VEDL/Sec./SE/24-25/292

March 17, 2025

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

**Scrip Code: 500295**

National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor, Plot No. C/l, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

**Scrip Code: VEDL**

**Sub: Chairman Letter**

Dear Ma'am/Sir,

Please find enclosed the Chairman Letter titled '*Harnessing the wealth below the ground that we have been blessed with*'.

Kindly take the above disclosure on record.

Thanking you.
Yours sincerely,
**For Vedanta Limited**

Prerna Halwasiya Digitally signed by Prerna Halwasiya
Date: 2025.03.17 17:35:55 +05'30'

**Prerna Halwasiya**
**Company Secretary & Compliance Officer**
Encl: As above

**VEDANTA LIMITED**

**REGISTERED OFFICE:** Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400093, Maharashtra, India | T +91 22 6643 4500 | F +91 22 6643 4530
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CIN: L13209MH1965PLC291394

# HARNESSING THE WEALTH BELOW THE GROUND THAT WE HAVE BEEN BLESSED WITH

**Dear Stakeholders,**

**Namaste!**

The natural resources sector has been a major contributor to GDP growth the world over. Most of the world's major economies – the United States, Canada, Europe, Middle East, Russia, China, South Africa, and Australia – have successfully 'farmed' the wealth that nature has blessed them with 'below the ground'. In Guyana, for instance, per capita income went from around $6000 in 2019 to $18,000 in 2022 after the first oil was produced, and it is today the fastest-growing economy in the world with a growth rate of over 40% per annum. In Australia, mining contributes around 15% of GDP - two-thirds of its national exports. In Chile, 13.5% of the GDP relates to mining. In India, by comparison, while the sector contributes close to 3% of GDP, consumption continues to record double-digit growth, despite less than 20% of the country's natural resources potential having been explored. The opportunities to grow are therefore immense.

## The Indian economy and natural resources

The Indian economy is today poised to become the world's third-largest economy by 2027. The country already leads the global market in consumption patterns - Aluminium is growing at 12%, Copper at 15%, and Zinc at an average of 10%. This demand is only expected to increase as India, and the global economy, move towards embracing a low-carbon future and work toward ensuring the stability of their critical mineral and transition metal supply chains.

While Vedanta currently contributes close to 1.4% of India's GDP, there is a need for many more Vedantas to step forward to realize the sector's true potential. Our ongoing proposed demerger would help in this direction through the creation of four new natural resource focused entities that will have independent and empowered management, distinct capital structures, and a robust body of assets, which will additionally result in the creation of a large number of downstream industries and a huge number of new jobs.

With the appropriate government support, this will also result in improved competitiveness at a global scale and a massive reduction in India's import bill in these areas. #DeshKiZarooratonKeLiye

## Vision and benefits of the demerger

I have always found that trees that grow under the shade of a giant banyan tree often find it difficult to grow. But once you take them out and allow them to grow under the sun, they show remarkable growth and progress. Vedanta is like that Banyan tree. The world today is all about pure-play businesses and Vedanta's demerger will help us achieve that. Each of our demerged entities has the potential to grow into a Vedanta by itself. The time to act is now.

## Unlocking tremendous shareholder value

I envision that each of the four newly demerged companies has the potential to grow into a $100 billion company. If you look at where we are headed as a global economy and the demand for such products, these companies and their products are the need of the hour.

The current listed Vedanta limited entity will also continue to be a powerhouse in its own right. Among other things, it will hold over 63.4% of Hindustan Zinc, the second largest integrated producer of Zinc and the 3rd largest producer of Silver in the world, and Zinc International, our entity in the African continent, which has even greater mineral resources than Hindustan Zinc has. Additionally, Vedanta Limited will house our growing technology businesses and continue to act as an incubator for the group.

Anyone who had invested in Vedanta at the start of the past five-year period would have seen their investments multiplying over 4.7 times to date, both through capital appreciation and cash dividends returned. Vedanta delivered a dividend yield of 81% during this period, the highest amongst all its peers.

Post demerger, every Vedanta shareholder - both retail and institutional - will receive one new share in each of the newly demerged companies. Other than this, there will be no change in the overall shareholding structure. Vedanta's unique and irreplaceable assets, sector-leading position, strong global management, and financial discipline will ensure a stronger growth trajectory and higher returns going forward.

The tremendous potential value unlock that the demerger will bring has also been captured well by many top brokerages and leading analysts.

## Thank you for your overwhelming support

Thank you for your overwhelming support at our recent vote of shareholders, secured and unsecured creditors, where an exceptional 99.5% of shareholders and creditors voted in favour of our demerger. Your trust in Vedanta is invaluable. We are a high-growth business and the demand for our critical minerals and transition metals continues to grow at a double-digit rate, one of the highest in the world.

Together, let us continue creating a stronger Vedanta 2.0 focused on critical minerals, energy, and technology, and building a more self-reliant India.

Warm regards,
**Anil Agarwal**
Chairman, Vedanta Limited