

NAYARA ENERGY ACHIEVES FINANCIAL CLOSURE OF INR 4,016 CRORE FOR ITS FORAY INTO PETROCHEMICALS

- Marks one of the largest project finance deals in recent times
- To set-up a 450 Kilo Tonne Per Annum polypropylene plant at its Vadinar refinery in Gujarat

Mumbai, 26 August 2021: Nayara Energy, a downstream energy company of international scale today announced that it has achieved financial closure for phase one of its expansion plans into petrochemicals. The company signed a financial agreement with a consortium of banks led by State Bank of India for a project term loan of INR 4,016 crore. The company proposes to use the funds to set-up a 450 KTPA polypropylene plant at its Vadinar refinery in Gujarat. The company is already in possession of required land and does not need to acquire fresh parcels for the upcoming project.

In 2019, Nayara Energy had first announced its plans to expand into petrochemicals at the Vibrant Gujarat Summit. The loan facility carries a tenor of over 15 years and is amongst the largest private sector project finance deals in recent times. The Project is proposed to be funded with a mix of debt and equity.

Dr. Alois Virag, Chief Executive Officer, Nayara Energy said, “The financial closure brings to fruition our growth plans to become one of the largest integrated energy and petrochemicals complexes in the country. The demand for polypropylene is expected to grow at around 10% per cent per annum. The construction of the first phase of the petrochemicals project is expected to be completed in 2023. With this foray into petrochemicals, we are committed to make India a world-class petrochemicals hub.”

“The buoyant response from financial institutions despite tepid market conditions is a vindication of the trust and confidence in the company, its strong parentage and leadership. The project will provide a boost to the profitability of the Company and improve Nayara Energy’s overall financial performance over the next few years in line with the asset development strategy adopted by the shareholders,” **Anup Vikal, Chief Financial Officer, Nayara Energy** added.

** About Nayara Energy

Nayara Energy is a downstream energy and petrochemicals company of international scale with strong presence across the hydrocarbon value chain from refining to retail. In August 2017, the company was acquired by international investors, Rosneft and an investment consortium comprising of global commodity trading firm, Trafigura and UCP Investment Group. The company owns and operates India’s second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The refinery is one of the world’s most modern and complex refineries with a complexity of 11.8, which is amongst the highest globally. Nayara Energy’s fuel retail network consists of 6000+ outlets across India and is the fastest growing private retailer in the energy sector. More information about Nayara Energy is available at www.nayaraenergy.com

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