

Oil India Limited

October 15, 2018

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term fund based	200.00	200.00	[ICRA]AAA (Stable); ISSUER NOT COOPERATING*; Withdrawn
Short term non-fund based	2102.03	2102.03	[ICRA]A1+; ISSUER NOT COOPERATING*; Withdrawn
Total	2302.03	2302.03	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn its long-term and short-term rating of [ICRA]AAA(Stable)/[ICRA]A1+ (ISSUER NOT COOPERATING) (pronounced ICRA triple A with Stable outlook and ICRA A one plus/ ISSUER NOT CO-OPERATING) for the Rs. 2302.03-crore¹ bank limits of Oil India Limited (OIL)². The ratings have been withdrawn in accordance with ICRA's policy on withdrawal and suspension.

Rationale

The ratings assigned to the bank facilities of OIL have been withdrawn at the request of the company and based on the no objection certificate provided by the lenders.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

About the company:

OIL is a GoI undertaking that is engaged primarily in the businesses of oil and natural gas exploration and production. Established in 1889 as Burma Oil Company, it was one of the earliest E&P companies in the world. GoI acquired 50% of the shareholding in Burma Oil Company in 1959 and the balance in 1981. GoI currently holds a 66.13% stake in OIL. PSU Oil Marketing Companies (IOCL, BPCL and HPCL) also hold 9.4% stake in OIL. The company accounted for 9% of the domestic crude oil and 9% of the domestic natural gas production in FY2018. With its track record of over one century, OIL has built modest proved reserves, primarily in the onshore regions of Assam, Arunachal Pradesh and Rajasthan. Besides having independent operations in its three producing basins, OIL has participating interests in 39 blocks and is the operator in 33 of these blocks. OIL also has an overseas presence with stakes in blocks spread over the US, Venezuela, Russia, Mozambique, Libya, Gabon, Yemen, Nigeria, Bangladesh and Myanmar and a pipeline project in

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

Sudan. Further, the company has a 26% equity stake in Numaligarh Refinery Limited (NRL), a stand-alone refinery in the North-East and 10% stake in Brahmaputra Cracker and Polymer Limited (BCPL). Besides, OIL has interests in crude oil and product pipelines spreading in primarily north eastern region of the country.

During FY2018, OIL reported an operating income of Rs. 10697.8 crore and a net profit of Rs. 2734.6 crore (against operating income of Rs. 9567.4 crore and a net profit of Rs. 1596.6 crore during FY2017).

Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	9567.4	10697.8
PAT (Rs. crore)	1596.6	2734.6
OPBDIT/OI (%)	32.9%	37.2%
RoCE (%)	5.8%	8.1%
Total Debt/TNW (times)	0.5	0.4
Total Debt/OPBDIT (times)	4.5	3.1
Interest coverage (times)	7.2	7.2

Source: ICRA estimates; OI: Operating Income; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net-Worth + Deferred Tax Liability - Capital Work in Progress)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2019)			Chronology of Rating History for the past 3 years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
				October 2018	July 2017	July 2016	January 2015
Fund based	Long Term	200.00	-	[ICRA]AAA (Stable) ISSUER NOT COOPERATING; withdrawn	[ICRA]AAA (Stable); ISSUER NOT COOPERATING	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
Non fund based	Short Term	2102.03	-	[ICRA]A1+ ISSUER NOT COOPERATING; withdrawn	[ICRA]A1+; ISSUER NOT COOPERATING	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Long Term- fund based	-	-	-	200.00	[ICRA]AAA(Stable); ISSUER NOT COOPERATING; withdrawn
-	Short term- non-fund based	-	-	-	2102.03	[ICRA]A1+ ISSUER NOT COOPERATING; withdrawn

Source: OIL

ANALYST CONTACTS

K Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Prashant Vasisht

+91 124 4545 322

prashant.vasisht@icraindia.com

RELATIONSHIP CONTACT

L Shivkumar

+91 22 6169 3300

shivkumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 6606 9999

© Copyright, 2018 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents