

GSPL India Transco Limited

December 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	570.13 (Reduced from 595.12)	CARE A (RWD)	Continues to be on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	25.00	CARE A / CARE A1 (RWD)	Continues to be on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to long-term bank facilities of GSPL India Transco Limited (GITL) continues to be on a rating watch with developing implications in line with ratings assigned to its 52% joint venture (JV) partner Gujarat State Petronet Limited (GSPL; rated CARE AA+ (RWD)/ CARE A1+), following the announcement of amalgamation of GSPL into Gujarat Gas Limited (GGL; rated CARE AAA; Stable/CARE A1+) and subsequent demerge of gas transmission business into GSPL Transmission Limited (GTL) and its two Joint ventures, GSPL India Gasnet Limited (GIGL; rated: CARE A (RWD)) and GSPL India Transco Limited. CARE Ratings Limited (CareEdge Ratings) would continue to monitor developments in this regard and will take a view on the ratings once the merger and subsequent de-merger is completed.

Reaffirmation of ratings assigned to long-term bank facilities of GITL factors strength from its strong parentage, it being a JV of GSPL, Indian Oil Corporation Limited (IOCL, rated: 'CARE AAA; Stable/CARE A1+', 26% stake), Bharat Petroleum Corporation Limited (BPCL; rated 'CARE AAA; Stable/CARE A1+', 11% stake), and Hindustan Petroleum Corporation Limited (HPCL, 11% stake), with sponsors having established presence in the natural gas transmission and downstream natural gas value chain. Ratings also factor in long-term revenue visibility through a gas transmission agreement (GTA) for substantial part of its capacity with Ramagundam Fertilizers and Chemicals Limited (RFCL) having 'ship-or-pay' clause for 90% of its annual capacity.

However, ratings are constrained due to fixed tariff over the entire project period and inherent interest rate risk. Ratings are also constrained by ongoing disputes between GITL and the Petroleum and Natural Gas Regulatory Board (PNGRB) with respect to execution of work related to only 364.42 km compared to the initially awarded contract for ~1,881 km of natural gas transmission pipeline and for changing the pipeline diameter for the concluded 364.42 km pipeline without prior approval of PNGRB. Ratings also takes note of the availment of incremental short-term loan of ₹95 crore in October 2025 to clear past claims of the erstwhile engineering, procurement, and construction (EPC) contractor, which led to moderation in debt coverage indicators. Envisaged shortfall is expected to be funded through the available liquidity balance with GITL. CareEdge Ratings relies on the management's articulation of available implicit support from its JV partners in case of exigencies. Deviation from this stance, shall be key negative rating sensitivity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- GITL's ability to enter agreement(s) with other customers for supply of substantial quantum of natural gas through its pipeline.
- Improving debt-service coverage ratio (DSCR) to above 1.30x without the promoters' funding support on a sustained basis.

Negative factors

- Delaying infusion of need-based support by the JV partners or non-maintenance of requisite liquidity.
- Adverse action by the PNGRB against GITL on the ongoing disputes leading to material impact on it.
- Deteriorating collection period to 60 days on a sustained basis.

Analytical approach: Standalone, factoring financial and technical support from its majority promoter, GSPL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Strong parentage with stake of GSPL, IOCL, HPCL, and BPCL

GITL's majority stakeholder, GSPL, with 52% stake, is one of the leading players in developing natural gas transportation infrastructure in the country. GSPL is engaged in natural gas transmission across Gujarat, and it owns the second-largest natural gas transmission network in India. Based on the announcement as on August 30, 2024, post implementation of scheme of arrangement, GSPL's gas transmission business will be transferred to the newly formed and listed entity, GTL. Consequently, GITL will no longer be a joint venture of GSPL, and GTL will become the new majority JV partner. IOCL has 26% stake in GITL and is India's largest oil refining and marketing company. IOCL and its subsidiaries have a dominant share of the petroleum products market, national refining capacity, and downstream sector pipelines capacity in India. IOCL has presence in the entire value chain of the oil & gas sector, including refining, petrochemicals, natural gas, and pipelines. BPCL, having 11% stake in GITL, is a public sector undertaking (PSU), which is an integrated oil company engaged in refining crude oil and marketing of petroleum products. It is the second-largest public sector refining company in India. HPCL (having 11% stake in GITL) is one of the largest oil refining and marketing companies in India with vast experience in refinery operations, maintenance and project execution. Owing to GITL's strategic importance for future growth plans of its promoters in the sector, it is envisaged to derive significant managerial, operational and financial support from its sponsors. GITL's board of directors comprises three nominees of GSPL, two nominees of IOCL, and one each of BPCL and HPCL. The Chief Executive Officer (CEO) of GITL is a nominee of GSPL and the Chief Financial Officer (CFO) is a nominee of IOCL.

