
Vedanta raises USD 1.25 billion through convertible bond issue

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According to press release, Vedanta Resources plc has raised USD 1.25 billion by issue of convertible bond, due 2016. The bonds have a coupon of 5.50% payable semi annually in arrear and will be convertible into fully paid ordinary shares of the company. The bond will have a maturity of 7 years with 5 year put option. The conversion price is USD 36.48, representing a premium of 35% to the volume weighted average price of the ordinary shares on the London Stock Exchange today and represents a 46% premium to the 30 day VWAP.

However, the company will use the proceeds of the offering to support its organic growth pipeline, to increase ownership interest in its subsidiaries and for general corporate purposes.

Anil Agarwal chairman of Vedanta said “We are delighted to have received such strong investor interest for this transaction. The net proceeds will provide us with additional financial flexibility to continue our strategy of investing in our organic growth projects, consolidating our minorities and making selective acquisitions.”

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