

**Prepared for:**

**Energy Infrastructure Trust ("the Trust")**

**EnCap Investment Manager Private Limited ("the Investment Manager")**

## **Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended**

**Fair Enterprise Valuation of the SPV:**

**Valuation Date: 30<sup>th</sup> June, 2025**

**Report Date: 30<sup>th</sup> July, 2025**

**Mr. S Sundararaman,**  
**Registered Valuer,**  
IBBI Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2026/Energy/001

Date: 30<sup>th</sup> July, 2025

**The Board of Directors**

**The Investment Manager**

**EnCap Investment Manager Private Limited**

**(Erstwhile Brookfield India Infrastructure Manager Private Limited)**

Seawoods Grand Central,  
Tower-1, 3<sup>rd</sup> Level, C Wing – 301 to 304,  
Sector 40, Seawoods Railway Station,  
Navi Mumbai - 400 706,  
Thane, Maharashtra, India.

**Energy Infrastructure Trust**

**(Erstwhile India Infrastructure Trust)**

Acting through Axis Trustee Services Limited

*(In its capacity as the Trustee of the Trust)*

Seawoods Grand Central,  
Tower-1, 3<sup>rd</sup> Level, C Wing – 301 to 304,  
Sector 40, Seawoods Railway Station,  
Navi Mumbai - 400 706,  
Thane, Maharashtra, India.

**Sub: Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")**

Dear Sir(s) / Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 17<sup>th</sup> July, 2025 as an independent valuer, as defined under the SEBI InvIT Regulations, by **EnCap Investment Manager Private Limited** ("the **Investment Manager**" or "**EIMPL**"), acting as the Investment manager for **Energy Infrastructure Trust** (erstwhile India Infrastructure Trust) ("the **Trust**" or "**InvIT**" or "the **client**") for the purpose of enterprise valuation of the Special Purpose Vehicle ("the **SPV**") of the Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**").

The Trust operates & maintains the **SPV** named Pipeline Infrastructure Limited ("**PIL**" or "**InvIT Asset**") which owns & operates a cross-country, natural gas pipeline with a 48-inch diameter and a length of 1,480 km including spur lines (together with compressor stations and operation centres), that stretches from Kakinada, Andhra Pradesh to Bharuch, Gujarat.

I understand that there has been a material revision in the forecast of gas volumes expected to be transported by PIL during the period FY 2025-26 to FY 2038-39 ("**Projected Period**") based on the latest assessment undertaken by technical experts (as detailed in the attached Valuation Report) appointed by the management of PIL.

I understand that the revision is on account of various factors, inter alia, strong growth in gas consumption exhibited by the city gas distribution ("CGD") sector due to increase in geographical areas awarded by Petroleum and Natural Gas Regulatory Board (PNGRB) and a greater adoption of natural gas in urban utilities, proposed commissioning of an offshore LNG regasification terminal near Kakinada by Crown LNG by 2030 with a Memorandum of Understanding signed on 10<sup>th</sup> July 2025 between PIL and Crown LNG to establish connectivity between the terminal and PIL pipeline, proposed connectivity of Ennore LNG Terminal with the PIL pipeline, etc.

In light of the above facts and economic and industry factors, the Investment Manager and the Trust intend to undertake the fair enterprise valuation of the InvIT Asset as on 30<sup>th</sup> June 2025 ("**Valuation Date**") as per the extant provisions of the SEBI InvIT Regulations.

I have relied on the explanations and information provided to me by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified the accuracy of such explanation &/or information provided by the Investment Manager. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of this appointment as an

independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as an investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

I am enclosing the Report providing opinion on the fair enterprise value of the InvIT Asset on a going concern basis as at the Valuation date.

**Enterprise Value ("EV")** is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("SEBI") thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 11 of this Report. This letter and the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

This letter should be read in conjunction with the attached Report.

**Yours faithfully,**



**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 25028423BMOMXR5364

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
EIMPL	EnCap Investment Manager Private Limited
Capex	Capital Expenditure
CCP	Contracted Capacity Payment
CCPS	0% Compulsory Convertible Preference Shares
Contractor	Pipeline Management Services Private Limited (Formerly known as Rutvi Project Managers Private Limited)
DCF	Discounted Cash Flow
DTD Agreement	Debenture Trust Deed dated February 29, 2024 between PIL And IDBI Trusteeship Services Limited
DUPL	Dahej-Uran-Panvel Pipeline
DVPL	Dahej Vijaipur Gas Pipeline
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EV	Enterprise Value
EWPPPL	East West Pipeline Private Limited
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to the Firm
FY / Financial Year	Financial Year Ended 31 <sup>st</sup> March
Framework Agreement	The framework agreement dated August 28, 2018, entered amongst Reliance Industries Holding Private Limited, Rapid Holdings 2 Pte Ltd., Penbrook Capital Advisors Private Limited and PIL
GSPC	Gujarat State Petroleum Corporation
GSPL	Gujarat State Petronet Limited
GTA	Gas Transportation Agreement
Ind AS	Indian Accounting Standards
Infrastructure Sharing Agreement	Infrastructure Sharing Agreement dated February 11, 2019 between Contractor, Sub-Contractor and PIL
INR	Indian Rupee
Investment Manager or IM	EnCap Investment Manager Private Limited (Erstwhile Brookfield India Infrastructure Manager Private Limited)
InvIT or Trust	Energy Infrastructure Trust (Erstwhile India Infrastructure Trust)
InvIT Asset or Pipeline or Initial Portfolio Asset	The cross-country pipeline (including spurs) between Kakinada in Andhra Pradesh and Bharuch in Gujarat owned and operated by PIL
InvIT NCDs or Shareholders' Debt	Unlisted, Secured, Redeemable Non-convertible Debentures of face value of INR 1,000 each aggregating issued by PIL to the Trust.
IVS	ICAI Valuation Standards 2018
Joint Venture Agreement	The joint Venture Agreement dated February 11, 2019, entered into between ECI India Managers Private Limited, RIL and Rutvi Project Managers Private Limited and amendments thereto
KG Basin	Krishna Godavari Basin
Kms	Kilometres
Listed NCDs	Listed, Redeemable Non-convertible Debentures of face value of INR 1,000 each aggregating to INR 64,520 Mn, issued in 3 series (Refer Section 7.6 for details)
LNG	Liquefied Natural Gas
Management	Management of PIL and IM
Mn	Million
Mmbtu	Metric Million British Thermal Units
Mmscmd	Million Metric Standard Cubic Meter Per Day
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
NCDs	Non-Convertible Debentures issued by PIL
O&M	Operation & Maintenance

<b>Abbreviations</b>	<b>Meaning</b>
O&M Agreement	Operations and Maintenance Agreement, dated February 11, 2019 amongst PIL, ECI India Private Limited and Rutvi Project Managers Private Limited
O&M Sub-Contractor Agreement	Operations and Maintenance Sub-Contractor Agreement, dated February 11, 2019 amongst PIL, Rutvi Project Managers Private Limited and Reliance Gas Pipelines Limited
PIL	Pipeline Infrastructure Limited (Previously known as Pipeline Infrastructure Private Limited)
PIL SHA	Shareholders and Options Agreement dated February 11, 2019 amongst PIL, East West Pipeline Limited, RIL, Penbrook Capital Advisors Private Limited and the Trust and amendments thereto
Pipeline Business	The entire activities and operations historically carried out by EWPPL with respect to transportation of natural gas through the Pipeline and related activities, as a going concern, which was acquired by PIL with effect from the Appointed Date, as further defined in the Scheme
PNGRB	Petroleum and Natural Gas Regulatory Board
Project Manager	ECI India Managers Private Limited
PUA	Pipeline Usage Agreement dated March 19, 2019 amongst PIL and RIL,
RGPL	Reliance Gas Pipelines Ltd
RIHPL	Reliance Industries Holding Private Limited
RIIHL	Reliance Industrial Investments and Holdings Limited
RIL	Reliance Industries Limited
RIL Upside Share	As per Clause 12.3 of the PUA, RIL Upside Share shall be equal to the amount of free cash flows available with PIL after meeting all payment obligations on the NCDs including InvIT Upside Share.
ROCE	Return on Capital Employed
RSBVL	Reliance Strategic Business Ventures Limited
RV	Registered Valuer
Scheme/ Scheme of Arrangement	The scheme of arrangement between EWPPL (as the demerged entity), PIL and their respective creditors and shareholders under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, for the demerger of the Pipeline Business from EWPPL to PIL
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Shared Services Agreement	The Shared Services Agreement dated February 11, 2019 entered amongst RIL, PIL and Rutvi Project Managers Private Limited and amendments thereto
SPA	Share Purchase Agreement dated February 11, 2019 amongst the Trust, Penbrook Capital Advisors Private Limited, Reliance Industries Holding Private Limited and PIL and amendments thereto
SPV	Special Purpose Vehicle
Sponsor	Rapid Holdings 2 Pte. Ltd.
SSA	PIL Share Subscription Agreement dated February 11, 2019 amongst PIL, Reliance Industrial Investments and Holdings Private Limited and the Trust
Sub-Contractor	Reliance Gas Pipelines Ltd
SUG	System Use Gas
Total NCDs	Total NCDs issued by PIL (i.e. Listed NCDs + Shareholders' Debt)
Transaction Documents	Transaction documents shall mean the Framework Agreement, the Scheme of Arrangement, the Joint Venture Agreement, the PIL SHA, the SPA, the O&M Agreement, the O&M Sub-Contractor Agreement the Pipeline Usage Agreement, Shared Services Agreement, SSA, Infrastructure Sharing Agreement and DTD Agreement and amendments to these agreements
Trustee	Axis Trustee Services Limited

## 1. Executive Summary

### 1.1. Background

#### The Trust

1.1.1. Energy Infrastructure Trust [erstwhile India Infrastructure Trust] ("the **Trust**") was established on 22<sup>nd</sup> November 2018 as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Trust is sponsored by Rapid Holdings 2 Pte. Ltd. The Trust is registered with Securities and Exchange Board of India ("SEBI") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("**SEBI InvIT Regulations**"). The units of the Trust are listed on BSE Limited since 20<sup>th</sup> March 2019. The Trust was registered on 23<sup>rd</sup> January 2019 under the SEBI InvIT Regulations having registered number Reg No. – IN/InvIT/18-19/00008.

1.1.2. The investment objective of the Trust is to carry on the activity of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations, by initially acquiring the Initial Portfolio Asset in the first instance and to make investments in compliance with the provisions of the SEBI InvIT Regulations.

The Initial Portfolio Asset of the Trust is a pipeline system used for the transport of natural gas. The Pipeline is a cross-country, natural gas pipeline with a pipeline length of ~1,480 km including spur lines (together with compressor stations and operation centres), that stretches from Kakinada, Andhra Pradesh, in the east of India, to Bharuch, Gujarat, in the west of India, traversing adjacent to major cities in the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat ("**Pipeline**"), owned by Pipeline Infrastructure Limited ("**PIL**" or "**InvIT Asset**" or "**SPV**"), the only Special Purpose Vehicle of the Trust. In addition to such InvIT Asset, the Trust also holds other assets as on the Valuation Date as per the provisional financial statements as under:

- a. Cash & Cash Equivalents – INR 8.53 Mn
- b. Prepaid Expenses – INR 2.10 Mn
- c. Assets for Current Tax – INR 3.30 Mn
- d. Other Financial Assets (Put Option) – INR 13.60 Mn

1.1.3. Unit Holding of the Trust as on 30<sup>th</sup> June, 2025 is as under:

Sr.no.	Particulars	No. of Units	%
1	Sponsor & Sponsor group	49,80,00,000	75.00%
2	Mutual Funds	1,66,00,000	2.50%
3	Financial Institutions or Banks	1,46,00,000	2.20%
4	Insurance Companies	68,00,000	1.02%
6	Non-institutional investors	12,80,00,000	19.28%
<b>Total</b>		<b>66,40,00,000</b>	<b>100.00%</b>

Source: BSE Limited

#### The Sponsor

1.1.4. Rapid Holdings 2 Pte. Ltd. ("the **Sponsor**") is a wholly owned subsidiary of Rapid Holdings 1 Pte. Ltd. ("**Rapid 1**"), a company incorporated in Singapore. The Sponsor is an entity forming part of the Brookfield Group (i.e. the entities which are directly or indirectly controlled by Brookfield Corporation, formerly known as Brookfield Asset Management, Inc.).

Shareholding of the Sponsor as on 30<sup>th</sup> June, 2025 is as under:

Sr.no.	Particulars	No. of Shares	%
<b>Equity Shares</b>			
1	Rapid Holdings 1 Pte Ltd. Singapore	96,400	96.40%
2	CIBC Mellon Trust Company (ATF Ontario Power Generation Inc. Pension Fund) Canada	3,600	3.60%
<b>Total</b>		<b>1,00,000</b>	<b>100.00%</b>
<b>Preference Shares</b>			
1	Rapid Holdings 1 Pte Ltd., Singapore	40,44,15,804	96.40%
2	CIBC Mellon Trust Company (ATF Ontario Power Generation Inc. Pension Fund) Canada	1,51,02,053	3.60%
<b>Total</b>		<b>41,95,17,857</b>	<b>100.00%</b>

Source: Investment Manager

**Investment Manager**

- 1.1.5. EnCap Investment Manager Private Limited [erstwhile Brookfield India Infrastructure Manager Private Limited] (“the **Investment Manager**” or “**EIMPL**”) is an investment management company and is the Investment Manager of the Trust. The Investment Manager has over five years of experience in fund management. Further, the Investment Manager has appointed a Project Manager to (directly or indirectly) undertake operations and management of the SPV.

Shareholding of the Investment Manager as on 30<sup>th</sup> June, 2025 is as under:

Sr.no.	Particulars	No. of Shares	%
1	BIF III Rapid IM Holdco. Pte Ltd	83,39,557	100.00%
2	BIF IV Jarvis IM Holdco. Pte Ltd*	1	0.00%
<b>Total</b>		<b>83,39,558</b>	<b>100.00%</b>

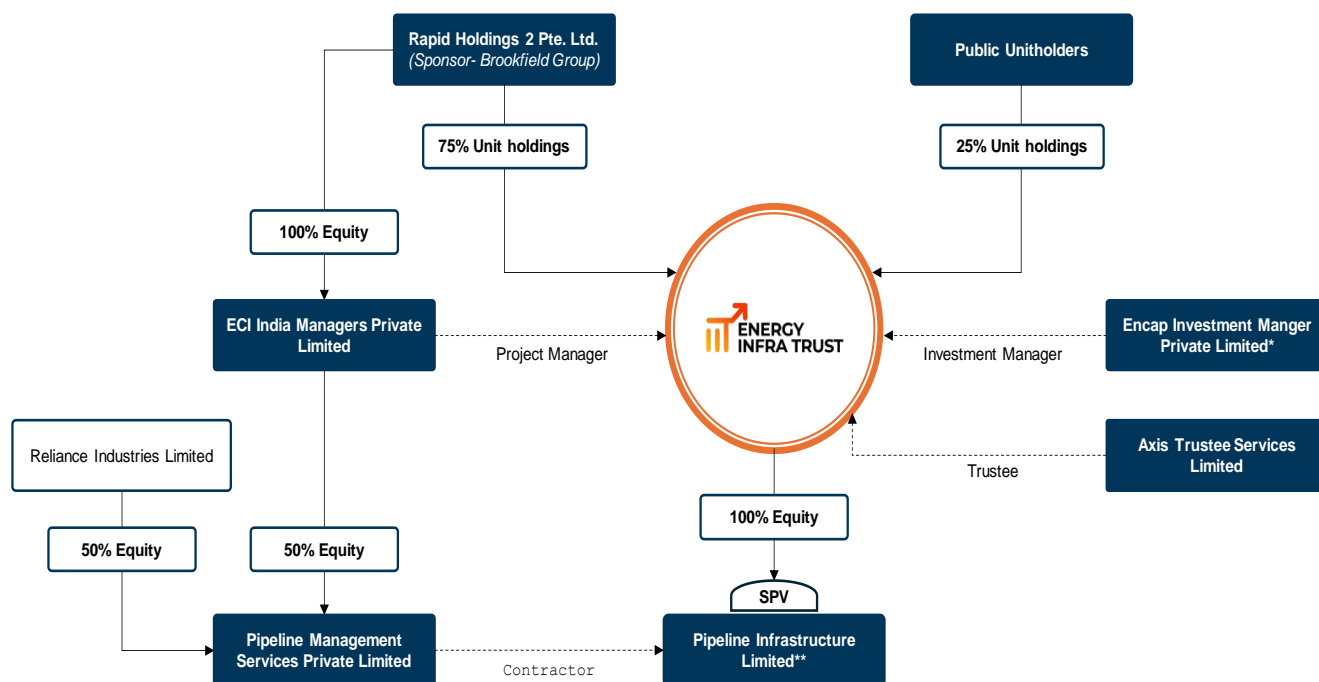
\*Holds one share as a nominee of BIF III Rapid IM Holdco. Pte Ltd

Source: Investment Manager

1.1.6. **Financial Asset to be Valued**

Enterprise Value (“EV”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. The financial asset under consideration to be valued at Enterprise Value is as follows:-

INR Mn			
Sr. No.	Name of the SPV	Acquisition Date	Acquisition Cost
1	Pipeline Infrastructure Limited	22 <sup>nd</sup> March 2019	500

**Structure of the Trust as at 30<sup>th</sup> June, 2025:**

Note: \*Formerly known as Brookfield India Infrastructure Manager Private Limited

\*\* \*Reliance Strategic Business Ventures Limited ("RSBVL") holds Redeemable preference shares of INR 50 Crores and Compulsory Convertible Preference shares of INR 4,000 crores in the SPV.



## 1.2. Purpose and Scope of Valuation

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### Purpose of Valuation

- 1.2.1. I understand that there has been a material revision in the forecast of gas volumes expected to be transported by PIL during the period FY 2025-26 to FY 2038-39 ("**Projected Period**") based on the latest assessment undertaken by technical experts appointed by the management of PIL.
- 1.2.2. I understand that the revision is on account of various factors, inter alia, strong growth in gas consumption exhibited by the city gas distribution ("CGD") sector due to increase in geographical areas awarded by Petroleum and Natural Gas Regulatory Board (PNGRB) and a greater adoption of natural gas in urban utilities, proposed commissioning of an offshore LNG regasification terminal near Kakinada by Crown LNG by 2030 with a Memorandum of Understanding signed on 10<sup>th</sup> July 2025 between PIL and Crown LNG to establish connectivity between the terminal and PIL pipeline, proposed connectivity of Ennore LNG Terminal with the PIL pipeline, etc.
- 1.2.3. In light of the above facts and economic and industry factors, the Investment Manager and the Trust intend to undertake the fair enterprise valuation of the InvIT Asset as on 30<sup>th</sup> June 2025 ("**Valuation Date**") as per the extant provisions of the SEBI InvIT Regulations.
- 1.2.4. In this regard, the Investment Manager has appointed Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at the enterprise level of the SPV as per the SEBI InvIT Regulations as at 30<sup>th</sup> June, 2025. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.2.5. Registered Valuer declares that:
- i. The RV is competent to undertake financial valuation in terms of SEBI InvIT Regulations;
  - ii. The RV is independent and has prepared the Report on a fair and unbiased basis;
  - iii. RV has valued the SPV based on the valuation standards as specified / applicable as per the SEBI InvIT Regulations.
  - iv. The RV has an experience of more than 5 years in valuation of infrastructure assets (Refer **Appendix 6** for Brief details about the Valuer).
- 1.2.6. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

### Scope of Valuation

#### 1.2.7. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("**EV**") of the SPV.

Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.

