

April 27, 2026

Petronet LNG Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term Limits – Fund-based limits	2901.00	2901.00	[ICRA]AAA (Stable); Reaffirmed
Short Term Limits – Non-fund Based	10951.59	10951.59	[ICRA]A1+; Reaffirmed
Long Term/Short Term Limits – Fund-based/Non-fund based limits	1147.41	1147.41	[ICRA]AAA (Stable)/[ICRA]A1+; Reaffirmed
Long Term – Fund-based – Term loan	-	12000.00	[ICRA]AAA (Stable); Assigned
Long Term – Interchangeable limits – Non-fund based*	-	(12000.00)	[ICRA]AAA (Stable); Assigned
Long Term – Interchangeable limits – Non-fund based – Others**	-	(180.00)	[ICRA]AAA (Stable); Assigned
Issuer Rating	-	-	[ICRA]AAA (Stable); Reaffirmed
Total	15000.00	27000.00	

* Non-fund based limit is a sublimit of term loan. Instrument details are provided in Annexure II

** Non-fund based limit (credit exposure limit) is a sublimit of term loan

Rationale

The ratings assigned/reaffirmed for the bank lines of Petronet LNG Limited's (PLL) factor in the company's favourable business risk profile, robust contractual structure which addresses critical risks in existing regasification operations and demonstrated track record in running regasification operations profitably. The ratings also consider its superior financial flexibility because of its strong parentage and the absence of external debt on its books at present. Further, the company has a strong liquidity position with cash and investments of more than Rs. 11,326 crores as on April 9, 2026. These factors, coupled with healthy profit generation, translate into robust debt protection metrics.

The ratings also factor in the enhanced visibility of PLL's cash flows, considering the 16.25-MMTPA agreements (on either a 'take-or-pay' or 'use-or-pay' basis) signed with strong counterparties for its Dahej terminal. The utilisation of the Dahej terminal has remained upwards of 90% on an ongoing basis. The capacity utilisation of the Dahej terminal is likely to moderate in FY2027 on account of the 5 MMTPA of liquefied natural gas (LNG) regasification capacity commissioned at Dahej on March 31, 2026 and lower LNG inflows due to the force majeure called by QatarEnergy on its contract with PLL. The capacity utilisation of the Kochi terminal, however, remains low in the range of 20-30%, although it is improving gradually, and it is expected to gradually ramp up going forward (from FY2028 onwards as FY2027 inflows will be impacted by constrained LNG availability and offtake), which will support the cash flow and improve the return indicators but also diversify the cash flow across two assets.

The ratings also factor in the competition to natural gas from alternative fuels like hydrogen and electricity (for electric vehicles); however, these alternative sources are likely to take a very long time to materially impact gas consumption. Further, the company remains exposed to competition from other terminals, which are likely to be commissioned over the near-to-medium term, although PLL's Dahej terminal continues to be one of the most competitive as it has one of the lowest regasification charges and a better infrastructure.

ICRA also notes that the company is incurring sizeable capital expenditure (capex) towards the setting of a propane dehydrogenation (PDH) and polypropylene (PP) plant and setting up a third jetty at Dahej terminal. In addition, it has also

announced setting up of a land-based 5 MMTPA LNG terminal at Gopalpur. Given the sizeable capital outlay over the course of next 3-5 years, PLL is expected to avail term debt for execution of the petrochemical capex and thus the credit metrics would moderate going forward. However, ICRA also anticipates that the company will maintain strong cash balances on its books, thereby on a net debt basis, the credit metrics are likely to remain comfortable.

The Stable outlook on the long-term rating reflects ICRA's opinion that PLL will continue to maintain a steady credit profile supported by competitive regasification rates, use or pay arrangements with the offtakers (excluding the supplies on which PLL has declared a Force Majeure) for the regasification capacity and current steady inflow of LNG which is expected to support the cash generation.

Key rating drivers and their description

Credit strengths

Robust contractual structure addresses critical risks in business – PLL's volumes have been tied up under long-term sales agreements and 'use-or-pay' tolling agreements with strong counterparties for the Dahej plant. The terms and conditions of the sales purchase agreements with the offtakers are coterminous with that of the supply purchase agreements with the R-LNG supplier (QatarEnergy formerly known as RasLaffan Liquefied Natural Gas Co Ltd, Qatar). These agreements pass on the price risks to the offtakers and ensure the offtake of minimum contracted quantities or use of minimum contracted capacity. However, currently the supply contracts from PLL to the counterparties are under a force majeure owing to the West Asia crisis, and ICRA expects the overall regasification volumes for the company to moderate in FY2027, thereby impacting earnings in FY2027.

Favourable medium-term outlook for R-LNG demand – While LNG demand is expected to face near-term headwinds due to constrained availability and elevated prices amid the West Asia crisis, the medium-term demand prospects remain favourable, supported by LNG's role as a key bridge fuel in the country's transition towards clean energy. The LNG demand is anticipated to receive tailwinds from the sizeable global LNG supplies anticipated to come online from CY2026 onwards, resulting in price moderation.

Sale agreements offer healthy revenue visibility – The company has an agreement with QatarEnergy for 7.50 MMTPA gas for its Dahej terminal and with Exxon Mobil for 1.425 MMTPA gas for the Kochi terminal. A force majeure was declared by QatarEnergy on its contract and subsequently PLL also did the same for downstream customers. PLL/offtakers continue to scout for other sourcing opportunities worldwide to replace these supplies. Besides, the company regasifies LNG procured through medium-term contracts and spot cargoes for direct sales to customers. At present, 16.25-MMTPA capacity has been tied up under long-term sales agreements and 'use-or-pay' tolling agreements with strong counterparties for the Dahej plant, out of a total capacity of 22.5 MMTPA, which provides visibility into cash flows.

Comfortable financial profile – The financial risk profile remains comfortable, with no external debt (only lease liabilities) and healthy profitability. The company's revenue declined by ~3% in FY2025 over FY2024 owing to moderation in LNG prices. PLL has also been receiving use-or-pay charges from 2021-2023 gradually, supporting the credit profile. The external debt on the company's books remains extremely low, leading to a robust capital structure and healthy debt protection metrics.

Healthy liquidity and financial flexibility from strong parentage – PLL's liquidity profile remains robust, characterised by cash and investments of Rs. 11,326 crore as of April 9, 2026. This, along with the robust parentage of the four oil & gas public sector undertakings (PSUs) viz. Oil and Natural Gas Corporation (ONGC), GAIL (India) Ltd. (GAIL), Indian Oil Corporation Ltd. (IOCL) and Bharat Petroleum Corporation Ltd. (BPCL), provides exceptional financial flexibility. The four PSUs: ONGC {rated [ICRA]AAA (Stable)/[ICRA]A1+}, GAIL {rated [ICRA]AAA (Stable)/[ICRA]A1+}, IOCL {rated [ICRA]AAA (Stable)/[ICRA]A1+} and BPCL {rated [ICRA]AAA (Stable)} - have 12.50% equity stake each in PLL.

Credit challenges

Low-capacity utilisation of Kochi terminal and competition from other terminals – The utilisation levels for the Kochi terminal continue to be low, and its capacity utilisation has increased only marginally, despite the commencement of the Kochi-Mangalore pipeline. However, at a standalone level, the Kochi terminal is profitable.

Project-related risks for petrochemicals project – The company’s board approved the set-up of a petrochemical project with a capacity of 750 KTPA of propane dehydrogenation (PDH) and 500 KTPA of polypropylene (PP) plant, including a propane and ethane handling facility at Dahej at an estimated cost of Rs. 20,685 crore, which is likely to take around three years. The funding of the capex will be through a mix of debt and internal accruals. This project, along with other capex plans, is expected to increase the reliance on debt. Moreover, the capex plan exposes the company to project as well as commodity risks once the project becomes operational.

Environmental and social risks

PLL is moderately exposed to the risks of tightening regulations on environment and safety. However, it has been compliant with the environmental regulations, enabling it to mitigate the regulatory risks by demonstrating a sound operational track record and ensuring regulatory compliance. The company is not as exposed to carbon transition risk as other oil and gas companies as it is engaged in the business of LNG regasification which is less susceptible to the carbon transition relative to crude oil. Further, it deals with natural gas, which is a cleaner form of fuel as compared to other fossil fuels. The company is installing rooftop-mounted solar panels at the Dahej and Kochi terminals to reduce its carbon footprint. Further, it has also optimised its operations, thereby improving energy efficiency at both the terminals. PLL also has been working towards water conservation.

Liquidity position: Superior

ICRA expects PLL to maintain a Superior liquidity position, supported by healthy cash and liquid investments (Rs. 11,326 crore as on April 9, 2026), adequate tie-ups to meet the capex funding requirements and continued strong cash flow from operations owing to the sustained robust capacity utilisation at the Dahej terminal. While the ongoing West Asia crisis will result in moderation in the capacity utilisation in FY2027, the overall cash flow from operations are expected to remain healthy. The company does not have term debt repayments to be made over the course of next 2-3 years as it is currently debt-free and the debt that will be availed soon will have an adequate moratorium period.

Rating sensitivities

Positive factors – NA.

Negative factors – The ratings could be downgraded if any sizeable debt-funded capex or large dividends impact the credit metrics and/or the liquidity position.

