

May 06, 2026

Vedanta Limited: Rating Withdrawn for non-convertible debenture (NCD) programme and rating outstanding for the existing facilities

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Longterm/Short term– Unallocated limits	1,342.00	1,342.00	[ICRA]AA; rating watch with developing implications/[ICRA]A1+ rating watch with developing implications; outstanding
Longterm–Fund based–Term loan	2,158.00	2,158.00	[ICRA]AA; rating watch with developing implications; outstanding
Commercial Paper	2,500.00	2,500.00	[ICRA]A1+; rating watch with developing implications; outstanding
Non-convertible debenture	2600.00	0.00	[ICRA]AA; rating watch with developing implications ; withdrawn
Non-convertible debenture	400.00	400.00	[ICRA]AA; rating watch with developing implications; outstanding
Non-convertible debenture	3000.00	3000.00	[ICRA]AA; rating watch with developing implications; outstanding
Total	12,000.00	9400.00	

*Instrument details are provided in annexure II

Rationale

ICRA has withdrawn the rating assigned to the non-convertible debentures (NCD) of Vedanta Limited (VDL) of Rs. 2,600 crore as the rated NCDs are being transferred to Vedanta Aluminium Metal Limited (VAML), post-demerger of Vedanta Limited. The withdrawal is in accordance with ICRA's policy on withdrawal of credit ratings.

VDL's demerger has become effective on May 01, 2026, resulting in the reorganisation of its diversified operations into five sector-focused entities. The newly formed entities are expected to be listed in the near term, subject to regulatory approvals. The ratings are on watch with developing implications due to the pending clarity on the allocation of assets and liabilities on the effective date (May 01, 2026), under the ongoing demerger scheme of Vedanta Limited, the support framework across the group entities and the resultant capital structure. ICRA will resolve the watch once adequate clarity emerges on these aspects.

VDL reported a strong operating performance in FY2026, supported by robust profitability across its key metals businesses amid favourable commodity prices and improved cost efficiencies. The aluminium and zinc segments remained the primary earnings contributors, benefiting from higher realizations, strong volumes and margin expansion, while the oil & gas business continued to generate healthy cash flows despite natural field declines. Overall profitability was further aided by operational efficiencies, softening input costs and improved mine productivity, resulting in elevated consolidated OPBITDA of Rs. 55,976 crore (including discontinued operations), 29% higher YoY.

Further, while VDL's consolidated total debt position improved in FY2026, the overall net debt remains elevated at ~Rs. 64,077 crore (excluding VRL debt) at the end of FY2026. At VRL's level, the total debt position stood at around \$5.2 billion in FY2026 vis-à-vis ~\$5.7 billion at the end of FY2024. While the refinancing risk at VRL has come down significantly in the last few years supported by the elongation of the debt maturity profile, any stress at VRL's level could impact the financial flexibility of the Vedanta Group and would remain a key monitorable.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, Environment and social risks, the liquidity position, rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Oil Exploration & Production Power - Thermal Non-Ferrous Metals (Primary Producers) Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of VDL, including the entities mentioned in Annexure II. ICRA has also considered the total debt and financial expenses of Vedanta Resources Limited (Parent) to calculate the adjusted leverage and coverage metrics of VDL. ICRA understands that the interest and principal servicing of VRLs debt remains highly dependent on VDLs cash flows. ICRA also understands that there is no legal recourse to VDL with respect to VRLs debt obligations