#### **Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, RV has determined the fair value of the SPV at the enterprise level. Fair Value Bases defined as under:

#### **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party (ies) involved.

**1.2.8. Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPV is 30<sup>th</sup> June, 2025 ("**Valuation Date**").

The attached Report is drawn up by reference to accounting and financial information as on 30<sup>th</sup> June, 2025. The RV is not aware of any other events having occurred since 30<sup>th</sup> June, 2025 till date of this Report which he deems to be significant for his valuation analysis.

**1.2.9. Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

**Going Concern Value**

Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

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## 1.3. Summary of Valuation

I have assessed the fair enterprise value of the SPV on a stand-alone basis by using the discounted cash flow method under the income approach. Following table summarizes my explanation on the usage or non-usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence, NAV method has been considered for background reference only.
Income Approach	Discounted Cash Flow	Yes	In present scenario, the true worth of the business would be reflected from its potential to earn income in the future and therefore, DCF method under the income approach has been considered as an appropriate method for the purpose of valuation.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the Discounted Cash Flow (DCF) Method, Free Cash Flow to Equity (FCFE) has been used for the purpose of valuation of the SPV. In order to arrive at the fair EV of the SPV under the DCF Method, I have relied on the unaudited provisional financial statements of PIL as at 30<sup>th</sup> June, 2025 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPV prepared by the Investment Manager as at the Valuation Date based on their best judgement. The discount rate considered for the purpose of this valuation exercise is based on the Cost of Equity for the SPV.

The SPV owns a natural gas pipeline that stretches from Kakinada (Andhra Pradesh) to Bharuch (Gujarat). The SPV provides transportation Services to customers for transportation of gas from any particular entry point to any exit point and the terms of service are agreed in the Gas Transportation Agreement (“GTA”).

Further, the SPV has entered into Pipeline Usage Agreement (“PUA”) with RIL wherein RIL will reserve capacity, including of transportation, storage or other capacity, of up to 33 Mmscmd (“Reserved Capacity”) in the Pipeline for a period of 20 years.

Based on the methodology and assumptions discussed further, the Fair Enterprise Value of the SPV as on the Valuation Date is as under:

Sr. No.	SPV	Projection Period	COE	Cost of Shareholder's Debt	Fair EV (INR Mn)
1	PIL	~ 13.75 years	22.21%	8.34%	1,23,130
<b>Total</b>					<b>1,23,130</b>

**2. Procedures adopted for current valuation exercise**

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- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with the ICAI Valuation Standards 2018 ("IVS") issued by the Institute of Chartered Accountants of India read with SEBI InvIT Regulations.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to the SPV;
- 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
- 2.2.3. Discussions with the Investment Manager on:
- Understanding of the business of the SPV – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
- 2.2.4. Undertook industry analysis:
- Research publicly available market data including economic factors and industry trends that may impact the valuation;
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
- 2.2.5. Analysis of other publicly available information;
- 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
- 2.2.7. Conducted physical site visit of the assets of the SPV;
- 2.2.8. Determination of fair EV of the SPV.

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### 3. Overview of the InvIT and the SPV

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#### The Trust

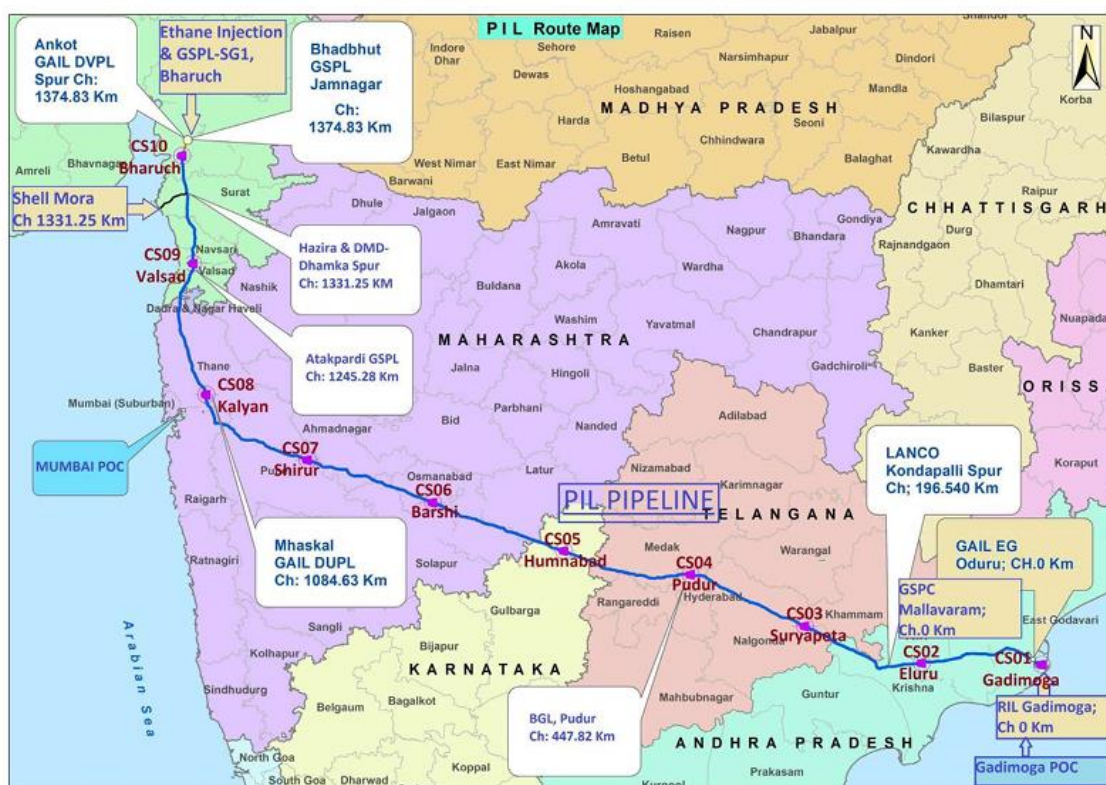
- 3.1. The Trust is registered with Securities and Exchange Board of India ("SEBI") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"). The Trust was established on 22<sup>nd</sup> November 2018 by Rapid Holdings 2 Pte. Limited ("Rapid Holdings" or "the Sponsor"). It was established to invest in infrastructure assets primarily being in the natural gas sector in India. The units of the Trust are listed on BSE Limited since 20<sup>th</sup> March 2019.
- 3.2. The Initial Portfolio Asset of the Trust comprises of only one asset being a pipeline system used for the transport of natural gas ("Pipeline" or the "InvIT Asset"). The Pipeline is a cross-country, natural gas pipeline with a pipeline length of ~1,480 km including spur lines (together with compressor stations and operation centres), that stretches from Kakinada, Andhra Pradesh, in the east of India, to Bharuch, Gujarat, in the west of India, traversing adjacent to major cities in the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat, owned by Pipeline Infrastructure Limited ("PIL" or "the Company") the only Special Purpose Vehicle ("SPV") of PIL.
- 3.3. On 22<sup>nd</sup> March 2019, the Trust acquired 100% controlling interest in the SPV from Reliance Industries Holding Private Limited ("RIHPL") which was not a related party transaction. As on 30<sup>th</sup> June, 2025, the Trust (along with its 6 Nominees holding 1 share each) holds 100% of the issued equity shares of the SPV.
- 3.4. On 22<sup>nd</sup> March 2019, the SPV had issued and allotted 12,95,00,000 Unlisted, Secured, Redeemable Non-convertible Debentures of face value of INR 1,000 each aggregating to INR 12,950 Crore, at par, to the Trust, on private placement basis ("NCDs"), from which the Trust derives interest income. The said NCDs have been issued for a term of 20 years from the date of allotment. On 23<sup>rd</sup> April 2019, PIL has redeemed 6,45,20,000 NCDs of INR 1,000 each aggregating to INR 6,452 Crore, at par, out of the aforesaid 12,95,00,000 NCDs issued on 22<sup>nd</sup> March 2019. As on 30<sup>th</sup> June, 2025, in line with the terms of issuance of the aforesaid NCDs, the SPV had made payment of an aggregate amount of INR 1,904.38 Crore, from time to time, towards partial principal re-payment of the remaining 6,49,80,000 NCDs of INR 1,000 each, thereby proportionately reducing the face value of NCDs. Accordingly, as on 30<sup>th</sup> June, 2025, the principal amount of the remaining 6,49,80,000 NCDs has been reduced to INR 4,593.62 Crore having a face value of INR 706.93.
- 3.5. Further, the total cumulative interest bearing Expenditure Component Sweep ("ECS") paid by PIL to the Trust is INR 1,037.92 Crore as on 30<sup>th</sup> June, 2025 which is treated as advance and will be settled against the future repayments of the principal of NCDs as per the agreement(s). Further, interest is recoverable by the company from future interest payments on Shareholders' Debt to the Trust as per agreement.
- 3.6. During the three months period ended 30<sup>th</sup> June, 2025, the Trust has earned INR 131.99 Crore as net interest income from PIL as reflected in the financial statements.

#### Pipeline Infrastructure Limited (PIL or the SPV or the Company)

- 3.7. The principal business of the SPV is to operate a pipeline for transportation of natural gas. The Pipeline was put into commercial operation in April 2009, and prior to the effectiveness of the Scheme of Arrangement, was owned and operated by East West Pipeline Private Limited ("EWPPL").
- 3.8. With a length of ~1,480 km, PIL has the sole pipeline connecting the East coast of India to the West coast. The erstwhile promoter of PIL, EWPPL, had designed, constructed, and commissioned the pipeline after the discovery of natural gas reserves in the KG-D6 gas block in the Krishna Godavari (KG) basin. The Pipeline is also critical for transporting gas from the KG-D6 basin to customers and ensures the availability of natural gas to markets along Eastern and Western India and to consumers along the route. PIL has connectivity with pipelines of other operators such as GAIL India Limited and Gujarat State Petronet Limited, which also provides delivery of gas to other parts of India. Being the only major pipeline at source, PIL holds significant importance for companies sourcing gas at the KG-D6 basin.
- 3.9. As at 30<sup>th</sup> June, 2025,
  - i. The Pipeline includes a network of 11 compressor stations and two operation centers, which incorporate modern telecommunication, emission control and operational systems for safe and efficient operations.
  - ii. Total 37 Mainline Sectionalizing Valve stations are installed along the pipeline route so as to allow isolation of a section of pipeline in event of an emergency and/or repairs.
  - iii. The compressor stations houses the facilities like gas turbine compressors, gas engine generators, gas after coolers, pigging receiver and launchers, electrical sub-station and other utilities like diesel generators, firefighting equipment and storage etc.

- 3.10. The Pipeline connects certain supply hubs and demand centres located in the eastern and western India which acts as an important link in the development of India's national natural gas grid. It connects a number of domestic gas sources including the KG-D6 gas block and GSPC's natural gas fields on the east coast and the HLPL LNG terminal at Hazira, Gujarat, with existing markets in the eastern, western and northern regions of India, as well as to consumers along the route.
- 3.11. The Pipeline has interconnects for receipt and delivery of gas connecting to source and other cross-country pipelines such as DVPL/ DUPL/ GSPL-HP & KG Basin networks. Metering and regulating stations are located at these inter-connects and at customer locations. Tap-offs are also provided for new connections at regular intervals.
- 3.12. For managing the operations of the pipeline, main operation centre is located at CS01 Gadimoga, Andhra Pradesh and backup operations centre is located at the Head Office (Seawoods Grand Central, Mumbai), Thane. Local Control Centre has been provided at every Compressor Stations en-route the pipeline. Maintenance bases along with warehouse facilities have been set up at CS 03 and CS-08 apart from first level maintenance facilities provided at each of the compressor station en-route the pipeline.
- 3.13. The SPV provides transportation Services to customers for transportation of gas from any particular entry point (i.e. source/ upstream pipeline) to any exit point (i.e. customer point/downstream pipeline).
- 3.14. PIL and Reliance Industries Limited ("**RIL**") have signed a Pipeline Usage Agreement ("**PUA**"), enabling RIL to reserve transportation, storage, or other capacities in the pipeline, for a period of 20 years starting from 23<sup>rd</sup> March 2019. As per the PUA, during the contract tenure, RIL has agreed to pay quarterly contracted capacity payments ("**CCPs**") determined for four blocks of five years each, towards the annual contracted capacity. The obligation of RIL to pay the CCP is adjusted according to payments made for actual capacities contracted by RIL or third-party customers pursuant to the gas transportation agreements ("**GTAs**"). RIL ensures the payments regardless of whether they utilize the natural gas capacity of the pipeline. CCPs have been formulated in coherence with the operational expenditure and debt servicing requirements of PIL.
- 3.15. The Pipeline usage capacity is booked by the customers for which a Framework Gas Transportation Agreement (FGTA) is entered into between customers and PIL. FGTA provides for framework of general terms and conditions for transportation services rendered by PIL. After execution of FGTA, Gas Transportation Agreement (GTA) is entered into between customers and PIL for each of the specific transaction of transportation. GTA incorporates the terms of the FGTA by reference.
- 3.16. The transportation of gas through the pipeline is regulated by the Petroleum and Natural Gas Regulatory Board (PNGRB), which has established rules for determining the tariffs for the transportation of natural gas. PNGRB reviews the tariffs at five-year intervals and the revised tariff is applied prospectively.

3.17. Following is PIL Pipeline Route Map:



Source: Management

3.18. Key terms of GTA are as follows

Sr. No.	Particulars	Key Terms of GTA
I	Tariff	Tariff Rate in INR/mmbtu as approved by PNGRB
II	Terms	As mutually agreed between parties
III	Ship or Pay	Monthly 90% of Maximum Delivery Quantity (MDQ) level
IV	Payment Terms	<ul style="list-style-type: none"> <li>- Fortnightly Invoicing</li> <li>- Payments within 4 days of invoice</li> <li>- Disputed amount will be paid in full, pending dispute settlement</li> </ul>
V	Payment Security	Shipper shall provide LC covering 30*MDQ* ( Tariff + Taxes)
VI	PIL Liability Cap	50% of Annual Transportation Charges
VII	Planned Maintenance	<ul style="list-style-type: none"> <li>-Without liability for ship or pay and liquidated damages</li> <li>-Total of 10 days annually allowed for transporter.</li> </ul>

#### Tariff Determination as per Tariff Regulations

3.19. PNGRB has been authorized to regulate the tariff for transportation of gas based on the tariff submitted by the transporters and the regulations prescribed for such determination.

3.20. The tariff for gas transportation is divided into various zones of 300 km along the route of the natural gas pipeline from the point of entry till the point of exit as per the contract.

3.21. The key factors considered while determination of tariff as follows:

SR N	Factors	Terms
1	Economic Life	30 years (as amended Nov'20)
2	Tariff Method	DCF, ROCE @12% post tax
3	Capex & Opex	Lower of Normative/Actual
4	Working Capital	30 days opex and 18 days receivables
5	System Use Gas	(Gas price + Tariff) x Quantity (maximum 2%)
6	Volume for Tariff Fixation	Higher of Normative or Actual
		Normative Volumes are determined as under-
		- 1-10 years: 30%, 35%, 40%, 45%, 50%, 60%, 70%,80%,90%,100% of 75% of Capacity
		- Year 11 onwards: 75% of Capacity or firm contracted volumes
		- Volume Adjustment is permitted over the economic life
7	Capacity	- As determined by PNGRB under relevant guidelines
8	Tariff Overview	- Initial Tariff for first year
		- First regular tariff for next five years
		- Subsequently fixed and reviewed every five years

Source: Tariff Order 2019 read with PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2022

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**3.22. Site Visit Details:**

We had last conducted a physical site visit of the Compressor Station No. 8 located near Kalyan (CS – 08) on Dec 17, 2024 and Compressor Station No. 1 located near Kakinada on April 23, 2025 for the purpose of full enterprise valuation undertaken by the Investment Manager as on 31<sup>st</sup> March, 2025. Owing to the paucity of time and also the time lag between the date of previous full valuation and the present valuation exercise which was not material, no further physical site visit has been undertaken for the current valuation exercise.

Following are the pictures of the site visit conducted:



### **3.23. Overview of the Transaction Documents**

#### **3.23.1. Framework Agreement :-**

PIL, RIHPL, the Investment Manager and the Sponsor entered into a Framework Agreement, dated August 28, 2018 (the "Framework Agreement"), which records the understanding among the parties for, among others;

- (1) transfer of the entire issued equity share capital of PIL to the Trust;
- (2) subscription by the Trust to the PIL NCDs;
- (3) transfer of the Pipeline Business from EWPPL to PIL pursuant to the Scheme of Arrangement for a net consideration of INR 6,500 million, payable through cash consideration of INR 6,000 million and issuance and allotment of 50,000,000 Redeemable Preference Shares to EWPPL by PIL.
- (4) repayment of the unsecured liability of 164,000 million ("Outstanding Payables"), owed by EWPPL in relation to the Pipeline Business, and transferred to PIL pursuant to the Scheme of Arrangement. Accordingly, through the Scheme of Arrangement, the Pipeline Business has been demerged from EWPPL to PIL for an asset value of INR 170,500 million along with the Outstanding Payables, i.e. for net consideration of INR 6,500 million.

#### **3.23.2. Share Purchase Agreement :-**

PIL, RIHPL, the Trust (acting through its Trustee) and the Investment Manager have entered into a share purchase agreement, dated February 11, 2019 (the "Share Purchase Agreement") for the purchase of 100% of the equity share capital of PIL by the Trust from RIHPL, for a purchase consideration of INR 500 million.

#### **3.23.3. Share Subscription Agreement :-**

PIL, Reliance Industrial Investments and Holdings Limited ("RIIHL") and the Trust have entered into a share subscription agreement dated February 11, 2019 (the "Share Subscription Agreement"). RIIHL has (either by itself or through one or more members of the RIL group) agreed to subscribe to 4,000 million compulsorily convertible preference shares of ₹ 10 each of PIL aggregating to INR 40,000 million (the "CCPS") on the date when the PIL NCDs are allotted to the Trust ("Transfer Date"). Further, RIIHL has transferred the CCPS to Reliance Strategic Business Ventures Limited ("RSBVL") with effect from September 13, 2019.

