



October 07, 2026

To,
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051
Scrip Symbol: IRMENERGY

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Scrip Code: 544004

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that India Ratings and Research Private Limited ("India Ratings") has affirmed the credit rating to the bank loan facilities of the Company.

In this regard, please find below the details of the credit rating by India Ratings to the bank loan facilities of the Company:

Instrument Type	Aggregate Loan amount (INR million)	Rating	Rating Action
Bank Loan facilities	7000	IND AA- / Stable / IND A1+	Affirmed

The rating rationale issued by India Ratings dated October 07, 2026 is enclosed herewith.

Request to kindly take the above information on record.

Thanking you,

Yours sincerely,

For, IRM Energy Limited

Akshit Soni
Company Secretary &
Compliance Office

IRM ENERGY LIMITED

Registered Office : 4th Floor, 8th Block, Magnet Corporate Park, Near Sola Bridge, S.G. Highway, Thaltej, Ahmedabad, Gujarat-380054, India
Email : info@irmenergy.com | **Phone :** 079-49031500 | **Website :** www.irmenergy.com | **CIN :** L40100GJ2015PLC085213

India Ratings Affirms IRM Energy's Bank Loans at 'IND AA-/Stable'

Oct 07, 2026 | IRM Energy Limited(Formerly IRM Energy Private Limited) | Gas Transmission/Marketing

India Ratings and Research (Ind-Ra) has affirmed IRM Energy Limited's (IRM) bank loan ratings as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	7,000	IND AA-/Stable/IND A1+	Affirmed

Analytical Approach

Ind-Ra continues to take a standalone view of IRM to arrive at the ratings while factoring in the corporate guarantees provided to its joint ventures (JVs).

Detailed Rationale of the Rating Action

The affirmation reflects IRM's healthy financial profile and improving business profile, supported by the continued expansion of infrastructure in its existing geographical areas (GAs), especially Banaskantha and Namakkal & Tiruchirappalli (NT), along with sustained ramp-up in volumes led by favourable demand. The ratings also factor in the company's ability to mitigate a lower administered price mechanism (APM) gas allocation for the compressed natural gas (CNG) segment through high pressure high temperature (HPHT) gas tie-ups and regasified liquefied natural gas (RLNG) sourcing arrangements, while maintaining competitive CNG retail pricing. The industrial volumes in the Fatehgarh Sahib (FS) GA moderated after the relaxation of NGT-related norms, resulting in lower volumes from the GA; however, the management has explained that a substantial portion of the FY26 volumes comprised sticky consumers/demand. Furthermore, this moderation was partly offset by healthy growth in the CNG volumes, driven by the ramp-up of operations in the NT GA and increased domestic PNG penetration across its operating areas. Consequently, the company's overall sales volumes improved to around 0.61mmscmd in FY26 and to about 0.65mmscmd in 1QFY27.

The ratings are further supported by IRM's strong credit profile, with the company maintaining a net cash position and comfortable debt metrics at end-March 2026. Ind-Ra expects the company to generate adequate internal accruals to fund its planned capex programme in the NT GA and other operating areas, with only a limited reliance on external debt. The timely ramp-up of the newly added infrastructure, commensurate growth in volumes and EBITDA, and the company's ability to sustain profitability amid evolving gas sourcing dynamics are key monitorables.

List of Key Rating Drivers

Strengths

- Healthy credit metrics
- Continued volume growth in FY26 and 1QFY27, driven by CNG segment; subdued industrial demand
- Profitability improved in FY26 and 1QFY27, led by higher gross margins

Weaknesses

- Large capex plans, but debt reliance to remain limited

- Risk related to breach of minimum work programme (MWP) targets
- Gas sourcing to remain a key determinant to sustain profitability
- Expiry of marketing exclusivity in two GAs

Detailed Description of Key Rating Drivers

Healthy Credit Metrics: IRM's net leverage (net debt including corporate guarantees issued/EBITDA) was negative 0.56x at FYE26 (FYE25: negative 0.86x; FYE24: negative 1.09x) given the high cash balance. The interest coverage (operating EBITDA/interest expense) improved to 7.61x in FY26 (FY25: 4.36x; FY24: 5.58x). The gross debt reduced to INR1,222.8 million at FYE26 (FYE25: INR1,898.3 million; FYE24: INR2,887.5 million), comprising term loans of INR496.25 million (INR1,250.7 million; INR1,773.0 million), nil short-term borrowings (nil; INR99.9 million), and lease liabilities of INR235.23 (INR160.2 million; INR189.3 million), with the balance INR491.3 million corporate guarantees provided to its JV Venuka Polymers Private Limited.

