



# Questions for the July 17, 2025, Hindustan Zinc Limited Board Meeting

**July 17, 2025** – We understand Hindustan Zinc Limited's (HZL) Board is due to meet today due to long-standing tensions between VEDL's and the Government of India's (GoI) interests. Here are some questions we suggest the GoI Nominee Directors ask of VEDL directors in order cut through their habitual lies:

## Regarding Brand Fees

- Who authorized and executed the current Brand Fee and Strategic Services (BSS) agreement in late 2023?
- Who approved the 50% increase in BSS charges from 2% to 3% of projected turnover of HZL?
- Why were neither the BSS agreement nor the increased payment terms presented to the Board for Government of India (GoI) for review and approval?
- Do the GoI representatives on HZL's Board acknowledge this as a breach of Clause 4.5 of the Shareholders' Agreement?
  - This breach entitles the GoI to declare the agreement void, demand repayment of over \$280 million already remitted, and invoke punitive Put/Call options.
- What services have VRL provided to Hindustan Zinc since October 1, 2022, that were not provided over the previous 20 years?
  - There are no employees or substantial operations at VRL to justify Brand Fee payments. VRL's UK operations are effectively shuttered, and its office is for lease with the listing dated January 31, 2025.
  - A perusal of HZL's costs show that VRL has not executed any management or auxiliary services for HZL.
  - HZL does not use the "Vedanta" brand.
- Are Brand Fees used to secure VRL loans?
- Is the Brand Fee a related party transaction?
- Given HZL is the world's largest zinc producer, with a market capitalization exceeding that of Vedanta Ltd (VEDL), what is the business justification for its dependence on Vedanta's brand and strategic services?
- What independent transfer pricing analyses or benchmarking studies have been conducted to support the valuation of Brand Fees?
- How much has HZL remitted in advance to VEDL as Brand Fees in FY25 to date?
  - Who authorized these transfers?

## Regarding Mr. Kannan Ramamirtham (Independent Director)

- As a Director of PTC Cables Private Limited (PTCC), which holds a 1.91% stake in VEDL and previously held 0.27% in HZL (as of 2022), please disclose the ultimate controlling shareholder of PTCC beyond the Bhadram Janhit Shalika Trust.
- In your capacity as Chairman of HZL's Audit and Risk Committee;
  - What role did you play in drafting, reviewing, and approving the BSS agreement signed in late 2023?
- What steps have you taken to address the potential conflict of interest arising from your directorship at PTCC, a shareholder in both VEDL and HZL.
  - Please explain while overseeing the BSS arrangement between the two companies how you were evidently conflicted?



### For the Government of India (GoI) Nominee Directors

- In light of the Viceroy Research report and the GoI's silence during the 60th VEDL AGM regarding Brand Fees, will the GoI call for an independent audit and formal review of these payments and the associated dividend policy?
- Given VEDL's continued efforts to gain full control of HZL, will the GoI now consider enforcing its rights under the Shareholders' Agreement (April 4, 2002), specifically, in relation to the Kasapan and BSS breaches to reclaim control and protect HZL's interests?
  - If the GoI exercises its option to acquire VEDL's HZL shares at a 50% discount to market value, it would unlock an immediate gain of approximately \$6.96 billion for the public exchequer and people of India.
  - A partial resale of these shares could yield up to \$8.94 billion in cash, while still retaining a 50.01% controlling stake in HZL.

### Regarding Serentica

- Are the HZL board aware that it has invested in OCRPS with a related party for the comical yield of 0.001% per annum?
- Are the HZL board aware that, on the OCRPS vest in 30 years, at which point the SPV assets will likely be fully depreciated, and the PDAs signed with clients expired?
- Are the HZL board aware that the PDAs they signed with Serentica, for which they also funded the investment of the capex, are on a cost-plus basis, guaranteeing Serentica's operating profits?
  - If yes to any of the above, why was this deal signed?
  - If no to any of the above, why did they not know?
- Did a GoI nominee director approve these transactions?

### Regarding Additional Risks

- What is the Board's position on the ongoing criminal investigation into the original HZL disinvestment and the associated risk of legal reversal or penalties?
- Following the intended demerger, will HZL be required to provide cross-guarantees or financial support to the demerged VEDL entities?