About the company

Vedanta Limited, VDL, incorporated in June 1965 by Mr. Anil Agarwal, is a step-down subsidiary of Vedanta Resources Limited. It is headquartered in Mumbai, India. Vedanta has a diverse portfolio of assets comprising Indian and global companies involved in metals and minerals, such as zinc, silver, lead, aluminium, copper, nickel, oil and gas. There is a traditional ferrous vertical, including iron ore and steel, and a power vertical. The company has also forayed into the manufacturing of semiconductors and display glass. The Group is among the largest producers of aluminium, zinc, lead and silver segments, commanding a strong market position in India.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated (Rs crore)	May 06, 2026	Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long term/ Short term	1342.00	[ICRA]AA rating watch with developing implications; /[ICRA]A1+ rating watch with developing implications;	Feb 26, 2026	[ICRA]AA Rating watch with Developing implications/ [ICRA]A1+ Rating watch with Developing implications	Jan 28, 2025	[ICRA]AA; Rating Watch with Developing Implications	-	-
				Jan 02, 2026	[ICRA]AA Rating watch with Developing implications/ [ICRA]A1+ Rating watch with Developing implications	Dec 19, 2024	[ICRA]AA; Rating Watch with Developing Implications	-	-
				Jul 18, 2025	[ICRA]AA Rating watch with Developing implications/ [ICRA]A1+ Rating watch with Developing implications	Sep 12, 2024	[ICRA]AA Rating Watch with Developing Implications / [ICRA]A1+; Rating Watch with Developing Implications		
						Sep 04, 2024	[ICRA]AA Rating Watch with Developing Implications / [ICRA]A1+; Rating Watch with Developing Implications	-	-
						Aug 26, 2024	[ICRA]AA- Rating Watch with Developing Implications / [ICRA]A1+ Rating Watch with Developing Implications	-	-
						May 30, 2024	[ICRA]AA- Rating Watch with Developing Implications / [ICRA]A1+ Rating Watch with Developing Implications	-	-
						May 16, 2024	[ICRA]AA- Rating Watch with Developing Implications / [ICRA]A1+ Rating Watch with Developing Implications		
Term loan	Long term	2,158.00	[ICRA]AA; rating watch with developing implications;	Feb 26, 2026	[ICRA]AA Rating watch with Developing implications	Jan 28, 2025	[ICRA]AA Rating Watch with Developing Implications	-	-
				Jan 02, 2026	[ICRA]AA Rating watch with Developing implications	Dec 19, 2024	[ICRA]AA Rating Watch with Developing Implications	-	-

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated (Rs crore)	May 06, 2026	Date	Rating	Date	Rating	Date	Rating
				Jul 18, 2025	[ICRA]AA Rating watch with Developing implications	Sep 12, 2024	[ICRA]AA Rating Watch with Developing Implications	-	-
						Sep 04, 2024	[ICRA]AA Rating Watch with Developing Implications	-	-
						Aug 26, 2024	[ICRA]AA- Rating Watch with Developing Implications	-	-
						May 30, 2024	[ICRA]AA- Rating Watch with Developing Implications		
				Feb 26, 2026	[ICRA]A1+ Rating watch with Developing implications	Jan 28, 2025	[ICRA]A1+ Rating Watch with Developing Implications	-	-
				Jan 02, 2026	[ICRA]A1+ Rating watch with Developing implications	Dec 19, 2024	[ICRA]A1+ Rating Watch with Developing Implications	-	-
				Jul 18, 2025	[ICRA]A1+ Rating watch with Developing implications	Sep 12, 2024	[ICRA]A1+ Rating Watch with Developing Implications	-	-
						Sep 04, 2024	[ICRA]A1+ Rating Watch with Developing Implications	-	-
						Aug 26, 2024	[ICRA]A1+ Rating Watch with Developing Implications	-	-
						May 30, 2024	[ICRA]A1+ Rating Watch with Developing Implications		
				Feb 26, 2026	[ICRA]AA Rating watch with Developing implications	Jan 28, 2025	[ICRA]AA Rating Watch with Developing Implications	-	-
				Jan 02, 2026	[ICRA]AA Rating Watch with Developing Implications				
				Jul 18, 2025	[ICRA]AA Rating watch with Developing implications	Dec 19, 2024	[ICRA]AA Rating Watch with Developing Implications	-	-
Commercial paper	Short term	2,500.00	ICRA]A1+; rating watch with developing implications;						
Non-convertible debenture	Long term	3,400.00	[ICRA]AA; rating watch with developing implications;						
Non-convertible debenture	Long term	2600.00	[ICRA]AA; rating watch with developing implications ; withdrawn						