The initial public offering (IPO) proceeds of INR1,587.2 million were unutilised as of end-June 2026, which will likely be used to fund the upcoming capex. Ind-Ra expects the net leverage to turn positive in FY27, led by sustained capex run-rate and repayments of existing debt, but to remain comfortably below 0.5x. Ind-Ra expects IRM to use the IPO proceeds and cash accruals for the capex plans, with limited reliance on external debt. This is likely to lead to robust credit metrics, along with a higher gross fixed assets and EBITDA base, over the medium term.

Continued Volume Growth in FY26 and 1QFY27, Driven by CNG Segment; Subdued Industrial Demand : IRM's sales volumes improved to 58.9mmscm (0.65mmscmd) in 1QFY27 (FY26: 223.7mmscm/0.61mmscmd; FY25: 208.4mmscm/0.57mmscmd). The average net realisation increased to INR55.3/scm in 1QFY27 (FY26: INR47.7/scm; FY25: INR46.8/scm), supported by price hikes during the quarter, resulting in a revenue (net of excise duty) of INR3,258.5 million (INR10,666.6 million; INR9,754.8 million). The overall volume growth continued to be gradual in FY26 and 1QFY27, largely driven by the CNG segment, while the recovery in piped natural gas-industrial (I-PNG) volumes was subdued in the FS GA. The I-PNG volumes in FS declined to 181 thousand scmd in 1QFY27 (FY26: 206 thousand scmd; FY25: 226 thousand scmd), owing to the relaxation in NGT-related norms for industrial fuel usage and a reduction in domestic gas allocation to industrial consumers amid supply disruptions caused by the Middle East conflict in March 2026.

However, the moderation in industrial volumes was offset by continued growth in CNG sales to 39.3mmscm in 1QFY27 (FY26: 133.5mmscm; FY25: 110.4mmscm), supported by the expansion of the CNG station network to around 153 stations as of June 2026 (March 2026: 150 stations). Consequently, the CNG segment's share in the company's overall sales volume increased to 67% in 1QFY27 (FY26: 59.7%; FY25: 53.0%), while the I-PNG segment's contribution declined to 28% (34.9%; 40.9%). The sales volume contribution from the Banaskantha, FS, Diu & Gir Somnath (DGS), and NT GAs was 47%, 39%, 8%, and 6%, respectively, in FY26. Ind-Ra expects medium-term volume growth to be supported by the CNG segment and the gradual ramp-up of the NT GA, aided by the company's ongoing capex towards expanding its infrastructure network across all four GAs. However, given the continued exposure to industrial consumers, volume growth would remain sensitive to regulatory developments in the FS GA, domestic gas allocation to non-priority sectors, and changes in natural gas prices, which are key monitorables.

Profitability Improved in FY26 and 1QFY27, Led by Higher Gross Margins: IRM's EBITDA improved to INR617.8 million in 1QFY27 (FY26: INR1,122.1 million; FY25: INR963.3 million), with the EBITDA margin increasing to 19.0% (10.5%; 9.9%). The improvement was supported by an increase in the gross margins, leading to a rise in EBITDA/scm to INR10.5/scm in 1QFY27 (FY26: INR5.02/scm; FY25: INR4.62/scm). The opex was high at around INR7.2/scm in 1QFY27 (FY26: INR7.3/scm; FY25: INR6.9/scm), primarily due to high licensing fees and transportation charges. As per the addendum signed between the company and IRM Trust, the licensing fee waiver ended in December 2023, after which the company became liable to pay licensing fees of around 2% of the net revenue. Consequently, the licensing fee expense increased to INR213.3 million in FY26 (FY25: INR195.1 million).

