

March 30, 2026

## .Haryana City Gas Distribution (Bhiwadi) Limited: Placed on Rating Watch with Negative Implications

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based - Cash credit	6.50	6.50	[ICRA]BBB+; Placed on Rating Watch with Negative Implications
Long term - Fund based - Term loan	33.97	33.97	[ICRA]BBB+; Placed on Rating Watch with Negative Implications
Long term/Short term - Fund based - Others	0.89	0.89	[ICRA]BBB+; Placed on Rating Watch with Negative Implications / [ICRA]A2; Placed on Rating Watch with Negative Implications
Long term/Short term - Non-fund based - Others	45.00	45.00	[ICRA]BBB+; Placed on Rating Watch with Negative Implications / [ICRA]A2; Placed on Rating Watch with Negative Implications
<b>Total</b>	<b>86.36</b>	<b>86.36</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings assigned to the bank lines of Haryana City Gas Distribution (Bhiwadi) Limited (HCGDBL/the company) have been put on rating watch with negative implications because of the disruption in the availability of imported liquefied natural gas (LNG) amid the ongoing conflict in West Asia. After the declaration of a force majeure by QatarEnergy, which supplies ~20% of the global LNG and accounts for ~50% of India's LNG imports, the availability of LNG in the global markets has been constrained. In response to the same, the Government of India (GoI) notified the Natural Gas (Supply Regulation) Order (NGS order), 2026 on March 9, 2026, under the Essential Commodities Act, 1955.

As per the NGS order, gas will be made available for city gas distribution (CGD) companies for the compressed natural gas (CNG) and piped natural gas-domestic (PNG-D) segments to the extent of 100% of their consumption. Under the same order, for piped natural gas-industrial (PNG-I) and piped natural gas-commercial (PNG-C), 80% of the average consumption during the last six months will be made available. PNG-I customers comprise 80-82% (YTD FY2026) of HCGDBL's supply portfolio, which was being serviced through imported LNG. Hence, the volumes available with HCGDBL for supply to its PNG-I customers are expected to moderate.

Additionally, as per the NGS order, the procurement price of LNG under the pooling mechanism is expected to be higher than the LNG prices in recent months, given the sharp rise in international LNG prices. Hence, the company may have to absorb some part of the increased costs, thereby impacting the margins on per unit of gas sales. The availability of natural gas for the CNG and the PNG-D segments is expected to remain adequate as it has been given the highest priority in the NGS order. Thus, until the disruptions in the global LNG markets ease, the gas availability for HCGDBL is expected to remain constrained, thereby impacting its profitability and credit metrics.

Thus, ICRA will continue to monitor the company's natural gas availability, its pricing and its impact on the credit profile of HCGDBL. ICRA expects the competition from the alternative fuels to remain limited over the next couple of months as the availability of the alternative fuels such as LPG, propane etc. also remains weak for the industrial users as the GoI focuses on meeting the domestic demand, with imported supply of LPG disrupted.

As on March 11, 2026, HCGDBL was supplying ~0.28 mmscmd to its customers and these volumes are expected to moderate over the next couple of days

ashave moderated inline with the gas availability under the NGS order takes effect. The company's liquidity remains adequate with ~Rs. 30 crores of free cash and liquid investment as on March 11, 2026, and scheduled debt repayment of ~Rs. 2.5 crore

over the course of next one quarter.

The ratings continue to factor in HCGDBL's network exclusivity as the city gas distributor in Bhiwadi for a period of 15 years (expiring in 2033). Moreover, the Bhiwadi geographical area (GA) comprises a high proportion of industrial users and there has been a consistent increase in gas consumption, even as competition exists from alternative fuels.

However, the ratings remain constrained by the company's exposure to regulatory risks associated with CGDs. While HCGDBL has not been able to meet its minimum works programme (MWP) for domestic household connections, the MWP has been met for CNG stations and pipeline, as specified by the Petroleum and Natural Gas Regulatory Board (PNGRB). Any adverse impact of the trend on the company's performance or any adverse step taken by the PNGRB remains to be seen.

