September 16, 2025

Svetah Energy Infrastructure FZE: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount ($ million)	Current rated amount ($ million)	Rating action
Long term-term loan-fund based	28.13	28.13	[ICRA]A- (Stable); reaffirmed
Total	**28.13**	**28.13**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Invenire Petrodyne Limited (IPL/the company), its subsidiary Dian Energy B.V. and its step-down subsidiaries –Merangin B.V. and Svetah Energy Infrastructure FZE (Svetah) –due to the management, financial and operational linkages among the entities.

The reaffirmation of the ratings factors in the moderate experience and track record of the company in the oil exploration and production (E&P) space. The company and its holding company Invenire Energy Private Limited (IEPL) have oil and gas assets in South Asia and Southeast Asia and have been operating these assets for close to two decades. Additionally, the Invenire Group is managed by an experienced management with extensive experience in the oil and gas sector.

The ratings also factor in the upside from the recommencement of the production of crude oil from the PY-3 field. Production from the field resumed in May 2025 after remaining suspended since 2011. The recommencement of production from the PY-3 field will support the company's revenue and profitability amid the softening of crude oil prices. The floating production storage and offloading (FPSO) unit owned by Svetah has also been deployed in the PY-3 field. The company received support from the promoters of the IPL Group, i.e. Atyant Capital Management Limited (ACML) for meeting its debt servicing requirements in the latter half of FY2025 through unsecured loans as the payment of day rates to Svetah were not made by the PY-3 consortium members pending re-commencement of production from PY-3 Field. With the commencement of production from the PY-3 field, the day rates from August 2024 were made to Svetah by the PY-3 consortium and currently the day rate payments for Svetah are being made in a timely manner. Svetah has claimed day rate from April 2024 and the same is under discussion with the PY-3 consortium.

The ratings are, however, constrained by the execution risk pertaining to the discovered small fields (DSF) awarded to the company which holds 100% participating interest (PI) in them. Additionally, the operations of the company are exposed to geological and commodity price risks. The ratings are also constrained by the operational and financial risk pertaining to the FPSO as the company has limited track record of asset ownership and operations. The ratings are also constrained by the regulatory risks associated with the operations of the company as the E&P sector in the country remains highly regulated.

ICRA notes that the company is planning to undertake capex for the DSF fields awarded to it in September 2022. Given the sizeable capex, ICRA expects the credit metrics of the company to moderate, going forward. However, the credit profile will be supported by the envisaged support from promoter entity ACML. The healthy cash flows generated by the FPSO and the restarting of production from the PY-3 field should support the incremental cash generation, which will also fund part of the capex and keep the external funding requirements in check.

ICRA also notes that the primary term of the contract for the CB/OS –2 block had expired in June 2023 and IPL along with ONGC and Vedanta has applied for extension by 10 years, having complied with the prerequisites and condition as per the applicable government policy for extension. IPL expects to receive interim approvals until the final approval.

Key rating drivers and their description

Credit strengths

Moderate experience and track record in E&P business – The parent, IEPL, has upstream oil and gas assets in South Asia and Southeast Asia. The management has extensive experience of over two decades in the oil and gas upstream and midstream industry.

Upside from recommencement of production in PY-3 field – The production from the PY-3 field had ceased in 2011 due to commercial and procedural challenges faced by the consortium. The production finally came online in May 2025 after a prolonged delay due to intra JV challenges, market conditions and operational challenges. The oilfield is expected to contribute a healthy portion to the company's overall revenue FY2026 onwards amid the natural decline in production volumes from the legacy fields in CB-OS/2 and Merangin II Block in Indonesia within the company's portfolio.

Credit challenges

Execution risk for capex to be incurred for DSF fields – The development of the DSF fields would entail a sizeable capex, going forward, which will be funded using a mix of promoter loan, bank loan and internal accruals. Further, the significant size of the project compared to the existing E&P asset portfolio exposes IPL to project execution risk. As the fields are under development, the company's credit profile will remain exposed to the level of actual production and time and cost overruns.

