

Vadinar Oil Terminal Limited

March 23, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Total Facilities	-		

Details of facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the Bank facilities of Vadinar Oil Terminal Limited (VOTL) with immediate effect consequent to its transfer to Nayara Energy Limited (rated CARE AA; Stable/ CARE A1+). The transfer of facilities was due to the merger of VOTL with Nayara Energy Limited.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

VOTL (erstwhile subsidiary of Nayara Energy Limited) used to operate a captive all weather port with a natural 32-meter draft (deepest in India allowing 365-day intake) and Single Buoy Mooring (SBM) with crude oil intake capacity of 27 mmtpa. Its SBM, which is capable of handling crude Very Large Crude Carriers (VLCC), is located in the Gulf of Kutch which also houses SBMs of Indian Oil Corporation, RIL, etc., forming gateway to about 70% of total crude imports by India. The port is equipped with 2 Jetties capable of handling vessels up to size of 100,000 deadweight tonnage for total product off-take of 14 mmtpa.

About Nayara Energy Limited

Incorporated in 1989, Nayara Energy Limited (formerly known as Essar Oil Limited) is an Oil and Gas company engaged in refining and marketing. It owns India's second-largest single location Refinery (at Vadinar, Gujarat) having a capacity of 20 Million Metric Tons Per Annum (MMTPA; equivalent to 140 million barrels) and high complexity of 11.8 which allows it to process any kind of crude. It can process wide variety of crude oil ranging from ultra-heavy, high Sulphur, sour crude (i.e. low API) to low Sulphur light crude (i.e. high API) and has the flexibility to achieve the product slate based on expected demand. The refinery processes more than 80% of heavy and ultra-heavy crude with API ranging from 15-60 API with an average API of 24.

Nayara also operates an all-weather captive port with a natural 32-meter draft in an 8 km distance with an intake capacity of 27 MMTPA of crude via Single Buoy Mooring (SBM). Along with captive port, it also operates crude storage tanks of capacity 7.15 million barrels which are directly connected to SBM via 20 Km sub-sea and onshore pipes and also to refinery via 7 Km onshore pipe and product and intermediary storage tanks of capacity 12.94 million barrels connected to jetties. The company also operates a captive power plant within refinery premises which is equipped with oil, gas, liquid and coal fired boilers and turbines capable of generating a total of 1010 Mw of co-generative thermal power.

The company also has a presence in oil retailing with 5,975 operational retail outlets in various parts of India as on December 31, 2020. Furthermore, it plans to expand the number of operational retail outlets to 7,300 by December 2022.

(Rs. Crore)

Brief Financials (Consolidated)	FY19 (A)	FY20 (A)
Total operating income	87,193	86,160
PBILD	5,565	6,304
PAT	689	2,500
Overall gearing (times)	1.61	1.80
Interest coverage (times)	2.17	2.29

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	1)CARE AA; Stable (02-Apr-20)	-	1)CARE AA; Stable (19-Mar-19) 2)CARE AA; Stable (25-May-18)	1)CARE AA-; Stable (12-Mar-18)

Annexure-3: Detailed explanation of covenants of the rated facilities – NA**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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