Operational status for Phase-I of the project

GITL has commissioned Phase-I of the Mallavaram (Andhra Pradesh) - Bhopal (Madhya Pradesh) - Bhilwara (Rajasthan) - Vijaipur (Madhya Pradesh) (MBBVPL) pipeline project on October 14, 2019, which includes laying an 18-inch pipeline of 364.42 km (including ~29 km of spur lines) from the East West Pipeline's (EWPL) interconnection point at Kunchanapalli in Andhra Pradesh to Ramagundam Fertilizers and Chemicals Limited's (RFCL's) plant at Ramagandum in Telangana (RFCL stretch) and accordingly has an operational track of over six years.

Revenue visibility from its GTA with RFCL

To ensure synchronised implementation of the natural gas pipeline against RFCL plant, GITL and RFCL entered a GTA in July 2016 for transmission of natural gas to RFCL's urea plant on long-term basis for 20 years. RFCL is a JV of National Fertilizers Limited (NFL), Engineers India Limited (EIL; rated 'CARE AAA; Stable/CARE A1+'), Fertilizer Corporation of India Limited (FCIL), Government of Telangana, GAIL (India) Limited (GAIL; rated 'CARE AAA; Stable/CARE A1+'), and Haldor Topsoe consortium. RFCL commissioned its urea project in March 2021.

GITL achieved volumes of ~2.08 million metric standard cubic metre per day (mmscmd) from RFCL in FY25 (FY refers to April 01 to March 31) and ~1.02 mmscmd in H1FY26. Volumes in H1FY26 are low due to temporary shutdown of RFCL's urea plant for repairs and maintenance followed by operations at lower capacity thereafter, which are expected to improve post revival at full capacity. The GTA has a 'ship-or-pay' clause for 90% of the annual quantity of natural gas (78,559 million metric British thermal units (mmbtu) / ~2.02 million metric standard cubic metre per day [mmscmd]), which provides good revenue visibility. Per GTA terms, GITL shall receive bid tariff (as authorised by the PNGRB) for 20 years from the date of commissioning the pipeline for transmission of natural gas to RFCL.

Upcoming demand from the city gas distribution network in the vicinity

In addition to supply of natural gas to RFCL, GITL has also envisaged to have additional revenues in the form of incremental transmission and supply agreements with the upcoming city gas distribution (CGD) networks expected to brew-up near the pipeline in the 9th, 10th and 11th rounds of CGD bidding and institutional customers in Andhra Pradesh and Telangana. GITL has signed GTAs with Megha City Gas Distribution Private Limited (MCGDPL) for its Warangal geographical area (GA) for 226 mmbtu per day and with IOCL for its Karimnagar GA for 200 mmbtu per day. GITL tied up with Maharashtra Natural Gas Limited in FY25 for 100 mmbtu per day. CareEdge Ratings notes that though the volumes tied-up are low, they are likely to go up in the future basis development of the CGD network in the said GAs

Key weaknesses

Uncertainty associated with execution of balance portion of pipeline and outcome of on-going disputes between GITL and the PNGRB

Of the total authorised length of 1,881 km, GITL has commissioned phase-I of the MBBVPL (364.42 km) on October 14, 2019. For the balance stretch, as articulated by the management, it was represented to PNGRB that the project is not viable due to low natural gas supply and demand from the customers. Although authorisation has not been surrendered yet, there is no certainty on the way forward for the balance stretch of the project. There are several litigations between GITL and the PNGRB in relation to violation of the project scope, not achieving project progress per implementation schedule (for the balance stretch) and for unilaterally reducing the pipeline diameter to 18-inch (on the already commissioned RFCL stretch) in place of the contracted 42-inch pipeline, leading to reduced capacity with respect to the authorised capacity without seeking permission from the PNGRB. There remains significant uncertainty regarding outcome of these litigations. Ultimate outcome of these litigations shall be one of the key rating monitorable from credit perspective. Risks related to implementation and funding of balance large project stretch and associated marketing risk and their impact on debt coverage indicators of GITL would be crucial from credit perspective.

