

April 09, 2026

## Pipeline Infrastructure Limited: Rating reaffirmed

### Summary of rating action

| Instrument*                                             | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action         |
|---------------------------------------------------------|--------------------------------------|-------------------------------------|-----------------------|
| Short term – Non-fund based -<br>Standby line of credit | 400.00                               | 400.00                              | [ICRA]A1+; reaffirmed |
| <b>Total</b>                                            | <b>400.00</b>                        | <b>400.00</b>                       |                       |

\*Instrument details are provided in Annexure I

### Rationale

The reaffirmation of the rating for the bank facilities of Pipeline Infrastructure Limited (PIL) continues to factor in the strong business linkages between PIL and Reliance Industries Limited {RIL; rated [ICRA]AAA (Stable)/[ICRA]A1+} in the form of a 20-year pipeline usage agreement (PUA), which ensures contracted capacity payments (CCPs). The PUA guarantees a specified revenue for the pipeline, ensuring a steady and assured cash flow stream visibility for PIL and a comfortable and assured DSCR. This arrangement also shields PIL from revenue fluctuations that may arise due to changes in gas volume or tariff variations. PIL owns and operates a cross-country 1,480-km pipeline, extending from Kakinada (Andhra Pradesh) to Bharuch (Gujarat), and is the sole pipeline which connects the gas-producing eastern coast to the western coast of India.

The rating also factors in the parentage of Energy Infrastructure Trust (EIT), which is an infrastructure trust promoted by Brookfield Corporation. The rating favourably factors in PIL's strategic positioning within India's gas transportation landscape.

The rating further takes into account PIL's gas transportation agreements (GTAs) with reputed clients across various industries. ICRA notes that there has been a steady improvement in the volumes transported by PIL to 34.45 mmscmd in FY2025 from 33.11 mmscmd in FY2024; the volumes are expected to be on similar lines, going forward. Further, the revenues and cash flows are supported by the pipeline being used by the other operators for parking natural gas.

While the PUA ensures CCPs from RIL in case of a shortfall in volumes, there also exists an upside-sharing mechanism after covering for all the costs, debt servicing requirements and capex commitments. ICRA expects the loan-to-value (LTV) of the consolidated InvIT to witness a steady increase from the current levels because of the upside-sharing mechanism, though the LTV is expected to remain comfortable and within regulatory norms. ICRA also notes the refinancing risk on the external NCDs at maturity, though this is mitigated by the exceptional financial flexibility that PIL enjoys.

### Key rating drivers and their description

#### Credit strengths

**Strategic location of PIL's pipeline for gas transportation** - PIL, with a length of 1,480 km, is the sole pipeline connecting the eastern coast of India to the western coast. The pipeline is critical for transporting gas from the Krishna-Godavari basin to the customers and ensures the availability of natural gas to the markets in east and west India and to consumers along the route. PIL has connectivity with the pipelines of other operators such as GAIL and GSPL, which provides delivery of gas to other parts of India. Being the only major pipeline at the KG basin where a large amount of gas is produced, PIL is of significant importance for companies sourcing gas.

**PUA with RIL assures steady cash flow; GTAs with reputed clients** - PIL and RIL have signed a PUA, enabling RIL to reserve transportation, storage or other capacities in the pipeline, for 20 years, starting March 22, 2019. As per the PUA, during the contract tenure, RIL has agreed to pay the CCPs determined for four blocks of five years each towards the annual contracted capacity, irrespective of whether it uses the assigned capacity of the pipeline. The CCPs have been arrived at by taking into cognisance the operational expenses, capex and the debt servicing requirements of PIL.

**Cash flow assurance amid regulatory nature of business** - The transportation of gas through pipeline is regulated by the Petroleum and Natural Gas Regulatory Board (PNGRB), which has floated rules determining the tariffs for the transportation of natural gas. The PNGRB reviews the eligible tariffs at five-year intervals and the revised tariff is applied prospectively. As per the latest revision notified by the PNGRB, the unified tariff regime for the National Gas Grid continues to be applicable, with significant rationalisation. The earlier three distance-based tariff zones (0–300 km, 300–1,200 km and beyond 1,200 km), introduced w.e.f. April 01, 2023, have now been consolidated into two unified zones, namely up to 300 km and beyond 300 km, in line with the 'One Nation, One Grid, One Tariff' framework. Any variation between the revenue based on entity-wise eligible tariffs and the applicable unified tariff continues to be settled through a deficit or surplus adjustment mechanism as approved by PNGRB. Based on the approved unified tariff for the current period, the blended transportation tariff for PIL works out to approximately Rs. 78 per MMBTU.

**Comfortable financial risk profile** - According to the PUA, net CCPs are received in the first week of the quarter while the coupon payment on the external NCDs is due towards the end of the quarter, thereby providing ample time buffer between the cash flow realisation and debt repayment. This lends additional support to the financial risk profile. Moreover, the cash flows are devised in such a way that the debt repayments can be managed with comfortable DSCR levels.

