Vedanta Resources' $500 mn bond issue gets 3 times oversubscription

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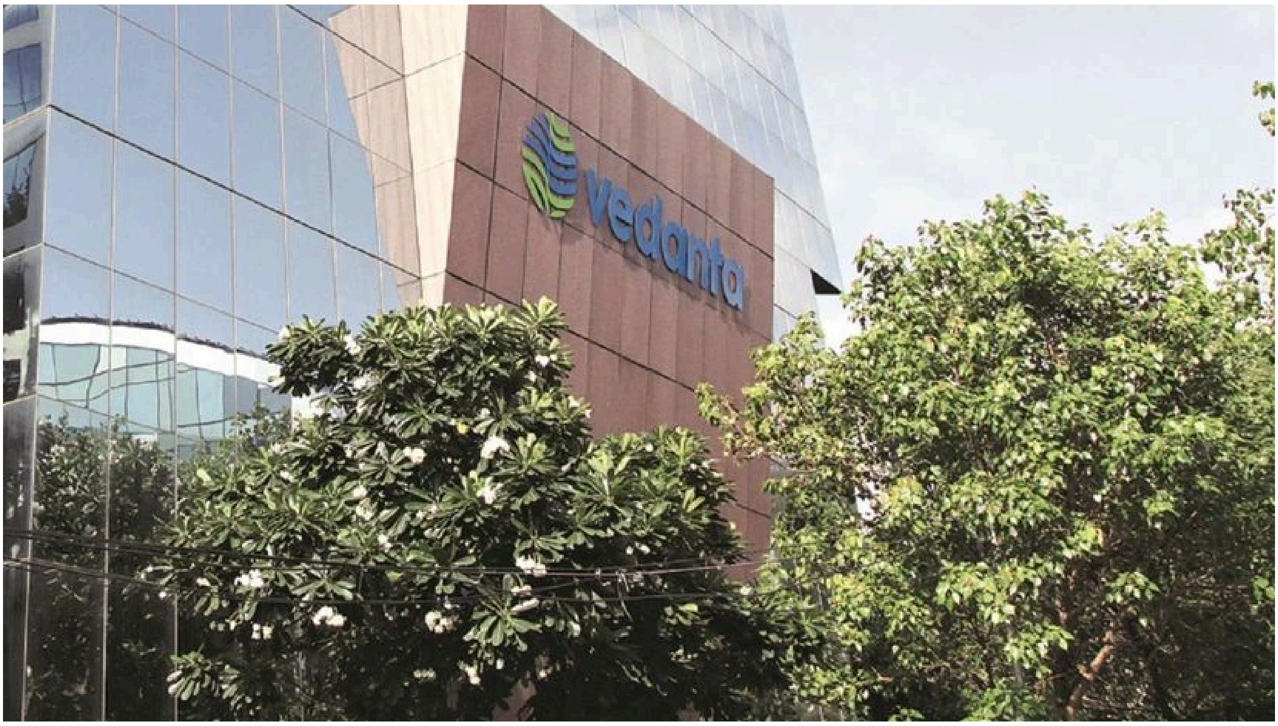
Press Trust of India October 1, 2025



Vedanta Resources delivered a strong financial performance in FY25.

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Mining conglomerate Vedanta Resources has raised $500 million through the sale of a seven-year US dollar-denominated bond issue, which was oversubscribed three times.

Vedanta Resources Finance II plc, a subsidiary of Vedanta Resources, said in an exchange filing that its $500 million bond issue attracted bids exceeding $1.6 billion, more than triple the issue size.

The net proceeds from the offering will be used to repay existing debt and for general corporate purposes.

With this offering, Vedanta has raised $3.6 billion from international bond markets in the last 14 months and, in the process, ensured a spread-out debt maturity profile.

"The bonds received final orders of over $1.6 billion, recording more than 3x oversubscription from existing as well as a new set of investors across APAC, EMEA and the US, with 97 per cent participation from asset managers/fund managers, highlighting the confidence of investors in the Vedanta story," the statement said.

The final allocation of the Bonds reflected the broad-based support which Vedanta enjoys, including 47 per cent from Asia, 24 per cent from EMEA (Europe, Middle East and Africa), and 29 per cent from the US.

"The bonds are expected, on the closing date, to be rated 'B2' by Moody's Ratings, a division of Moody's Inc. and 'B+' by Fitch Ratings Limited," Vedanta Resources said.

The move is a part of Vedanta Group's broader deleveraging and liquidity management exercise, where it is retiring its high-cost debt with low-cost instruments having a longer maturity, thus elongating its gross debt maturity profile.

It comes at a time when Vedanta Resources and its subsidiary Vedanta Ltd are generating steady cash flows from their diversified business and also gaining from cost leadership across commodities.

Vedanta Resources delivered a strong financial performance in FY25, clocking a revenue of $18.2 billion, up 6.4 per cent on a yearly basis. The company recorded an EBITDA of $5.5 billion, with a margin of 29.9 per cent, while the free cash flow post capex was $1 billion.

Vedanta Resources has reduced its debt by more than $4 billion since FY22, with total gross debt falling from $9.1 billion in fiscal 2022 to $4.8 billion as of June 2025.

The company has also focused on consolidating its debt, which has helped in creating a robust capital structure, providing it a strong access to capital markets across the group and longer tenor issuances. As a part of this, it has diversified its credit profile through a mix of bonds and bank loans, while adding new banks to its capital structure.

International credit rating agencies have taken note of Vedanta Resources' sustainable capital structure, with Fitch, Moody's and S&P Global maintaining a stable outlook on the bonds issued by the company.

Citigroup, Barclays, JP Morgan, Mashreq, SMBC Nikko and Standard Chartered Bank are acting as joint global coordinators and managers on the bond issue, which closes on October 15.