The sharp improvement in 1QFY27 profitability was driven by higher realisations and a lagged pass-through of increased gas procurement costs, as a part of the company's gas sourcing contracts is linked to preceding-month benchmark gas prices. Consequently, the impact of higher international gas prices after the Middle East geopolitical disruptions was partially reflected in the 1QFY27 sourcing costs, resulting in yoy and qoq higher gross margins and EBITDA/scm. However, the management expects profitability to moderate from the 1QFY27 levels in the subsequent quarters, as higher gas

procurement costs are gradually reflected in the sourcing mix. Ind-Ra expects the company's profitability to improve over FY27-FY28, supported by volume growth across its GAs, increasing contribution from the higher-margin CNG segment, and the ramp-up of the NT GA. Accordingly, EBITDA/scm is likely to improve to around INR6-7/scm over the medium term, aided by operating leverage benefits and a favourable volume mix, while the trajectory of input gas prices and licensing fee arrangements are key monitorables.

Large Capex Plans, but Debt Reliance to Remain Limited: IRM continues to undertake capex for expanding its infrastructure network across all four GAs. The company has envisaged a capex programme of around INR2,000 million in FY27, primarily focused on the ramp-up of the NT GA. The capex incurred during FY26 was INR1,820.8 million (FY25: INR1,296.6 million; FY24: INR1,778.4 million). The company had expanded its CNG network to 153 stations as of June 2026 (FY25: 111; FY24: 83) and plans to add another 30-40 CNG stations in FY27 to support volume growth across its operating areas. The company also continues to explore the dealer-owned dealer-operated model for select CNG stations, thereby optimising capital requirements.

The planned capex is likely to be largely funded through internal accruals and the unutilised IPO proceeds, with the balance IPO funds amounting to INR1,587.2 million as of end-June 2026, earmarked largely for the NT GA expansion. Given the limited reliance on external debt, Ind-Ra expects comfortable credit metrics over the medium term, with the net leverage likely to be below 0.5x. The timely ramp-up of the newly created infrastructure and the resultant improvement in volumes and profitability are key monitorables.

Risk Related to Breach of MWP Targets: IRM has completed the MWP obligations for the Banaskantha and FS GAs. For the NT GA, by the end of the MWP period, the company is required to lay 1,450 inch-km of pipeline, provide 17,74,000 domestic PNG connections, and commission 290 CNG stations. Against this, IRM had laid 242 inch-km of pipeline, provided 1,576 domestic PNG connections, and commissioned 48 CNG stations as of end-March 2026. The start date for the NT GA was revised to 1 April 2024 by the Petroleum and Natural Gas Regulatory Board (PNGRB), in line with the delay in commissioning the designated pipeline, with 24 months considered as the first contract year under the MWP.

For the DGS GA, by the end of the MWP period, IRM is required to lay 188 inch-km of pipeline, provide 91,000 domestic PNG connections, and commission 35 CNG stations. Against this, the company had laid 103 inch-km of steel pipeline, created infrastructure for 11,171 domestic PNG connections, and commissioned 21 CNG stations as of end-March 2026. IRM was behind the cumulative MWP targets by about 34,329 domestic PNG connections, 38 inch-km of steel pipeline, and three CNG stations as of end-March 2026. Although the regulator has not levied any penalties/bank guarantee encashments so far across the sector, any change in this stance could impact the EBITDA generation assumed by Ind-Ra and is a key monitorable. However, Ind-Ra draws comfort from the company's demonstrated execution capabilities, as reflected in the timely completion of MWP obligations in the Banaskantha and FS GAs and the operational ramp-up across its existing GAs.