#### **3.23.4. Shareholders' & Options Agreement :-**

PIL, EWPPL, RIL, the Trust and the Investment Manager have entered into the PIL SHA to set out their rights and obligations in relation to PIL. The rights and obligations under the PIL SHA include those of the Trust as the equity shareholder of PIL and the holder of the PIL NCDs, of the holders of the Preference Shares and of Reliance and the Trust in relation to the purchase and transfer of the equity shares of PIL.

The parties to the PIL SHA have agreed that the cash flows of PIL shall be distributed in the manner stipulated, such that distributions would be made to the holders of the PIL NCDs, followed by the equity shareholders from the cash available to PIL at the discretion of the Trust.

#### **3.23.5. Pipeline Usage Agreement :-**

PIL and RIL have entered into a pipeline usage agreement, the form of which has been agreed between the parties, on the Completion Date (the "Pipeline Usage Agreement"), which set out the terms for RIL to reserve transportation, storage or other capacity in the Pipeline for a period of 20 years. Under the Pipeline Usage Agreement, RIL will agree to reserve a capacity of up to a maximum of 33 mmscmd in the Pipeline for a period of 20 years, pursuant to which RIL shall pay PIL Contracted Capacity Payments determined for four blocks of five years each in the manner specified and calculated with reference to the Benchmark Rate i.e. Annual Interest rate, and subject to certain adjustments.

#### **3.23.6. O&M Agreement :-**

PIL, the Contractor and the Project Manager have entered into an operations and maintenance agreement, dated February 11, 2019 ("O&M Agreement"), in order to set out the terms for delegation of obligations by the Project Manager to the Contractor, towards the operation and maintenance of the Pipeline. The O&M Agreement includes budget plans for the cost of operating and maintaining the Pipeline facilities, for a period of 20 years, as well a process of drawing up annual budgets and provides for the manner of dealing with amounts in excess of or less than actual amounts spent towards operation and maintenance of the Pipeline.

3.23.7. **O&M Sub contract Agreement :-**

PIL, the Contractor and the Sub-Contractor have entered into an operations and maintenance subcontract, dated February 11, 2019 ("O&M Sub-Contract Agreement"), in order to set out the terms for delegation of certain obligations by the Contractor to the Sub-Contractor for a certain portion of the Pipeline, i.e., from compressor station 8 to compressor station 10.

3.23.8. **Infrastructure Sharing Agreement:-**

PIL, the Contractor and RGPL have entered into an infrastructure sharing agreement dated February 11, 2019 ("Infrastructure Agreement") in order to set out the terms for permitting RGPL non-exclusive access to certain facilities of RGPL which are laid on the Pipeline's right of usage area and are co-located with the Pipeline facilities.

3.23.9. **Shared Services Agreement :-**

PIL, RIL and the Contractor have entered into an shared services agreement, dated February 11, 2019 ("Shared Services Agreement"), in order to set out the terms for RIL to provide PIL and the Contractor with certain identified services in connection with the Pipeline Business, for a period of three years, in order to enable business continuity, seamless operations and an effective cost structure of the Pipeline Business, pursuant to the demerger of the Pipeline Business from EWPPIL to PIL.

3.23.10. **Performance of PIL:**

**Historical Volumes:**

	(in MMSCMD)					
Particulars	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Volumes Transported	18.78	11.99	20.56	23.68	33.11	35.45

**Financial Performance:**

	INR Mn					
Particulars	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Revenue from Operations	24,071	17,917	25,920	27,440	36,663	38,929
Other Income (Net)	330	296	385	564	1,730	1,411
Fair Value gain/(loss) on NCD	(18,177)	(763)	375	5,173	(5,338)	(2,988)
<b>Total Income</b>	<b>6,224</b>	<b>17,450</b>	<b>26,680</b>	<b>33,177</b>	<b>33,055</b>	<b>37,352</b>
Employee Benefit Expenses	201	281	307	346	360	347
Transmission Charges	8,676	5,263	1,923	248	3	-
Other Expenses	2,555	2,421	3,875	6,326	14,346	25,248
<b>Reported EBITDA</b>	<b>(5,208)</b>	<b>9,484</b>	<b>20,575</b>	<b>26,258</b>	<b>18,346</b>	<b>11,757</b>
<b>EBITDA %</b>	<b>(84%)</b>	<b>54%</b>	<b>77%</b>	<b>79%</b>	<b>56%</b>	<b>31%</b>
Depreciation & Amortisation	8,314	8,446	8,714	9,349	9,053	9,092
<b>Reported EBIT</b>	<b>(13,522)</b>	<b>1,038</b>	<b>11,861</b>	<b>16,909</b>	<b>9,293</b>	<b>2,665</b>
<b>EBIT %</b>	<b>(217%)</b>	<b>6%</b>	<b>44%</b>	<b>51%</b>	<b>28%</b>	<b>7%</b>
Finance Costs	12,092	12,946	12,166	11,899	11,684	10,663
<b>Reported EBT</b>	<b>(25,614)</b>	<b>(11,907)</b>	<b>(305)</b>	<b>5,010</b>	<b>(2,391)</b>	<b>(7,998)</b>
<b>EBT %</b>	<b>(412%)</b>	<b>(68%)</b>	<b>(1%)</b>	<b>15%</b>	<b>(7%)</b>	<b>(21%)</b>

Source: Management

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## 4. Overview of the Industry

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### 4.1 Introduction

- 4.1.1 The history of gas in India's energy system has a mixed track record, with periods of rapid expansion followed by episodes of decline. After steep demand declines in the wake of the 2022 global energy crisis, total gas consumption in India in 2023 was only slightly higher than in 2011. However the gas use in India has reached an inflection point and is on course to increase substantially between 2023 and 2030. This growth would be driven by three major trends: the rapid expansion of India's gas infrastructure, a rebound in domestic natural gas production and an expected easing of global gas market conditions.
- 4.1.2 Supportive government policies have & shall further pave the way for increased natural gas consumption through 2030 as the government targets to increase the share of natural gas in the country's energy mix to 15% by 2030 (up from the 2022 level of 6.4%). This target provides a clear growth signal for India's natural gas sector and has set the direction for a range of supportive government policies aimed at increasing gas use in India's energy economy. This ambitious target is supported by government policies promoting natural gas adoption in various sectors, including power, industrial, and city gas distribution (CGD). Despite challenges such as high LNG prices and limited domestic production, efforts are underway to enhance natural gas infrastructure and supply reliability. The government's commitment to creating a gas-based economy is evident from the numerous initiatives and investments focused on improving natural gas availability and connectivity.
- 4.1.3 Natural gas consumption in India is projected to grow significantly, driven by rapid expansion of CGD networks, industrial demand, and increased utilization of gas-fired power plants. Key factors include infrastructure improvements, cost advantages over liquid fuels, and supportive policy measures. The growth trajectory of natural gas in India reflects the government's long-term vision of reducing dependence on coal and oil, while also meeting increasing energy demand in a sustainable manner.
- 4.1.4 As per the latest available data, total natural gas consumption (including internal use) for the month of February, 2025 was approximately 5,789 million metric standard cubic meter ("MMSCM") - a 0.6% increase over February 2024. Cumulative consumption for the fiscal year up to February 2025 reached 66,975 MMSCM - a 9.1% increase as compared to the corresponding period in the previous year.

### 4.2 Overview of the Indian Natural Gas Sector

#### 4.2.1 Historical Evolution and Key Milestones

During the period 2000 to 2022, India's energy demand grew rapidly due to economic development, urbanization, and industrialization, leading to a 2.4-fold increase in primary energy consumption. Despite this growth, coal and oil remained the dominant sources, accounting for around 70% of the energy mix. Significant natural gas discoveries, especially in the Krishna-Godavari (KG) Basin, marked the beginning of a gas-based economy. However, environmental challenges emerged as greenhouse gas (GHG) emissions increased, positioning India as the world's third-largest emitter.

Between 2010 and 2020, India made substantial commitments to cleaner energy solutions. As part of its climate goals, India pledged to achieve net-zero emissions by 2070 and reduce carbon intensity by 45% by 2030 compared to 2005 levels. To increase natural gas usage, the government targeted raising its share in the primary energy mix to 15% by 2030 from 6.4% in 2022. LNG regasification capacity was planned to expand from 17.3 Million Metric Tonnes Per Annum ("MMTPA") in 2012-13 to 83 MMTPA by 2030. Additionally, City Gas Distribution (CGD) networks were developed rapidly, promoting the use of CNG and PNG in various sectors. Despite these initiatives, challenges persisted, including high LNG prices and limited pipeline connectivity.

From 2020 to 2025, India focused on accelerating the transition to a gas-based economy through policy support and infrastructure development. By 2024, the country had seven operational LNG terminals with a combined capacity of 65 Billion cubic metres ("bcm") per year, with more terminals planned to increase capacity to 83 bcm by 2030. The pipeline network expanded to around 28,000 km with a design capacity of 721 Metric Standard Cubic Meter Per Day ("MMSCMD"). Key policy reforms, such as the unified pipeline tariff system in 2023, aimed to reduce gas transportation costs. However, LNG prices above USD 5.5 per Metric

Million British Thermal Unit (“mmbtu”) continued to challenge the competitiveness of gas-based power generation compared to coal and renewables.

Looking ahead, India is focused on achieving a 15% share of natural gas in its primary energy mix by 2030. LNG imports are projected to more than double, reaching 64 bcm per year by 2030, driven by increased demand from city gas distribution and industrial sectors. To support this, new LNG terminals and pipeline infrastructure are being established to enhance supply security and connectivity. Strategic efforts include diversifying LNG sources, forming long-term supply agreements, and integrating gas with renewable energy to stabilize the grid. Addressing challenges related to high LNG prices and regional disparities in gas availability remains crucial to realizing the long-term vision of a gas-based economy.

#### 4.2.2 Regulatory Framework and Institutional Developments

The PNGRB serves as the principal regulatory authority for the natural gas market. Its responsibilities include tariff setting, project approvals, and ensuring adherence to industry standards. Complementing the PNGRB, the PPAC publishes regular analytical reports and monthly consumption data. Together, these agencies ensure that market operations are transparent and supported by publicly available data.

### 4.3 Demand-Side Analysis

4.3.1 India's natural gas consumption has more than doubled since 2000, reaching over 65 bcm by 2023, driven primarily by rapid urbanization, industrial growth, and a shift towards cleaner energy.

4.3.2 As natural gas consumption continues to rise, the need for extensive and reliable pipeline infrastructure becomes critical. The rapid growth in CGD networks and industrial gas usage necessitates enhanced pipeline connectivity to ensure efficient and uninterrupted supply.

4.3.3 Looking ahead, natural gas consumption is projected to grow by nearly 60% between 2023 and 2030, reaching approximately 103 bcm per year. This surge will be driven primarily by the CGD sector and heavy industries such as iron and steel. The power generation sector is also expected to witness healthy growth, with an average annual increase of 8%, supported by the revival of gas-fired power plants and the expansion of captive power generation. To accommodate this rising demand, significant investments in pipeline expansion and network optimization will be essential.

#### 4.3.4 Sectoral Breakdown of Natural Gas Consumption in India

- **Fertilizer Production:** The fertilizer sector remains the largest gas-consuming sector in India, accounting for nearly one-third (21 bcm) of the total natural gas demand in 2023. Natural gas is primarily used as a feedstock for ammonia-based urea production, which is crucial for the country's agriculture and food security. However, the sector heavily relies on imported LNG, covering 85% of its gas needs as of 2023, due to declining domestic gas allocations.
- **Power Generation:** India's gas-fired power generation capacity stood at 24 GW by the end of 2023, generating 29 TWh of electricity with an average load factor of 14%. Despite challenges related to high LNG prices and limited gas availability, the sector consumed 8.8 bcm of natural gas in 2023. Gas use in power generation is projected to grow by nearly 70% by 2030 which shall be primarily on account of expected declining LNG price towards the end of the decade and the introduction of a high-price day-ahead electricity market.
- **Oil Refining:** India is one of the world's largest oil refining hubs, with a capacity of 5.8 million barrels per day (“MMbbl/d”) as of 2023. Natural gas consumption in oil refining reached 5.1 bcm in 2023 (a 25% increase over previous year), supported by rising domestic gas production and improved gas connectivity. Gas use in refining is projected to grow at nearly 9% annually, reaching over 9 bcm per year by 2030, driven by capacity expansions and new refinery projects.
- **Petrochemicals:** Natural gas consumption in the petrochemical sector reached 2.6 bcm in 2023, recovering from a low of 2.0 bcm in 2022 amid high LNG prices. However, gas consumption remained about 25% below the 2017-2021 average as operators increasingly relied on ethane and NGL-based

feedstocks. By 2030, gas demand in the petrochemical sector is expected to grow to around 3.5 bcm per year representing a 5% annual increase from 2023.

- City Gas Distribution (CGD):** India's city gas sector includes four traditional end-use segments – residential, commercial, small industries, and CNG for vehicles – and a nascent new one, LNG for heavy-duty transport. As of 2023, CNG was the dominant segment, accounting for nearly 60% of CGD consumption. Residential and commercial users together accounted for only about 10% of CGD demand, while small industries connected to the low-pressure distribution grid contributed a little over 30% to CGD gas use. Between 2023 and 2030, city gas demand is expected to increase by close to 70% (9 bcm/yr), achieving a CAGR of almost 8%. Most of the growth will come from the CNG sector (5.8 bcm/yr) and small industries (2.8 bcm/yr), with residential and commercial users adding approximately 0.5 bcm/yr through 2030.

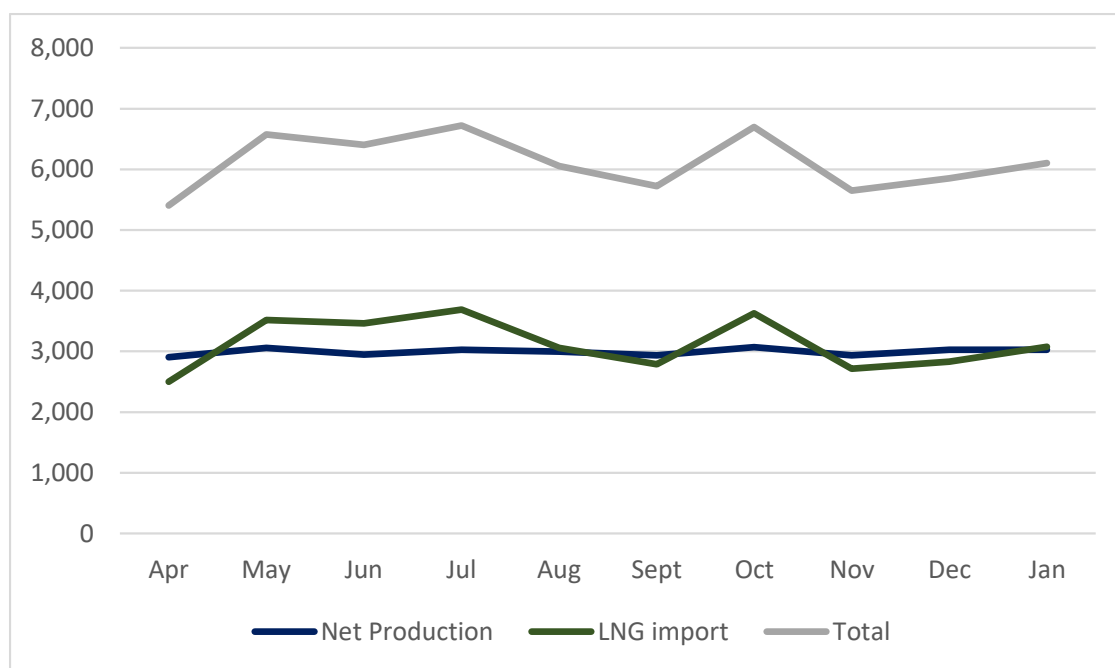
4.3.5 Snapshot of Natural Gas Consumption in India for FY 2024-25 (Apr-Jan) is as under:

(In MMSCM)

Month	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Total
<b>Net Production</b>	2,907	3,059	2,945	3,030	2,999	2,936	3,073	2,936	3,026	3,025	<b>29,935</b>
<b>LNG import</b>	2,499	3,516	3,460	3,689	3,056	2,787	3,626	2,712	2,829	3,077	<b>31,252</b>
<b>Total</b>	<b>5,407</b>	<b>6,575</b>	<b>6,406</b>	<b>6,719</b>	<b>6,055</b>	<b>5,722</b>	<b>6,699</b>	<b>5,648</b>	<b>5,854</b>	<b>6,102</b>	<b>61,187</b>

Source: [PPAC Data](#)

Graphical representation of natural gas consumption during FY 24-25 is as under:



## 4.4 Supply-Side Analysis

### 4.4.1 Domestic Production and Key Players

India's upstream natural gas sector is predominantly controlled by state-owned entities like ONGC (Oil and Natural Gas Corporation) and Oil India, alongside private companies led by Reliance Industries in partnership with Bharat Petroleum. In 2023, total net gas production stood at approximately 35 bcm, meeting around 50% of the country's total gas demand.

Majority of the natural gas production comes from the Mumbai offshore, Assam, Tripura, and Cambay basins, primarily from nomination blocks that were granted to national oil companies before the implementation of the



New Exploration Licensing Policy (NELP). Despite the maturity of these fields, efficient management has helped maintain production levels, with nomination blocks accounting for over 60% of India's gas production as of 2024.

#### **4.4.2 Recent Growth and Key Projects**

After nearly a decade of declining domestic production, the sector witnessed a revival beginning in 2021, driven by new deep water developments, particularly in the Krishna-Godavari (KG) basin. The KG-D6 block, operated by Reliance-BP, contributed significantly to the production increase, supported by key fields such as R Cluster, Satellites Cluster, and MJ. These fields are expected to produce a combined 85 bcm over their lifetime and accounted for nearly 25% of India's gas production in 2024. Additionally, coal bed methane (CBM) projects, particularly from companies like Reliance, Essar, ONGC, and GEECL, have marginally boosted production, although CBM output remained under 1 bcm in 2024.

#### **4.4.3 Current Production Trend**

Gross natural gas production in February 2025 stood at 2,749 Million Standard Cubic Metre ("MMSCM") – a 6.7% decrease as compared to February 2024. Further, the cumulative production for the current financial year up to February 2025 reached to 33,125 MMSCM, showing a slight decrease of 0.5% compared with the corresponding period of the previous year.

