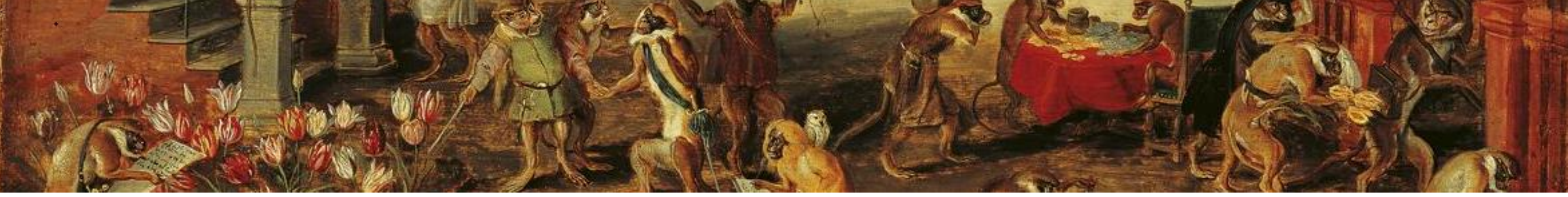

Vedanta – Incab: Paying a Premium for Scrap

Vedanta's ₹577 crore Incab acquisition defies asset value, logic, and precedent

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December 5, 2025 – Vedanta Limited (VEDL) has committed to a 100% cash acquisition of Incab Industries Limited (Incab) for ₹577 crore ($64m), payable within 90 days and the significant cost of making the facilities operational. The acquisition adds to Vedanta Resources Limited's existing liquidity crisis, already strained by the $206m payment obligation under the KCM Shareholders Agreement due December 31, 2025.

Despite no active operations, obsolete plant infrastructure, and a history of fires and sabotage, VEDL is paying more than 5x prior bids for Incab. Bondholders should view this as a further threat to debt servicing capacity.

Bondholder Risk Analysis

Management at VEDL and VRL have consistently stated that VRL's interest and maturities, as well as its investment commitments at KCM, will be handled by dividends and brand fees from VEDL. Per management statements and the KCM agreement, VRL requires:

- $270m – $280m in H2 FY26
- $500m in maturities in FY27
- $400m in interest in FY27
- $270m in investment in KCM in FY27

Vedanta just burned ₹577 crore ($64m) on Incab, a non-operational, loss-making asset, plus significant future capex obligations to return the assets to operation. This is cash that cannot be upstreamed to VRL, who has no alternative source of liquidity. This is a textbook liquidity drain at the worst possible time.

What is Vedanta Buying?

Incab's assets consist of two long-abandoned manufacturing units located in Jamshedpur and Pune. Both facilities are non-operational and would require significant capital investment to even approach functional status. Despite this, Vedanta's disclosures presented detailed production capacities as if they described current operations.

Valuers	Plant & Machinery		Land & Building		Secured Financial Asset	
	Fair Value	Liquidation Value	Fair Value	Liquidation Value	Fair Value	Liquidation Value
ADROIT RESEARCH & APPRAISERS PVT. LTD.	14,11,59,735	12,00,01,792	4,94,19,09,037	4,17,95,47,337	36,86,910	36,86,910
CREST VALUATIONS	14,42,30,315	11,80,84,123	5,00,01,58,273	4,15,97,33,976	36,86,910	36,86,910

Information of such event

Incab Industries Limited ("Incab" or "Company") is engaged in manufacturing of Power cables and Industrial wires, which use copper and aluminum as its key raw material.

Company has its head office in Kolkata and 2 manufacturing plants in Jamshedpur* and Pune each.

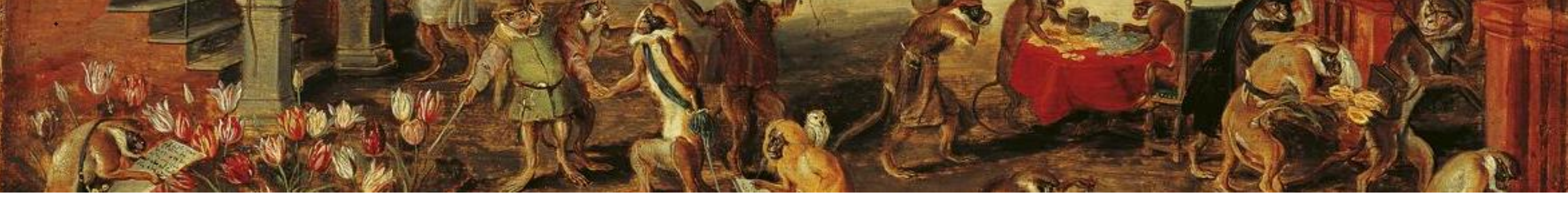
Production Profile:

Product Details	Capacity
Power Cables	6000 KM
Rubber & Plastics	274 Million core km
Fibre Optic cables	500 MCM
Winding Wires	8150 Mt

Production Unit	Capacity
Rod Mill Copper	12,000 TPA
Aluminum Rods	3,960 TPA
Wire Mill	5,580 TPA

Figures 1 & 2 – NCLT Order, I.A. (IB) No. 646/KB/2022, Kolkata Bench & VEDL Announcement dated December 3, 2025

In reality, court-appointed valuers placed the entire plant and machinery at a fair value of just ₹14 crore ($1.6m). The discrepancy between how these assets are portrayed and their actual worth is impossible to ignore.



Jamshedpur

The Jamshedpur facility has been non-operational for 25 years and is in a state of advanced decay[1]. The site has experienced multiple fires, with the latest in December 2024 causing the collapse of boundary walls[2].

The premises are overgrown, unsecured, and have been the site of trespass and a reported fatality[3]. The plant's equipment is aged beyond utility and likely offers little more than salvage value.

The facility also sits on leasehold land with an expired lease, introducing significant legal uncertainty.

Vedanta's counsel, Abhishek Manu Singhvi, presented their case, emphasizing a proposed investment of Rs 545 crore in INCAB. Singhvi argued that this was a substantial offer, especially considering that INCAB's Jamshedpur unit had been closed for 24 years and the Pune unit for 8 years. He urged the NCLT to accept Vedanta's resolution plan, stating that no other comparable offers were on the table.

Figure 3 – NCLT hearing on INCAB Case – The Avenue Mail

Closed cable firm plant in Steel City gutted

B Sridhar / Dec 30, 2024, 23:50 IST

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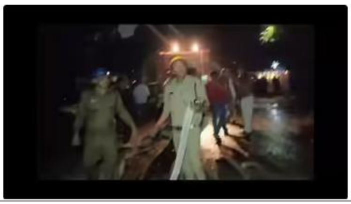


Jamshedpur: A fire broke out at the closed factory of Incab Industries, called cable company, in Golmuri on Sunday. Fourteen fire engines fought for five hours to douse the blaze.

This is the fourth case of fire at the Incab Industries, which shut down operations in 2002, in the last five years .

Figure 4 – Closed cable firm plant in Steel City gutted - The Times of India

Pune

The Pune plant has been inactive for the past 9 years and shows clear signs of neglect. Google Street View imagery from 2022 shows the premises are overgrown, structurally decayed and permanently closed. There is no evidence of maintenance, security, or activity on overhead imagery.

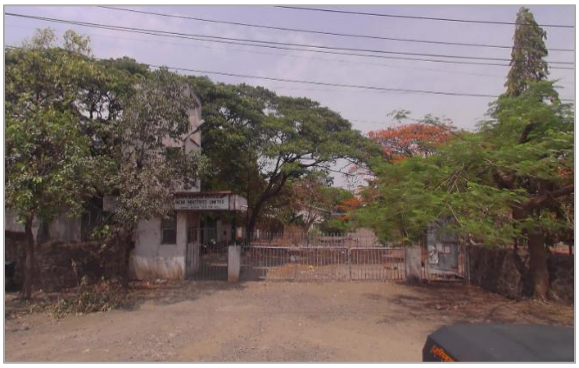


Figure 5 & 6 – Google Street View imagery of Incab's Pune facility dated June 2022

Imagery shows garbage dumping and animals grazing at the edges of the site, which has no boundary at certain points. We expect everything not nailed down has been taken.