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, IOCL and BPCL with each of them having a 12.50% equity stake and the rest being held by institutional investors and the general public. It had commissioned a 5 MMTPA LNG regasification plant at Dahej, Gujarat in April 2004 which was expanded in phases and is currently at 22.5 MMTPA after the recent capacity expansion. The operations of the company are governed by the provisions of a series of agreements such as supply purchase agreement (SPA) with QatarEnergy, Time Charter Agreement (TCA) with Mitsui OSK consortium, Port Operations Service Agreement (POSA), Gas Sales and Purchase Agreement (GSPA) with the offtakers and Payment Security Mechanism. PLL sources LNG from QatarEnergy under a 25-year SPA, valid till 2028. This SPA has been renewed for another 20 years till 2048. For transporting LNG to the plant, it has entered into 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 and BPCL in a 60:30:10 ratio, through the GSPA. Terms and conditions of GSPA are materially coterminous with that of SPA. 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, with validity till 2035. The company also has an agreement with ONGC Limited for the extraction of higher hydrocarbons from imported LNG, which is replenished through LNG sourced on a long-term/short-term/spot basis and is valid until 2028. This contract is for a volume of up to 0.973 MMTPA.

Additionally, it had tied up a 'use-or-pay' tolling agreement for 8.25 MMTPA consisting of 2.5 MMTPA with GAIL (India) Ltd. (GAIL), 1.5 MMTPA with Indian Oil Corporation Ltd. (IOC), 1 MMTPA with Bharat Petroleum Corporation Ltd. (BPCL) and 2.25 MMTPA with Gujarat State Petroleum Corporation (GSPC) and 1 MMTPA Torrent Power. The offtakers have use-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 an 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.

Key financial indicators (audited)

Petronet LNG Limited (consolidated)	FY2024	FY2025	9M FY2026*
Operating income (OI)	52,729.3	50,982.0	34,052.8
PAT	3,527.0	3,883.9	2,471.9
OPBDIT/OI	10.0%	11.0%	11.5%
PAT/OI	6.7%	7.6%	7.3%
Total outside liabilities/Tangible net worth (times)	0.5	0.4	
Total debt/OPBDIT (times)	0.6	0.5	
Interest coverage (times)	18.1	21.6	22.3

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

Current (FY2027)			Chronology of rating history for the past 3 years						
			FY2027	FY2026	FY2025	FY2024			
Instrument	Type	Amount rated (Rs. crore)	Apr 27, 2026	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	2901.00	[ICRA]AAA (Stable)	March 26, 2026	[ICRA]AAA (Stable)	Mar 17, 2025	[ICRA]AAA (Stable)	-	-
			-	-	-	May 14, 2024	[ICRA]AAA (Stable)	-	-
Non-fund based – Others	Short term	10,51.59	[ICRA]A1+	March 26, 2026	[ICRA]A1+	Mar 17, 2025	[ICRA]A1+	-	-
			-	-	-	May 14, 2024	[ICRA]A1+	-	-
Fund-based/Non-fund based limits – Others	Long term/Short term	1147.41	[ICRA]AAA (Stable)/[ICRA]A1+	March 26, 2026	[ICRA]AAA (Stable)/[ICRA]A1+	Mar 17, 2025	[ICRA]AAA (Stable)/[ICRA]A1+	-	-
			-	-	-	May 14, 2024	[ICRA]AAA (Stable)/[ICRA]A1+	-	-
Fund based – Term Loan	Long Term	12000.00	[ICRA]AAA (Stable)	-	-	-	-	-	-
Interchangeable limits – Non-fund based	Long Term	(12000.00)	[ICRA]AAA (Stable)	-	-	-	-	-	-
Interchangeable limits – Non-fund based – Others	Long Term	(180.00)	[ICRA]AAA (Stable)	-	-	-	-	-	-
Issuer rating	Long term	-	[ICRA]AAA (Stable)	March 26, 2026	[ICRA]AAA (Stable)	Mar 17, 2025	[ICRA]AAA (Stable)	-	-
			-	-	-	May 14, 2024	[ICRA]AAA (Stable)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI

12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term limits – Fund-based limits – Cash credit	Simple
Short-term limits – Non-fund based – Others	Simple
Long term/Short-term limits – Fund-based/Non-fund based limits – Others	Simple
Long Term- Fund-based – Term Loan	Simple
Interchangeable limits – Non-fund based	Simple
Interchangeable limits – Non-fund based – Others	Simple
Issuer rating	Not applicable

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 II: 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	1147.41	[ICRA]AAA (Stable)/ [ICRA]A1+
NA	Long Term- Fund-based – Term Loan	NA	NA	FY2039	12,000.0	[ICRA]AAA (Stable)
NA	Long Term – Interchangeable limits – Non-fund based	NA	NA	NA	(12000)	[ICRA]AAA (Stable)
NA	Long Term- Interchangeable limits – Non-fund based – Others	NA	NA	NA	(180)	[ICRA]AAA (Stable)
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 III: 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 Kadam

+91 22 6114 3406

girishkumar@icraindia.com

Prashant Vasisht

+91 124 4545 322

prashant.vasisht@icraindia.com

Varun Gogia

+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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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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