

Energy Infrastructure Trust — 29 Oct 2025 Credit Rating Summary

Section	Details
Agency	CARE Ratings
Rating Change	CARE AAA; Stable (Reaffirmed / No notches moved)
Outlook (Current vs Previous)	Stable vs Stable
Key Drivers of Change	<ul style="list-style-type: none"> • RIL PUA (20-year): Guaranteed capacity payments from RIL (AAA rated) insulate revenue from volume/tariff volatility. • Strategic Monopoly: Sole pipeline (1,480 km) connecting KG-D6 (East) to West Coast industrial belts; critical infrastructure. • Improving Throughput: FY25 volumes rose to 35.45 MMSCMD (vs 33.11 in FY24); Q1FY26 at 35.63 MMSCMD. • Brookfield Sponsorship: Financial flexibility from the sponsor facilitates large-scale refinancing needs.
Rated Instruments	<ul style="list-style-type: none"> • Issuer Rating: \square0.00 Cr
Key Observations	<ul style="list-style-type: none"> • Financial Strength: PBILDT grew ~37% to \square2,978 Cr in FY25 (FY24: \square2,171 Cr) on higher revenues. • Coverage Metrics: Robust Interest Coverage at 5.74x in FY25 (up from 4.36x in FY24). • O&M Protection: RIL funds O&M and gas cost overruns, protecting SPV margins. • Liquidity: Strong cash/liquid balance of \square920 Cr as of Sept 30, 2025. • Refinancing Risk (Weakness): 95% of NCDs face bullet repayment/refinancing by Dec 2028; lacks a DSRA. • Utilization Headroom: Currently at 42% capacity (85 MMSCMD); significant upside as KG-D6 production peaks. • Waterfall Mechanism: Strict ringfencing ensures external NCD holders have priority over InvIT distributions.
Investor Impact	<ul style="list-style-type: none"> • Dividends: High cash flow visibility ensures stable DPU (Distribution Per Unit) potential. • Margins: EBITDA margins are protected by PUA and RIL's O&M cost-funding agreement. • Leverage: Gearing increased to 1.65x (vs 1.31x) but remains comfortable relative to cash flows. • Growth: Upside linked to increased domestic gas production without additional Capex.
Agency / Cross Analysis	<p>Same Agency: Reaffirmed AAA based on consistent RIL payment track record (5+ years) and improved financial performance. Financials vs. Rating: While gearing increased (1.31x to 1.65x), the sharp rise in Interest Coverage (4.36x to 5.74x) and PBILDT justifies the top-notch rating. Conclusion: Solid Improvement in operating metrics; the "Stable" outlook reflects the locked-in nature of the RIL contract.</p>
Final Inference	<p>Real Improvement. The credit is essentially a "Reliance-backed annuity" wrapped in a Brookfield-managed InvIT. The only mid-term risk is the 2028 refinancing wall, but massive EBITDA growth and 5.7x coverage make this a high-quality yield play with low default probability.</p>