#### **4.4.4 Government Initiatives and Policy Support**

The Indian government has introduced various incentives to boost domestic gas production, including royalty holidays, concessional royalty rates, and fiscal incentives for early monetization of fields. The 2016 gas pricing reforms, allowing higher prices for undeveloped deepwater and high-pressure high-temperature fields, facilitated key investments like the second phase of Reliance-BP's KG-D6 project and ONGC's KG-D5 Cluster 2 development. Additionally, the introduction of a 20% increase in gas prices for new wells and workovers in legacy fields supplying APM-priced gas to priority sectors in 2024 encouraged investments to offset base decline rates.

#### **4.4.5 Future Production Outlook**

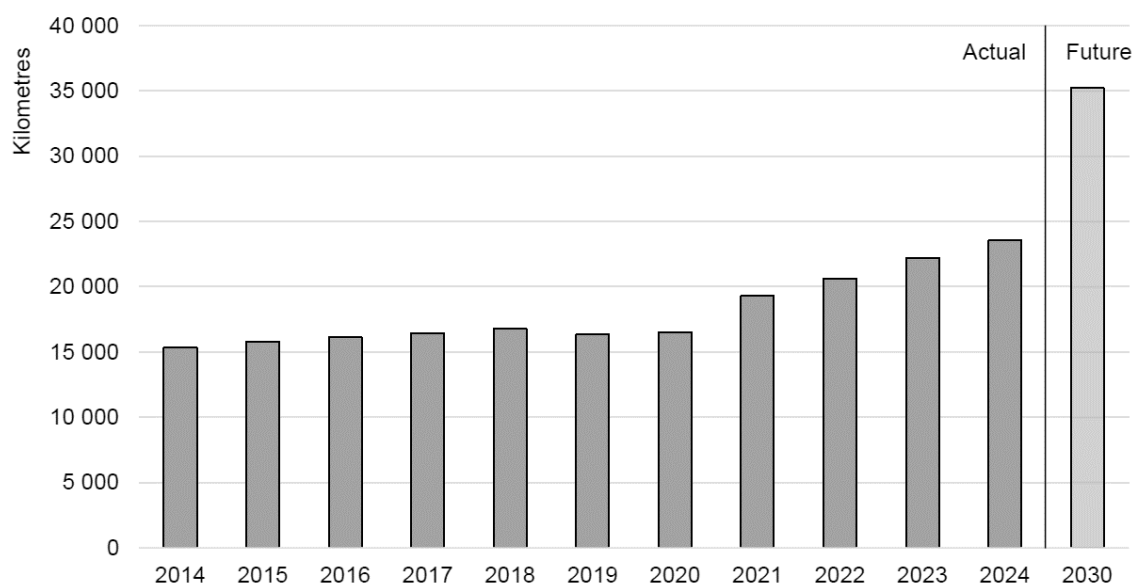
Despite recent growth, the long-term outlook for domestic gas production remains moderate, with projected increases driven by onshore CBM and discovered small fields (DSF) developments. Offshore production is expected to see limited growth, primarily from additional supplies from ONGC's deepwater KG-D5 project between 2025 and 2030. However, plateauing output from the KG-D6 fields and declining production from legacy Mumbai offshore fields are likely to constrain overall growth. Upside potential may emerge from enhancing production in the relatively underexplored north eastern basins, including Assam and Tripura, which collectively account for 47% of onshore production and 13% of total gas supply.

### **4.5 Natural Gas Transmission Infrastructure**

#### **4.5.1 Expansion of Gas Pipeline Network**

As of mid-2024, India's operational natural gas pipeline network spans approximately 23,500 km. Under the "One Nation, One Gas Grid" initiative, the Petroleum and Natural Gas Regulatory Board (PNGRB) has approved around 33,600 km of pipeline projects to create a unified national gas grid.

Upon completion of all ongoing and planned projects, the total length of the high-pressure gas grid is expected to reach 35,200 km by 2030 as shown below:



#### 4.5.2 Accelerated Growth (2020-2024)

India's gas transmission network saw significant growth between 2020 and 2024, expanding by over 7,000 km (a 40% increase). This was driven by PNGRB approvals, new LNG terminals at Ennore, Mundra, and Dhamra, and the expansion of the Dahej terminal. Major projects included the 3,500 km Jagdishpur-Haldia-Bokaro-Dhamra pipeline, enhancing connectivity to underserved north eastern states.

#### 4.5.3 Key Upcoming Projects

Significant pipeline projects in development include the Mumbai-Nagpur-Jharsuguda pipeline (around 1,750 km) and the North East Natural Gas Grid (around 1,650 km), which are expected to further enhance national connectivity and support the gas grid strategy.

#### 4.5.4 Market Reforms and Infrastructure Efficiency

Efforts to liberalize the gas sector include GAIL's capacity booking portal for third-party access and a simplified pipeline tariff structure. However, progress toward unbundling transport and marketing operations has been slow, indicating the need for a more competitive and efficient market structure.

#### 4.5.5 Snapshot of Natural Gas Pipeline as on 30<sup>th</sup> Sep, 2024

Nature of pipeline		GAIL	GSPL	PIL	IOCL	AGCL	RGPL	Others	Total
Operational	Length	10,996	2,722	1,483	143	107	304	139	15,894
	Capacity	233	43	85	20	2	4	12	
Partially commissioned	Length	4,933			1,080			1,666	7,679
	Capacity	-						-	
<b>Total operational length</b>		<b>15,929</b>	<b>2,722</b>	<b>1,483</b>	<b>1,223</b>	<b>107</b>	<b>304</b>	<b>1,805</b>	<b>23,573</b>
Under construction	Length	2,605	100		65			2,860	5,630
	Capacity	26	3		1			78	
<b>Total length</b>		<b>18,534</b>	<b>2,822</b>	<b>1,483</b>	<b>1,288</b>	<b>107</b>	<b>304</b>	<b>4,665</b>	<b>29,203</b>

Source: <https://ppac.gov.in/natural-gas/pipeline-structure>

Length in KMs

Capacity in MMSCMD

Source: International Energy Agency - India Gas Market Report Outlook to 2030.



## 5. Valuation Methodology and Approach

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- 5.1. The present valuation exercise is being undertaken in order to derive the fair enterprise value of the SPV.
- 5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 5.3. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

### 5.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

#### Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "going concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

### 5.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

#### Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.

#### Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

5.6. **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

**Discounted Cash Flow ("DCF") Method**

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the FCFF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital ("WACC"). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

In case of free cash flows to equity ("FCFE"), the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/non-operating assets.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

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## 6. Conclusion on Valuation Approach

- 6.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have considered numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.
- 6.2. The goal in selection of valuation approaches and methods for any financial instrument is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

### Cost Approach

The existing book value of EV of the SPV comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the unaudited provisional financial statements as at 30<sup>th</sup> June, 2025 as under:

	INR Mn
<b>Particulars</b>	<b>30-Jun-25</b>
Net Fixed Assets	98,678
ROU Assets	132
Capital WIP	414
Intangible Assets	13,129*
Other Non-current Assets	411
<b>Total Non-Current Assets (A)</b>	<b>1,12,764</b>
Total Current Assets	6,816
Total Current Liabilities	12,647
<b>Net Current Assets (B)</b>	<b>(5,831)</b>
Lease Liabilities	162
<b>Enterprise Value</b>	<b>1,06,771</b>

\*Includes goodwill of INR 2,820 Mn, Other Intangible Assets of INR 10,297 Mn and Intangibles under development of INR 12 Mn

In the present case, the SPV operates and maintains the gas pipeline in accordance with the terms and conditions under the relevant regulations. The amount of tariff that they may collect are notified by the relevant government agency, in this case the PNGRB, which are usually revised from time to time as specified in the relevant tariff order notifications. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

### Market Approach

The present valuation exercise is to undertake fair EV of the SPV engaged in the Natural Gas Infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPV depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

**Income Approach**

In the present case, we have used the Discounted Cash Flow ("**DCF**") method, to determine the enterprise value of the company. Under the FCFE method, cash flows available to the equity holders of the company after all expenses including debt repayment is calculated. The value then discounted to its present value using the Cost of Equity ("**COE**") to determine the equity value of the company. Further, Enterprise Value ("**EV**") is then computed as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The surplus assets / non-operating assets are also adjusted.

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## 7. Valuation of the SPV

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I have estimated the EV of the SPV using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager.

### Qualification and Key Assumptions

#### 7.1. Cash Flows:

- As per Pipeline Usage Agreement (PUA), RIL has reserved capacity (including of transportation, storage or other capacity) of up to 33 mmscmd ("Reserved Capacity") in the Pipeline for a period of 20 years commencing from the Completion Date ("PUA Term") in accordance with the said agreement. In consideration for this, RIL shall pay, on a quarterly basis, amount of Contracted Capacity Payments (CCPs) of ~INR 2,090 Crs annually as specified in the PUA and which is reset at the beginning of every block of 5 year based on the Benchmark Rate (as defined in the PUA) within the agreed range.

#### 7.2. Projection Period/Terminal Value:

- As per the PIL SHA, RIL has the right, but not the obligation, to purchase the entire equity stake of the Trust in the SPV after a specific term or occurrence of certain events for a consideration of INR 500 Mn. ("Call Option") Correspondingly, the Trust has the right, but not the obligation to sell its entire equity stake in the SPV after a specific term or occurrence of certain events for a consideration of INR 500 Mn ("Put Option") or value determined by valuer, whichever is lower.
- The Investment Manager expects that the option shall trigger at the expiry of 20 years from the date on which the completion occurs in accordance with the SPA (Option Exercise Event). Further, on the Option Exercise Event, the Investment Manager expects that Call Option shall be exercised by RIL and hence, I have limited the projection period to the Option Exercise Event i.e. 20 Years from the Completion Date as per the SHA.
- As per the PUA, at the option trigger date, RIL will be able to acquire the equity shares of SPV from the Trust by paying a consideration of INR 500 Mn or value determined by valuer, whichever is lower.
- Hence, I have considered the present value of INR 500 Mn as the terminal period value for the Trust.

#### 7.3. Volumes:

- PIL's gas transportation volumes comprises primarily of following two sources:
  - (i) Domestic gas produced from the KG Basin
  - (ii) Re-gasified LNG ("RLNG") through connection with LNG regasification terminals
- Domestic Gas:** RIL and ONGC are the key operators of KG Basin with the highest share of remaining gas reserves in the KG Basin.

Volume of gas estimated to be transported during the projected period (during FY 2026 to FY 2039) has been determined basis the volume estimated by (i) the operators i.e. RIL and ONGC from FY 2026 till FY 2029 and (ii) Technical Expert i.e. Wood Mackenzie for the remaining projected period i.e. FY 2030 till FY 2039 vide its reports for Krishna-Godavari Basin (ONGC), KG-DWN 98/2 basin and KG-D6 Area basin.

- Re-gasified LNG ("RLNG"):** Volume of RLNG estimated to be transported through the PIL Pipeline from the LNG re-gasification terminals has been determined basis the Technical Report dated 24<sup>th</sup> July, 2025 issued by KPMG Assurance and Consulting Services LLP. Such volumes have been determined taking into account various factors, inter alia, strong growth in gas consumption exhibited by the city gas distribution ("CGD") sector due to increase in geographical areas awarded by Petroleum and Natural Gas Regulatory Board (PNGRB) and a greater adoption of natural gas in urban utilities, proposed commissioning of an offshore LNG regasification terminal near Kakinada by Crown LNG by 2030 with a Memorandum of Understanding signed on 10<sup>th</sup> July 2025 between PIL and Crown LNG to establish connectivity between the terminal and PIL pipeline, proposed connectivity of Ennore LNG Terminal with the PIL pipeline, etc.

- **Projected Gas Volumes:** The volume of natural gas projected to be transported through the Pipeline as provided by the Management is as follows:

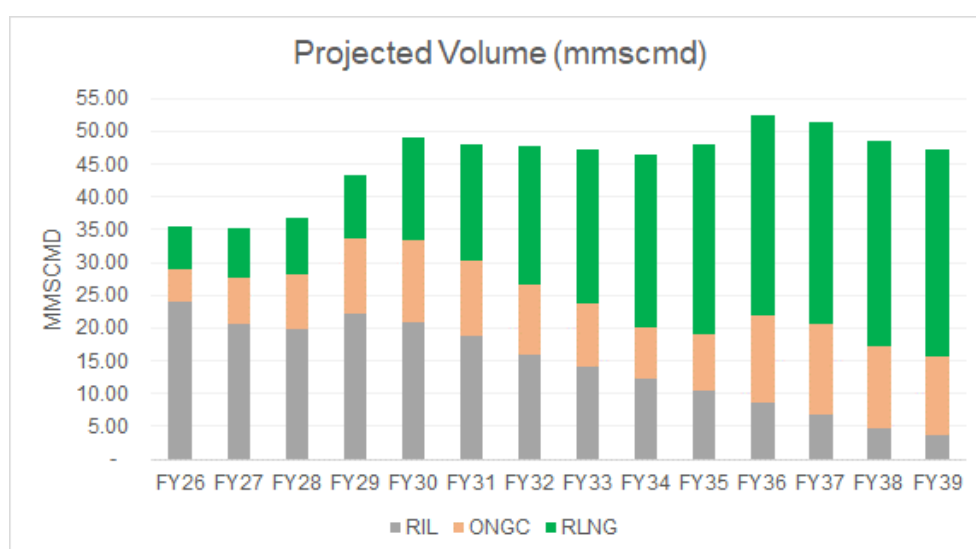
(In mmscmd)

Particulars	FY26	FY27	FY28	FY29	FY30	FY31	FY32
KG-D6 (RIL)	23.54*	20.65*	19.66*	22.23	20.95	18.86	16.06
ONGC	5.04	7.04	8.54	11.54	12.51	11.38	10.62
LNG	6.50	7.50	8.50	9.50	15.61	17.73	21.09
<b>Total Volume (Gross of SUG)</b>	<b>35.07</b>	<b>35.19</b>	<b>36.70</b>	<b>43.26</b>	<b>49.08</b>	<b>47.96</b>	<b>47.77</b>

Particulars	FY33	FY34	FY35	FY36	FY37	FY38	FY39
KG-D6 (RIL)	14.19	12.23	10.48	8.63	6.76	4.68	3.59
ONGC	9.52	8.00	8.47	13.23	13.81	12.57	11.99
LNG	23.44	26.20	29.00	30.57	30.93	31.32	31.76
<b>Total Volume (Gross of SUG)</b>	<b>47.15</b>	<b>46.43</b>	<b>47.95</b>	<b>52.44</b>	<b>51.49</b>	<b>48.57</b>	<b>47.33</b>

\*Volume of gas expected to be transported from KG-D6 for FY 26, FY 27 and FY 28 represents volumes net of SUG of 0.40 mmscmd, 0.10 mmscmd and 0.10 mmscmd respectively.

- Graphical representation of the volume of gas estimated to be transported (gross volumes) for each source mentioned above is as under:



The above Volumes have been approved by the Management of SPV and also approved by the Investment Manager by way of a Management Representation Letter.

- 7.4. **Gas Transportation Tariff:** The Pipeline operations and business adhere to an established regulatory and statutory framework set out by the PNGRB Act 2006, the PMP Act 1962 and the regulations issued thereunder.

As per the PNGRB Order dated 12<sup>th</sup> March, 2019, the present levelized GTA tariff is Rs 71.66 mmbtu and the corresponding realized tariff of PIL for FY 2024-25 was ~ Rs. 79 mmbtu. We understand from the Investment Manager that as per PNGRB regulation, levelized GTA Tariff is due for revision after every 5 years from the previous Tariff Order. The Investment Manager has informed that PIL has filed an application for tariff revision and the same is under review with PNGRB. In this regard, PNGRB vide its public notice dated 23<sup>rd</sup> April, 2025 issued a Public Consultation document, seeking comments from all stakeholders by 15<sup>th</sup> May, 2025. An Open house in this regard was held by PNGRB on June 4, 2025. Basis discussion with the Investment Manager, the forecasted levelized tariff of ~Rs. 75/ MMBtu i.e. a corresponding realized tariff of ~Rs. 86 per mmbtu with effect from 1<sup>st</sup> April, 2026 has been considered for revenue projections in line with the expected tariff revision order from PNGRB.

Natural Gas Price Assumption:

The Management has provided us with the expected LNG prices for the forecasted period as given in S&P as below:

Region	Asia
Currency	USD
UOM	MMBtu
As Of	15-Jul-25
2025	13.31
2026	10.50
2027	8.62
2028	8.00
2029	7.14
2030	6.83
2031	7.58
2032	10.84
2033	12.46
2034	13.00
2035	13.72
2036	14.34
2037	14.88
2038	15.41
2039	15.85

Further, the relationship of gas and crude oil prices i.e. the viability of use of gas is economically viable during the forecasted period. In this connection, we have also been represented by the Investment Manager that the global crude price movement forecast is in sync with the above assumption.

Refer **Appendix 5** for details of revenue projected for the forecasted period.

- 7.5. **Operation & Maintenance Expenses:** PIL, Pipeline Management Services Private Limited (the Contractor) and the Project Manager have entered into the O&M Agreement, in order to delegate obligations to the Contractor for the operation and maintenance of the Pipeline. The O&M Agreement includes budget plans for the cost of operating and maintaining the Pipeline facilities, over certain categories, for the balance life of the Pipeline Asset. Certain expenses are to be incurred directly by PIL, while others are to be incurred by the Contractor and then reimbursed by PIL. The cost of operating and maintaining the Pipeline facilities included in the O&M Agreement are based on agreed projections and estimates between the parties to the O&M Agreement.

System Use Gas is referred to as the quantity of gas used by the transporter for the operation & maintenance of the Pipeline. It constitutes for ~50% of the total expenses (excluding RIL upside expenses) incurred by the SPV. The Other Expenses considered as a part of O&M are:

- i. Employee Benefit Expenses
- ii. Stores & Spares
- iii. Power & Fuel Expenses
- iv. Repairs & Maintenance
- v. Insurance Expenses
- vi. Professional Fees
- vii. Rent, Rates & Taxes

Refer **Appendix 5** for details of operating expenses projected for the forecasted period.

- 7.6. **Interest, Principal Repayment of Debt and ECS:**

- As per the PIL SHA, payment of interest component will be at the Annual Interest Rate ("AIR") which will be computed on the outstanding principal of Total NCDs (i.e. Shareholders' Debt + Listed NCDs). For the first block of a period of 5 years from March 22, 2019 to March 22, 2024, the AIR was fixed at 9.70%. For the second block from March 23, 2024 the AIR is fixed at 9.50%. The AIR shall be subject to a

minimum of 9.50% and a maximum of 10.50%. Accordingly, the coupon rate for balance period is considered to be 9.50% for each 5-year block post March 22, 2029. The AIR is grossed-up with a factor of 1.004 in accordance with the PIL SHA.