Gas Sourcing to Remain a Key Determinant to Sustain Profitability: City Gas Distribution (CGD) entities enjoy priority domestic gas allocation for the CNG and D-PNG segments, while I&C-PNG entities are serviced from HPHT gas and RLNG. Given the shortfall in domestic gas production, especially APM gas, the incremental demand for the CNG segment is likely to see an increased sourcing of costlier gases, i.e. a mix of new well gas, HPHT gas, and RLNG. IRM's CNG segment is being supplied with a new well, HPHT, and RLNG mix of 60%-65%. A higher proportion of new well gas, HPHT gas, and RLNG for CNG and D-PNG and greater sales to the I&C-PNG segments would necessitate the tie-up of long-term gas contracts at competitive rates. Ind-Ra draws comfort from the medium- to long-term high-pressure high-temperature/RLNG gas sourcing agreements to aid the company to mitigate price volatility. The agency believes IRM's ability to tie up long-term gas contracts is a key determinant for the CGD entities to serve customers at a competitive price.

Expiry of Marketing Exclusivity in Two GAs: The Banaskantha and FS GAs' marketing exclusivity, which IRM was awarded in FY17, expired in FY24. However, IRM would have infrastructure exclusivity until FY44. No other player had expressed interest in using IRM's network in the Banaskantha and FS GAs as of end-June 2026 to market its products, and according to Ind-Ra, the probability of the same is low, owing to the applicability of network charges for the usage of IRM's network. Nonetheless, any negative development that could lead to an increase in competition and subsequently impact the margins is a key monitorable.

Liquidity

Adequate: IRM had free cash and cash equivalents of INR1,851.9 million at FYE26 (FYE25: INR2,722.9 million; FYE24: INR4,503.3). The unutilised IPO proceeds have been parked in fixed deposits, the balance of which was INR1,587.2 million at end-June 2026. The company also has access to INR215 million of fund-based limits (increased from INR150 million), which were unutilised over the 12 months ended August 2026. IRM also has non-fund-based limits of INR5,776.3 million for providing bank guarantees to procure gas and a performance bank guarantee to PNGRB, which were utilised at around 57% for the past 12 months ended August 2026. The company’s cash flow from operations was stable at INR1,487.9 million in FY26 (FY25: INR1,013.9 million; FY24: INR1,154.4 million). The company reported a negative free cash flow of INR377.2 million in FY26 (FY25: negative INR379.3 million; FY24: negative INR674.1 million), due to a capex of INR1,820.8 million (INR1,296.6 million; INR1,778.4 million). The company has capex plans of around INR1,980 million and INR1,960 million in FY27 and FY28, respectively. Furthermore, the company has debt repayments of INR204.3 million and INR226.8 million in FY27 and FY28, respectively.

The working capital cycle to revenue ratio was negative at 7.9% in FYE26 (FYE25: negative 5.5%; FYE24: negative 2.8%). The trade receivables and payables days were below 15 over FY23-FY26 given the nature of the business. Moreover, IRM has provided a corporate guarantee of INR491.3 million for the debt and working capital facilities raised at its JVs.

Rating Sensitivities

Positive: A sustained improvement in the operating profitability and higher-than-Ind-Ra-expected volume ramp-up in the existing and new GAs could be positive for the ratings.

Negative: Significant cost or time overruns in project execution, a sustained fall in the operating margins, and/or any negative regulatory development, and/or an unexpected debt-led capex, leading to the net leverage (including corporate guarantees issued) exceeding 1.5x on a sustained basis will lead to a negative rating action.

Any Other Information

Not applicable

About the Company

Incorporated in December 2015, IRM is engaged in storing, supplying, and distributing natural gas, as well as laying, operating, and maintaining CGD networks. IRM began commercial operations in 1HFY18. IRM has a five-year district marketing exclusivity for Banaskantha and FS and eight-year for DGS and NT and a 25-year infrastructure exclusivity for all GAs. IRMs has been held 50.74% by Cadila Pharmaceuticals Limited and its related parties and 23% by other strategic partners.

