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November 13, 2025

To:

Shri Amit Singh Negi
Additional Secretary
Prime Minister's Office, Government of India
Email: negias@ias.nic.in

Shri Amit Shah
Hon'ble Home Minister
Ministry of Home Affairs, Government of India
Email:
hm@mha.gov.in
amitshah.bjp@zohomail.in

Smt. Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance, Government of India
Email: appointment.fm@gov.in

Dear Sirs and Madam,

Subject: Request to direct the Union Ministry of Mines, SEBI, ED and ITD to halt expatriation of brand fees/dividends, recover unlawful remittances and enforce RPT governance at Vedanta Limited (VEDL) and affiliates.

Over the past four years, approximately \$1.5 billion in so-called 'brand fees' has been remitted from Indian operating companies to Vedanta Resources Limited (VRL) in the United Kingdom. This cash drain, structured through related-party royalty/brand agreements and amplified by debt-funded dividends, has:

- Denuded capital available for investment in India's sovereign mineral assets,
- Eroded the value of the Government's shareholdings in Hindustan Zinc Limited (HZL) and Bharat Aluminium Company (BALCO),
- Avoided Indian tax through arrangements lacking commercial substance, and
- Breached FEMA rules on cross-border remittances.

In June 2023, the Enforcement Directorate (ED) issued a FEMA summons compelling VEDL's CFO to give evidence relating to the purpose and structure of royalty/brand payments, intercompany loans and guarantee fees. VEDL justified the payment of the brand fees on the basis that there was substantial work undertaken and value added by VRL's staff in London. Following that engagement, VRL refunded ~₹1,030 crore (~\$123 million) to VEDL but continued charging brand fees at an increasing rate to service its own debt.

VRL's listed London office at 30 Berkeley Square is vacant; the group CEO Deshnee Naidoo stated on VEDL's most recent Earnings Call that VRL operates from 44 Hill Street (Anil Agarwal's private residence), and that the 'strategic services' are performed by VEDL personnel in India. Two out of three VRL directors and the Company Secretary are residents of, and based in, India, and there are no physical VRL board meetings in the UK.



There are no internal records or paperwork evidencing strategic services by VRL. Anil Agarwal claims he provides these services as VRL Chairman, but he is also VEDL Chairman and therefore has a fiduciary duty to provide strategic leadership and guidance. There is no justification for VRL charging a fee for this.

Together, these facts confirm that VRL's place of effective management (POEM) is in India and that the brand-fee construct lacks substance.

From a governance and securities-law perspective, these brand-fee arrangements are material related-party transactions (RPTs) under Regulation 23 of SEBI's LODR. The regime applies a dual materiality trigger: a general threshold of ₹1,000 crore or 10% of consolidated turnover (whichever is lower), and a specific brand/royalty threshold of 5% of consolidated turnover. LODR 23 mandates prior audit-committee and disinterested shareholder approval with promoter abstention. Annual brand-fee outflows in recent years (c.\$413–\$450 million) clearly breach the materiality threshold of ₹1,000 crore, yet there is no evidence of valid disinterested shareholder approval; Viceroy's legal opinion further concludes that such payments are voidable, with directors exposed to liability and claw back remedies.

At HZL, where the Government of India holds 27.92% of shares, the brand-fee agreement imposed since October 2022 bypassed veto rights of Government-nominated directors under the Shareholders' Agreement (SHA) and brand-fee receivables have been pledged to VRL lenders. Under the SHA, the Ministry of Mines has substantial sanctions available to correct this, including taking control of Vedanta's stake in HZL and demanding the repatriation of brand fees. The same situation has occurred at BALCO, where GoI has a more substantial 49% stake, which is due to start paying 3% of its turnover to VRL (equivalent to 30% of FY24 profit).

An intercompany loan of ~\$417 million from VEDL to VRL-linked entities remains outstanding even as annual brand fees near \$450 million continue to be paid rather than netted off.

Operational consequences are material across sovereign assets. HZL's exploration and reserve-replacement operations have been starved in favour of upstreaming cash; Cairn Oil & Gas has been treated as a cash cow and faces imminent insolvency; Sesa Goa has collapsed under compliance failures and under-investment, and Sterlite Copper in Thoothukudi remains shut following the 2018 tragedy and subsequent Supreme Court orders upholding closure for environmental violations. The Ministry of Petroleum & Natural Gas has, before the NCLT, accused Vedanta of 'Material Non-disclosure and Misrepresentation', causing 'Severe Prejudice to GOI's Financial Interests' and warns that Malco Energy (oil & gas demerged entity) is likely to enter liquidation, deliberately frustrating recovery of Government dues of INR 16,700 crore.