- From such interest component, first the payment will be made for interest payable to the Listed NCDs and balance interest shall be paid to Shareholders' Debt. On 11<sup>th</sup> March 2024, the Management of PIL has refinanced its listed NCDs, which involved restructuring them into three series: Series I, Series II, and Series III NCDs. Here are the detailed particulars regarding the refinancing of the NCDs:

Series	Face Value (INR)	Total Amount (INR Mn)	Coupon Rate	Repayment Term (Years)
I	1,00,000	10,000	7.96%*	3
II	1,00,000	10,000	7.96%*	4
III	1,00,000	44,520	7.96%*	5

\*per annum payable quarterly.

- The repayment of the Listed NCDs will occur through refinancing at the end of their respective repayment terms for Series I, II, and III. As represented by the Management, the refinancing rates for Series I, Series II and Series III are expected to be at 7.15% p.a., 7.10% p.a. and 7.05% p.a. respectively which results in an interest rate of 6.97%, 6.92% and 6.87% respectively compounded quarterly.
- Similar approach is adopted for payment of principal portion of the Total NCDs where first the payment will be made for principal payable to Listed NCDs and balance principal portion shall be paid to Shareholders' Debt.
- ECS payment / repayment to the Trust has been considered as per the PIL SHA.

7.7. **Capital Expenditure:** I have considered the maintenance capex for the projected period as represented by the Investment Manager. Based on the discussions with the Management, I understand that for better upkeep and productivity of the Pipeline and to achieve the forecasted volumes, the yearly capital expenditure has been forecasted and will be incurred as long term and short term operating expenditure which shall be annual in nature.

7.8. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPV for the projected period.

- For the purpose of current Enterprise Valuation, working capital of PIL as on the Valuation Date basis the unaudited provisional financial statements has been considered as under:

INR Mn	
Particulars	Jun-25
<b>Current Assets</b>	
Security Deposit	20
Inventories - Stocks & Spares	2,407
Trade Receivables	1,753
Current Tax Assets (Net)	306
GST Recoverable	1,876
Advance to vendors	138
Interest on FD receivable	276
Other Current Assets	451
<b>Total Current Assets</b>	<b>7,227</b>
<b>Current Liabilities</b>	
Trade Payables	678
Payable to Reliance	11,064
Other Financial Liabilities	207
Other Current Liabilities	678
Short Term Provisions	20
<b>Total Current Liabilities</b>	<b>12,647</b>
<b>Working Capital</b>	<b>(5,420)</b>

- The amount of inventory is estimated to be maintained at the same level as existing on 30<sup>th</sup> June, 2025.
- The working capital days outstanding estimation for key items are as follows:
  - Debtors – 15 days of annual revenue
  - Gas Consumption & Other Operating Expenses – 90 days of annual expenses



- CCP has been considered as a part of working capital in line with PUA agreement.

7.9. **Direct Tax:** As per the discussions with the Investment Manager, the new provision of Income Tax Act, 1961 (Section 115BAA) has been considered for the projected period of the SPV, which inter alia does not provide benefits of additional depreciation and Section 80-IA and Sec 115 JB. Accordingly, the base corporate tax rate of 22% (plus applicable surcharge and cess) is considered.

7.10. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

$$K(e) = R_f + [ERP \times \text{Beta}] + \text{CSRP}$$

Wherein:

K(e) = cost of equity

R<sub>f</sub> = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSRP = Company Specific Risk Premium

For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation. For comparison, the previous valuation as of 31<sup>st</sup> March, 2025 used Cost of Equity of 21.91%.

(Refer **Appendix 1** for detailed workings)

7.11. **Risk Free Rate:**

I have applied a risk free rate of return of 6.46% on the basis of the zero coupon yield curve as on 30<sup>th</sup> June, 2025 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited ("CCIL"). For comparison, the previous valuation as of 31<sup>st</sup> March 2025 used a risk-free rate of 6.55%.

7.12. **Equity Risk Premium ("ERP"):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds.

For my estimation of the ERP, I have considered rolling historical returns of 10, 15 & 20 year of Nifty 50 index from year 2000 to June 2025. The 10 year rolling return, 15 year rolling return and the 20 year return for several periods were calculated. I have computed equity risk premium by averaging the above rolling returns for each period and accordingly I have arrived at ERP which averages to approximately 7.0%. On the basis of above, a 7% Equity Risk Premium is considered appropriate for India. (Valuer analysis based on data from NSE Website). For comparison, the previous valuation as of 31<sup>st</sup> March, 2025 used an Equity Risk Premium of 7%.

7.13. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period. Based on my analysis of the listed InvITs and other companies Infrastructure sectors, I have considered the companies which are in the business of gas transmission and regassification service which makes their business more closely aligned to that of PIL for the calculation of Beta. Thus, I have considered the beta of Gujarat State Petronet Ltd ("GSPL"), Gail India Ltd, Mahangar Gas Ltd, Indraprastha Gas Ltd., Gujarat Gas Ltd. and Petronet LNG Ltd., for an appropriate period as all such companies are engaged in gas transmission business. (Refer **Appendix 1**).

7.14. **Company Specific Risk Premium:**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, I found it appropriate to consider 6% as CSRP.

**7.15. Debt : Equity Ratio:**

In present valuation exercise, I have considered debt: equity ratio of 50:50 based on the average debt: equity ratio of the SPV projected over its life and have considered the same weightage to arrive at the COE of the SPV. For comparison, the previous valuation as of 31<sup>st</sup> March 2025 used a Debt-Equity Ratio of 50:50.

**7.16. RIL Upside / Amount Accruing to RIL:**

RIL shall be entitled to the RIL Upside share in respect of financial years when the actual GTA Capacity charges received by PIL in a Financial Year are higher than the Contracted Capacity Payments payable during the financial year. "RIL Upside Share" shall be equal to the amount determined in the following manner:

All Free Cash Flow available with PIL for the relevant Year after meeting all the payment obligations on the Non-Convertible Debentures namely:

- Equated Yearly Instalments ("EYI")
- Expenditure Component Sweep ("ECS")
- Interest on ECS & EYI Sweep
- Upside Share belonging to the InvIT
- Any over-run of operating cost vis-a-vis planned operating costs as per SHA

Such RIL Upside is accounted for as an expense and charged to Profit & Loss Account of PIL. Further, RIL Upside paid by PIL has been considered as a tax deductible business expenditure basis a tax opinion dated 4<sup>th</sup> April, 2024 obtained from an external tax consultant supplemented by e-mail dated 16<sup>th</sup> April, 2025.

**7.17. InvIT Upside / Amount Accruing to the Trust:**

The Trust as a InvIT NCD holder is eligible for upside share in the operations of PIL when the Cumulative Return on Capital Employed ("**ROCE**") is in the range of 15% to 18%. InvIT Upside Share for any Financial Year attributable to the Trust shall be the InvIT Cumulative Upside Share for that Financial Year less InvIT Cumulative Upside Share for the previous Financial Year. It has been further provided that if InvIT Upside Share for any financial year is negative, then the actual payments made by PIL to the Trust as InvIT Upside Share payments shall be subject to clawback, if any. As represented by the Management, the amount of such InvIT Upside payable by PIL to the Trust can be considered as a tax-deductible business expenditure.

## 8. Valuation Conclusion

- 8.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, Management perceptions, key underlying assumptions and limitations were given due consideration.
- 8.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of Valuation Date; hence no impact has been factored in to arrive at EV of the SPV.
- 8.3. Based on the above analysis, the EV as on the Valuation Date of the SPV is as mentioned below:

SPV	Explicit Projection period		Enterprise Value (INR Mn)
	End Date	Balance Period	
PIL	22 <sup>nd</sup> March 2039	~13.75 years	1,23,130
<b>Total of the SPV</b>			<b>1,23,130</b>

(Refer **Appendix 2** for detailed computations)

- 8.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.
- 8.5. The fair EV of the SPV is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 8.6. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 8.7. Accordingly, I have conducted sensitivity analysis on volume assumptions, the results of which are indicated below:

Volume Sensitivity	Enterprise Value INR Mn
Volume decreases by 5%	1,20,332
Volume decreases by 3%	1,21,415
Volume decreases by 1%	1,22,538
Base Volume	1,23,130
Volume increases by 1%	1,23,540
Volume increases by 3%	1,24,184
Volume increases by 5%	1,24,673

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## 9. Additional Disclosures as required by SEBI and InvIT Regulations

- 9.1. The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

**The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPV are as follows:**

- A. **Purchase price of the Project by the InvIT:** The Trust had acquired 100% of equity share capital of the SPV for an amount of INR 500 Mn on 22<sup>nd</sup> March 2019. Further, PIL has issued NCDs of INR 1,29,500 Mn as on 22<sup>nd</sup> March, 2019 to the Trust out of which 6,49,80,000 NCDs of face value INR 706.93 aggregating to INR 45,936 Mn remains outstanding as on the Valuation Date.

- B. **Valuation of InvIT Asset in the past:**

Sr. No.	Name of the SPV	Valuation Date	Enterprise Value of InvIT Assets
1	Pipeline Infrastructure Limited	31-Mar-23	1,24,530
		31-Mar-24	1,25,354
		31-Mar-25	1,24,440

- C. **List of one-time sanctions/approvals which are obtained or pending:** The list of such sanctions/ approvals obtained by the SPV or pending till 30<sup>th</sup> June, 2025 is provided in **Appendix 3**. Further, as represented by the Investment Manager, there are no pending sanctions or approvals as on the Valuation Date.

- D. **List of up to date/ overdue periodic clearances:** The Investment Manager has confirmed that the SPV are not required to take any periodic clearances and hence there are no overdue periodic clearances as on 30<sup>th</sup> June, 2025.

- E. **Statement of assets included:** The details of assets of the SPV as at 30<sup>th</sup> June, 2025 are as mentioned below:

INR Mn					
Sr. No.	SPV	Net Fixed Assets	Net Intangible Assets	Other Non-Current Assets	Current Assets
1	PIL	98,810*	13,129**	887***	14,264

\*Includes ROU Asset of INR 132 Mn

\*\*Includes goodwill of INR 2,820 Mn, Other Intangible Assets of INR 10,297 Mn and Intangibles under development of INR 12 Mn

\*\*\*Includes Capital Work-in-progress of INR 414 Mn

- F. **Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:** As per discussions with the Management, we understand that no major repairs have been done in the past to the Pipeline. Following is the estimate of already carried as well as proposed major repairs of the SPV:

### Historical major repairs

INR Mn						
SPV	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
PIL	367	412	669	682	1,407	959

Source: Investment Manager

### Forecasted major repairs

INR Mn									
SPV	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
PIL	825	971	786	803	810	1,334	1,414	1,381	1,234

SPV	FY 35	FY 36	FY 37	FY 38	FY 39
PIL	1,394	1,330	1,463	1,334	1,326

Source: Investment Manager

- G. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:** PIL owns land bearing survey no. 19/6B at Ambeshiv Budruk, (Vaholi), Maharashtra. Reliance Gas Pipelines Ltd ("RGPL") in understanding with PIL had installed MLV-25 for its Dahej – Nagothane Ethane Pipeline ("DNEPL") project. Tehsildar, the Revenue Dept. demanded payment of 75% of the land cost for not obtaining the prior permission of the collector before purchasing the agricultural land by Reliance Gas Transportation Infrastructure Limited. The Tehsildar without considering the merits passed an order dated July 22, 2019 ("Tehsildar's Order") converting the said land into Government land. Against this action PIL and RGPL together; filed an appeal with the Maharashtra Revenue Tribunal (MRT) challenging the Tehsildar's Order and the action taken thereby contending that land was used for bonafide industrial purpose which is valid under Maharashtra Tenancy and Agricultural Lands Act. MRT vide order dated 27.09.2022 set aside the Tehsildar's order. Pursuant to MRT's order PIL requested Tehsildar to undertake changes in revenue records by reinstating PIL's name. The Tehsildar called for a hearing and PIL and RGPL represented its case before Tehsildar. However, Tehsildar disregarding directions of the MRT again and representations made during the hearing, issued a demand order dated 11.04.2023 reiterating their earlier stand and directed PIL to deposit 75% of the land cost as penalty, i.e., Rs.36.00 lakhs. PIL exchanged various communications with Tehsildar's office to withdraw the said demand note, however the Tehsildar did not withdraw the demand note and did not reinstate PIL's name on revenue records. With no response from the Tehsildar, PIL on 13.08.2024 filed an application before MRT primarily to execute MRT's order of 27.09.2022 and set aside the impugned orders of Tehsildar. Matter is posted for final hearing on 01.08.2025.

Investment Manager has informed me that there are no other material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPV (InvIT assets) as on the Valuation Date.

- H. On-going material litigations including tax disputes in relation to the assets, if any:** As informed by the Investment Manager, the status of ongoing litigations are updated in **Appendix 4**. The Investment Manager has informed us that it expects majority of the cases to be settled in favour of SPV. Further, Investment Manager has informed us that majority of the cases are having low risk and accordingly no material outflow is expected against the litigations. As represented by the Investment Manager, the RIL would indemnify the Trust and its SPV against any financial losses suffered or incurred in connection with any pending or threatened claims against the Trust or SPV made prior to the transfer of the assets to the Trust.
- I. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:** Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.
- J. Date of site inspection and latest pictures of the project:** Refer Section 3.22

#### **Limitations**

- 9.2. This Report is based on the information provided by the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.
- 9.3. I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.
- 9.4. I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.
- 9.5. I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

## **10. Sources of Information**

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For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

- 10.1. Audited financial statements of the SPV for period ending March 2020, March 2021, March 2022, March 2023, March 2024 & March 2025
- 10.2. Unaudited provisional financial statements of the SPV for the quarter ended 30<sup>th</sup> June, 2025;
- 10.3. Unaudited provisional financial statements of the Trust for the quarter ended 30<sup>th</sup> June, 2025;
- 10.4. Shareholding pattern of the Trust, the Sponsor and the Investment Manager as at 30<sup>th</sup> June, 2025;
- 10.5. Projected financial information for the remaining period of the SPV (1<sup>st</sup> July, 2025 to 22<sup>nd</sup> March, 2039) i.e. projected revenue, volumes, tariff, revenue expenditure, capital expenditure and working capital requirement for operations of PIL;
- 10.6. Tariff Order by PNGRB dated 12<sup>th</sup> March 2019;
- 10.7. Income tax Return (ITR) of PIL for AY 2024-25 and intimation u/s 143(1) dated 9<sup>th</sup> December, 2024 received from the Income Tax Department for AY 2024-25;
- 10.8. Details of brought forward losses (as per Income Tax Act) of the SPV as at 30<sup>th</sup> June, 2025;
- 10.9. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 30<sup>th</sup> June, 2025;
- 10.10. Details of Actual/ Estimated Volumes transported by PIL from 1<sup>st</sup> April, 2020 till 22<sup>nd</sup> March, 2039.
- 10.11. Framework Agreement amongst RIHPL, the sponsor, Penbrook Capital Advisors Private Limited and PIL dated August 28, 2018;
- 10.12. Scheme of Arrangement between EWPPL and PIL and their respective shareholders and creditors for transfer of Pipeline Business from EWPPL to PIL.
- 10.13. The Joint Venture Agreement dated February 11, 2019, entered into between ECI India Managers Private Limited, RIL and Rutvi Project Managers Private Limited and amendments thereto;
- 10.14. PIL SHA dated February 11, 2019 amongst PIL, East West Pipeline Limited, RIL, Penbrook Capital Advisors Private Limited and the Trust second Amendment Agreement dated April 22, 2019 to the PIL SHA.
- 10.15. SPA dated February 11, 2019 amongst RIHPL, Trust, IM and PIL and Amendment Agreement dated April 22, 2019 to SPA.
- 10.16. SSA dated February 11, 2019 amongst PIL, RIIHL and Trust.
- 10.17. Deed of adherence dated April 13, 2018 amongst RIIHL and RSBVL.
- 10.18. Operations and Maintenance Agreement, dated February 11, 2019 amongst PIL, ECI India Private Limited and Rutvi Project Managers Private Limited
- 10.19. Operations and Maintenance Sub-Contractor Agreement, dated February 11, 2019 amongst PIL, Rutvi Project Managers Private Limited and Reliance Gas Pipelines Limited
- 10.20. PUA executed between PIL and RIL on March 19, 2019, Amendment Agreement dated April 22, 2019, to the PUA and Clarificatory note to PUA dated December 24, 2019.
- 10.21. Shared Services Agreement dated February 11, 2019 entered amongst RIL, PIL and Rutvi Project Managers Private Limited and amendments thereto;
- 10.22. Debenture Trust Deed dated February 29, 2024 between PIL and IDBI Trusteeship Services Limited;
- 10.23. Estimated EYI, ECS and their interest for the period starting from April 1, 2025 to March 22, 2039.
- 10.24. Copy of tax opinion dated 4<sup>th</sup> April, 2025 obtained from an external consultant on allowability of RIL Upside as a tax deductible business expenditure under the provisions of Income Tax Act, 1961 followed by e-mail of the external consultant dated 16<sup>th</sup> April, 2025 supplementing the tax opinion.
- 10.25. Memorandum of Understanding dated July 10, 2025 entered into between PIL, Crown LNG Holdings Limited and Kaveri Godavari LNG Terminal Pvt. Ltd.