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Long term/Short term–Unallocated limits	NA
Long term–Fund based–Term loan	Simple
Commercial Paper	Simple
Non-convertible debenture	Simple
Non-convertible debenture	Simple
Non-convertible debenture	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE205A08038	Non-convertible debenture	Feb 20, 2025	9.4%	Feb 20, 2027	2060.00	[ICRA]AA Rating Watch with Developing Implications; withdrawn
INE205A08020	Non-convertible debenture	Feb 20, 2025	9.5%	Aug 20, 2027	540.00	[ICRA]AA Rating Watch with Developing Implications; withdrawn
Yet to be placed	Commercial Paper	-	-	-	2500.00	[ICRA]A1+ Rating Watch with Developing Implications
INE205A08095	Non-convertible debenture	Mar 16, 2026	8.95%	Mar 16, 2029	2,575.00	[ICRA]AA Rating Watch with Developing Implications
Yet to be placed	Non-convertible debenture	-	-	-	825.00	[ICRA]AA Rating Watch with Developing Implications
NA	Fund Based - Term loans	NA	NA	Upto FY2034	2158.00	[ICRA]AA Rating Watch with Developing Implications
NA	Unallocated limits	NA	NA	NA	1342.00	[ICRA]AA Rating Watch with Developing Implications / [ICRA]A1+ Rating Watch with Developing Implications

Source: Company,

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Name	% of shareholding	Consolidation approach
Vedanta Incorporated	56.38%	Full consolidation
Thalanga Copper Mines Pty Limited	56.00%	Full consolidation
Bharat Aluminium Company Limited	51.00%	Full consolidation
Desai Cement Company Private Limited	100.00%	Full consolidation
ESL Steels Limited	95.00%	Full consolidation
Ferro Alloy Corporation Limited	100.00%	Full consolidation
Hindustan Zinc Alloys Private Limited	63.00%	Full consolidation
Hindustan Zinc fertilisers private Limited	63.00%	Full consolidation
Hindustan Zinc Limited	63.00%	Full consolidation
MALCO Energy Limited	100.00%	Full consolidation
Sesa Mining Corporation Limited	100.00%	Full consolidation

Name	% of shareholding	Consolidation approach
Sesa Iron and Steel Limited	100.00%	Full consolidation
Sesa Resources Limited	100.00%	Full consolidation
Talwandi Sabo Power Limited	100.00%	Full consolidation
Vedanta Zinc Football and Sports Foundation	63.00%	Full consolidation
Vedanta Aluminium Metal Limited	100.00%	Full consolidation
Vizag General Cargo Berth Private Limited	100.00%	Full consolidation
Zinc India Foundation	63.00%	Full consolidation
AvanStrate Inc.	98.20%	Full consolidation
Cairn India Holdings Limited	100.00%	Full consolidation
Western Cluster Limited	100.00%	Full consolidation
Bloom Fountain Limited	100.00%	Full consolidation
Amica Guesthouse (Proprietary) Limited	100.00%	Full consolidation
Namzinc (Proprietary) Limited	100.00%	Full consolidation
Skorpion Mining Company (Proprietary) Limited (NZ)	100.00%	Full consolidation
Skorpion Zinc (Proprietary) Limited (SZPL)	100.00%	Full consolidation
THL Zinc Namibia Holdings (Proprietary) Limited (“VNHL”)	100.00%	Full consolidation
THL Zinc Ltd	100.00%	Full consolidation
Killoran Lisheen Mining Limited	100.00%	Full consolidation
Lisheen Milling Limited	100.00%	Full consolidation
Lisheen Mine Partnership	100.00%	Full consolidation
Vedanta Lisheen Mining Limited	100.00%	Full consolidation
Cairn Energy Hydrocarbons Limited	100.00%	Full consolidation
Black Mountain Mining (Proprietary) Limited	74.00%	Full consolidation
Cairn Lanka Private Limited	100.00%	Full consolidation
AvanStrate Korea Inc	98.20%	Full consolidation
Gaurav Overseas Private Limited	50.00%	Equity Method
Madanpur South Coal Company Limited	18.00%	Equity Method
Goa Maritime Private Limited	50.00%	Equity Method
Rosh Pinah Health Care (Proprietary) Limited	69.00%	Full consolidation
Gergarub Exploration and Mining (Pty) Limited	51.00%	Full consolidation
Roshkor Township (Pty) Limited	50.00%	Equity Method
Meenakshi Energy Limited	100.00%	Full consolidation
Hindmetal Exploration Services Private Limited	63.00%	Full consolidation
Vedanta Base Metals Limited	100.00%	Full consolidation
Vedanta Displays Limited	100.00%	Full consolidation
Vedanta Iron and Steel Limited	100.00%	Full consolidation
Vedanta Semiconductors Private Limited	100.00%	Full consolidation
THL Zinc Ventures Ltd	100.00%	Full consolidation
Vedanta Copper International VCI Company Limited	100.00%	Full consolidation
Monte Cello BV	100.00%	Full consolidation
THL Zinc Holding BV	100.00%	Full consolidation
Fujairah Gold FZC	100.00%	Full consolidation
Vedanta ESOS Trust	100.00%	Full consolidation
Vedanta Lisheen Holdings Limited	100.00%	Full consolidation
AvanStrate Taiwan Inc	98.20%	Full consolidation

