

March 26, 2026

Petronet LNG Limited: Update on the entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	-	[ICRA]AAA(Stable); outstanding
Long term – Fund based - Cash credit	2,800.00	2,901.00	[ICRA]AAA(Stable); outstanding
Long term/Short term – Fund based/Non-fund based - Others	409.41	1,147.41	[ICRA]AAA(Stable) /[ICRA]A1+; outstanding
Short-term - Non-fund based - Others	11,790.59	10,951.59	[ICRA]A1+ ; outstanding
Total	15,000.00	15,000.00	

*Instrument details are provided in Annexure-I

Rationale

After the breakout of the US-Iran conflict on February 28, 2026, LNG supplies from Qatar/UAE to India have been disrupted. Petronet LNG Limited (PLL/the company) has a liquefied natural gas (LNG) supply contract with QatarEnergy Limited with annual supplies of 7.5 MMTPA destined for the Dahej terminal. As QatarEnergy had called a force majeure on production from its Ras Laffan field, PLL has in turn invoked a force majeure on its downstream supplies.

Given India's significant dependence on the West Asian nations to meet its LNG demand, ICRA expects LNG import volumes to remain impacted in the near term. Qatar and the United Arab Emirates (UAE) contribute ~55% to the LNG supplies for India and currently these supplies remain unavailable. While steps have been undertaken to ramp up the import of spot LNG, it is not expected to make up fully for the loss of LNG supplies from West Asia. Thus, the LNG volumes under service contracts may also contract. Hence, in the near term, ICRA expects PLL's profitability to moderate to some extent, depending on how long the tensions continue in West Asia, and the time taken to restore LNG supplies from the West Asian countries and/or for the alternative supplies to ramp up to make up for the shortfall created by the ongoing conflict.

ICRA continues to take comfort from the robust financial risk profile and liquidity position of the company. At present, Petronet LNG does not have any long-term debt on its books, though in FY2027, the company is expected to avail term debt to meet the funding requirement for the ongoing propane dehydrogenation/poly-propylene (PDH/PP) plant. As a result, ICRA expects the liquidity position of the company to remain robust. Further, the near-term debt repayments will remain nil on the back of the healthy moratorium on the debt to be availed. Thus, PLL's credit profile has significant cushion to weather the impact of the ongoing West Asia crisis for the near term.

ICRA, however, will continue to monitor the developments on this front and will take necessary actions after assessing the impact on the credit profile, particularly in case the West Asia conflict prolongs.

A detailed rating rationale, highlighting the key rating drivers and their description, liquidity position and rating sensitivities can be found here: [Link to previous rating rationale.](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not applicable
Consolidation/standalone	The ratings are based on the consolidated financial statements of PLL

About the company

PLL is promoted by four PSU oil & gas companies viz. ONGC, GAIL, IOC and BPCL with each of them having a 12.50% equity stake, with the rest being held by institutional investors and the general public. PLL had commissioned a 5-MMTPA LNG regasification plant at Dahej, Gujarat, in April 2004. The capacity was expanded in phases and currently stands at 17.5 MMTPA and will be increased to 22.5 MMTPA. The operations of the company are governed by the provisions of a series of agreements, such as a supply purchase agreement (SPA) with QatarEnergy, a time charter agreement (TCA) with Mitsui OSK consortium, a portoperations service agreement (POSA), gas sales and purchase agreements (GSPA) with the offtakers and a payment security mechanism.

PLL sources LNG from QatarEnergy, Qatar under a 25-year SPA under a 25-year SPA valid till 2028 and renewed the existing SPA with QatarEnergy for another 20 years, extending the term from 2028 to 2048. For transporting LNG to its plant, PLL has entered into a TCA with Mitsui consortium, which has deployed three dedicated LNG ships for the company. The 7.5-MMTPA long-term committed R-LNG from the Dahej plant is sold to GAIL, IOCL & BPCL in the ratio 60:30:10, through the GSPA. The terms and conditions of the GSPA are materially co-terminus with that of the SPA. A GSPA of 1.425 MMTPA (as amended from time to time) was entered in 2010 with BPCL, IOCL and GAIL, in the ratio of 40:30:30, respectively, valid till 2035. The company also has agreement with ONGC Limited for extracting higher hydrocarbons from imported LNG which is replenished through LNG sourced on long-term/short-term/spot basis and is valid till 2028. This contract is for a volume of up to 0.973 MMTPA. Additionally, the company had tied up a "use or pay" tolling agreement for 8.25 MMTPA with GAIL (India) Ltd. (GAIL), Indian Oil Corporation Ltd. (IOC), Bharat Petroleum Corporation Ltd. (BPCL) and Gujarat State Petroleum Corporation (GSPC) and Torrent Power. The offtakers have take or pay liabilities to PLL and the latter has supply or pay liabilities to the offtakers.

PLL commissioned a 5-MMTPA greenfield regasification terminal at Kochi in September 2013. The company has SPA of 1.425 MMTPA with Exxon Mobil for its Kochi terminal and has GSPA with offtakers for the same quantity on a materially back-to-back basis. Besides, the company expanded the capacity of its Dahej terminal from 15 MMTPA to 17.5 MMTPA (Dahej Phase IIIB1 project), which was commissioned in June 2019.

