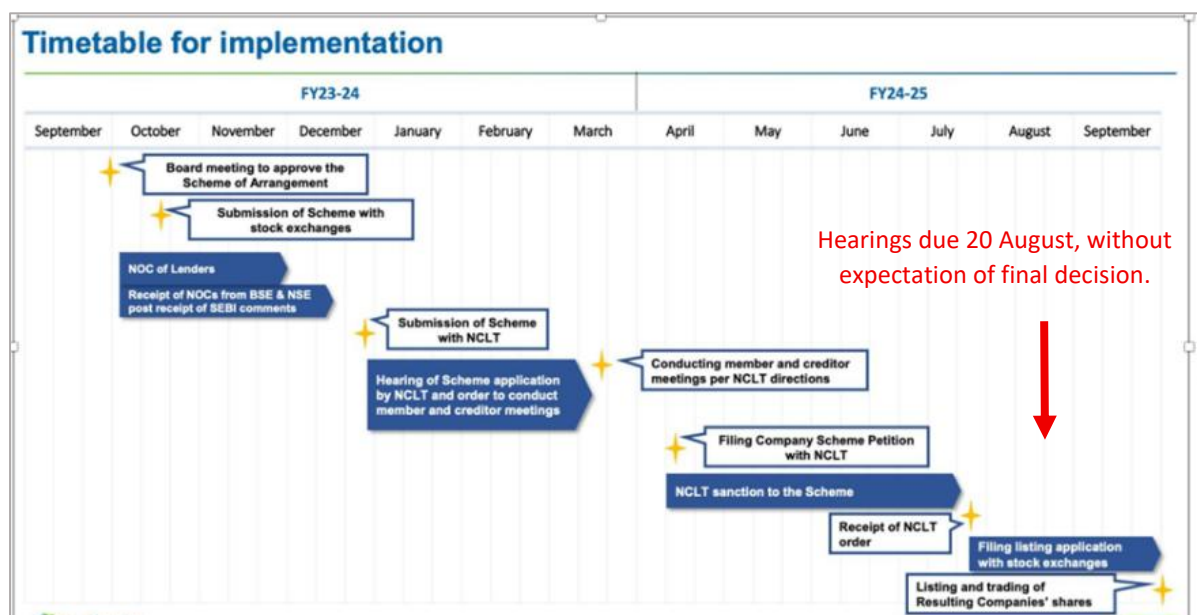


Figure 4 – VEDL Demerger Presentation dated September 29, 2023

Email sent to Vedanta Management

On July 11, 2025, Viceroy sent an email to Vedanta management with questions pertaining to our research findings. We have not received a response. The email is outlined below:

"Dear Sirs,

We note that the Company was disappointed that we did not contact management before the publication of our report on July 9. However, as stated in your response letter, we have relied on information the Company itself has put in the public domain. We had hoped that the AGM would have provided an open forum for the Company to address the serious concerns we have raised. Unfortunately, that opportunity was not taken.

We circulated a list of questions that we suggested shareholders and analysts put to the Board at the meeting. We now put these questions directly to the Company and ask you to respond accordingly. The questions follow below this email. Please contact us if you require any further information or clarification, and we remain open to discussions.

Kind regards,

Viceroy Research"

You can find the questions asked at the link below:

<https://viceroyresearch.org/2025/07/10/vedanta-agm-questions/>



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Vedanta Resources, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

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