Think Gas Ludhiana Private Limited

April 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Non-Convertible Debentures@	620.00	Provisional CARE AA+ (CE); Stable	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

@Backed by an unconditional and irrevocable partial credit enhancement (PCE) from National Bank for Financing Infrastructure and Development (NaBFID, rated 'CARE AAA; Stable')

Unsupported rating	**CARE A [Assigned]**

Note: Unsupported rating does not factor in the explicit credit enhancement.

Rating in the absence of pending steps/ documents	**CARE A [Assigned]**

Rationale and key rating drivers for credit enhanced debt

The provisional rating assigned to non-convertible debentures (NCDs) of Think Gas Ludhiana Private Limited (TGLPL) derives strength from the partial credit enhancement (PCE) proposed to be provided by the National Bank for Financing Infrastructure and Development (NaBFID; rated CARE AAA; Stable) covering 43% (₹266.60 crore) of the proposed bond issuance of ₹620 crore.

The PCE is a non-fund-based, irrevocable, and subordinated contingent line of credit, available exclusively to meet scheduled principal and/or interest obligations of NCDs in the event of a debt servicing shortfall by the issuer-TGLPL. Any amount drawn under the PCE facility towards meeting scheduled debt service obligations of underlying instrument is required to be fully repaid, along with accrued interest, to the PCE provider within 30 days of its drawal. The facility is revolving in nature such that, any drawn amount of the PCE facility shall be reinstated subject to the being repaid within 30 days from drawn date. However, if the repayment is made beyond 30 days from date of drawdown, reinstatement benefit will not be available, and the PCE facility will stand reduced to that extent.

The PCE covers up to 43% (threshold – ₹266.60 crore) of the bond size, with the initial sanctioned amount to be maintained until the outstanding bond principal reduces below this threshold. Thereafter, the available PCE limit shall be reduced to the extent of the outstanding bond, ensuring that the credit enhancement remains aligned with residual exposure throughout the instrument tenor.

The rating also derives additional comfort from robust structural safeguards, including a clearly defined cash flow waterfall, a 'T-minus' structure for timely invocation and payments under the PCE, and the requirement to maintain a debt service reserve account (DSRA) equivalent to two quarters of ensuing debt service obligations.

Per the structure, amount invoked or drawn down under the PCE facility including accrued interest, is required to be repaid within 30 days of its drawal. Failure to comply with this repayment requirement would trigger events of default (EOD) under the transaction structure. Consequent to the EOD, the PCE provider shall take necessary actions per extant guidelines issued by Reserve Bank of India from time to time.

Nevertheless, PCE provider shall continue to honor the full PCE commitment irrespective of occurrence of any default in interest payment / repayment of drawn PCE amount within stipulated time, or any event of default under the Underlying Instrument.

Further, the above rating is provisional and will be confirmed once the company has submitted copies of following executed documents to the satisfaction of CareEdge Ratings:

a. Debenture trust deed
b. PCE deed
c. Information memorandum

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

d. Term sheet
e. Escrow agreement
f. Legal opinion
g. Any other documents executed for transaction

Rationale and key rating drivers of NaBFID - PCE provider

The rating of NaBFID's factors in its strategic importance as an apex financial institution for infrastructure financing in India, with 100% ownership by the Government of India (GoI), which underpins expectation of strong and timely sovereign support. The rating also factors in comfortable capitalisation levels supported by substantial initial capital infusion and grants from the GoI, an experienced management team, diversified resource profile, healthy asset quality, and a comfortable liquidity position.

These rating strengths are partially offset by NaBFID's limited track record of operations, where asset quality of its loan book remains untested and would be a key monitorable in the near-to-medium term. CareEdge Ratings expects NaBFID to continue receiving strong need-based support from the GoI, given its critical role in funding India's infrastructure sector. Change in the credit profile of the PCE provider shall be a key rating sensitivity for the rating assigned to the NCD of TGLPL.