Operational and financial risk for FPSO unit, given the lack of track record in asset ownership and operations – The IPL Group doesn't have prior experience in owning and operating an FPSO unit. While the daily operations are currently handled by Svetah's in-situ team, it remains exposed to operational risk. Further, timely payments from the consortium will be crucial for regular debt servicing of the FPSO unit. However, the risk is partly mitigated by the healthy counterparty risk profile of ONGC which holds a majority participating interest in the PY-3 field.

Geological, technological and execution risks inherent in E&P activities, in addition to commodity risks– The company's operations are exposed to the volatility in crude oil prices and drastic decline in volumes from the legacy oilfields and the risk is aggravated by the relatively small scale of IPL's operations. Additionally, IPL being an upstream company is inherently exposed to geological and execution risks (attributable to large scale capex, regulatory overview etc) in E&P activities.

Liquidity position: Adequate

The liquidity position of the company is expected to remain adequate, supported by free cash of Rs. 23.5 crore as on March 31, 2025, and expectation of healthy cash accruals which should be adequate to meet the near-term debt repayments pertaining to the loans taken by Svetah Energy Infrastructure FZE Limited. The company's capex plans in FY2026 and thereafter will be funded by a mix of internal accruals, term loans and loans from the promoter entity, supported by the fund infusion from Atyant Capital Management Limited (ACML). ICRA notes that the company has plans to incur significant capex for the DSF fields over the next few years. Going forward, a timely completion of the funding tie-ups with lenders and timely infusion of funds by the promoters will remain the key drivers of the liquidity position of the company.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is an increase in the scale of reserves, leading to higher production and improved reserve metrics, such as reserve replacement ratio (RRR) and reserve life index (RLI), thereby scaling up the operations. An increase in the profits driven by higher volumes and an improvement in the cost structure leading to improved leverage and coverage metrics may also result in an upgrade.

Negative factors – The ratings could be downgraded if there is a significant decline in crude oil prices, production volumes and profitability, resulting in lower-than-anticipated cash accruals, or if a high debt-funded capex leads to a deterioration in the debt coverage metrics. Any pressure on the liquidity due to the support extended to group companies or any significant investment can also exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Oil Exploration & Production
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings of Svetah Energy Infrastructure FZE, analysts have factored in a consolidated view of IPL, its subsidiary Dian Energy BV and its step-down subsidiary Svetah Energy Infrastructure FZE given the strong operational and financial linkages amongst the entities

About the company

Svetah Energy Infrastructure FZE (Svetah), a free zone enterprise incorporated under the provisions of the Hamriyah Free Zone, UAE, was acquired by Dian Energy B.V. (wholly-owned subsidiary of Invenire Petrodyne Limited) in April 2023. Svetah is a wholly-owned step-down subsidiary of Invenire Petrodyne Limited.

Svetah acquired a floating production storage offloading unit (FPSO), named Svetah Venetia (formerly Petrojarl Varg), in 2022. The FPSO was critical to restart production from the PY-3 field and Svetah was acquired keeping the PY-3 field in consideration. Svetah has entered into a charter hire agreement with the operator of PY-3 field, i.e., Hardy Exploration & Production (India) Inc (HEPI or Hardy, affiliate of Invenire Petrodyne Limited) for the deployment of the FPSO at PY-3 Field. The charter hire rate is USD 70,500 per day for a firm duration of 5 years with the option to extend the same for another 5 years. Invenire Petrodyne Limited holds 26.58% interest in the PY-3 field along with Hardy and ONGC holding 22.79% and 50.63%, respectively.

Key financial indicators (IPL Consolidated)

IPL Consolidated	FY2023	FY2024	FY2025*
Operating income	356.3	370.3	398.6
PAT	95.7	122.8	216.6
OPBDIT/OI	53.5%	50.5%	59.4%
PAT/OI	26.9%	33.2%	54.3%
Total outside liabilities/Tangible net worth (times)	0.9	1.0	1.1
Total debt/OPBDIT (times)	1.2	2.0	2.7
Interest coverage (times)	7.1	7.0	29.6

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisionals*

Key financial indicators (Svetah Energy Infrastructure FZE – Standalone)

Svetah Energy Infrastructure FZE – Standalone	FY2024	FY2025*
Operating income	72.4	160.5
PAT	72.0	160.2
OPBDIT/OI	98.9%	99.6%
PAT/OI	99.4%	99.8%
Total outside liabilities/Tangible net worth (times)	6.6	2.7
Total debt/OPBDIT (times)	6.4	3.7
Interest coverage (times)	-	-

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisionals*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated ($ million)	Sep 16, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan - Fund based	Long term	28.13	[ICRA]A- (Stable)	5-Sep-2024	[ICRA]A- (Stable)	31-Oct-2023	[ICRA]A- (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term-Fund based-Term loan	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated ($ million)	Current rating and outlook
-	**Long term-Fund based-Term loan**	FY2024	NA	FY2028	28.13	[ICRA]A- (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Invenire Petrodyne Limited	100.00% (Self)	Full consolidation
Dian Energy B.V.*	100.00%	Full consolidation

*Source: Company annual report FY2024; *Svetah Energy Infrastructure FZE is a wholly-owned subsidiary of Dian Energy B.V.*

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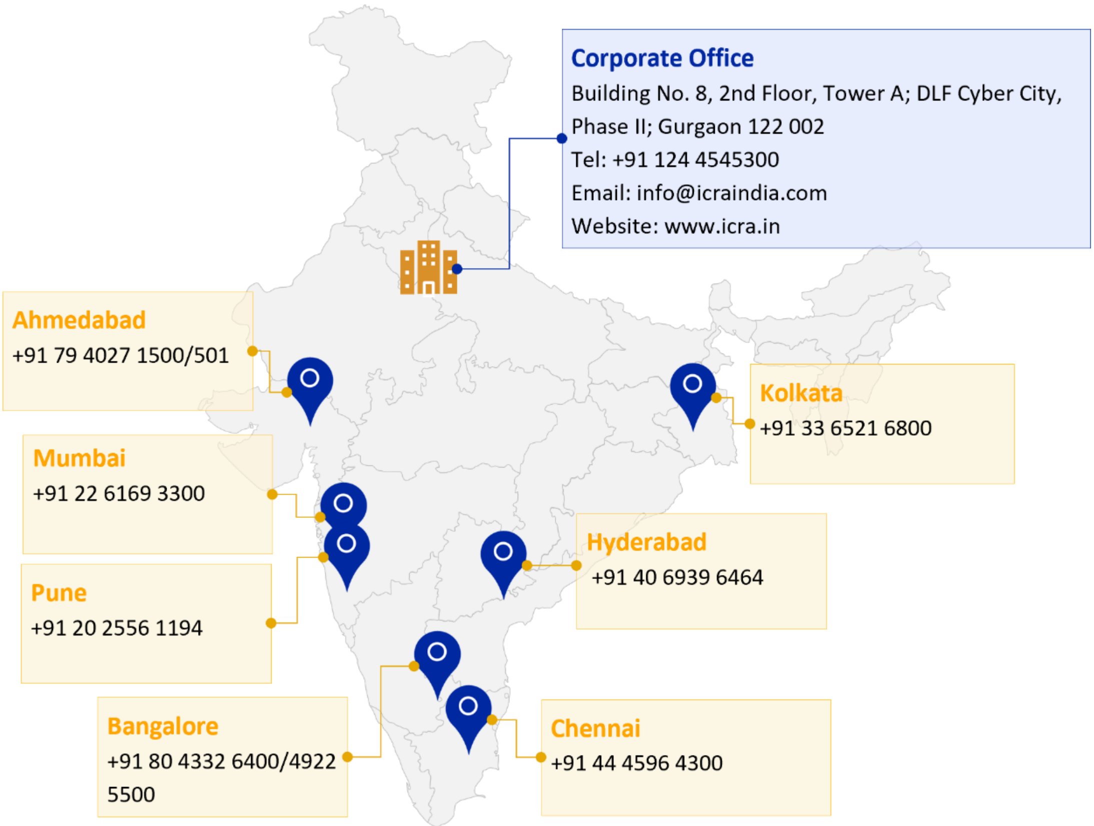

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