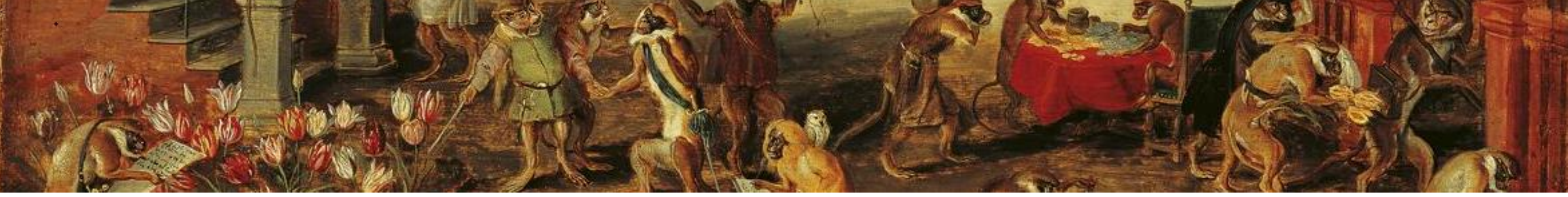
Filings state that production at Pune stopped in either 2014 or 2016 depending on sources, with minimal production up to that date. The recoverable value of the remaining equipment is likely scrap value.

in the CIR process. However, the Company was sent into liquidation in the instant case without even publishing the Information Memorandum. The fact that the Company was a going concern could be reflected from the facts that the Pune plant of the Corporate Debtor was in production till the year 2016,

Production-factory at Jamshedpur is closed for a long time, whereas production at Pune was being carried up to 2014 in a minimal manner. However, **no records have been given.**

Figure 7 – NCLAT New Dehli Bench Company Appeal No. 348 of 2020[4]

[1] https://avenuemail.in/nclt-hearing-on-incab-case-vedantas-proposal-advocated-amidst-workers-challenge/
[2] https://timesofindia.indiatimes.com/city/ranchi/closed-cable-firm-plant-in-steel-city-gutted/articleshow/116807960.cms
[3] https://www.youtube.com/watch?v=tDiCxImLpN0&t=43s
[4] https://ibbi.gov.in/uploads/order/2021-06-17-223753-l7mna-c81e728d9d4c2f636f067f89cc14862c.pdf



No Asset Value Justification

By every metric, Vedanta's bid far exceeds realizable value of the assets as determined by the formal insolvency proceedings.

- Vedanta's bid exceeded both fair value and liquidation value determined by both Incab's court-appointed valuers with much of the residual value attributable to land and buildings.

> 12. It is submitted that the average fair value and the liquidation value of the corporate debtor as mentioned in Form H is as under:
>
> a) Fair Value= Rs. 5,11,74,15,590.00
>
> b) Liquidation Value= Rs. 4,29,23,70,524.00

Figure 8 - NCLT Order, I.A. (IB) No. 646/KB/2022, Kolkata Bench

- Incab's appointed valuers assigned a value of only ₹14 crore ($1.6m) to the Company's Plant and Machinery, highlighting that these assets are obsolete and only monetizable as scrap.
- Incab has no brand presence, commercial relevance, or customer relationships. In an industry where vendor qualification cycles are a time consuming process, Incab is effectively a new entrant after a decade of inactivity.
- Vedanta's bid is also far more than previous bids made on the asset: Jindal/JSW bid of ₹95 crore ($10.6m) and Shriram EPC/Bafna bid of ₹100 crore ($11.1m) in 2021. Vedanta's bid stands out as grossly inflated against precedent and logic.
- Incab's reputation is one of a chronically "sick" company dating back to the British Raj which ultimately collapsed, with no legacy value.

Especially in light of VRL's ongoing liquidity crisis, the Group can ill afford to overpay for a long-defunct asset.

Liquidity Drain in Real-Time

Vedanta has committed to a ₹577 crore ($64m) cash payment for Incab due 90 days after the agreement. This figure is comprised of ₹545 crore ($61m) bid amount and ₹32 crore ($3.6m) in Provident Fund dues and interest.

The Group is already under heavy liquidity strain:

- ESL is attempting a ₹2,000 crore ($223m) debt raise at 10% - 12%.
- KCM SHA obligation of $206m is due by December 2025, increasing every 6 months thereafter.
- VRL is due to pay ~$280m in interest in H2 FY26.

The combination of the ₹545 crore cash acquisition and binding $206m KCM investment commitment due by financial year-end contradict Vedanta's purported deleveraging strategy. Back-to-back funding demands erode any credibility in previous management or analyst statements about minimal near-term capex.