ICRA also notes that the Group is expanding into a new GA (Puducherry) through a separate entity and any sizeable outflow from HCGDBL to group concerns in the form of ICDs will be a key monitorable.

The ratings are also constrained by high customer concentration with the top 5 customers comprising ~33% of the gross sales. The ratings also factor in the competition from alternative fuels which impact the consumption of PNG in an adverse price scenario.

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	<a href="#">City Gas Distribution</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

## About the company

HCGD was established in the year 2008 by Mr. Satish Chopra to bid for the license for distribution of natural gas distribution for domestic, commercial, industrial and transport sector of Bhiwadi State of Rajasthan. On August 1, 2018, Petroleum and Natural Gas Regulatory Board (PNGRB) has issued grant of authorization for CGD network development to lay, build, operate and expand the CGD network for Bhiwadi Geographical Area (GA). According to management the company has received no objection certificate from the Rajasthan government in 2009 for supplying Piped Natural Gas (PNG) and Compressed Natural Gas (CNG) to consumers in Bhiwadi area. However, the grant authorization has been received in 2018 from PNRB. After receiving the authorisation, the company has submitted a performance bond of Rs 4.0 crore to PNRB. Further, the company has signed an agreement for supply of gas from GAIL.

## Key financial indicators (audited)

	FY2024	FY2025	9M FY2026
Operating income	359.4	404.3	352.5
PAT	30.6	30.1	31.4
OPBDITA/OI	15.40%	13.50%	14.40%
PAT/OI	8.50%	7.50%	8.90%
Total outside liabilities/tangible net worth (times)	1.3	0.7	0.6
Total debt/OPBDITA (times)	1.1	0.5	0.4
Interest coverage (times)	8.6	10.5	23.7

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

	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 30, 2026	Date	Rating	FY2025		FY2024	FY2023		
						Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	33.97	[ICRA]BBB+; Rating Watch with Negative Implications	August 27, 2025	[ICRA]BBB+ (Stable)	September 17, 2024	[ICRA]BBB (Stable)	Jul 03, 2023	[ICRA]BBB- (Stable)	Jul 19, 2022	[ICRA]BB+ (Stable)
								Oct 03, 2023	[ICRA]BBB- (Stable)		
Cash credit	Long term	6.50	[ICRA]BBB+; Rating Watch with Negative Implications	August 27, 2025	[ICRA]BBB+ (Stable)	September 17, 2024	[ICRA]BBB (Stable)	Jul 03, 2023	[ICRA]BBB- (Stable)	Jul 19, 2022	[ICRA]BB+ (Stable)
								Oct 03, 2023	[ICRA]BBB- (Stable)		
Non-fund based facilities	Long term/ Short Term	45.00	[ICRA]BBB+; Rating Watch with Negative Implications / [ICRA]A2; Rating Watch with Negative Implications	August 27, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	September 17, 2024	[ICRA]BBB (Stable)/[ICRA]A3+	Jul 03, 2023	[ICRA]BBB- (Stable)/ [ICRA] A3	-	-
								Oct 03, 2023	[ICRA]BBB- (Stable)/ [ICRA] A3		
Unallocated	Long term	-	-		-			Jul 03, 2023	[ICRA]BBB- (Stable)	-	-
Fund based facilities	Long term/ Short Term	0.89	[ICRA]BBB+; Rating Watch with Negative Implications / [ICRA]A2; Rating Watch with Negative Implications	August 27, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	September 17, 2024	[ICRA]BBB (Stable)/[ICRA]A3+	Oct 03, 2023	[ICRA]BBB- (Stable)/ [ICRA]A3	-	-
Non fund based - Bank guarantee	Long term	-						-	-	Jul 19, 2022	[ICRA]BB+ (Stable)

