

**VEDANTA IRON AND STEEL LIMITED
("Company")**

**DIVIDEND DISTRIBUTION POLICY FOR EQUITY
SHAREHOLDERS**

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| Document Name | Dividend Distribution Policy |
| Company | Vedanta Iron and Steel Limited |
| Adoption Date | April 29, 2026 |

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company (the “Board”) has approved this Dividend Distribution Policy for the Company.

The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013, and the Rules made thereunder and other applicable legal provisions.

1. Dividend Payout

In every financial year, the Board aims to distribute to the Company’s equity shareholders an appropriate amount of dividend from:

- 1.1 Dividend income (net of taxes) that the Company receives from its subsidiaries, at the discretion of the Board; and
- 1.2 Distributable Profit after Tax of the Company (excluding dividend income covered above). Such profits will be net of dividend payout to preference shareholders, if any.

2. While considering a dividend, the following financial parameters, and internal and external factors shall also be evaluated by the Board:

- a. Current financial year’s profits and retained earnings;
- b. Liquidity Position, Capital Structure and Financial Flexibility;
- c. Deleveraging plans of the Company;
- d. Capital expenditures and organic/inorganic plans of the Company;
- e. Contingency plans;
- f. Company’s future prospects including its continued ability to sustain its profits; and
- g. External factors like uncertain or recessionary economic and business conditions, regulatory environment, prevailing and expected commodity prices in the market etc.

3. Circumstances under which the shareholders of the Company may or may not expect dividend:

Generally, it would be the Company’s policy to pay dividend in the manner specified in 1. above. However, the Board may not approve a dividend in situations such as:

- a. When the Company does not have any profits;
- b. When there are prolonged strikes or lockouts, natural calamities, regulatory actions, major accidents, or other events significantly impacting production volumes;
- c. When prices of the Company’s products have fallen suddenly, impacting future profits in substantial manner; or
- d. When the Company’s liquidity is jeopardized for any reason, impairing its ability to pay the dividend.

4. How the retained earnings shall be utilized:

The retained earnings may be utilized either for business purposes mentioned in its Memorandum and Articles of Association or shall be distributed to the equity shareholders.

5. Adoption of parameters for dividend payout with respect to various classes of shares:

- a. Presently, the authorised share capital of the Company is divided into equity shares of Re.1 each and preference shares of Rs.10 each.
- b. As and when the Company issues other kind of shares, the Board may suitably amend this Policy.

6. Review of Policy

This policy will be reviewed periodically by the Board and if revised, the Company will announce such changes.

7. Limitation and Amendment

In the event of any conflict between the provisions of this policy and of the applicable statutory enactments and rules, the provisions of the said statutory enactments and rules shall prevail over this policy. Any subsequent amendment/modification in the regulations and/or applicable laws in this regard shall automatically apply to this policy.