Key Financial Indicators

Particulars (INR million)	1QFY27	FY26	FY25
Net revenue	3,259	10,667	9,755
EBITDA	618	1,122	963
EBITDA margin (%)	19.0	10.5	9.9
Gross interest coverage (x)	19.1	7.6	4.4
Net adjusted leverage (x)	NA	-0.6	-0.9
Source: IRM, Ind-Ra NA: Not available			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (INR million)	Current Rating	30 July 2025	17 May 2024	22 September 2023	14 July 2023
Bank loan facilities	Long-term/Short-term	7,000	IND AA-/Stable/IND A1+	IND AA-/Stable/IND A1+	IND AA-/Stable/IND A1+	-	IND A+/Stable/IND A1+
Issuer rating	Long-term	-	-	-	-	WD	INDA+/Stable

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or 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.

Bank wise Facilities Details

The details are as reported by the issuer as on (07 Oct 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Bank of Baroda	Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
2	IndusInd Bank Limited	Fund Based Working Capital Limit	50	IND AA-/Stable / IND A1+
3	Bank of Baroda	Non-Fund Based Working Capital Limit	2090	IND AA-/Stable / IND A1+
4	IndusInd Bank Limited	Non-Fund Based Working Capital Limit	1280	IND AA-/Stable / IND A1+
5	Kotak Mahindra Bank	Non-Fund Based Working Capital Limit	1165	IND AA-/Stable / IND A1+
6	Union Bank of India	Non-Fund Based Working Capital Limit	750	IND AA-/Stable / IND A1+
7	Canara Bank	Non-fund-based working capital limits	500	IND AA-/Stable / IND A1+

8	HDFC Bank Limited	Term loan	350	IND AA-/Stable
9	Shinhan Bank	Term loan	600	IND AA-/Stable
10	Kotak Mahindra Bank	Working capital demand loan	65	IND AA-/Stable / IND A1+
11	NA	Proposed Fund-based/Non-fund-based limit	50	IND AA-/Stable / IND A1+

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

Primary Analyst

Shivraj Chopade

Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 124 6687245

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Paras Pal

Senior Analyst

+91 12 46687241

Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

DISCLAIMER

India Ratings and Research Private Limited (India Ratings) is a private limited company registered under the provisions of the Companies Act, 1956, having CIN U67100MH199SFTC140049, and registered office at Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India. The contact details of India Ratings are Telephone No.: +91 22 4000 1700 and Fax. No.: +91 22 4000 1701. India Ratings is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency under Section 12 of the SEBI Act, 1992, having SEBI Registration Number IN/CRA/002/1999.

India Ratings and Research Private Limited (India Ratings) is a Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI) under Section 12 of the SEBI Act, 1992. In this capacity, India Ratings undertakes ratings of listed and proposed to be listed instruments that fall under the regulatory oversight of SEBI. In addition, in line with Regulation 9(f) of the SEBI (Credit Rating Agencies) Regulation, 1999, India Ratings rates financial instruments falling under the purview of other financial sector regulators (FSR). Instruments which come under the purview of other FSRs do not come under the overall governance of SEBI. Issuers/Users/readers of this communication/report are, therefore, cautioned to know the risks involved in dealing in such instruments. Such instruments can carry Liquidity and Price Risk which pertains to how saleable a Security is in the market. If a particular Security does not have a market at the time of sale, then the Investor's investments may have to bear an impact depending on its exposure to that particular Security. It is not possible to predict if, and to what extent, a secondary market may develop in the debt securities or at what price the debt securities will trade in the secondary market or whether such market will be liquid or illiquid. The more limited the secondary market is, the more difficult it may be for holders of the debt securities to realise value for the debt securities prior to redemption of the debt securities. If the debt securities are unlisted, then the ability of the Investors to resell or trade them may be limited, leading to liquidity and price risk on the debt securities. The returns from a particular asset class may underperform returns from other asset classes. The changes in government policy in general and changes in taxation may impact the returns to investors. There can be external risks arising out of geopolitical situations which can lead to volatility in/impact the performance of the individual securities. Issuers/Users/readers are advised to note that SEBI's investor protection mechanisms and SEBI's grievance or dispute redressal mechanisms are not applicable to ratings assigned by India Ratings that fall under the purview of other FSRs. Should you have any grievance with instruments under the purview of other FSRs, please write to infogrp@indiaratings.co.in. For any grievance with instruments under the purview of SEBI, please write to investor.grievances@indiaratings.co.in.

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.