Expected moderation in debt coverage indicators

As on March 31, 2025, GITL's capital structure improved with an overall gearing of 1.84x (FY24: 1.90x). GITL's debt comprises rupee term loan amounting to ~₹570 crore as on September 30, 2025. GITL has availed incremental term loan of ₹95 crore in October 2025 to clear past dues of EPC contractor, which led to moderation in debt coverage indicators. Envisaged shortfall is expected to be funded through the available liquidity balance of ₹51 crore. CareEdge Ratings relies on the management's articulation of available implicit support from its JV partners in case of exigencies. Deviation from this stance, shall be key negative rating sensitivity.

Interest rate risk

GITL is exposed to risk associated with change in the interest rate considering floating interest rate structure for the rupee term loan, especially considering that the pipeline tariff shall remain fixed for the entire project tenure.

Liquidity: Adequate

GITL's liquidity is characterised by cash and cash equivalents balance of ~₹51 crore as on October 30, 2025. GITL has repayments of ₹116.40 crore including bullet repayment for short term loan of ₹95 crore in the next 12 months. As articulated by the management, the company is in the process of refinancing its entire debt at lower interest rate with longer amortisation schedule in comparison to existing one. CareEdge Ratings relies on the management's articulation that implicit support from all JV partners shall be available in case of exigencies.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Notching by Factoring Linkages in Ratings](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, gas and consumable fuels	Gas	Gas transmission/marketing

GITL was incorporated in October 2011 as a GSPL's subsidiary. In April 2012, a JV agreement was executed between GSPL, IOCL, BPCL, and HPCL. The share of JV partners in GITL is GSPL (52%), IOCL (26%), BPCL (11%), and HPCL (11%). In July 2011, GITL was authorised by PNGRB to lay down MBBVPL of 1,881 km for transmission of natural gas from Mallavaram in Andhra Pradesh to Bhilwara in Rajasthan on a fixed tariff basis per the bid submitted by GITL. At the time of bidding, the entire project

stretch of 1,881 km was expected to be completed by July 2014. However, GITL was later asked to take-up pipeline construction for connecting RFCL's plant at the earliest considering the techno-commercial viability of the MBBVPL project and the scheduled COD of RFCL's plant. Based on the same, on June 30, 2017, GITL decided to divide the entire project into phases, where the first phase included the RFCL stretch, and the remaining pipeline was to be constructed in later phases. GITL commissioned phase-I of the MBBVPL on October 14, 2019. The design capacity of phase-I is ~4.50 mmscmd, of which ~2.02 mmscmd is supplied to RFCL under a GTA for the entire tenure. The GTA with RFCL contains 'ship-or-pay' clause at 90% of the annual contracted quantity. The GTA with RFCL is on open-access basis, where RFCL will use GITL's natural gas transmission pipeline and pay fixed contracted charges.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26(UA)
Total operating income	102.85	110.98	55.20
PBILDT	62.08	68.18	34.78
PAT	-15.17	-7.93	-1.47
Overall gearing (times)	1.90	1.84	1.89
Interest coverage (times)	1.19	1.35	1.39

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	25.00	CARE A / CARE A1 (RWD)
Term Loan-Long Term		-	-	September 30, 2038	570.13	CARE A (RWD)

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	25.00	CARE A / CARE A1 (RWD)	-	1)CARE A / CARE A1 (RWD) (09-Sep-24)	1)CARE A; Stable / CARE A1 (12-Sep-23)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (27-Sep-22)
2	Term Loan-Long Term	LT	570.13	CARE A (RWD)	-	1)CARE A (RWD) (09-Sep-24)	1)CARE A; Stable (12-Sep-23)	1)CARE A-; Stable (27-Sep-22)
3	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST	-	-	-	-	1)Withdrawn (12-Sep-23)	1)CARE A- / CARE A2+ (27-Sep-22)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Non-fund-based - LT/ ST-Bank Guarantee	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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