In light of the above, we respectfully urge the Government of India to direct the Union Ministry of Mines, SEBI, ED, and the Income Tax Department to act as follows: first, freeze all cross-border expatriation of funds, including brand fees and dividends, until at least \$1.5 billion is returned to India and lawful substance is demonstrated; second, conduct coordinated ED/FEMA and ITD investigations into the brand-fee construct, POEM, and tax treatment, with immediate claw-back of improperly paid fees; third, investigate dividend practices with respect to free cash flow and financing sources and suspend dividends pending compliance, and fourth, investigate the outstanding intercompany loan for unlawful market manipulation/financial assistance and require set-off against any brand-fee obligations.

These measures will protect minority investors, safeguard sovereign mineral assets, uphold India's tax and foreign-exchange laws and prevent the entrenchment of a precedent that could encourage capital flight. Viceroy Research is on hand to provide assistance in this matter.

Yours sincerely,

Fraser Perring
Viceroy Research
Viceroy Research Group



Annex: Sources and Authorities (extracts for reference)

- SEBI LODR – Regulation 23 (materiality thresholds and brand/royalty carve-out): the general materiality threshold is ₹1,000 crore or 10% of consolidated turnover (whichever is lower); brand/royalty payments are material above 5% of consolidated turnover, requiring audit-committee pre-clearance and disinterested shareholder approval.
- Viceroy legal opinion on LODR 23: concludes Vedanta brand-fee RPTs are material and should have been approved by disinterested shareholders; failure renders transactions voidable and exposes directors to penalties and clawback.
- Brand-fee quantum and “no office/no service” findings: VRL received c.\$413–\$450 million p.a.; Viceroy reports that 30 Berkeley Square is vacant, operations occur from 44 Hill Street, and services are rendered in India by VEDL personnel; these facts support a POEM in India.
- ED/FEMA action and refund: ED summons of June 28, 2023 compelled production of royalty/RPT records; following ED engagement, VRL refunded ~₹1,030 crore (~\$123m) to VEDL in FY24; mainstream coverage corroborates the refund and ED context.
- HZL governance: Viceroy alleges HZL’s brand-fee agreement bypassed Government nominee veto under the HZL SHA and that fees are pledged to VRL lenders; HZL management publicly disputes this, asserting due process and board approval.
- Dividends vs free cash flow and outstanding intercompany loan: independent analyses and Viceroy reports indicate dividends exceeded FCF since FY2022; ~\$417m of intercompany loans remain outstanding.
- Demerger objections and MALCO risk: MoPNG and the Centre flagged misrepresentation, non-disclosure of liabilities and risk of MALCO liquidation before NCLT; media reports record VRL’s offer of corporate guarantees to secure Government dues and list next-hearing dates.
- Sterlite Copper closure and legal status: the plant remains shut following the 2018 killings during protests; the Supreme Court in 2024 dismissed reopening, citing repeated environmental violations.





Vedanta Resources Plc

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Overview

Vedanta Resources Plc is a company based out of 44 Hill Street , LONDON, United Kingdom.

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[KAUR, Surneet](#)

Correspondence address

3rd Floor, Core-6, Scope Complex, 7 Lodhi Road, New Delhi, India, 110 003

Role **ACTIVE**

Secretary

Appointed on

11 November 2024



Board

The Board of VRL comprises of three directors including the Executive Chairman, Executive Vice-Chairman and one Non-Executive Director.

The Board's Responsibilities

- Set the values and vision of the Group;
- Determine strategic priorities and risk appetite;
- Review the delivery of strategy by management and provide challenge or support as necessary;
- Oversee the Group's internal controls and risk management framework;
- Monitor the Group's risk environment and tolerances;
- Stakeholder engagement;
- Financial and performance reporting; and
- Determine remuneration of Directors.

The Company Secretary acts as Secretary to the Board and attends all its meetings to formally record each meeting.

A - Ajay Goel {[BIO 20540894 <GO>](#)}

It don't have to be domiciled at a geography. When we use a logo or a name as Vedanta and get services, it is a service that is being rendered and a service that is being received by Vedanta India entities, that is most important. I may like to also point out that the entire brand fee agreement has been internationally benchmarked. There are multiple studies done by one of the best Big Four firms. The brand fee rate, which has been charged over the last few years, in fact, is lower than the median rate recommended by the Big Four firms. So in summary, I would like to say the entire brand fee has been legally vetted. It has stood the test of scrutiny by multiple regulators, and we do see a challenge from the legal viewpoint.

On the second, in terms of the Vedanta offices, I think everyone understands our very lean corporate centre model. And in London specifically, the corporate offices do run out of Hill Street, which again is very well known and there is a small center there. But that office is also supported by resources dedicated through service agreements from Vedanta Limited as well out of both Mumbai and Delhi. And that's the operating model very well understood in the market.



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.

About Viceroy

Viceroy Research are an investigative financial research group. As global markets become increasingly opaque and complex – and traditional gatekeepers and safeguards often compromised – investors and shareholders are at greater risk than ever of being misled or uninformed by public companies and their promoters and sponsors. Our mission is to sift fact from fiction and encourage greater management accountability through transparency in reporting and disclosure by public companies and overall improve the quality of global capital markets.

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