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Long-term/Short-term - Fund-based - Others	Simple
Long-term/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 - Fund-based - Term loan	2018-2023	9-10%	2025-2028	33.97	[ICRA]BBB+ Rating Watch with Negative Implications
NA	Long-term - Fund-based - Cash credit	NA	NA	NA	6.50	[ICRA]BBB+ Rating Watch with Negative Implications
NA	Long-term/Short-term - Non-fund based - Others	NA	NA	NA	45.00	[ICRA]BBB+; Rating Watch with Negative Implications / [ICRA]A2 Rating Watch with Negative Implications
NA	Long-term/Short-term - Fund-based - Others	NA	NA	NA	0.89	[ICRA]BBB+; Rating Watch with Negative Implications / [ICRA]A2 Rating Watch with Negative Implications

Source: Company

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

### Annexure II: List of entities considered for consolidated analysis- Not Applicable

## ANALYST CONTACTS

**Girishkumar Kashiram Kadam**  
+91 22 6114 3406  
[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Prashant Vasisht**  
+91 124 4545 322  
[prashant.vasisht@icraindia.com](mailto:prashant.vasisht@icraindia.com)

**Varun Gogia1**  
+91 124 4545 823  
[varun.gogia1@icraindia.com](mailto:varun.gogia1@icraindia.com)

**Sahaj Gugliani**  
+91 124 4545 814  
[sahaj.gugliani@icraindia.com](mailto:sahaj.gugliani@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited

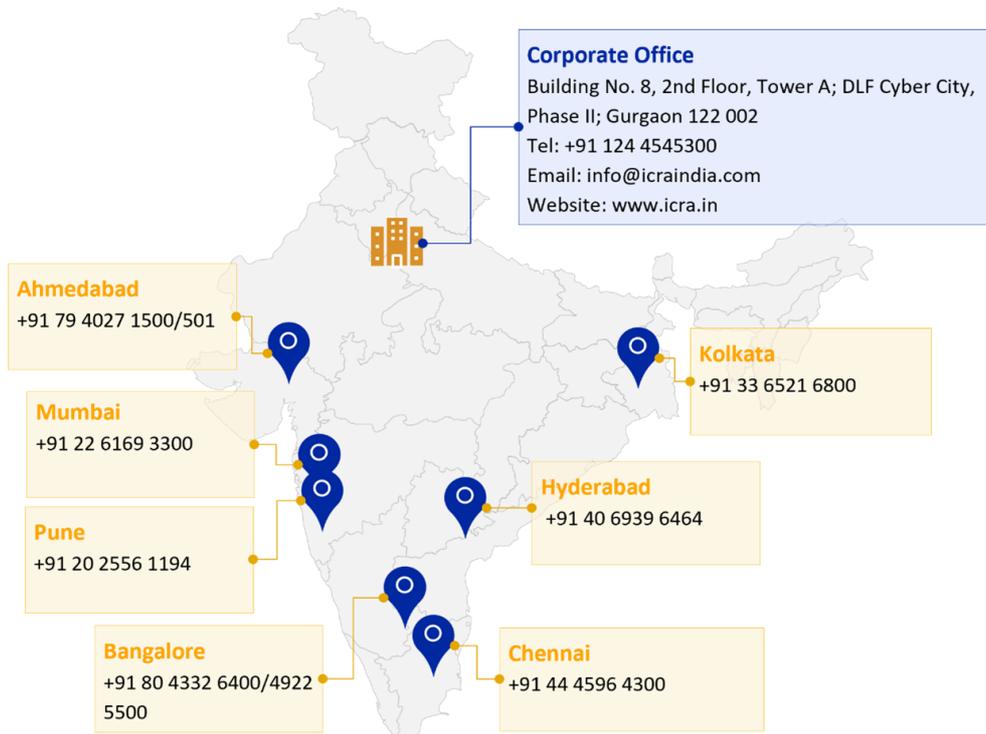


### Registered Office

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



### Branches



© Copyright, 2026 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](http://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.