



About Nayara Energy (Formerly Essar Oil) Limited Unlisted Shares

History of Essar Oil

Essar Oil was part of the Mumbai-based Essar Group before it was acquired by Russian company Rosneft. Essar Oil owns private gas stations and operates the second largest refinery in the Indian state of Gujarat, a 1000MW power plant, and the Vadinar port and oil terminal. In October 2016, Russian state oil company Rosneft, together with Russian investment fund United Capital Partners, acquired a 49% stake in Essar Oil for \$12.9 billion. Other investors include Trafigura and UCP Investment Group. In May 2018, the company changed its name to "Nayara", a combination of "Naya" (new) and "era" (era). Following Rosneft's acquisition of 49.13% of the shares, followed by Trafigura and UCP Investment Group acquiring 49.13% each, Essar Oil's new owners want to expand its network of gas stations in India from the current 3,500 to 6,000.

Delisting of Essar Oil

Essar Oil was delisted in 2015-16 and the final delisting price of Essar Oil was determined through a reverse bookbuilding process at *262.80. To complete the process, Essar Oil paid Rs 3,745 crore to shareholders who tendered their shares. The company received a bridge loan of \$330 million from Russia's VTB Bank to fund the payment.

About Nayara Energy (formerly Essar Oil)

Nayara Energy (formerly Essar Oil) is an integrated downstream oil company with global scale, spanning the entire hydrocarbon value chain from refining to production and marketing across all segments, including retail. In 2016, Essar Oil was acquired by an investment consortium led by Rosneft, the world's largest publicly traded oil and gas company by liquid hydrocarbon production and reserves, and global commodity trading company Trafigura and UCP Investment Group. Essar Oil has now been renamed Nayara Energy.

Post-acquisition milestones:

1. After the new management was installed, the company was able to raise INR 240 billion (approximately USD 355 million) through a warrant bond issuance in 2018.
2. Local credit rating¹ upgraded by three notches to "AA"
3. Refinancing INR debt to optimise capital structure.

Retail Business Developments FY19-20

1. The retail sector continued to perform well in FY20. Volume growth YoY was 18% compared to the overall industry growth of 1% YoY.
2. 574 new gas stations were added this year. Nayara Energy opened 574 new gas stations in the previous fiscal and had 5,702 gas stations as at the end of FY20, with a pan-India presence.

Supply and Distribution

1. The Company continues to focus on improving its domestic supply infrastructure and has leased coastal terminals in Mangalore and Ennore to ensure supply to Karnataka and Tamil Nadu.
2. Moreover, to improve the availability of local products in Madhya Pradesh and Uttar Pradesh, supplies have been started from food courts in Bina and Kanpur respectively.
3. The company's rail-based warehouse at Wardha, which became operational in 2019, uniquely caters to the product requirements of Nayara Energy's retail outlets as well as other oil companies in and around the Vidarbha region of Maharashtra. The company is completing another rail-based smart automated depot at Pali, which is expected to be completed by 2021.
4. Nayara Energy fully converted its facilities to BSVI class in January 2020, ahead of the mandatory guidelines.

Corporate Business

1. Petcoke sales increased due to proper channel expansion in priority markets. The company has also opened new supply areas for Petcoke in Odisha and Nepal.
2. The company recorded its highest-ever sulfur sales in the year since the refinery opened and has re-entered the bitumen business it withdrew from last year.

Financial performance for the year 2019-20

1. Operating profit for the year ended 31 March 2020 was ₹1,006,410,000, which increased compared to operating profit of ₹1,003,130,000 for the year ended 31 March 2019.
2. Total refining margin at current prices (CP GRM) decreased to US\$5.88/bbl for the year 2019-20 compared to US\$6.97/bbl for the year 2018-19.
3. Total liabilities have reduced to ₹10,757 crore from ₹17,566 crore in FY19.
4. D/E is 0.55 times.
5. Accounts receivable also reduced to ₹12,700 crore from ₹3,689 crore. This enabled Nayara Energy to achieve an operating cash flow of 12,612 million.

Fundamentals

Fundamentals			
Nayara Energy	1020 Per Equity Share	Market Cap (in cr.)	152783
Unlisted Shares Price		P/E Ratio	12.4
Lot Size	1000 Shares	P/B Ratio	3.51
52 Week High	1025	Debt to Equity	0.27
52 Week Low	325	ROE (%)	28.33
Depository	NSDL/CDSL	Book Value	291.84
PAN Number	AAACE0890P	Face Value	10
ISIN Number	INE011A01019		
CIN Number	U11100GJ1989PLC032116		
RTA	N/A		

Financials (Figures in cr)

P&L Statement			
P&L Statement	2022	2023	2024
Revenue	119690.2	138112	155091
Cost of Material Consumed	70423.5	91387	107085
Gross Margins	41.16	33.83	30.95
Change in Inventory	-3150.7	1901	-318
Employee Benefit Expenses	761	835	1044
Other Expenses	46969.3	26431	27550
EBITDA	4687.1	17558	19730
OPM	3.92	12.71	12.72
Other Income	314.6	754	939
Finance Cost	1839.6	2377	2242
D&A	1941.1	3401	1998
EBIT	2746	14157	17732
EBIT Margins	2.29	10.25	11.43
PBT	1221	12534	16430
POT Margins	1.02	9.08	10.59
Tax	300	3108	4109
PAT	921	9426	12321
NPM	0.77	6.82	7.94
EPS	61.1	62.54	81.75
Financial Ratios	2022	2023	2024
Operating Profit Margin	3.92	12.71	12.72
Net Profit Margin	0.77	6.82	7.94
Earning Per Share (Diluted)	61.1	62.54	81.75

Balance Sheet			
Assets	2022	2023	2024
Fixed Assets	41856.2	42441	40987
CWIP	2271.1	4055	5421
Investments	0	1780	375
Trade Receivables	5086.6	5265	7320
Inventory	12344.1	9595	10393
Other Assets	19787.4	21705	23253
Total Assets	81345.4	84841	87749
Liabilities	2022	2023	2024
Share Capital	1507.2	1507.2	1507.2
FV	10	10	10
Reserves	20134.5	29026	41984
Borrowings	13697.3	12043	11785
Trade Payables	16292.1	14587	11786
Other Liabilities	29714.3	27677.8	20686.8
Total Liabilities	81345.4	84841	87749

Cash-Flow Statement			
Cash- Flow Statement	2022	2023	2024
PBT	1221	2353	16430
OPBWC	4981	8699	20081
Change in Receivables	-2957	-255	-2178
Change in Inventories	-2999.3	2749	-798
Change in Payables	2059.8	2332	-9373
Other Changes	0	0	0
Working Capital Change	-3896.5	162	-12349
Cash Generated From Operations	1084.5	18861	7732
Tax	268.1	-842	-4277
Cash Flow From Operations	1352.6	18019	3455
Purchase of PPE	-1688.4	-3788	-1863
Sale of PPE	2.6	14	1.6
Cash Flow From Investment	-1903.4	-4904	-6383
Borrowing	546.3	-2089	-357
Divided	0	0	0
Equity	0	0	0
Others From Financing	-2016.9	-5119	-2198
Cash Flow from Financing	-1470.6	-7208	-2555
Net Cash Generated	-2021.4	5907	-5483
Cash at the Start	3320.5	1307	7206
Cash at the End	1299.1	7214	1723