

March 13, 2023

## Bharat Oman Refineries Limited: Rating Withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture- I	2,000.00	2,000.00	[ICRA]AAA(Stable); Withdrawn
Non-Convertible Debenture – II	440.00	440.00	[ICRA]AAA(Stable); Withdrawn
Commercial Paper	1,700.00	1,700.00	[ICRA]A1+; Withdrawn
<b>Total</b>	<b>4,140.00</b>	<b>4,140.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the rating assigned to the non-convertible debentures and commercial paper programme of **Bharat Oman Refineries Limited (BORL)** following amalgamation of BORL into Bharat Petroleum Corporation Limited (BPCL), and in accordance with ICRA's policy on withdrawal.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities and Key Financial Indicator have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on Withdrawal of Credit Ratings</a> <a href="#">Rating Approach - Implicit parent or group support</a>
Parent/Group support	Parent - Bharat Petroleum Corporation Limited. ICRA expects BORL's parent, BPCL, to remain willing to extend financial support to BORL, should there be a need, given the high strategic importance that BORL holds for BPCL and the strong operational linkages between the two companies.
Consolidation/Standalone	Standalone

### About the company

#### Bharat Oman Refineries Limited

BORL was formed as an equal joint venture between BPCL and Oman Oil Company and was incorporated in 1994. In March 2020, ~Rs. 650 crore worth of warrants were converted to equity and BPCL's share increased to 63.4%. Further, in July 2021, BORL purchased the remaining 36.6% stake for Rs. 2,399.2 crore, acquiring a 100% stake in BORL. Further, on October 21, 2021, BPCL's board of directors have approved the merger of BORL with itself and on July 1, 2022, BORL has been amalgamated into BPCL. BORL commissioned its refinery with a capacity of 6 million tonnes per annum (MMTPA) in June 2011 at Bina, Madhya Pradesh. The capacity of the refinery was expanded to 7.8 MMTPA in October 2018. It has a single point mooring (SPM) system and a crude oil terminal in Vadinar and a 937-km cross-country pipeline from Vadinar, Gujarat to Bina. The facilities at Bina include a 99-MW captive power plant, which supplies steam and power to various processing units. The company has a take-or-pay agreement with BPCL for the offtake of BORL's liquid fuel products.

## Bharat Petroleum Corporation Limited

BPCL is a Government-owned company (52.98% equity stake as on March 31, 2021) with Maharatna status. The company was formed as Bharat Refineries Limited (BRL) in 1976 by the merger of Burmah Shell Oil Storage and Distribution Company of India and Burmah Shell Refineries Ltd. It was renamed as BPCL in 1977. It is the second-largest oil marketing company, with domestic sales volumes of over 42 million metric tonnes (MMT) and the third-largest refining company in India with a total refining capacity of 35.30 MMT. The company operates a 12-MMTPA refinery in Mumbai and a 15.5-MMTPA refinery in Kochi, and now a 7.8 MMTPA refinery at Bina, Madhya Pradesh (following the amalgamation of BORL into BPCL).

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Type	Current rating (FY2023)				Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023		Date & rating in FY2022		Date & rating in FY2021	Date & rating in FY2020
				Mar 13, 2023	Jun 15, 2022	Sep 24, 2021	Jul 13, 2021	Dec 7, 2020 Aug 21, 2020 Jul 1, 2020	Dec 20, 2019
1	NCD	2440.00	2440.0	[[ICRA]AAA (Stable); Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA &	[ICRA]AAA &	[ICRA]AAA&	-
2	Commercial Paper	1700.00	0.0*	[[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

\*The company has not placed any CP as on date  
&: rating watch with developing implications

## Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD-I	Very Simple
NCD-II	Very Simple
Commercial Paper	Very 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 No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE322J08024	NCD	July 13, 2020	5.85%	July 13, 2023	600.00	[ICRA]AAA(Stable); Withdrawn
INE322J08032	NCD	December 16, 2020	5.75%	December 15, 2023	840.00	[ICRA]AAA(Stable); Withdrawn
INE322J08032	NCD	October 26, 2021	6.27%	October 26, 2026	1000.00	[ICRA]AAA(Stable); Withdrawn
NA**	Commercial Paper	NA	NA	7-365 days	1700.00	[ICRA]A1+; Withdrawn

Source: Company

\*\* - Unplaced

**Annexure II: List of entities considered for consolidated analysis: Not Applicable**

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