The detailed rationale that captures the key rating drivers and rating sensitivities of the credit enhancement provider is available on CareEdge Ratings website on the following link - **National Bank for Financing Infrastructure and Development.**

Key rating drivers of TGLPL, Unsupported rating

The unsupported rating assigned to NCDs of TGLPL favourably factors in the monopolistic nature of its city gas distribution (CGD) business, with marketing exclusivity for 10 years (till November 2028); infrastructure exclusivity for 25 years (till November 2043) in its authorised geographical area (GAs), besides the modular nature of CGD capex allowing progressive, demand-linked network development and favourable/encouraging demand outlook supported by the GoI's push towards environmentally cleaner fuels.

The rating also factors in reduction in project execution risk, following the achievement of commercial operation date (COD) effective July 31, 2025. The company has declared COD with a capex of ₹876 crore completed as on July 31, 2025. To fund the capex, the company has drawn loan of Rs.613 crore and promoter contributed around Rs.442 crore.

TGLPL developed adequate infrastructure to cater to existing and medium-term demand; therefore, incremental capex is expected to be largely demand-driven going forward. The company estimated capex of ₹235 crore (for FY27-35), which shall depend on incremental demand in GAs. Higher-than-envisaged capex having a bearing on cashflows and debt coverage shall be a crucial factor given the priority of capex in cashflow waterfall for NCDs.

The company is broadly in line with the minimum work programme (MWP) targets in terms of compressed natural gas (CNG) station and steel pipeline deployment as of December 31, 2025. However, the company is lagging in piped natural gas (PNG)–domestic connections due to delays in receipt of approvals from authorities and relatively lower prices of alternative fuels, which moderated the pace of household additions. TGLPL's operational profile is supported by a diversified customer mix, with the share of CNG in total sales volumes at 55% in FY25 and 49% in 9MFY26, providing stability to overall volumes.

Within PNG, the industrial segment remains dominant, accounting for ~93% of PNG volumes in 9MFY26, supporting cash flow visibility. Going forward, the company is expected to gradually improve PNG–domestic connections as regulatory approvals are received, while CNG and industrial PNG are likely to remain key volume drivers in the near-to-medium term.

TGLPL demonstrated steady improvement in operating performance, supported by expansion of CNG stations from 26 in FY23 to 52 as of 9MFY26 and continued strengthening of its steel and medium-density polyethylene pipeline (MDPE) network. CGD volumes registered a robust compounded annual growth rate (CAGR) of ~28% in FY23 to 9MFY26. Consequently, revenue also grew sharply from ₹73 crore in FY22 to ₹363 crore in FY25, achieving a CAGR of ~71%. Increasing scale and operating leverage, supported registering operating profit for FY25 (6.78%) and 9MFY26 (6.17%) against loss till FY23. Margins largely depend on volume expansion and mix of Domestic: Re-gasified liquified natural gas (RLNG) gas, and hence, lower allocation of administered price mechanism (APM) gas and increased reliance on costlier RLNG drove moderation in margins in 9MFY26.

Rating derives comfort from TGLPL's parentage with investments by I Squared Capital (ISQ), Osaka Gas, Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) and the Atlantic, Gulf and Pacific (AG&P) Group in Think Gas Investment Private Limited (TGIPL), the holding company of TGLPL. The rating further factors in demonstrated sponsor support through funding infusion higher than the originally committed equity for the project. For the proposed NCDs, sponsors are expected to provide comprehensive sponsor undertakings, including subordination of sponsor debt to NCDs, fund infusion for financing penalties, payable to the Petroleum and Natural Gas Regulatory Board (PNGRB) for delays in project

execution, and maintenance of management control with at least a 51% equity stake in the company throughout the facility tenure. Beside sponsor is required to bring in funds to cover any shortfall in business operations and to cure covenant breaches. The proposed NCDs have relatively high refinancing risk, with 75% of the NCD repayments scheduled at the terminal year (10th year from issuance). While a long infrastructure exclusivity period available until November 2043, and monopolistic nature of business provide financial flexibility, the company's ability to successfully refinance the NCDs at sustainable rates, well-ahead of the maturity date, shall be crucial. The project life coverage ratio (PLCR) is estimated to be maintained at satisfactory levels at ~1.5x- 1.7x supported by long-term benefits accruing from the monopolistic CGD business over an extended operating period, which is viewed favourably from a credit perspective. This apart, CareEdge Ratings expects continued sponsor support during NCDs tenor, including refinancing at the terminal year, which is expected to mitigate refinancing risk.

However, rating strengths are tempered by the company's exposure to natural gas price volatility with volume expansion sensitive to gas availability at adequate pricing, regulatory risks associated with CGD sector, and competition from alternate fuels, especially with evolving economics of electric vehicles (EVs). Presence of long-term contracts for R-LNG cover the gas availability risk to a certain extent.

CareEdge Ratings notes elevated business risk for CGD sector, arising from geopolitical tensions in West Asia (since February 2026), a key gas-sourcing region, which led to heightened volatility in availability and pricing of imported natural gas. Amidst volatile gas procurement scenario, GoI curtailed PNG supplies to the industrial and commercial (C&I) segments by ~20%, which is anticipated to impact the overall volume of TGLPL, given 49% of the company's overall CGD volumes are derived from the C&I segment while balance comprised CNG and PNG-D segments.

With no likely shortfall expected for the priority sectors of CNG–transportation and PNG–domestic, these segments are expected to continue to receive priority gas allocation, thus partly imparting stability to the company's volume profile and margins. Going forward, continued prioritisation of gas allocation to CNG and PNG–domestic is expected to partially offset the impact of supply curtailments to the C&I segment, supporting volume stability in the near-to-medium term despite persistent volatility in gas availability and prices.

TGLPL's profitability and debt coverage are highly sensitive to sustained decline in PNG (C&I) volumes. Accordingly, sponsor and PCE support will remain critical from volume shortfall arising due to prolonged disruption in natural gas supplies and inadequate interventions by the Government.

Rating sensitivities: Factors likely to lead to rating actions (For CE Ratings)

Positive factors:

- Repayment of NCD leading to PCE fully covering future payouts.

Negative factors

- Downward revision in the standalone credit profile of the Issuer and/or the partial credit enhancement provider, which could directly impact the instrument rating.
- Non-adherence to the key transaction terms and structural protections, including covenant requirements and waterfall mechanism.
- Inadequate or delayed sponsor support to fund requirements as stipulated under the sponsor support undertaking, which could weaken credit protection and liquidity.

Rating sensitivities: Factors likely to lead to rating actions (For Unsupported Ratings)

Positive factors:

- Significant growth in business volume with improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 10% on a sustained basis.

Negative factors

- Adverse impact on CGD volumes, impacting profitability and return indicators on a continued basis.
- Shortfall in the promoter support to fund requirements per the sponsor support undertaking.

Analytical approach:

Credit Enhanced Rating: CareEdge Ratings has taken a standalone view of the entity, along with factoring sponsor support and the support available through PCE to arrive at the enhanced rating for the instrument. The CE rating is solely for this rated instrument, which derives benefit from the unconditional and irrevocable partial credit enhancement.

Unsupported Rating: Standalone, factoring in support from ISQ along with sponsor support undertakings.

Outlook (Issuer): Stable

The stable outlook on the long-term rating of issuer reflects CareEdge Ratings' expectation that TGLPL will continue to ramp-up its volumes considering growth in the CGD infrastructure and demand for natural gas, thereby improving profitability.

Detailed description of key rating drivers:

Key strengths

Credit enhancement in form of an unconditional and irrevocable PCE from NaBFID

The instrument benefit from presence of non-fund based, irrevocable and unconditional partial credit enhancement to be extended by NaBFID to the extent of 43% of the bond size, available exclusively for servicing scheduled debt obligations. The PCE facility is revolving in nature. Any amount drawn under the PCE facility towards meeting scheduled debt service obligations of the underlying instrument is required to be fully repaid, along with accrued interest, to the PCE provider within 30 days. In case the borrower repays the drawn amount within the stipulated 30-day period, PCE facility shall be reinstated to its original sanctioned level. However, if the repayment is made beyond 30 days from the date of drawdown, reinstatement benefit will not be available, and the available PCE facility will stand reduced to that extent.

Any amount invoked or drawn down under the PCE facility (including accrued interest) remaining unpaid within 30 days of its drawal shall trigger EOD under the transaction structure. Consequent to the EOD, the PCE provider shall take necessary actions per extant guidelines issued by Reserve Bank of India from time to time.

Nevertheless, PCE provider shall continue to honour the full PCE commitment irrespective of occurrence of any default in interest payment / repayment of drawn PCE amount within stipulated time, or any event of default under the Underlying Instrument.

The transaction structure includes a clearly defined cash-flow waterfall and mandatory DSRA equivalent to two quarter of ensuing debt service requirements.

The final credit-enhanced rating remains dependent on the continuing strong credit profile of NaBFID, which acts as the PCE provider. Any deterioration in NaBFID's standalone strength, capitalisation, liquidity, borrowing cost, or Government-support assumptions would directly impact the rating of the enhanced instrument, irrespective of the company's own performance.

Existence of structured waterfall mechanism:

The underlying transaction benefits from a clearly defined cash-flow waterfall, operated under the supervision of the debenture trustee in the following order of priority:

1. Payment of statutory dues/taxes.
2. Payment of O&M expenses (including insurance premium and other expenses per base case projections).
3. Payment of capex / major maintenance expenses, per base case plan.
4. Payment of principal, interest and all monies and amounts due in respect of bonds.
5. Payment of fee to the PCE provider.
6. Payment of interest and principal in respect of amounts drawn and paid under the PCE by the PCE providers.
7. Payments towards replenishment/maintenance of DSRA to the extent stipulated and required per terms hereof.

In case of a shortfall in debt service payments, the PCE Invocation and payment timelines shall be as follows:

Date	Measures if a shortfall occurs
T – 4	Bond issuer ensures that sufficient funds for the upcoming payment are available in the Trustee Account.
T – 3	If the Trustee Account has a shortfall, funds are drawn from DSRA to cover the shortfall.
T – 2	If DSRA balances remains insufficient to meet the shortfall, the Trustee invokes the PCE Facility
T (Payment Date)	Upon invocation, the PCE provider will have 02 business days to transfer the shortfall amount (up to the PCE cover) to the escrow account. The trustee must ensure that the trustee account holds entire funds for the upcoming payment to bond holders (by T Day)

Liquidity support through DSRA

The transaction is supported by the presence of DSRA, which is required to be maintained at a level equivalent to two quarter of ensuing bond debt service obligation. The DSRA provides an additional liquidity buffer and may be utilised only in the event of shortfall in cash flows for meeting scheduled debt servicing requirements. Any amount drawn from DSRA is required to be replenished by the issuer within the stipulated timeline, in accordance with the transaction documents, ensuring continued availability of liquidity support throughout the instrument tenor.

Strong parentage and demonstrated sponsor support

TGLPL is a wholly owned subsidiary of Think Gas Investment Private Limited (TGIPL), which is backed by ISQ, majority shareholder in TGIPL. Founded in 2012, ISQ is a private equity (PE) firm focused on global infrastructure investments across energy, utilities, transport, and telecom sectors in North America, Europe, and select high-growth economies, including India and China. ISQ has assets under management (AUM) of over US$55 billion, which provides strong financial flexibility and execution support to the platform. The sponsor infused ₹442 crore as promoter contribution, including equity and subordinated debt instruments, which exceeds the committed levels and underscores its demonstrated commitment to the business. Apart from ISQ, Osaka Gas, JOIN and the AG&P Group also have shareholding in TGIPL, the holding company of TGLPL. CareEdge Ratings expects that the sponsor would continue to provide need-based financial support given the sponsor support undertakings to be extended for the proposed NCD. Comfort is derived from specified restricted payment conditions for upstreaming cash flows.

Completion of capex and improving scale of operations

TGLPL achieved COD on July 31, 2025, significantly reducing project execution risk. The company completed capex of ₹876 crore as on July 31, 2025. To fund the capex, the company has drawn loan of Rs.613 crore and promoter contributed around Rs.442 crore. The infrastructure is adequate to cater to medium-term demand, and future capex will be largely demand-driven. Going forward, the company has estimated capex of ₹235 crore (for FY27-35), which shall depend on incremental demand in the GAs. Higher-than-envisaged capex, having a bearing on cashflows and debt coverage shall be a crucial factor given the priority of capex in the cashflow waterfall for NCDs.

The company's volumes increased from 48.30 MMSCM in FY23 to 76.30 MMSCM in FY25, reflecting a CAGR of ~26%, with a robust 28% year-on-year growth in FY25. Operating income increased from ₹73 crore in FY22 to ₹363 crore in FY25, marking a CAGR of ~71%. PBILDT margins, which were negative until FY23, improved to 6.78% in FY25 and 6.17% in H1FY26, driven by operating leverage benefits. The gross spread has also improved from 8.12 in FY23 to 11.29 in FY25, while moderating to 8.98 in 9MFY26. Margins moderated in 9MFY26 considering lower allocation of APM gas and increased reliance on costlier RLNG.

Monopolistic nature of CGD business

Per guidelines of PNGRB, TGLPL has marketing exclusivity of eight years in case of both its GAs where, other players are not allowed to operate within the said GAs (10 years including extension received considering COVID related challenges and delay in the commissioning of pipeline connecting the GA). It also has a network and infrastructure exclusivity as a 'city gas carrier' until 25 years from the date of authorisation, in which no other entity will be allowed to lay CGD infrastructure in the said GAs. This leads to the company's monopolistic position in its GAs. The company has pricing flexibility regarding fixing CNG/PNG prices, providing scope for cost pass through.

Natural gas sourcing tie-up in place

The company executed gas supply and purchase agreements (GSPAs) for procurement of APM gas. The company is getting APM gas for its CNG and PNG-Domestic segments. For the balance requirement, RLNG is procured for which gas supply agreements (GSA) have been signed with GAIL (India) Limited (GAIL; rated 'CARE AAA; Stable / CARE A1+'), IOCL (CARE AAA; Stable/CARE A1+) and Shell. In FY25 and 9MFY26, the ratio of domestic: RLNG was 65:35 and 59:41, respectively, in the gas sourcing mix of

TGLPL. Going forward, with limited domestic gas supplies, the share of R-LNG is expected to increase and thus ability to tie up long term contract for incremental requirements shall be important for sustained profitability.

Favourable demand outlook for the CGD business

To address the environmental concerns, GoI has been actively promoting a shift toward cleaner energy sources, including natural gas. CGD projects have become an important segment in the natural gas business in India, given the increasing impetus coming in the form of environmental concerns over certain polluting fuels and court directives. The company is expected to benefit from continued increase in the natural gas demand (CNG and PNG). Domestic natural gas consumption is at a nascent stage and offers healthy opportunities for further growth. GoI aims to increase the share of natural gas in India's primary energy mix from 6% at present to ~15% by 2030.

Key weaknesses

Risk related to domestic natural gas availability

Under existing Ministry of Petroleum and Natural Gas (MoPNG) regulations for natural gas allocation, CGD companies are accorded the highest priority and are allotted domestic natural gas under the APM to meet their requirement for supply to PNG-Domestic and CNG segments, whereas they have to rely on imported RLNG for meeting requirement of PNG-Industrial and PNG-Commercial segments and shortfall in CNG and PNG-Domestic supplies. Currently, this domestic allocation is relatively cheaper compared to alternative natural gas sources such as RLNG. The APM allocation has reduced in recent years, however, it has been compensated by new well gas (NWG) and high-pressure high tension (HPHT) gas. As on 9MFY26, large portion of CNG and PNG-Domestic demand is being met through the APM, NWG and HPHT gas. However, considering expected growth in the CGD industry post award of GAs in the recent rounds of CGD biddings, domestic gas may not be sufficient to meet the entire requirement. Hence, dependence on costlier alternative sources is likely to rise to meet demand. TGLPL's ability to pass on the impact of rising natural gas cost to its consumers and maintaining its profitability would be a key monitorable. This apart, with anticipated increased dependence on RLNG, the ability to tie up incremental long-term R-LNG contracts, minimising the pricing risk shall be important.

Impact of ongoing disruptions in West Asia

CGD entities are facing elevated business risk in the backdrop of ongoing geopolitical tensions in West Asia, which is a key gas-sourcing region, rendering heightened volatility regarding availability and pricing of imported natural gas. Amidst volatile gas procurement scenario, GI curtailed PNG supplies to industrial and commercial segments (C&I) by ~20%, which is anticipated to impact TGLPL's overall volume, given 49% of overall CGD volume is derived from C&I. There is no likely shortfall expected for the priority sectors of CNG- Transportation and PNG-Domestic. Share of CNG and PNG-domestic in the overall sales volume stood at ~51%; these segments are expected to continue receive priority gas allocation, which provides stability to the company's volume profile and margins to an extent.

Profitability and debt coverage is highly sensitive to fall in PNG (C&I) volumes for TGLPL and thus sponsor/PCE support shall be critical in case of shortfall in a scenario of continued disruption in natural gas supplies and consequent regulatory changes by the government.

Regulatory risks in the CGD business

CGD entities are regulated by PNGRB with risk associated with entry of new players post expiry of marketing/network exclusivity period, which may impact player profitability. The segment is vulnerable to demand-supply of natural gas and changes in the pricing mechanism. TGLPL's operating margins, such as other CGD companies, are vulnerable to the mix of domestic gas (including APM, NWG and HPHT gas) and costlier imported RLNG used in its product mix. Unexpected change in regulations regarding priority in allocation of APM gas for PNG-Domestic and CNG segments and/or its pricing can adversely impact profitability margins of CGD companies, including TGLPL. While CGD entities have pricing power, and thus, flexibility to increase in the natural gas prices sold to pass on increase in cost of raw material to customers. This increase will only be limited to the extent that natural gas remains competitive in the market against other alternative fuels. Going forward, the extent to which TGLPL is able to pass on the incremental price to its customers and its consequent impact on the demand would be crucial.

Refinancing risk

TGLPL's capital structure remains leveraged, as reflected by an overall gearing of 1.24x and total debt to earnings before interest, tax, depreciation, and amortisation (TD/EBITDA) of 18.61x as on March 31, 2025, primarily considering recently completed capital expenditure. However, leverage metrics are expected to improve in the medium term, supported by envisaged scale-up in operations and consequent improvement in cash accruals. The NCD term sheet stipulates repayment of 25% of the NCDs, with the balance 75% to be refinanced at end of tenor 5th year, thereby exposing the company to refinancing risk. This risk is mitigated to an extent by the monopolistic nature of the business, supported by a 25-year infrastructure exclusivity, which lends stability to

cash flows and enhances refinancing prospects. On sensitising for stress scenarios, CareEdge Ratings observes debt coverage indicators to remain comfortable. The PLCR is estimated to be maintained at satisfactory levels at 1.5 -1.7x with benefits of monopolistic CGD business accruing over a long period. The company's ability to successfully refinance NCDs at sustainable rates, much ahead of the due date, shall be crucial.

Liquidity (Issuer): Adequate

TGLPL's liquidity profile is adequate driven by sponsor support for funding business requirements, moratorium period of five years with principal repayment of bond commencing from FY31 and maintenance of DSRA for servicing two quarter interest. The company had free cash and bank balances of ~₹42 crore as on March 31, 2025, and ₹161 crore as on December 31, 2025, and a DSRA of ~₹16 crore. Presence of PCE from NABFID provides enhanced liquidity support in the event where other available reserves are exhausted.

Assumptions/Covenants:

Debt Service Reserve Account (DSRA): DSRA of two coupon payments have to be maintained.

Waterfall mechanism: As mentioned earlier

Facility invocation mechanism:

Date	Measures if a shortfall occurs
T – 4	Bond issuer ensures that sufficient funds for the upcoming payment are available in the Trustee Account.
T – 3	If the Trustee Account has a shortfall, funds are drawn from the DSRA to cover the shortfall.
T – 2	If DSRA balances remains insufficient to meet the shortfall, the Trustee invokes the PCE Facility
T (Payment Date)	Upon invocation, the PCE provider will have 02 business days to transfer the shortfall amount (up to the PCE cover) to the escrow account. The trustee must ensure that the trustee account holds entire funds for the upcoming payment to bond holders (by T day)

T is the day when debt-service payment is due to the bond holders

Drawdown mechanism-

- The PCE provider shall disburse the facility upon receipt of a demand notice from the Debenture Trustee specifying the amount of default under the underlying instrument (including principal and interest dues).
- This demand notice shall be construed as final and binding (irrespective of dispute that Borrower may have regarding defaulted amount) and the PCE provider shall transfer the amount demanded to the escrow account within 48 hours of receipt of notice.
- Borrower shall be obligated to repay the entire amount disbursed as above and accrued interest by the PCE provider within the stipulated time of 30 days.

Replenishment mechanism -

In the event of utilisation of DSRA and/or drawdown under the PCE facility for servicing debt obligations, the bond issuer shall undertake replenishment in a defined sequence.

- The bond issuer shall first replenish the PCE provider to the extent of the amount drawn under the PCE facility, and the accrued interest thereon.
- Subsequent to the replenishment of the PCE facility, the bond issuer shall reinstate the DSRA.

Repayment of PCE

- Drawn tranche of the contingent PCE Facility shall be required to be repaid and accrued interest by the bond issuer to the PCE provider within 30 days from the date of its drawal (due date).
- The facility shall be treated as NPA, if it remains outstanding for the PCE provider for 90 days or more from the due date. In that event, PCE provider has the right to classify other facilities to the Issuer and NPA.

Non-Exhaustive list of EODs for NCD and PCE -

EOD For NCD Holders

- Amounts payable under financing documents remaining unpaid for 30 days beyond their respective due dates.
- Breach of obligations by the Borrower, Promoter and Sponsor, under the Finance Agreements and Project Agreements related to the project.
- Breach of other obligations or default in performance or observance of financial covenants under Financing Documents.

- Credit Rating falling below two notches with minimum of below investment grade.

Consequences of EOD for NCD Issuance

- If an Event of Default has occurred and not cured within the cure periods mentioned under Events of Default, Debt Security Holders may exercise one or more of the following actions including but not limited to:
- a) Accelerate the maturity of the Facility and declare all amounts outstanding in respect of the Facility to be due and payable; b) Declare the commitments to be cancelled or suspended.
- Issue notice regarding the payment of proceeds of insurance or compensation.
- Enforce Security.
- Issue notices to the Account Bank for the purposes of drawing on the balance in the trust and retention accounts.
- Exercise other right that the Lender may have under the Financing Documents or under the Indian Law.

EOD For PCE Provider

- Non-payment of invoked / drawn down PCE facility including accrued interest within 30 days of its drawal.
- Breach in terms and conditions of the Financing Documents for PCE Facility.
- The Borrower defaults in performing of its obligations under Project Documents or breaches of the terms or conditions of Financing Documents including Undertakings.
- Credit Rating falling below investment grade.

Consequences of EOD for PCE

- Classification of account and further necessary actions per extant guidelines issued by Reserve Bank of India from time to time

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

Applicable criteria

Policy on Assignment of Provisional Ratings
Rating Partial Credit Enhanced Debt
Definition of Default
Liquidity Analysis of Non-financial sector entities
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
City Gas Distribution Companies

Adequacy of credit enhancement structure: The explicit credit enhancement reflects the presence of an unconditional and irrevocable PCE provided by NABFID which has clearly defined invocation and payment mechanism. CareEdge Ratings has considered multiple scenarios to assess the adequacy of the support available under the structure and believes that the Instrument will have high degree of safety regarding timely servicing of financial obligation even in case of stressed scenarios.

Validity of provisional rating:
The provisional rating shall be converted into a final rating after receipt of the listed transaction documents duly executed/ completion of the listed steps within 90 days from the date of issuance of the instrument. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating:
When a rating is assigned pending execution of certain critical documents or steps to be taken, the rating is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In the absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the credit enhancement provider – NaBFID

The National Bank for Financing Infrastructure and Development (NaBFID) is a specialised Development Finance Institution in India aimed at supporting the country's infrastructure sector, which can significantly gain from an enabling credit flow by means of attractive instruments and channelized investment.

NaBFID was set up in 2021, by an Act of the Parliament (The National Bank for Financing Infrastructure and Development Act, 2021), with the essential objectives of addressing gaps in long-term non-recourse finance for infrastructure development, strengthening the development of bonds and derivatives markets in India, and sustainably boosting the country's economy. The principal idea behind the setup of NaBFID is to provide a dedicated and specialised institution focused on addressing long-term financing needs of the infrastructure sector in India. NaBFID will play a crucial role in driving development of innovative financing instruments and deep bond and derivatives markets – further supporting infrastructure funding and promoting best practices in financing and data-driven risk management. The institution is regulated and supervised by RBI as an AIFI under the RBI Act, 1934.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (U/A)
Total operating income	2,601	5,208	1,710
PAT	1,602	2,191	714
Interest coverage (times)	NA	NA	NA
Total Assets	55,101	83,172	88,688
Net NPA (%)	0	0	0
ROTA (%)	3.89	3.17	3.83

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, gas and consumable fuels	Gas	LPG/CNG/PNG/LNG supplier

TGLPL was incorporated on November 30, 2018, to implement CGD projects authorised under the 9th round of CGD bidding conducted by the PNGRB for the development of CGD network in Ludhiana (except area already authorised) and Jalandhar, Punjab. The project involves building CGD infrastructure, including laying steel pipelines, setting up CNG stations, and supplying natural gas across the authorised Gas within Punjab.

TGLPL is owned by TGIPL, with a 99.9% equity shareholding. At the ultimate parent level, I-Squared Capital hold over 54% stake, AG&P group hold up to 13% and the JOIN, Osaka Gas and Sumitomo-led consortium hold remaining 33%.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (U/A)
Total operating income	289.17	363.06	355.49
PBILDT*	17.24	24.60	21.93
Profit after tax (PAT)	-11.87	-48.34	-28.73
Overall gearing (x)	3.37	5.00	1.87
Interest coverage# (x)	0.70	0.58	1.37

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax
#excluding sponsor interest accrued

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
Debentures-Non Convertible Debentures		Proposed	Proposed	Proposed	620.00	Provisional CARE AA+ (CE); Stable
Rating in the absence of the pending steps/documents		-	-	-	0.00	CARE A
Un Supported Rating		-	-	-	0.00	CARE A

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 2026-2027	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
1	Debentures-Non Convertible Debentures	LT	620.00	Provisional CARE AA+ (CE); Stable				
2	Un Supported Rating	LT	0.00	CARE A				
3	Rating in the absence of the pending steps/documents	LT	0.00	CARE A				

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	
I Financial Covenants	• Debt Service Coverage Ratio (DSCR) over: 1.20x • Debt to Net Worth or Debt to Equity of the Borrower: 70%:30% • DSRA to be maintained for two quarter ensuing debt service payment (principal & interest)
B. Non-financial covenants	
I Sponsor undertakings/obligations	• Sponsor would continue to hold a minimum of 51% of the paid-up equity capital of the Borrower throughout the currency of the Facility. Sponsors should continue to have management control (either directly or indirectly) of the Borrower, throughout the currency of the Facility • In case of shortfall in meeting Financial Covenants, the Sponsor/ Group Companies, without recourse to the Project Assets/ Cash Flows, shall be permitted to cure default by providing additional funds into Borrower to ensure that the Financial Covenants are complied with

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Complex
2	Rating in the absence of the pending steps/documents	-
3	Un Supported Rating	-

Annexure-5: Lender details

To 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.

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

~ 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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