Source: Company

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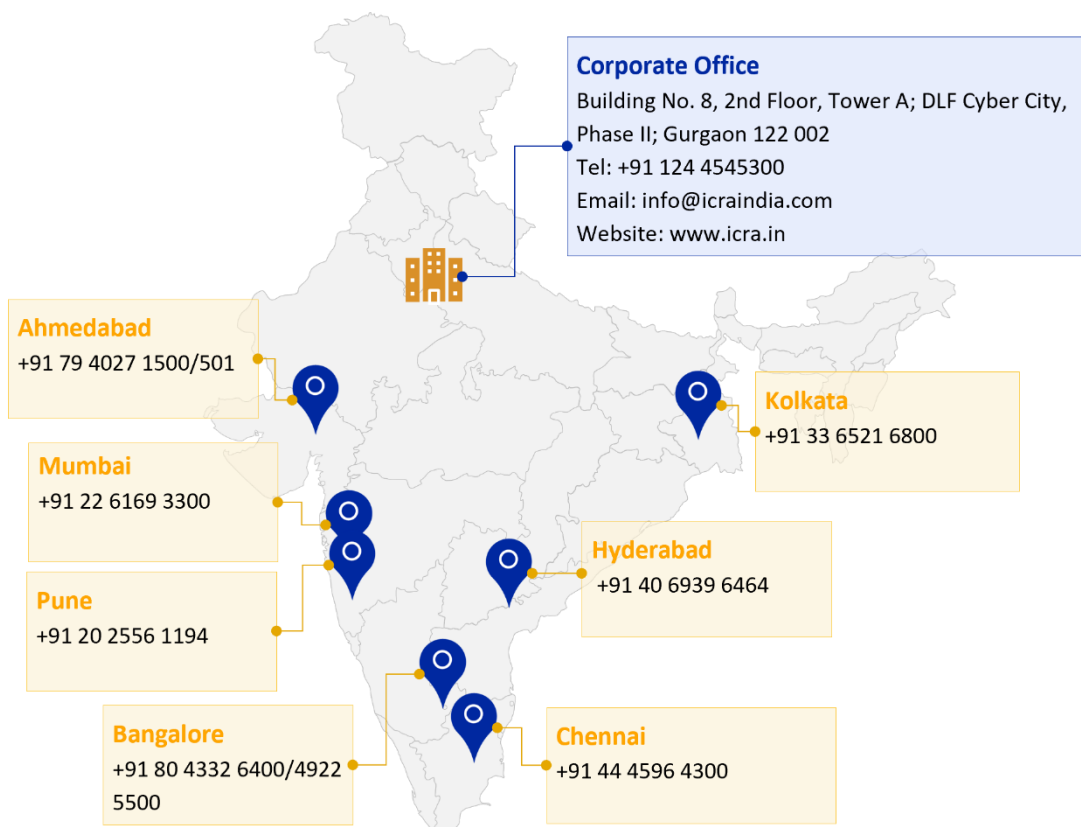
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