Key financial indicators (audited)

Petronet LNG Limited (Consolidated)	FY2024	FY2025	9MFY2026
Operating income	52,728	50,980	34,053
PAT	3,536	3,926	2,505
OPBDITA/OI	10.00%	11.40%	11.50%
PAT/OI	6.70%	8%	7%
Total outside liabilities/tangible net worth (times)	0.5	0.4	
Total debt/OPBDITA (times)	0.6	0.5	
Interest coverage (times)	18.1	22.6	22.4

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 26, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	2901.00	[ICRA]AAA(Stable)	May 14, 2024	[ICRA]AAA (Stable)	-	-	March 17, 2023	[ICRA]AAA (Stable)
				March 17, 2025	[ICRA]AAA (Stable)	-	-	-	-
Non-fund based - Others	Short term	10951.59	[ICRA]A1+	May 14, 2024	[ICRA]A1+	-	-	March 17, 2023	[ICRA]A1+
				March 17, 2025	[ICRA]A1+	-	-	-	-
Fund based/Non-fund based - Others	Long term/Short term	1147.41	[ICRA]AAA(Stable) / [ICRA]A1+	May 14, 2024	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	March 17, 2023	[ICRA]AAA (Stable)/[ICRA]A1+
				March 17, 2025	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	-	-
Issuer rating	Long term	-	[ICRA]AAA(Stable)	May 14, 2024	[ICRA]AAA (Stable)	-	-	March 17, 2023	[ICRA]AAA (Stable)
				March 17, 2025	[ICRA]AAA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	NA
Long term – Fund based - Cash credit	Simple
Long term/Short term – Fund based/Non-fund based - Others	Simple
Short term - Non-fund based - Others	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	Long-term limits- Fund based limits – Cash credit	NA	NA	NA	2901.00	[ICRA]AAA (Stable)
NA	Short-term limits- Non-fund based – Others	NA	NA	NA	10,951.59	[ICRA]A1+
NA	Long term/Short term limits fund based/Non-fund-based limits - Others	NA	NA	NA	1,147.41	[ICRA]AAA (Stable)/ [ICRA]A1+
NA	Issuer rating	NA	NA	NA	-	[ICRA]AAA (Stable)

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Petronet LNG Foundation	100.00%	Full consolidation
Petronet Energy Limited	100.00%	Full consolidation
Petronet LNG Singapore Pte. Ltd.	100.00%	Full consolidation
Adani Petronet (Dahej) Port Limited	26.00%	Equity method
India LNG Transport Company (No. 4) Private Limited	26.00%	Equity method

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3406
girishkumar@icraindia.com

Prashant Vasisht
+91 124 4545 322
prashant.vasisht@icraindia.com

Varun Gogia1
+91 124 4545 823
varun.gogia1@icraindia.com

Sahaj Gugliani
+91 124 4545 814
sahaj.gugliani@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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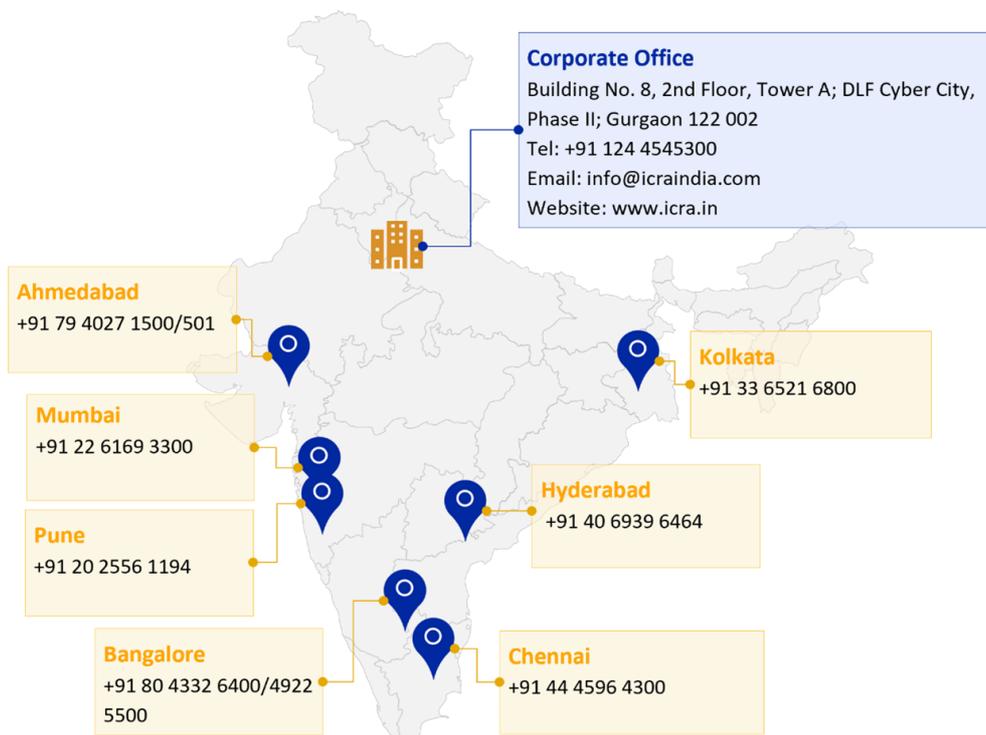


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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