July 29, 2025

Nayara Energy Limited: Update on Material Event

Summary of rating outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Commercial Paper	200.00	200.00	[ICRA]A1+
Total	**200.00**	**200.00**	

**Instrument details are provided in Annexure I*

Rationale

Material Event

On 18 July 2025, the European Union (EU) announced its eighteenth package of sanctions against Russia. The sanctions include lowering of the price cap on Russian crude oil exports, an import ban on refined petroleum products made from Russian crude oil and coming from any third country (with the exception of Canada, Norway, Switzerland, the United Kingdom and the United States) and several companies/entities including Nayara Energy Limited (NEL).

Impact of material event

ICRA takes note of the recent sanction by the European Union (EU) on NEL. ICRA notes that the total exports of NEL to EU remain minimal. However, ICRA will continue to monitor the developments in this regard and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the key financial indicators, liquidity position and rating sensitivities: Click Here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Refining and Marketing
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of NEL. As on March 31,2025, the company had two subsidiaries that are enlisted in Annexure II

About the company

Nayara Energy Limited (NEL), formerly known as Essar Oil Limited (EOL), was incorporated in 1989. In May 2018, it was renamed Nayara Energy Limited after it was acquired by Russian oil major PJSC Rosneft Oil Company through a subsidiary - Rosneft Singapore Pte Limited (49.13% shareholding in NEL) - and Kesani Enterprises Company Limited (49.13% shareholding in NEL) in August 2017 for an enterprise value of $12.9 billion. Kesani is a subsidiary of investment consortium Tendril Ventures PTE Limited (Tendril), of which Trafigura owned a 49.8% stake until January 11, 2023, when it completed the sale of its interest to Hara Capital S.a.r.l, a Luxembourg-incorporated energy investment group (100% subsidiary of Mareterra Group Holding S.r.l.).

Tendril's other shareholders include Cyprus-based Russian private investment group UCP PE Investments Limited, which owns 49.8% of Tendril, and Oil Holdings Limited (0.3% shareholding).

NEL is involved in oil refining and marketing and is the owner of India's second-largest single-location oil refinery (Vadinar, Gujarat) with a capacity of 20 MMTPA (equivalent to ~405,000 barrels per day). This refinery benefits from access to a deepdraft port capable of receiving VLCC tankers. Nayara is also involved in the retail marketing of motor spirit and highspeed diesel. It has been ramping up its marketing operations with more than 6,600 retail outlets.

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 (Rs. crore)	July 29, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial Paper	Short Term	200.00	[ICRA]A1+	May-27-2025	[ICRA]A1+	May-24-2024	[ICRA]A1+	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
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	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Commercial Paper**	NA	NA	NA	200.00	[ICRA]A1+

Source: Company; yet to be placed as of July 2025

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Nayara Energy Limited	100.00% (rated entity)	Full consolidation
Nayara Energy Singapore Pte Limited	100.00%	Full consolidation
Coviva Energy Terminals Limited	100.00%	Full consolidation

Source: NEL annual report

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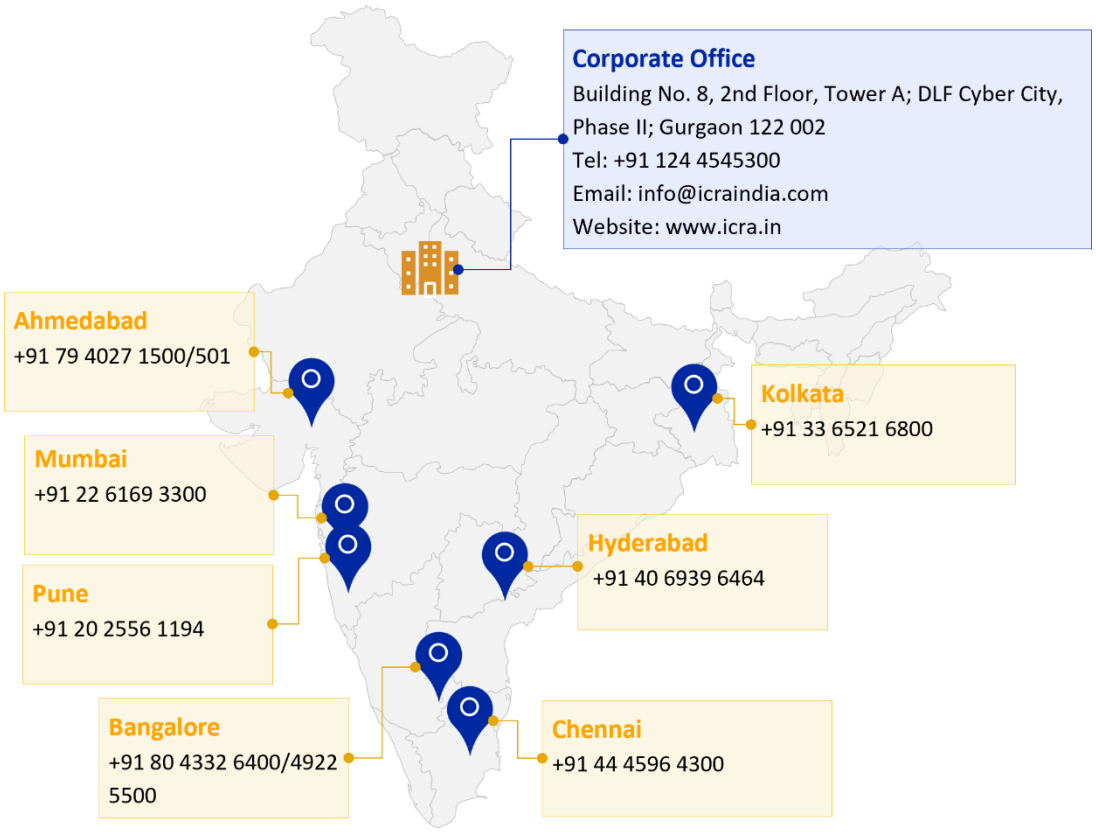

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