The Cost of Operations

Bringing Incab's derelict assets back to operational status is not a matter of refurbishment, it is a full rebuild. Disclosures from India's cable manufacturers show that constructing or expanding a modern cable facility is a multi-hundred to multi-thousand crore commitment.

- KEI Industries is planned to invest ₹900– ₹1,000 crore ($100m - $111m) to construct its LT, and EHV greenfield cable manufacturing plant in Sanand, Gujarat[5].
- Polycab India has guided ₹1,000 - ₹1,100 crore ($111m – $122m) in annual capex for FY25 – FY27 to support its greenfield and brownfield projects in Hallol, Gujarat[6]. The EHV plant at Hallol is projected at ₹700 crore ($78m)[7].

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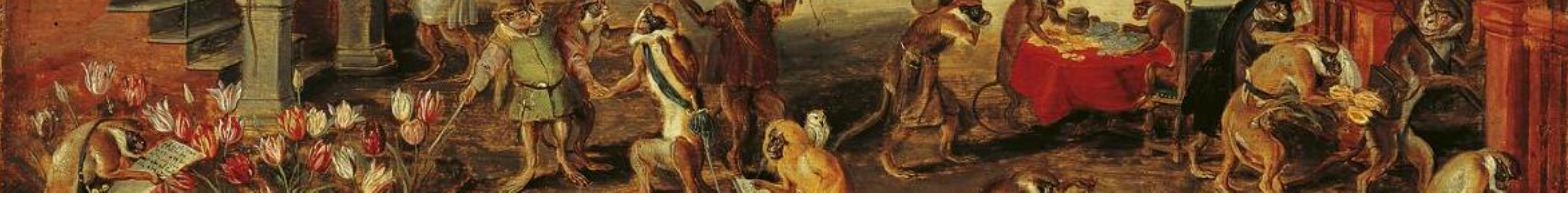
[5] https://www.kei-ind.com/wp-content/uploads/2024/10/intimationsigned-22-oct-2024.pdf
[6] https://www.thehindubusinessline.com/companies/polycab-india-plans-30-capex-boost-to-1100-crore/article68175133.ece
[7] https://newsonprojects.com/news/polycab-india-to-increase-capex-by-30-to-1100-crore



- Finolex planned to invest ₹580 crore ($64m) to expand its fiber optic cable operation in Maharashtra.

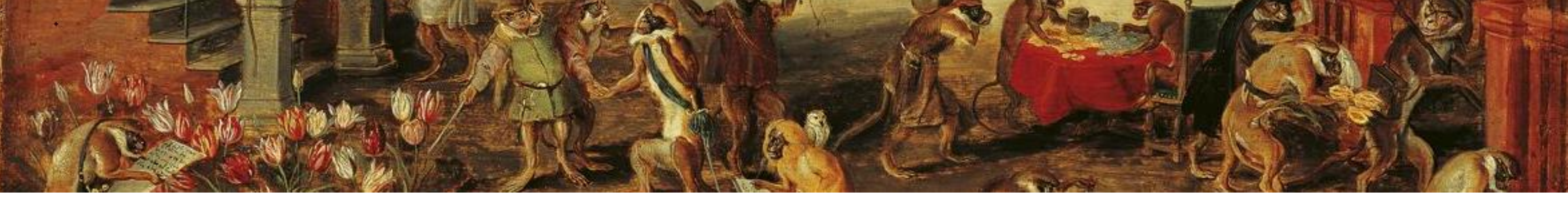
These are live, disclosed projects by Vedanta’s peers. They demonstrate that any serious attempt to create or restore a cable operation requires significant ongoing capital deployment. For its investment, Vedanta has acquired 2 derelict sites and only holds land rights to one of them.

Conclusion

The Incab acquisition makes no financial sense. Vedanta is spending at least $61m in Q4 FY26 on assets that have been defunct for years and will take even longer to return to operational status. What is being bought is little more than land and buildings, both neglected and degraded through years of abandonment and zero maintenance.

The rationale that holds water is geographic: Incab’s Jamshedpur plant and ESL Steel both sit in Jharkhand. This transaction offers the optics of expansion and deflects attention from ESL’s ongoing collapse.

All at the expense of investors and bondholders, who will fund this escapade.



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