Vedanta - June 2023 ED Summons Release

Newly obtained ED letter confirms Viceroy's previous report of a 2023 meeting with the ED regarding brand fees.

PLEASE READ IMPORTANT DISCLAIMER – PAGE 2

November 12, 2025 – Viceroy has obtained the Enforcement Directorate's summons, dated June 28, 2023, compelling Vedanta Limited's Chief Financial Officer to appear in person and produce detailed documentation of royalty payments, intercompany loans, and guarantee fees made to VRL between 2017 and 2023.

The summons was issued regarding the Foreign Exchange Management Act, 1999, a formal enforcement action, not a routine inquiry.

The summons and appendix are attached to this report.

- The meeting, attended by CFO Sonal Shrivastava and Ajay Agarwal, led to a rebate of $123m from VRL to VEDL.
- VRL has instituted year-end "refunds" of brand fee overpayments to its subsidiaries, quietly acknowledging the fee structure's non-compliance.
- Neither the meeting, rebate, or refund was disclosed to investors or bondholders despite significant implications for VRL's debt serviceability.
- ICICI Bank, acting as the Authorized Dealer for RBI, processed these large dollar transfers without effective oversight, a procedural failure that enabled the original unlawful remittances.

The summons, meeting, and resultant action confirms that regulators view the brand fee arrangement as potentially unlawful and unjustifiable.

In 2023 Vedanta assured regulators that services were rendered from a functional London office. They helped the Company escape with a relatively light consequence: a $123m rebate

In 2025, the ED are investigating Vedanta again. Vedanta has since admitted that there is no London office, and services are rendered in India by Vedanta Limited. We were informed by former employees that the fee for those services is ~$200,000 per annum.

A - Deshnee Naidoo {BIO 19953865 <GO>}

So maybe just there is no specific engagement. But maybe just to answer the question more broadly first. In the normal course of business, statutory agencies do seek information for us, and as always, we have been very compliant in terms of responding. But we've had nothing specific from ED, that's the first.

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.

Figure 1 – Vedanta Limited Q2 FY26 Earnings Call transcript

This time regulators are unlikely to accept Vedanta's token compliance to justify hundreds of millions in overseas payments.

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.

Important Disclaimer – Please read before continuing

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Directorate of Enforcement
वित्त मंत्रालय
Ministry of Finance
भारत सरकार
Government of India

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मुंबई - I जोनल कार्यालय

Mumbai-I Zonal Office

कैसर-ए-हिंद, चतुर्थ तल, करीमभोय रोड, बलार्ड एस्टेट, मुंबई-400001

KAISER – I-HIND, 4th FLOOR, CURRIMBHOY ROAD, BALLARD ESTATE, MUMBAI – 400001

समन संख्या
Summon No. : FEMA/SUMMON/MBZO/2023/231

फा. सं
F.No. : T-3/303-MBZO-I/2022

समन
Summon

(आयकर अधिनियम, 1961 की धारा 131(1) और सिविल प्रक्रिया संहिता, 1908 की धारा 30 के साथ पठित विदेशी मुद्रा प्रबंधन अधिनियम, 1999 की धारा 37(1) और (3) के अंतर्गत)

(Under Section 37 (1) and (3) of FEMA, 1999 read with Section 131 (1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure, 1908)

सेवा में,

To,

Chief Financial Officer, M/s Vedanta Limited

1st Floor, C wing,
Unit 103, Corporate
Avenue, Atul
Projects, Chakala,
Andheri (East),
Mumbai - 400093

[illegible] मामले में विदेशी मुद्रा प्रबंधन अधिनियम, 1999 के तहत कार्यवाहियों के संबंध में आपकी उपस्थिति अनिवार्य है। एतद्द्वारा आपका साक्ष्य देने और बहीखाते या सूची के तहत निर्दिष्ट अन्य दस्तावेजों [illegible] के लिए उपरोक्त उल्लिखित पते पर ------ को अपराह ---- बजे अधोहस्ताक्षरी के कार्यालय में व्यक्तिगत रूप से उपस्थित होना अनिवार्य है।

WHEREAS, your attendance is required in connection with the proceedings under the Foreign Exchange Management Act, 1999 in case of M/s Vedanta Limited .You are hereby required to attend Personally at the office of undersigned at the above mentioned address on ~~27/06/2023~~ 30/06/2023 at 11:0 AM hrs to give evidence and to produce books of account or other documents specified under the schedule.

अनुसूची
SCHEDULE

(संलग्नक अ के अनुसार)

(As per Annexure-'A' enclosed)

वर्तमान में लागू किसी अन्य कानून के प्रावधानों पर प्रतिकूल प्रभाव डाले बिना, यदि आप प्रस्तुत करने अथवा खाता पुस्तिका या कागजात प्रस्तुत करने के लिए जानबूझ कर उपस्थित नहीं होंगे तो आप पर आयकर अधिनियम, १९६१ की धारा २७२ आ (१) के सम्बन्ध में विदेशी मुद्रा अधिनियम, १९९९ की धारा १३ के अंतर्गत दस हजार रुपये की शास्ति लगाई जा सकती है।

WITHOUT, prejudice to the provisions of any other law for the time being in force if you intentionally omit to attend and give evidence or produce the books of account or documents, a penalty of ten thousand rupees may be imposed upon you under section 13 of the Foreign Exchange Management Act, 1999 in terms of section 272 A (1) of the Income Tax Act, 1961.

दो हजार ..... के मास की... तारीख को मेरे हस्ताक्षर और मुहर से दिया गया।
GIVEN UNDER MY HAND AND SEAL, THIS 26th DAY OF June TWO THOUSAND Twenty Three

To, M/S. Vedanta Limited.
1st Floor, 'C' wing, Unit 103,
Corporate Avenue, Atul Projects,
Chakala, Andheri (E), Mumbai - 400093.

26/06

(.......................................)
Signature and Seal of IO

Arun Gopal Pandey
AD
AD[MBZO-I(5)(2)]
Email Id: admbzoi52-ed@gov.in
Phone No.-022-22719918

अरुण गोपाल पाण्डेय / Arun Gopal Pandey
सहायक निदेशक / Assistant Director
प्रवर्तन निदेशालय / Directorate of Enforcement
वित्त मंत्रालय, राजस्व विभाग /
Ministry of Finance, Deptt. of Revenue,
भारत सरकार, मुंबई / Govt. of India, Mumbai

[illegible]162023
* To verify enter the passcode

PassCode

Scan to Verify

Note :- Authenticity of this Summon can be verified by scanning the above QR Code and entering the above PassCode after 24 hours from the time of receipt of this Summon (excluding public holidays,saturdays and sundays).

Annexure - A

1. Details of the royalty paid by M/s Vedanta Limited to M/s Vedanta Resources Limited during the period from 2017 to 2023.
2. What is purpose for the royalty paid by M/s Vedanta Limited to M/s Vedanta Resources Limited?
3. Details of Loan extended by M/s Vedanta Limited and its subsidiaries to M/s Vedanta Resources Limited during the period from 2017 to 2023.
4. What is the purpose of Loan by M/s Vedanta Limited and its subsidiaries to M/s Vedanta Resources Limited
5. Details of Guarantee fees paid by M/s Vedanta Limited to M/s Vedanta Resources Limited during the period from 2017 to 2023 and its purpose.