- 10.26. Technical report titled "RLNG Throughput through PIL Pipeline till 2040" dated 24<sup>th</sup> July, 2025 issued by KPMG Assurance and Consulting Services LLP estimating the volume of RLNG to be transported during the projected period;
- 10.27. Asset report issued by Wood Mackenzie, estimating the volume of gas to be produced from Krishna-Godavari Basin (ONGC) till 2037;
- 10.28. Asset report issued by Wood Mackenzie, estimating the volume of gas to be produced from KG-DWN 98/2 till 2047;
- 10.29. Asset report issued by Wood Mackenzie, estimating the volume of gas to be produced from KG-D6 Area till 2045;
- 10.30. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPV;
- 10.31. Details of historical and projected Repairs and Capital Expenditure (Capex);
- 10.32. Management Representation Letter by the Investment Manager dated 30<sup>th</sup> July, 2025;
- 10.33. Relevant data and information about the SPV provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
- 10.34. Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates and the actual figures in future may differ from these estimates which may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow

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## **11. Exclusions and Limitations**

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- 11.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 11.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 30<sup>th</sup> June, 2025 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 11.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPV till 30<sup>th</sup> June, 2025. The Investment Manager has represented that the business activities of the SPV have been carried out in normal and ordinary course between 30<sup>th</sup> June, 2025 and the Report Date and that no material changes have occurred in the operations and financial position between 30<sup>th</sup> June, 2025 and the Report date.
- 11.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to me.
- 11.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 11.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 11.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 11.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 11.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report in such case.
- 11.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 11.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 11.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 11.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will



occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

- 11.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 11.15. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.
- 11.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 11.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 11.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 11.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.
- 11.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 11.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 11.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV's claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 11.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPV.
- 11.24. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.
- 11.25. **Limitation of Liabilities**
- It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.
  - In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

- It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

Yours faithfully,



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**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 25028423BMOMXR5364

## Appendix 1 – Cost of Equity

### Appendix 1.1: Calculation of Cost of Equity as on 30<sup>th</sup> June, 2025

Particulars	June-25	Remarks
Risk free rate (Rf)	6.46%	Risk Free Rate has been considered based on zero coupon yield curve as at 30 <sup>th</sup> June, 2025 of Government Securities having maturity period of 10 years , as quoted on CCIL's website
Equity Risk Premium (ERP)	7%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium considered appropriate for India
Beta (Re-levered)	1.39	Re-levered Beta (Refer <b>Appendix 1.2</b> and <b>Appendix 1.3</b> for detailed computation)
<b>Cost of Equity</b>	<b>16.21%</b>	<b>Adjusted Ke = Rf (ERP)*β</b>
Company Specific Risk Premium	6.00	Evaluated Based on operational & financial parameters
<b>Revised Cost of Equity</b>	<b>22.21%</b>	<b>Adjusted Ke = Rf (ERP)*β + CSRP</b>

### Appendix 1.2: Calculation of Unlevered Beta as on 30<sup>th</sup> June, 2025

Particulars	Sector	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate	Unlevered Beta
GAIL India Ltd	It is engaged in the production and transmission of liquefied natural gas and liquefied petroleum gas. It owns and operates a network of natural gas pipelines across the country.	0.84	20.00%	25.17%	0.73
Gujarat State Petronet Ltd	GSPL is engaged in developing natural gas transportation infrastructure in Gujarat and Daman thereby connecting natural gas supply sources to major gas consuming regions.	0.68	4.69%	25.17%	0.66
Mahanagar Gas Ltd	Mahanagar Gas is a leading PNG and CNG supplier that supplies natural gas to residential and industrial customers.	0.92	1.16%	25.17%	0.91
Indraprastha Gas Ltd	Indraprastha Gas is dedicated in providing safe and uninterrupted gas supply to transport, domestic, commercial and industrial consumers through its extensive distribution network.	0.82	0.30%	25.17%	0.82
Gujarat Gas Ltd	Gujarat Gas Ltd is engaged in the distribution of Natural Gas to domestic, commercial, industrial and transport sector customers in India.	0.65	1.40%	25.17%	0.64
Petronet LNG Ltd	Petronet LNG is engaged in the importing and regasification of liquefied natural gas. Its customers include entities engaged in the business of Oil and Gas, Petrochemical and Power Generation.	0.46	9.96%	25.17%	0.43
<b>Median</b>					<b>0.70</b>

**Source:** Bloomberg / NSE / Internal Workings / Comparable Companies' Financial Statements

Where, **Unlevered Beta = Levered Beta / [1 + (Debt/Equity) \* (1 – t)]**

Appendix 1.3: Calculation of Re-levered Beta as on 30<sup>th</sup> June, 2025

Particulars	PIL
Unlevered Beta	0.70
Debt-Equity Ratio Considered	50:50
Effective Tax Rate of SPV	-
<b>Re-levered Beta</b>	<b>1.39</b>

**Source:** Bloomberg / NSE / Internal Workings

Where, Re-levered Beta = Unlevered Beta \* [1 + (Debt/Equity) \* (1 – t)]

Appendix 2 – Valuation of the SPV as on 30<sup>th</sup> June, 2025 under DCF Method

Appendix 2.1 – Computation of Enterprise Valuation

Discounting Rate - Cost of Equity		22.21%														INR Mn
Particulars	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	TVG	
Revenue	29,010	42,155	43,721	51,174	58,406	57,391	57,866	57,068	56,136	57,899	63,407	62,002	58,361	56,753	500	
Operating expenses																
System Used Gas (SUG)	4,352	5,754	6,024	8,740	11,368	11,407	14,451	16,734	17,587	19,624	23,670	24,581	23,852	24,408		
RIL Upside Expenses	6,461	16,570	18,353	22,436	21,299	21,773	20,839	18,925	17,746	17,924	19,233	17,659	15,791	15,788		
Other Expenses	3,601	4,430	3,895	4,263	4,097	5,402	6,143	6,163	5,944	6,245	6,463	6,224	5,821	6,000		
Total Operating expenses	14,414	26,754	28,272	35,438	36,764	38,581	41,433	41,821	41,277	43,792	49,366	48,464	45,465	46,195	-	
EBITDA	14,596	15,401	15,449	15,736	21,642	18,810	16,433	15,247	14,859	14,107	14,040	13,539	12,896	10,558	500	
Adjustments :-																
Capital Expenditure	50	23	16	17	20	33	134	33	33	33	33	33	24	24	-	
Incremental Working Capital	3,071	(10)	132	(456)	(310)	(373)	(906)	(608)	(195)	(504)	(812)	(236)	129	(378)	-	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Outflow towards Listed NCDs	3,855	5,128	5,030	4,670	3,941	3,524	3,080	2,635	2,190	1,729	1,240	734	250	-	-	
Debt Principal Repayment of Listed NCDs	-	-	3,226	1,936	5,807	6,452	6,452	6,452	6,452	7,097	7,097	7,742	5,807	-	-	
Interest accrued and due to Listed NCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flows available to InvIT	7,619	10,260	7,046	9,569	12,184	9,173	7,674	6,736	6,379	5,752	6,482	5,266	6,687	10,911	500	
Out of which:																
InvIT NCDs - Interest Payment	3,603	4,589	4,258	4,142	4,353	3,832	3,432	3,058	2,605	2,081	1,491	880	274	(924)	-	
InvIT NCDs - Principal repayments	3,107	4,529	1,736	3,499	146	68	691	1,371	2,118	2,289	3,185	3,520	6,530	13,149	-	
InvIT NCDs - ECS	910	1,142	1,052	960	867	(788)	(1,333)	(1,448)	(1,558)	(1,677)	(1,798)	(1,935)	(2,067)	(2,706)	-	
InvIT NCDs - InvIT upside share	-	-	-	968	6,819	6,061	4,884	3,754	3,215	3,060	3,604	2,800	1,950	1,392	-	
Total	7,619	10,260	7,046	9,569	12,184	9,173	7,674	6,736	6,379	5,752	6,482	5,266	6,687	10,911	-	
Cash Accrual Factor																13.25
Discounting Factor																0.07
NPV of Explicit Period for Equity	-															
NPV of Terminal Period for Equity	35															
Cash & Cash Equivalents	7,510															
Equity Value	7,545															
External Debt (Listed NCDs)	64,520															
Shareholders' Debt (InvIT NCDs) (Refer Appendix 2.2)	58,575															
Interest accrued and due to listed NCD	-															
Less : Cash & Cash Equivalents	(7,510)															
Enterprise Value - InvIT Assets	1,23,130															

## Appendix 2.2 – Fair Value of Shareholders' Debt

Discounting Factor		8.34%												
		INR Mn												
Particulars	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
Interest on NCD's net of Interest on Sweeps	3,603	4,589	4,258	4,142	4,353	3,832	3,432	3,058	2,605	2,081	1,491	880	274	(924)
Repayment of NCD's	3,107	4,529	1,736	3,499	146	68	691	1,371	2,118	2,289	3,185	3,520	6,530	13,149
ECS	910	1,142	1,052	960	867	(788)	(1,333)	(1,448)	(1,558)	(1,677)	(1,798)	(1,935)	(2,067)	(2,706)
<b>Free Cash Flows</b>	<b>7,619</b>	<b>10,260</b>	<b>7,046</b>	<b>8,601</b>	<b>5,365</b>	<b>3,112</b>	<b>2,790</b>	<b>2,982</b>	<b>3,164</b>	<b>2,692</b>	<b>2,878</b>	<b>2,465</b>	<b>4,737</b>	<b>9,519</b>
Cash Accrual Factor	0.38	1.25	2.25	3.25	4.25	5.25	6.25	7.25	8.25	9.25	10.25	11.25	12.25	13.25
Discounting Factor	0.97	0.90	0.84	0.77	0.71	0.66	0.61	0.56	0.52	0.48	0.44	0.41	0.37	0.35
<b>Present Value of Cash Flows</b>	<b>7,394</b>	<b>9,283</b>	<b>5,884</b>	<b>6,630</b>	<b>3,817</b>	<b>2,044</b>	<b>1,691</b>	<b>1,668</b>	<b>1,634</b>	<b>1,283</b>	<b>1,267</b>	<b>1,001</b>	<b>1,776</b>	<b>3,294</b>
NPV of Explicit Period	48,666													
Invit Upside (Refer <b>Appendix 2.3</b> )	9,909													
<b>Fair Value of InvIT NCDs</b>	<b>58,575</b>													

## Appendix 2.3 – Fair Value of InvIT Upside

Discounting Factor		22.21%												
		INR Mn												
Year Ending	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
Invit Upside	-	-	-	968	6,819	6,061	4,884	3,754	3,215	3,060	3,604	2,800	1,950	1,392
Cash Accrual Factor	0.38	1.25	2.25	3.25	4.25	5.25	6.25	7.25	8.25	9.25	10.25	11.25	12.25	13.25
Discounting Factor	0.93	0.78	0.64	0.52	0.43	0.35	0.29	0.23	0.19	0.16	0.13	0.10	0.09	0.07
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504</b>	<b>2,907</b>	<b>2,114</b>	<b>1,394</b>	<b>877</b>	<b>614</b>	<b>479</b>	<b>461</b>	<b>293</b>	<b>167</b>	<b>98</b>
<b>Sum of Present Value</b>	<b>9,909</b>													

Appendix 3 – Business permission and approvals (1/5)

Sr No.	Description of the permits	Issuing Authority	Current Status
1	Final terms and conditions for acceptance of central government authorization to lay, build, operate or expand the east west natural gas pipeline network as common carrier pipeline network issued under regulation 17(1) of the PNGRB Authorizing Regulations;	PNGRB	ACTIVE
2	Right of use in the land for laying the pipeline under section 6 of the PMP Act	Ministry of Petroleum and Natural Gas	ACTIVE
3	In-principle approval for renunciation of the authorization granted to EWPPL for the Pipeline, in favour of PIL dated September 27, 2018. This approval is subject to certain terms and conditions.	PNGRB	ACTIVE
4	Certificate of registration under SEBI InvIT Regulations, for registration of the Trust as an infrastructure investment trust.	SEBI	ACTIVE
5	Approval for the scheme of arrangement ("Scheme") between EWPPL and PIL, for the transfer of the Pipeline Business from EWPPL to PIL	NCLT, Ahmedabad & Mumbai	ACTIVE
6	Approval in relation to the acquisition of the entire equity shareholding of PIL by the Trust dated September 11, 2018	Competition Commission of India	ACTIVE

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### Appendix 3 – PIL : Summary of approval and licences (2/5)

Sr No.	Type of approval	Acts or Rules under which requirement specified	Facility for which permit obtained
1	Environmental Clearance	EIA Rules, 2006	GTICL Kakinada Hyderabad and Ahemdabad
2	Forest Clearances	The Forest Conservation Act, 1980 & The Indian Forest Act, 1928	East West Pipeline Private Limited
3	CRZ Clearance	CRZ Notification	East West Pipeline Private Limited
4	Public Liability Insurance Policy	Public Liability Insurance Act, 1991	Pipeline Infrastructure Limited
5	Consent to Establish & operate	Water Act, 1974 & Air Act, 1981	CS01 - CS02
			CS03 to CS04
			CS05
			CS06 to CS08
			CS09
6	Consent to Operate & Hazardous Waste Authorization	Water Act, 1974, Air Act 1981, Hazardous Waste (M&TM) Rule, 2016	CS10
			CS01 - CS02
			CS03 to CS04
			CS05
			CS06 to CS08
7	Factory Licenses	Factories Act, 1948	CS09
			CS10
			M&R47 Kunchanapalli
			CS01 factory under RIL premises
			CS02
			CS03
			CS04
			CS05
			CS06
			CS07
			CS08
			CS09
			CS10



Appendix 3 – PIL : Summary of approval and licences (3/5)

Sr No.	Type of approval	Acts or Rules under which requirement specified	Facility for which permit obtained
8	NOC for withdrawal of ground water	CGWA Rules	CS02
			CS03
			CS04
			CS05
			CS06
			CS07
			CS08
			CS09
			CS01
			CS10
9	CCoE Approval for laying pipeline	Petroleum and Explosives Safety Organization (PESO)	Approval for Laying Kakinada- Hyderabad- Ahmedabad NG pipeline
			Approval for laying of 7 KM 30" Dia NG Pipeline from Kanjanhari to GSPL sectionalizing valve at Atakpardi village CS 09

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**Appendix 3 – PIL : Summary of approval and licences (4/5)**

Sr No.	Type of approval	Acts or Rules under which requirement specified	Facility for which permit obtained
10	CCoE Permission for commissioning pipeline	Petroleum and Explosives Safety Organization (PESO)	Kakinada-Hyderabad Ahmedabad pipeline 158 KM stretch (EWPL) CS06 - CS07
			Kakinada-Hyderabad Ahmedabad Stretch 761 KM (EWPL) CS01 - CS06
			East Godavari Spur Line (URSPL)
			Uran Spur Line (URSPL)
			Kakinada-Hyderabad Ahmedabad pipeline 166 KM stretch (EWPL) CS08 – CS09
			Kakinada-Hyderabad Ahmedabad pipeline 130 KM stretch (EWPL) CS09 – CS10
			Kakinada-Hyderabad Ahmedabad pipeline 156 KM stretch (EWPL) CS07 – CS08
			7 KM 30" Dia NG Pipeline from Kanjanhari to GSPL sectionalizing valve at Atakpardi village (SGUSPL) CS09
			NTPC Kawas spur line (KWSPL) CS10
			28" NG spur line from M&R 22 at Dhamka to HLPL (SHELL connectivity) (KWSPL) CS10
11	Fire NOCs	Andhra Pradesh Fire Service Act, 1999 and Andhra Pradesh Fire and Emergency Operations and Levy of Fee Rules, 2006 A P state Disaster Response and Fire Services Department Telangana state Disaster Response and Fire Services Department Telangana state Disaster Response and Fire Services Department Karnataka State Fire and Emergency Services Directorate Maharashtra Fire Services Directorate Maharashtra Fire Services Directorate Maharashtra Fire Services Gujarat Fire Services Gujarat Fire Services	16" NG spur line from Tap Off point at Chevuturu village (Krishna Dist. AP) to M&R Lanco Kondapalli (LKSP)
			CS01
			CS02
			CS03
			CS04
			CS05
			CS06
			CS07
			CS08
			CS09
12	Building plan approvals	DISH (Directorate of Industrial Safety and Health)	CS10
			CS02 - CS10

Appendix 3 – PIL : Summary of approval and licences (5/5)

Sr No.	Type of approval	Acts or Rules under which requirement specified	Facility for which permit obtained
13	Structure Stability Certificate	Factories Act, 1948	CS01
			CS02
			CS03
			CS04
			CS05
			CS06
			CS07
			CS08
			CS09
			CS10
14	Consent to Engage Contract Labour	Contract Labour regulation and Abolition Act 1970	CS01 to CS10
15	Wireless Station License by GOVERNMENT OF INDIA, Ministry of Communications and Information Technology	Under The Indian Telegraph Act 1885	CS01 to CS10
17	Pipeline Authorization	PNGRB Act, 2006	East West Pipeline Private Limited
18	Biomedical Waste Authorization	PCB	CS10
			CS04
			CS05
			CS07
			CS09
			CS08
			CS06
			CS03
19	Registration of establishment	The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017	CS02
			PIL – Registered office PMSPL – Corporate office

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### Appendix 4: Summary of Ongoing Litigations (1/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	District Court	ROU	Punarvilokan / SR/26/2021	-	The Tehesildar of Shirur has called CA of RGTIL to make submissions w.r.t to Applicants application for striking RGTIL's name from "other rights" column in 7/12 extract.	Reply of CA filed.
PIL	Supreme Court	Regulatory	Civil Appeal 377 & 378 of 2022 Diary No. 28130 of 2021	-	<p>PNGRB appealed before Supreme Court against APTEL's order of 15.11.2019 &amp; 16.07.2021.</p> <p>Supreme Court passed interim order dtd 12.01.2022 staying the <i>General Directions</i> passed by APTEL vide order dtd 16.07.2021 against the functionality, reporting etc. of PNGRB.</p> <p>PIL filed reply to PNGRB's appln on addn Question of Law.</p> <p>PIL also filed IA seeking directions against PNGRB not to decide tariff of PIL pipeline without considering the capacity for the previous years as per APTEL order dt 16.07.2021.</p>	All the Civil Appeals will be listed before Supreme Court in normal course.
PIL	Supreme Court	ROU	Civil Appeal 14309 of 2024 SLP(C) 8363 of 2023 Diary No. 15349 of 2023	-	<p>PIL acquired RoU in lands of petitioner in 2022. Petitioner filed WP before HC of Bombay demanding compensation under new Land Acquisition Act of 2013.</p> <p>HC vide judgment dated 27.3.2023 dismissed the WP. The landowner challenged the said decision before SC.</p>	<p>SC's order dated 10.12.2024 admitted SLP</p> <p>Directed Competent Authority to pass award. Award passed for Rs. 65 lakhs.</p> <p>Withdrawn by petitioner</p> <p>Matter pending for final hearing</p>
PIL	District Court	ROU	RCS No. 64 of 2023	-	Plaintiff filed declaratory suit against members of family claiming right to property. Plaintiff prays for non disposal and non creation of third party rights of suit property including SN 41/1B in which ROU is acquired	PIL filed Vakalat
PIL	District Court	ROU	CMA 16 of 2020	0.12	Enhancement of Compensation	Notice to opponents. RGTIL not a party.
PIL	District Court	ROU	Civil Misc Application (DC) 31 of 2019	-	<p>&gt; RoU acquired in Block No. 113, Sy. No. 107, adm. 2302 sqm. in Goja Village, Surat vide Award dated 02.11.2010.</p> <p>&gt; The Applicant filed the suit seeking direction to ascertain the location of pipeline and the exact RoU in the land.</p>	Hearing

Appendix 4: Summary of Ongoing Litigations (2/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	District Court	ROU	Misc.No. 10/2023,	15.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 11/2023,	4.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 28/2022,	1.20	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 29/2022,	5.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 30/2022,	1.40	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 31/2022,	4.80	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 32/2022,	10.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 33/2022,	1.50	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 34/2022,	1.20	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 1/2023,	8.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 2/2023,	1.50	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 3/2023,	0.30	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 4/2023,	2.80	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 5/2023,	1.40	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 6/2023,	0.50	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 7/2023,	2.40	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 8/2023,	2.60	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 9/2023,	5.00	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA
PIL	District Court	ROU	Misc.No. 27/2022,	0.20	Application filed under Section 10 of PMP Act for enhancement of compensation	For arguments in IA

