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Vedanta Group cuts net debt by $1.1 billion Q1 FY27

The group's net debt fell to $9.4 billion, while its net debt-to-EBITDA ratio improved to 1.2 from 2.0x in March 2025, supported by deleveraging and lower-cost refinancing.

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At the parent level, Vedanta Resources net debt-to-EBITDA ratio improved to 1.2x in Q1 FY27 from 2.0x in March 2025.

Vedanta Group said it has reduced its net debt by a further $1.1 billion in the first quarter of FY27, taking the group's net debt to $9.4 billion, according to the company.

The latest reduction follows a $500 million decline in net debt during FY26. The group said its refinancing strategy has also helped lower borrowing costs and improve financial flexibility across its businesses.

At the parent level, Vedanta Resources' net debt-to-EBITDA ratio improved to 1.2x in Q1 FY27 from 2.0x in March 2025. The group ended FY26 with $3.3 billion in cash and cash equivalents, providing additional liquidity.

Lower-cost refinancing

Vedanta Aluminium Metal Ltd is reported to be raising around ₹13,500 crore through facilities from various banks to refinance debt inherited from the earlier integrated corporate structure.

The reported interest rate of around 7.9-8 per cent reflects the company's improved access to domestic lenders, according to the release.

Vedanta Ltd entered FY27 with a net debt-to-EBITDA ratio of around 0.3x, while Vedanta Aluminium's ratio stood at around 0.9x following its first quarter as an independent company.

The demerger has enabled the individual businesses to develop capital structures aligned with their respective earnings profiles, cash-generation capabilities, investment requirements and growth plans, the company said.

Vedanta Ltd, Vedanta Aluminium and Vedanta Oil and Gas have received

AA+/Stable ratings from CRISIL and ICRA, while Vedanta Iron and Steel has received an AA/Stable rating from CRISIL. The company said the ratings reflect greater visibility into the standalone businesses and their financial profiles following the demerger.

Finance costs

Vedanta Resources' finance costs fell 31 per cent year-on-year to $1,485 million in FY26 from $2,164 million in FY25, primarily due to refinancing at lower interest rates and repayment of high-cost debt.

The company said it has continued to use liability management and refinancing to extend debt maturities and reduce funding costs. In December 2025, Moody's had noted that these measures had reduced funding costs to below 10 per cent in FY26 from 13 per cent in the previous year.

S&P has estimated that if the contemplated refinancing proceeds, it could reduce annual interest costs by around $150 million while lowering annual maturities and improving financial flexibility, according to the release.