



# Vedanta – Our Complaint to the Reserve Bank of India

A pattern of FEMA violations, offshore cash extraction, and foreign creditor control at Vedanta

## PLEASE READ IMPORTANT DISCLAIMER – PAGE 2

**September 4, 2025** – On July 23, 2025, we submitted a complaint to the Reserve Bank of India (RBI) regarding the conduct of Vedanta Resources Limited (VRL), the UK-domiciled parent of Vedanta Limited (VEDL), and its subsidiaries, with respect to repeated violations of the Foreign Exchange Management Act (FEMA) and related RBI regulations.

Similarly to our earlier complaint to the Securities and Exchange Board of India (SEBI), we have received no acknowledgement or response from the RBI to date. Despite the RBI's stated commitment to safeguarding India's external account and enforcing prudent norms on overseas investment and foreign exchange remittances, the RBI has remained silent on its intentions, which has paved the way for a PIL petitioned last month. You can read about it here:

<https://viceroymresearch.org/2025/08/14/vedanta-public-interest-litigation/>

In light of this silence, and given the magnitude of the cross-border transactions and encumbrances affecting a listed Indian company with government and public ownership, we are publishing our RBI complaint in full.

The main concerns of the complaint are:

- Unauthorized remittance of over \$1.1b<sup>1</sup> from VEDL to VRL under the guise of “brand fees” and “strategic services,” far exceeding regulatory limits and without evidence of services rendered.
- \$956m in unsecured loans advanced by VEDL subsidiaries to VRL entities, later impaired or restructured, with no commercial justification.
- Offshore share buyback structures used to disguise dividends and evade FEMA controls.
- Export mispricing and suspected trade-based foreign exchange diversion through Fujairah Gold.
- Near-total encumbrance of VRL's shareholding in VEDL to offshore creditors, creating de-facto foreign control over an Indian listed company.

We are publishing this complaint in the interest of transparency and in contrast to the opacity, denial, and silence of Vedanta's disclosures.

We recognize the RBI's vital role as guardian of India's accounts and foreign exchange policy, and we appreciate that its work often occurs behind the scenes. But it is precisely this quiet approach that VRL has exploited to channels offshore under the guise of brand fees, loans, and guarantees.

The scale and recurring nature of these practices merit visible enforcement, not quiet accomodation. VRL and its offshore creditors rely on the RBI's discretion to maintain these extractive practices. Our intention is not to question the RBI's mandate, but to highlight how public inaction cedes control of a strategic Indian asset to foreign creditors and undermines India's capital controls.

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<sup>1</sup> This figure has now ballooned to \$1.5b



### **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](mailto:viceroy@viceroyresearch.com).

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