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### Appendix 4: Summary of Ongoing Litigations (3/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
					Encroachment Issue at ROU area in Sy. No. 660, CS-4	
PIL	District Cour	ROU	OP 3/2021	-	Issued Urgent Notice against Respondents. Amendment Petition filed. R2 Filed counter. R1 will file Vaklatnama. Neat copy filed. The said Amendment petitions were dismissed under objection and filed fresh IAs to Implead the Respondent Company. Call with IAS.	Counters filed by Respondents For evidence
PIL	High Court	ROU	Civil WP No 9560 of 2019 (stamp) WP 1815 of 2023 (Reg) Two IAs filed bearing IA/1302/2023 & IA/1303/2023	2.56	WP filed by owner of land claiming payment of Award amount declared by CA, which were paid to cultivators of land and no payment were made to the Petitioner being the landowner.	Reply filed by CA. IAs filed by legal heirs of petitioner.
PIL	High Court	Arbitration	COMMERCIAL ARBITRATION PETITION NO. (L) 9453 OF 2023 Reg No. CARBP/335/2023	-	NFCL has challenged Arbitral Award dtd 02.01.2023.	Matter to be listed in due course
PIL	High Court	ROU	WP No. 12938 of 2022	3.07	WP filed demanding the compensation for acquiring the RoU in the land allegedly owned by the Petitioners.	For Admission
PIL	High Court	ROU	WP 13948 of 2023	1.92	WP filed by Peitioner aggrieved by the Decree passed by Dist Judge, Latur in Civil Misc Appln 161/2011. Decree passed for Rs. 2,39,731/- + int @ 6% p.a. from date of application 23.08.2011, whereas his claim is for Rs. 19 lakhs. Note: PIL satisfied the decree by depositing the decreetal amount.	For admission
PIL	High Court	ROU	WP 13930 of 2023	1.42	WP filed by Peitioner aggrieved by the Decree passed by Dist Judge, Latur in Civil Misc Appln 160/2011. Decree passed for Rs. 1,39,218/- + int @ 6% p.a. from date of application 23.08.2011, whereas his claim is for Rs. 14 lakhs. Note: PIL satisfied the decree by depositing the decreetal amount.	For admission

Appendix 4: Summary of Ongoing Litigations (4/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	High Court	ROU	WP 7817 of 2024 (Appeal from CMA 181/2011 and LAR. Dkst No. 41/2020)	0.18	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating an expenditure of	For admission
PIL	High Court	ROU	WP 7812 of 2024 (Appeal from CMA 174/2011 and LAR. Dkst No.25/2020)	0.20		For admission
PIL	High Court	ROU	WP 7820 of 2024 (Appeal from CMA 178/2011 and LAR. Dkst No.32/2020)	0.99	<p>The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure incurred for land restoration (which lacked documentary support) the court arbitrarily awarded only Rs. 10,000/-.</p> <p>The current writ petition seeks compensation for the crops and damages incurred.</p> <p>Note: The writ petition omits the crucial detail that an execution petition was filed by him and the decreed amount was paid by PIL and same was withdrawn by him and an order was drawn for satisfaction of decree.curred.</p>	For admission

Appendix 4: Summary of Ongoing Litigations (5/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	High Court	ROU	WP 7818 of 2024 (Appeal from CMA 183/2011 and LAR. Dkst No.36/2020)	0.62	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure incurred for land restoration (which lacked documentary	For admission
PIL	High Court	ROU	WP 7819 of 2024 (Appeal from CMA 172/2011 and LAR. Dkst No.34/2020)	0.97	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure	For admission
PIL	High Court	ROU	WP 7821 of 2024 (Appeal from CMA 177/2011 and LAR. Dkst No.40/2020)	0.97	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure	For admission
PIL	High Court	ROU	WP 7825 of 2024 (Appeal from CMA 180/2011 and LAR. Dkst No.33/2020)	1.00	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure	For admission
PIL	High Court	ROU	WP 7830 of 2024 (Appeal from CMA 171/2011 and LAR. Dkst No.37/2020)	0.22	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure	For admission
PIL	High Court	ROU	WP 7824 of 2024 (Appeal from CMA 196/2011 and LAR. Dkst No.33/2020)	1.45	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure	For admission
PIL	High Court	ROU	WP 7831 of 2024 (Appeal from CMA 168/2011 and LAR. Dkst No.23/2020)	0.70	The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure incurred for land restoration (which lacked documentary support) the court arbitrarily awarded only Rs. 10,000/-. The current writ petition seeks compensation for the crops and damages incurred.  Note: The writ petition omits the crucial detail that an execution petition was filed by him and the decreed amount was paid by PIL and same was withdrawn by him and an order was drawn for satisfaction of decree.	For admission



Appendix 4: Summary of Ongoing Litigations (6/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	High Court	ROU	WP 7822 of 2024 (Appeal from CMA 175/2011 and LAR. Dkst No.35/2020)	0.26	<p>The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure incurred for land restoration (which lacked documentary support) the court arbitrarily awarded only Rs. 10,000/-.</p> <p>The current writ petition seeks compensation for the crops and damages incurred.</p> <p>Note: The writ petition omits the crucial detail that an execution petition was filed by him and the decreed amount was paid by PIL and same was withdrawn by him and an order was drawn for satisfaction of decree.</p>	For admission
PIL	High Court	ROU	WP 7832 of 2024 (Appeal from CMA 173/2011 and LAR. Dkst No.29/2020)	0.21	<p>The petitioner initiated a lawsuit before the District Court of Latur, which had partially increased the compensation amount. The District Court failed to consider the petitioner's request for crop compensation over 2-3 years. Additionally, despite oral evidence presented by the petitioner's witness indicating the expenditure incurred for land restoration (which lacked documentary support) the court arbitrarily awarded only Rs. 10,000/-.</p> <p>The current writ petition seeks compensation for the crops and damages incurred.</p> <p>Note: The writ petition omits the crucial detail that an execution petition was filed by him and the decreed amount was paid by PIL and same was withdrawn by him and an order was drawn for satisfaction of decree.</p>	For admission

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### Appendix 4: Summary of Ongoing Litigations (7/7)

Company	Court	Classification	Case No.	Financial Claim (INR Mn)	Brief Summary of the facts of the matter	Current Status of the matter
PIL	High Court	ROU	RCS 173 of 2023	-	<p>&gt; Received notice from Applicant, Dilip B Bhailume that land in Gat No. 83 in Village Ambijalgaon, Tal Karjat, Dist Ahmednagaris owned with his brother Rahul B Bhailume equally.</p> <p>&gt; Claims that RGTIL has acquired RoU in SN 83 and individuals Kalyan and Ravindra Dattatrya Anarse illegally obtained NOC from concerned department and started retail outle of Nayara Company. Now suit is filed by Rahul B Bhailume against Anarse brothers as partition suit and injunction suits.</p>	Awaiting Summons

Appendix 5: Summary of Operating Revenue & Expenses

Revenue from Operations														INR Mn
Particulars	9m FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
Income from Transportation of Gas	27,666	40,355	41,921	49,374	56,606	55,591	56,066	55,268	54,336	56,099	61,607	60,202	56,561	54,953
Parking Services	744	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other Income	601	800	800	800	800	800	800	800	800	800	800	800	800	800
<b>Revenue from Operations</b>	<b>29,010</b>	<b>42,155</b>	<b>43,721</b>	<b>51,174</b>	<b>58,406</b>	<b>57,391</b>	<b>57,866</b>	<b>57,068</b>	<b>56,136</b>	<b>57,899</b>	<b>63,407</b>	<b>62,002</b>	<b>58,361</b>	<b>56,753</b>
Y-o-Y Increase / (Decrease)		9%	4%	17%	14%	(2%)	1%	(1%)	(2%)	3%	10%	(2%)	(6%)	(3%)

O&M Expenses														INR Mn
Particulars	9m FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
Employee Benefit Expenses	670	803	843	888	928	969	1,013	1,059	1,106	1,156	1,208	1,262	1,319	1,378
Stores and Spares	1,185	967	581	810	518	1,174	1,705	1,622	1,407	1,400	1,527	992	550	559
System Usage Gas	4,352	5,754	6,024	8,740	11,368	11,407	14,451	16,734	17,587	19,624	23,670	24,581	23,852	24,408
Repairs - Machinery	646	971	786	803	810	1,334	1,414	1,381	1,234	1,394	1,330	1,463	1,334	1,326
RIL Upside	6,461	16,570	18,353	22,436	21,299	21,772	20,839	18,924	17,746	17,923	19,233	17,658	15,791	15,787
Other Expenses	1,101	1,689	1,684	1,762	1,841	1,924	2,011	2,101	2,196	2,295	2,398	2,506	2,619	2,737
<b>Total O&amp;M Expenses</b>	<b>14,415</b>	<b>26,754</b>	<b>28,272</b>	<b>35,438</b>	<b>36,764</b>	<b>38,581</b>	<b>41,433</b>	<b>41,821</b>	<b>41,276</b>	<b>43,792</b>	<b>49,366</b>	<b>48,463</b>	<b>45,464</b>	<b>46,195</b>
Y-o-Y Increase / (Decrease)		39%	6%	25%	4%	5%	7%	1%	(1%)	6%	13%	(2%)	(6%)	2%

System Usage Gas Expenses															
Particulars	Ref	9m FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
SUG Qty (MMSCMD)	A	0.48	0.49	0.52	0.74	0.91	0.89	0.88	0.87	0.86	0.89	1.00	0.98	0.90	0.88
SUG Price		9.65	9.02	8.75	8.75	8.75	8.75	10.84	12.46	13.00	13.72	14.34	14.88	15.41	15.85
Qty MMBTU in Mn	B = A * 13.5	4.88	6.67	6.98	9.93	12.26	11.98	11.97	11.78	11.60	11.98	13.49	13.21	12.13	11.83
INR Rate	C	837	809	809	817	857	880	1,117	1,314	1,403	1,515	1,619	1,718	1,817	1,909
SUG amt base (INR Mn)	D = B * C	4,083	5,395	5,641	8,110	10,508	10,548	13,364	15,479	16,272	18,147	21,847	22,694	22,052	22,576
VAT (INR Mn)	E	268	359	383	629	860	859	1,087	1,255	1,315	1,477	1,823	1,887	1,800	1,832
SUG amt incl taxes (INR Mn)	F = D + E	4,352	5,754	6,024	8,740	11,368	11,407	14,451	16,734	17,587	19,624	23,670	24,581	23,852	24,408

**Appendix 6: Brief Details about the Valuer**

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**Professional Experience**

- Mr. S. Sundararaman is a fellow member from the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation.
- He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations.
- He possesses more than 30 years of experience in servicing large and medium sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services.
- His areas of specialization include valuation for various Infrastructure Companies including valuation for Investment Infrastructure Trusts (InvITs).

**Professional Qualifications & Certifications**

- FCA
- Grad CWA
- Certificate Courses on Valuation
- Certificate Course on IFRS
- Information Systems Audit (DISA of ICAI)
- Insolvency Professional
- IBBI Registered Valuer

**Contact Details:**

**Name:** Mr. S. Sundararaman IBBI Registered Valuer

**Mobile:** +91 97909 28047

**Email:** chennaissr@gmail.com

**Registration Details**

IBBI Registration No - IBBI/RV/06/2018/10238



# RLNG Throughput from PIL pipeline till 2040

Estimate of RLNG throughput from PIL's  
natural gas pipelines till 2040

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29<sup>th</sup> July 2025





KPMG Assurance and Consulting Services LLP  
Building No. 10, 4<sup>th</sup> Floor, Tower-B & C  
DLF Cyber City, Phase – II  
Gurugram – 122002 (India)

Tel: +91 124 336 9000  
Fax: +91 124 336 9001

Strictly private & Confidential

**Mr. Akhil Mehrotra**  
**Managing Director**

Energy Infrastructure Trust  
Tower 1, Grand Central, Sector 28,  
Seawoods, Navi Mumbai, Maharashtra 400706  
India

**Date: 29<sup>th</sup> July 2025**

Dear Sir,

This refers to our engagement letter dated 16<sup>th</sup> July 2025 with **Energy Infrastructure Trust** (“you”) (“the Contract”). We appreciate the opportunity to assist Energy Infrastructure Trust in providing **Throughput outlook of Pipeline Infrastructure Limited (“PIL”) Natural Gas Pipeline till 2040**.

Please find enclosed our final-report, which has been prepared in accordance with the scope and terms stated in our Contract. This is our final report and signifies completion of our Services as described in the Engagement Contract. The performance of our Services and the report issued to you pursuant to the Services are based on and subject to the terms of the Contract.

It has been our privilege to work with you, and we look forward to continuing our relationship with you.

Yours sincerely

**Nikhil Moghe**  
**Partner**  
**KPMG Assurance and Consulting Services LLP**

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

KPMG (Registered) (a partnership firm with Registration No. BA-62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0367), with effect from July 23, 2020

Registered Office:  
2<sup>nd</sup> Floor, Block T2 (B Wing)  
Lodha Excelus, Apollo Mills  
Compound, N M Joshi Marg,  
Mahalaxmi, Mumbai – 400 011



# Disclaimer

- This report has been prepared exclusively for Energy Infrastructure Trust (“Client”) in accordance with the terms of the Engagement Letter dated 14th July 2025 between Client and KPMG Assurance and Consulting Services LLP (“KPMG” or “we”) (collectively ‘Contract’). The performance of KPMG’s services and the report issued to the Client are based on and subject to the terms of the Contract.
- This report sets forth our views based on the completeness and accuracy of the facts stated to KPMG and any assumptions that were included. If any of the facts and assumptions is not complete or accurate, it is imperative that we be informed accordingly, as the inaccuracy or incompleteness thereof could have a material effect on our conclusions.
- While performing the work, we have assumed the authenticity of all documents or information referred or provided. We have not independently verified the correctness or authenticity of the same.
- We have not performed an audit and do not express an opinion or any other form of assurance. Further, comments in our report are not intended, nor should they be interpreted to be legal advice or opinion.
- In accordance with its policy, KPMG advises that neither it nor any partner, director or employee undertakes any responsibility arising in any way whatsoever, to any person other than Energy Infrastructure Trust in respect of the matters dealt with in this report, including any errors or omissions therein, arising through negligence or otherwise, howsoever caused.
- In connection with our report or any part thereof, KPMG does not owe duty of care (whether in contract or in tort or under statute or otherwise) to any person or party to whom the report is circulated to and KPMG shall not be liable to any party who uses or relies on this report. KPMG thus disclaims all responsibility or liability for any costs, damages, losses, liabilities, expenses incurred by such third party arising out of or in connection with the report or any part thereof.
- While information have been sourced from generally reliable public domain or external sources, their authenticity, accuracy, or completeness has not been independently verified.
- Our views are not binding on any person, entity, authority or Court, and hence, no assurance is given that a position contrary to the opinions expressed herein will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law.
- Our report may make reference to ‘KPMG Analysis’; this indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; we do not accept responsibility for the veracity of the underlying data.
- By reading our report the reader of the report shall be deemed to have accepted the terms mentioned hereinabove.



# Background and Objective

## Background

PIL owns and operates a network of 1480 km long, comprised of trunk pipeline of 1375 KM of 48-inch diameter and 110 KM of spur-line, from Kakinada to Bharuch. Energy Infrastructure Trust (EIT) intend to evaluate and forecast the expected volumes of Regasified Liquefied Natural Gas (“RLNG”) volume that will be transported through PIL’s pipeline network from FY 2026-27 through FY 2039-40.

## Objective

The objective of this assignment is to assess/ estimate the volume of RLNG that will flow through PIL’s natural gas pipelines till FY 2039-40 considering the various industry factors specified in hereinafter in the report.



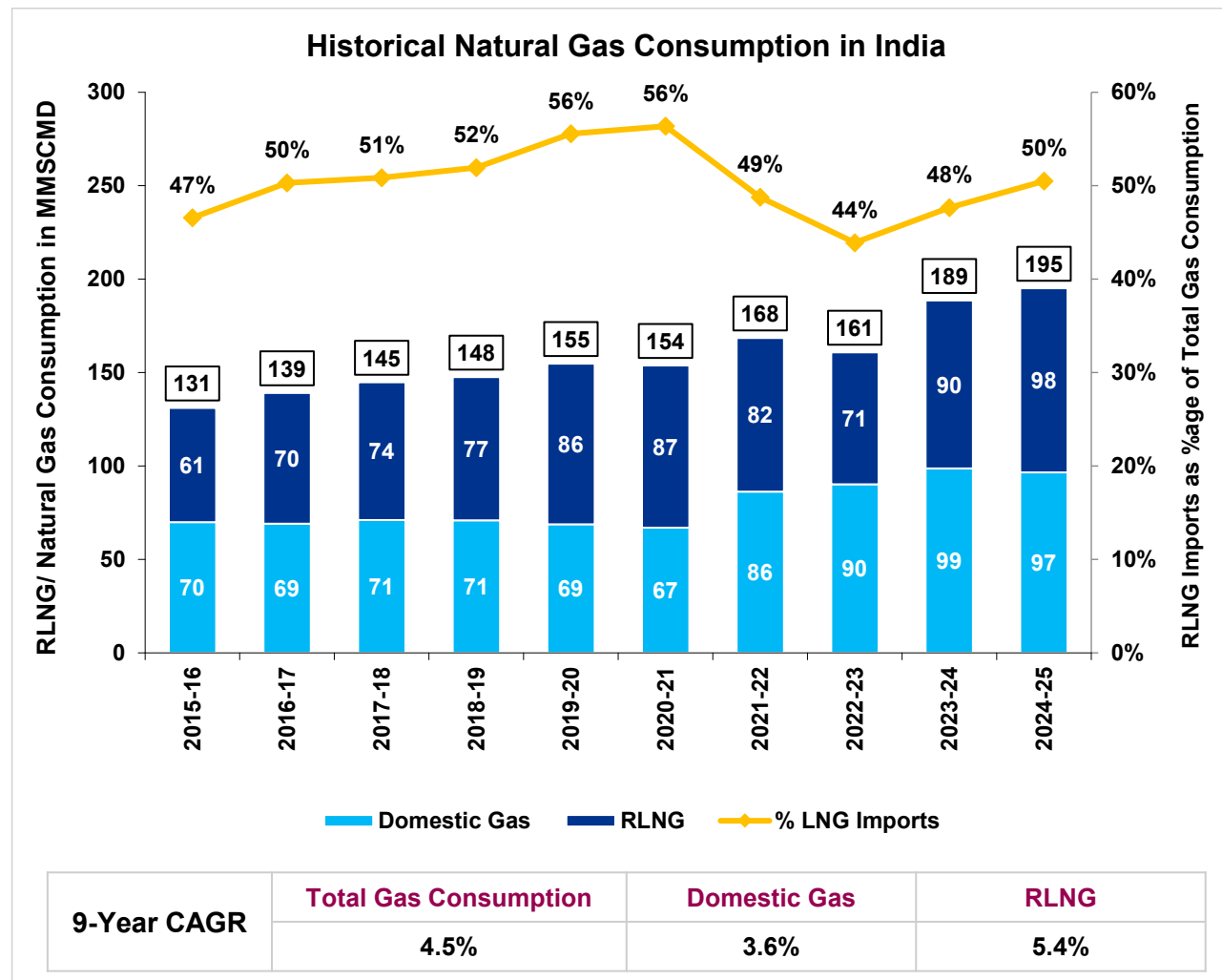
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**01**