### Credit challenges

**Refinancing risk** – PIL has refinanced debentures of Rs. 6,452 crore, which will be repaid with bullet payments in March 2027 (Rs. 1,000 crore), March 2028 (Rs. 1,000 crore) and March 2029 (Rs. 4,452 crore). The interest rate on the debenture is 7.96% p.a., which is lower than the earlier NCD rates of 8.9508%. There is no DSRA requirement in the new NCD. Moreover, these NCDs are expected to be largely refinanced at maturity. However, by having a residual PUA tenor of at least 10 years, the refinancing risk remains for the NCDs though the same gets mitigated to some extent owing to a strong and established sponsor.

### Liquidity position: Strong

PIL's strong liquidity position is backed by the assured cash flow under the PUA with RIL, which will ensure timely servicing of the debt obligations. PIL generally maintains free cash and cash equivalents of ~Rs. 500 crore at all times, which renders liquidity support.

### Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – The rating could be revised downwards if there are any significant delays in the receipt of quarterly CCPs from RIL. Further, a weakening of the credit risk profiles of RIL or EIT can trigger a downward rating revision.

### Analytical approach

| Analytical approach             | Comments                                                                                                                                                          |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>                                                                                                               |
| Parent/Group support            | ICRA factors in the parentage of Energy Infrastructure Trust while assigning the rating for PIL. ICRA expects the Trust to support PIL in a situation of distress |
| Consolidation/Standalone        | For arriving at the rating, ICRA has considered the standalone financials of PIL                                                                                  |

## About the company

Incorporated in April 2018, PIL (formerly Pipeline Infrastructure Private Limited) is an SPV, held entirely by India Infrastructure Trust. Earlier, PIL was a wholly-owned subsidiary of Reliance Industries Holding Pvt Ltd (RIHPL), which is a holding arm of Mukesh Ambani and family, the promoters of RIL, in which the pipeline housed under East West Pipeline Limited (EWPL) had been transferred.

In March 2019, Canada-based Brookfield Asset Management's India Infrastructure Trust (an InvIT) acquired RIL's EWPL, connecting the gas-producing eastern coast to the western coast of India, for around Rs, 13,000 crore. The InvIT holds 100% equity interest in PIL, which currently owns and operates the pipeline.

### Key financial indicators (audited)

| Pipeline Infrastructure Limited (consolidated)              | FY2024  | FY2025  | H1FY2026* |
|-------------------------------------------------------------|---------|---------|-----------|
| <b>Operating income</b>                                     | 3,666.4 | 3,892.9 | 1,881.8   |
| <b>PAT</b>                                                  | -239.1  | -799.8  | -250.7    |
| <b>OPBDIT/OI</b>                                            | 60.0%   | 34.3%   | 40.3%     |
| <b>PAT/OI</b>                                               | -6.5%   | -20.5%  | -13.3%    |
| <b>Total outside liabilities/Tangible net worth (times)</b> | 105.1   | -21.0   | -14.8     |
| <b>Total debt/OPBDIT (times)</b>                            | 5.7     | 9.2     | 8.0       |
| <b>Interest coverage (times)</b>                            | 1.9     | 1.2     | 1.5       |

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

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

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

## Rating history for past three years

| Instrument                       | Current rating (FY2027) |                          |                | Chronology of rating history for the past 3 years |           |        |        |              |           |
|----------------------------------|-------------------------|--------------------------|----------------|---------------------------------------------------|-----------|--------|--------|--------------|-----------|
|                                  | FY2027                  |                          |                | FY2026                                            |           | FY2025 |        | FY2024       |           |
|                                  | Type                    | Amount rated (Rs. crore) | April 09, 2026 | Date                                              | Rating    | Date   | Rating | Date         | Rating    |
| <b>Non-fund based facilities</b> | Short term              | 400.00                   | [ICRA]A1+      | Apr 09, 2025                                      | [ICRA]A1+ | -      | -      | Mar 31, 2024 | [ICRA]A1+ |

## Complexity level of the rated instruments

| Instrument                                    | Complexity indicator |
|-----------------------------------------------|----------------------|
| <b>Short term – Non-fund based facilities</b> | 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   | <b>Non-fund based facilities</b> | NA               | NA          | NA       | 400.00                   | [ICRA]A1+                  |

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 Kadam**

+91 22 6114 3441

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Prashant Vasisht**

+91 22 4454 5322

[prashant.vasisht@icraindia.com](mailto:prashant.vasisht@icraindia.com)

**Anubha Rustagi**

+91 22 6169 3345

[anubha.rustagi2@icraindia.com](mailto:anubha.rustagi2@icraindia.com)

**Saurabh Parikh**

+91 22 6169 3300

[saurabh.parikh@icraindia.com](mailto:saurabh.parikh@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.