



Vedanta – Alert to Bondholders and Bookrunners

RBI Referral of Vedanta Group to Enforcement Directorate: Implications for New US\$ 144A/Reg S 7NC2 Notes

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September 29, 2025 – The Reserve Bank of India (RBI) has referred the Vedanta Group to the Directorate of Enforcement (ED) for investigation under the Foreign Exchange Management Act (FEMA). Viceroy Research received official confirmation on September 23, 2025, following detailed submissions relating to unlawful fund expatriation, tax evasion, and regulatory evasion.

At the RBI's request, on September 25, 2025, Viceroy Research submitted detailed evidence to the ED, shared our correspondence with the Singapore Police Force (SPF) and offered additional support relating to confidential whistleblower testimonies.

Why this matters

The ED is India's principal financial crime agency with sweeping powers to:

- Freeze assets and bank accounts
- Arrest individuals and seize documents
- Initiate criminal proceedings under FEMA and PMLA

In a nearly identical case in 2022, the ED froze ₹5,551 crore (\$670m) of Xiaomi India's assets for FEMA violations, severely disrupting operations and triggering criminal liability.

Vedanta has previously concealed ED investigations from stakeholders and has thus far not disclosed the ED referral or the \$123m brand fee rebate ordered by the regulator in FY24¹. Viceroy's reports detail:

- Use of brand fees and dividends to expatriate funds to the UK
- Structuring to evade RBI and ED scrutiny
- Undisclosed promoter holdings in VEDL

Discrepancy in Use of Funds

On September 29, 2025, it was reported that Vedanta Resources was intending to raise up to \$750m in senior unsecured notes, with the main purpose of repaying the Company's \$550m Private Credit Facility due April 2026.

Moody's Ratings assigns B2 rating to Vedanta Resources' proposed bonds; outlook stable

Singapore, September 29, 2025 -- Moody's Ratings (Moody's) has assigned a B2 rating to Vedanta Resources Limited's (VRL) proposed senior unsecured bonds to be issued by Vedanta Resources Finance II Plc, which are guaranteed by VRL. The bond proceeds will be used to refinance existing debt. The outlook remains stable for all entities.

Bond proceeds will be used for refinancing the company's existing \$550 million private credit facility (PCF) due April 2026, which has an interest rate of 18%. Any shortfall for the repayment of the PCF will be met out of the company's existing syndicated bank facility, of which about \$250 million remains available.

Figure 1 - Moody's Ratings assigns B2 rating to Vedanta Resources' proposed bonds; outlook stable

This contradicts public reports that the PCF was from the proceeds of a \$600m term loan raised in July 2025². Media reports stated that \$380m had been committed, with \$220m to be finalized. It appears these funds have been spent on other uses.

We did not disclose this referral as we understood that Vedanta Resources had completed its debt raising activities and repaid the PCF in full. The sudden fundraising activity while under ED investigation introduces a material undisclosed regulatory risk for bondholders.

¹ <https://viceroyresearch.org/2025/07/30/vedanta-the-secret-enforcement-directorate-meeting>

² <https://economictimes.indiatimes.com/news/company/corporate-trends/vedanta-resources-secures-600-mn-loan-for-refinancing-high-cost-pvt-credit-facility/articleshow/122047012.cms>



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within V, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

About Viceroy

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