# **Sector Overview**

# Natural Gas Demand and Supply Overview

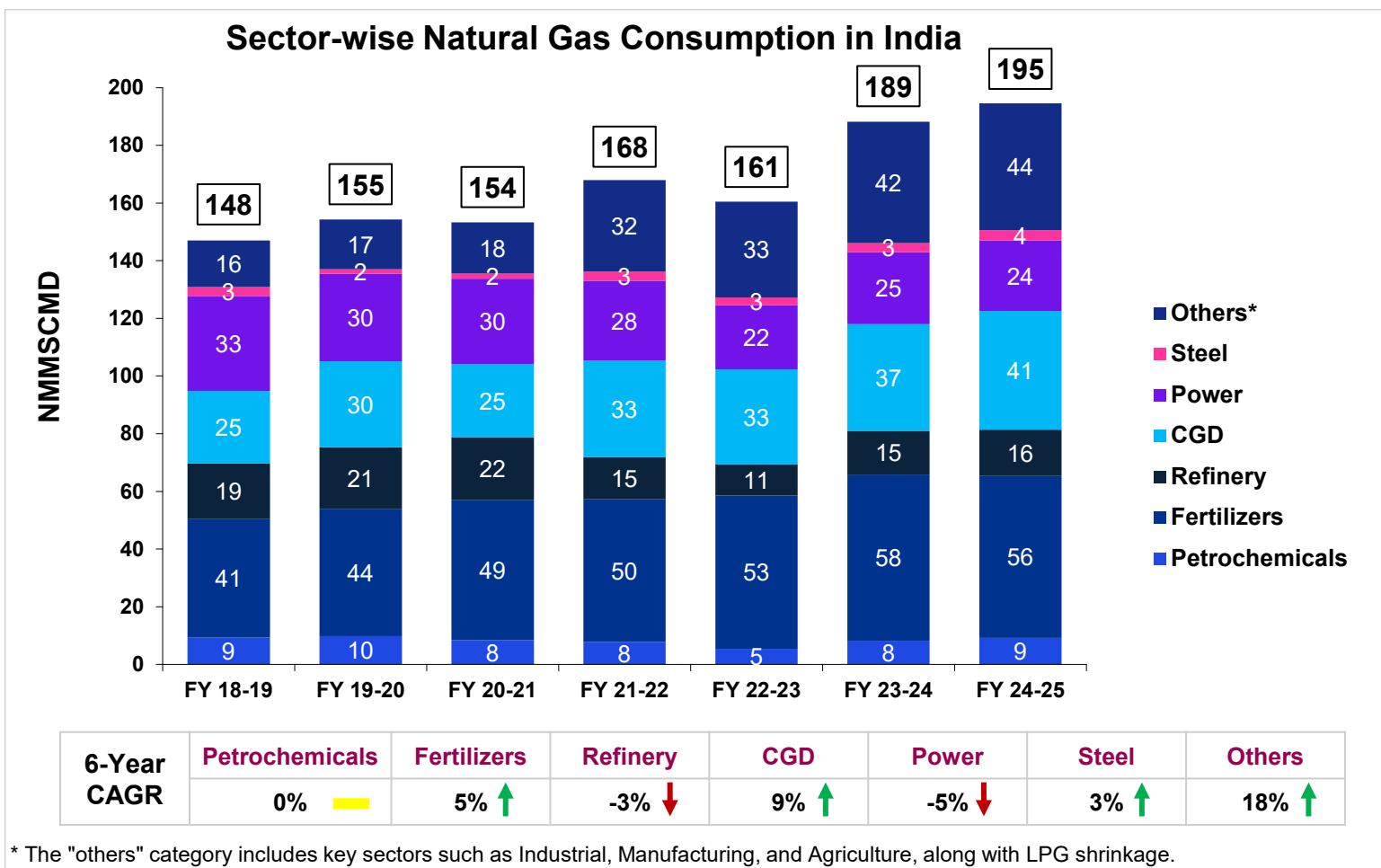


## Key Insights:

- The natural gas demand in India has grown steadily at a **CAGR of 4.5%** over the past 9 years from ~131 MMSCMD in FY 2015-16 to ~195 MMSCMD FY 2024-25.
- India's natural gas demand is driven by **multiple sectors** such as fertilizers, City Gas Distribution (CGD), power generation, refineries, petrochemicals and steel.
- India's natural gas **production**, primarily from Mumbai high and KG basin offshore fields is insufficient to meet the country's increasing natural gas demand. India's domestic gas supply is **expected to peak in 2030** and **gradually decline over time**.
- To **bridge the gap** between demand and domestic supply, India **imports** a significant portion of its natural gas requirements in the form of **LNG**.

# Fertilizer is the largest consumer followed by CGD

CGD sector contributed to about 21% in the total gas consumption in India in FY25 and is one of the fastest growing segment in last 6 years



## Key Insights:

- Increased natural gas consumption in fertilizer sector rose from 41MMSCMD in FY'19 to 56MMSCMD in FY'25
  - Driven by increase in Urea production and govt subsidies
- CGD sector grew at CAGR of 9% between FY'19 and FY'25
  - Due to increase in GAs awarded and greater adoption of gas in urban areas
- "Others" category has seen a substantial rise, largely driven by industries, like ceramics, which have transitioned to natural gas as their primary energy source.

# Demand from CGD sector to shoot up as 100% India's area & 100% population are now covered under CGD

## MWP Commitments post bid round closure

Domestic PNG Connections

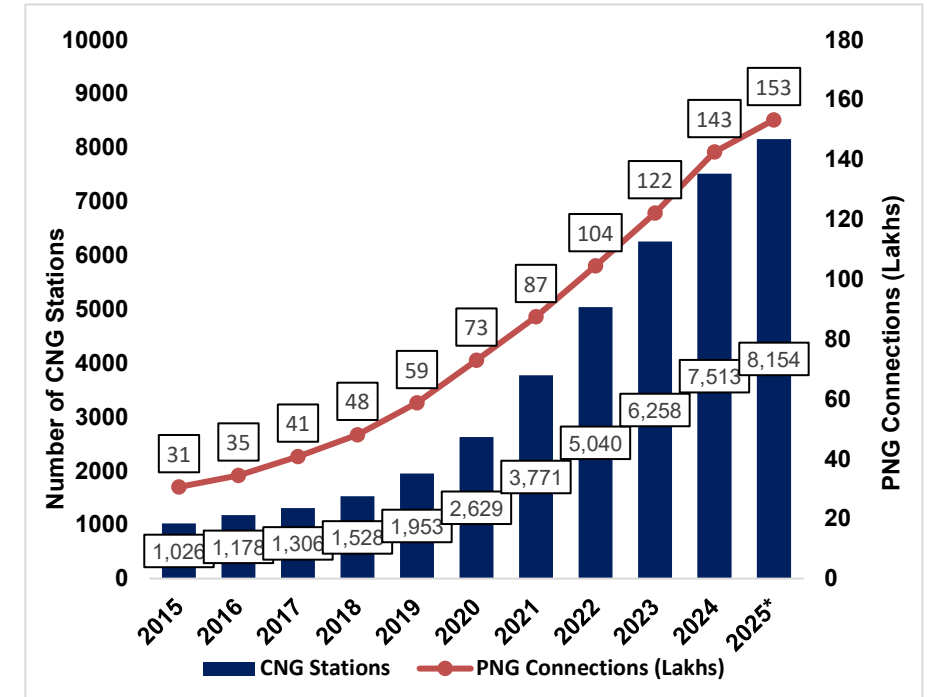
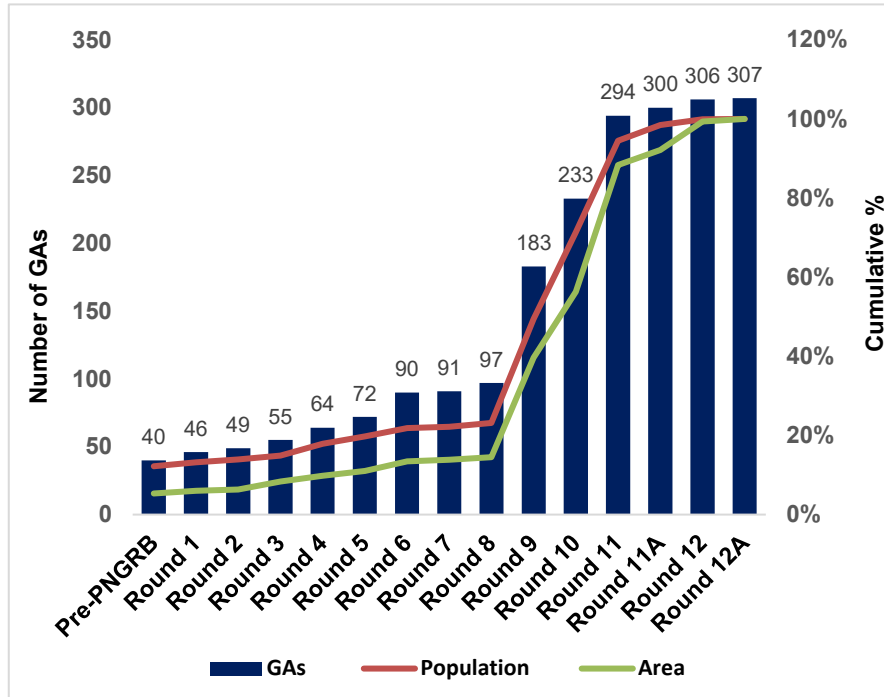
1,263 Lakh

# of CNG Stations

18,336

Steel (Inch-Kms)

5.47 Lakh



\* till May 2025

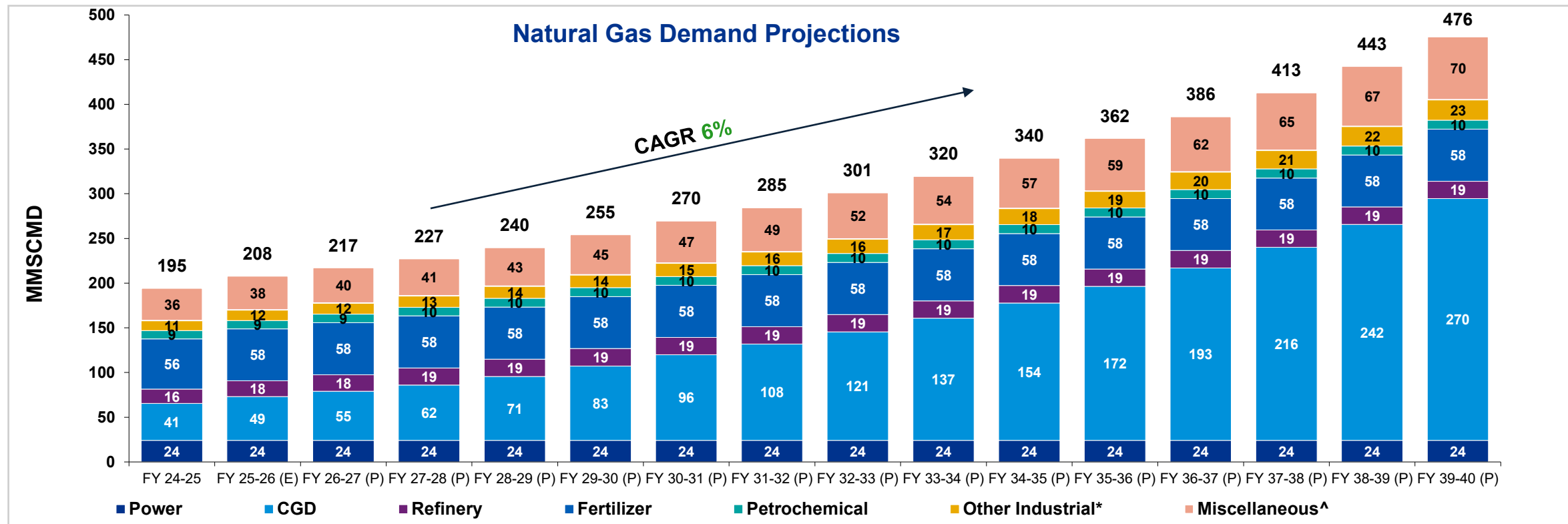
## Key trends

- The Indian CGD market has experienced significant growth in the recent years, driven by factors such as increased focus on clean energy, government incentives and the expansion of natural gas infrastructure
- CNG stations have grown at CAGR ~23% and PNG connections at CAGR~17% over last 10 years
- CGDs typically have a 3-5 year period for building up necessary infrastructure to begin operations and scale up gas demand and therefore, GAs authorized in 11<sup>th</sup> and 12<sup>th</sup> rounds are expected to contribute to the aggressive growth in coming years.
- The overall growth in various industrial sectors has driven the sharp growth of India's CGD network

**02**

# **All India Demand-Supply Forecasts**

# Natural Gas demand outlook till 2040



\* Other Industrial segment includes demand from industrial, manufacturing, and steel sectors

^ Miscellaneous segment includes demand from LPG shrinkage, internal consumption and other miscellaneous sectors.

## Key Insights:

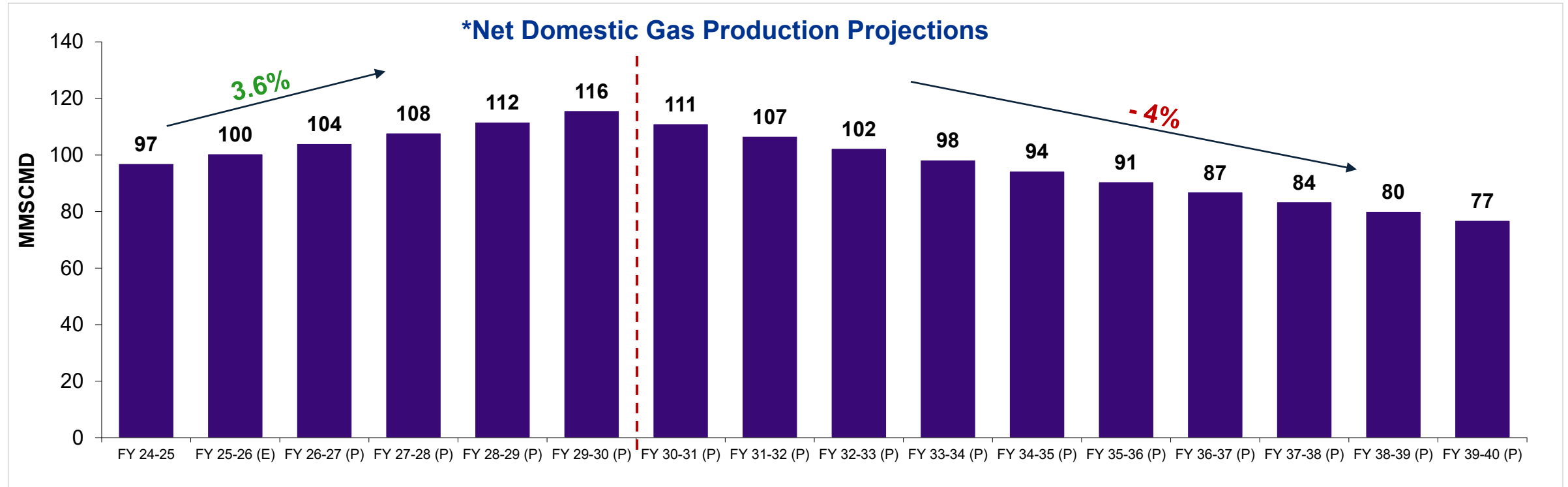
- The natural gas demand in India is expected to grow steadily at a CAGR of ~6% over next 15 years from 195 MMSCMD in FY 2024-25 to 476 MMSCMD in FY 2039-40
- CGD sector expected to have highest contribution (~55%) by FY'40 with mature GAs expected to grow at 12% CAGR and New GAs at 20% for first 5 years

# Sector dynamics of natural gas demand till 2040

Power	<ul style="list-style-type: none"> <li>• <b>Gas-based Power Plants:</b> India has a <b>total installed capacity of ~26 GW</b> of gas-based power plants with <b>average PLF of ~15%</b></li> <li>• <b>Highly price sensitive:</b> High cost of gas compared to coal constrains its widespread usage in the sector and therefore, capacity additions are also not envisaged for the future. Hence, natural gas consumption in power sector is assumed as per current PLF.</li> </ul>
CGD	<ul style="list-style-type: none"> <li>• <b>Mature GAs:</b> Demand from existing GAs (273) which have been operationalized are expected to <b>grow at CAGR ~12%</b> till 2040 based on 9-year average growth rate of CGD sector.</li> <li>• <b>New GAs:</b> The GAs which are yet to be operationalized (70) have been <b>mapped with similar existing GA</b> based on urban household density and per capita income. Since these are new GAs, there growth rate has been assumed as <b>20% for first 5 years</b> and then at <b>12% for remaining years</b> depending upon their authorization dates.</li> </ul>
Refinery	<ul style="list-style-type: none"> <li>• <b>Capacity addition</b> at Barauni, Koyali, Panipat, Visakh and <b>new refinery</b> at Barmer are expected to contribute to an increase in gas demand from refineries sector.</li> <li>• However, these additions will <b>increase the demand marginally</b> only due to presence of alternative substitutes as well.</li> </ul>
Fertilizer	<ul style="list-style-type: none"> <li>• The majority of fertilizer units have <b>transitioned from Naphtha to Natural Gas</b> for production, thus boosting Natural Gas demand.</li> <li>• The government's allocation of <b>substantial subsidies to stabilize fertilizer prices</b> has further stimulated RLNG consumption in this sector. Hence, no significant increase in natural gas consumption from fertilizer sector is expected in the future.</li> </ul>
Petrochemical	<ul style="list-style-type: none"> <li>• The demand from petrochemical sector is expected to <b>increase marginally</b> due to <b>limited capacity additions</b> for ethylene and propylene in the industry.</li> </ul>
Other Industrial & Miscellaneous	<ul style="list-style-type: none"> <li>• Other industries such as <b>ceramics are transitioning</b> to cleaner fuel sources, which will not only drive additional growth but also increase bulk consumption.</li> <li>• <b>Price sensitivity</b> and <b>uneven pipeline access</b> across regions act as constraints thereby limiting the <b>growth rate to around 5%.</b></li> </ul>



# Domestic Gas supply scenario till 2040

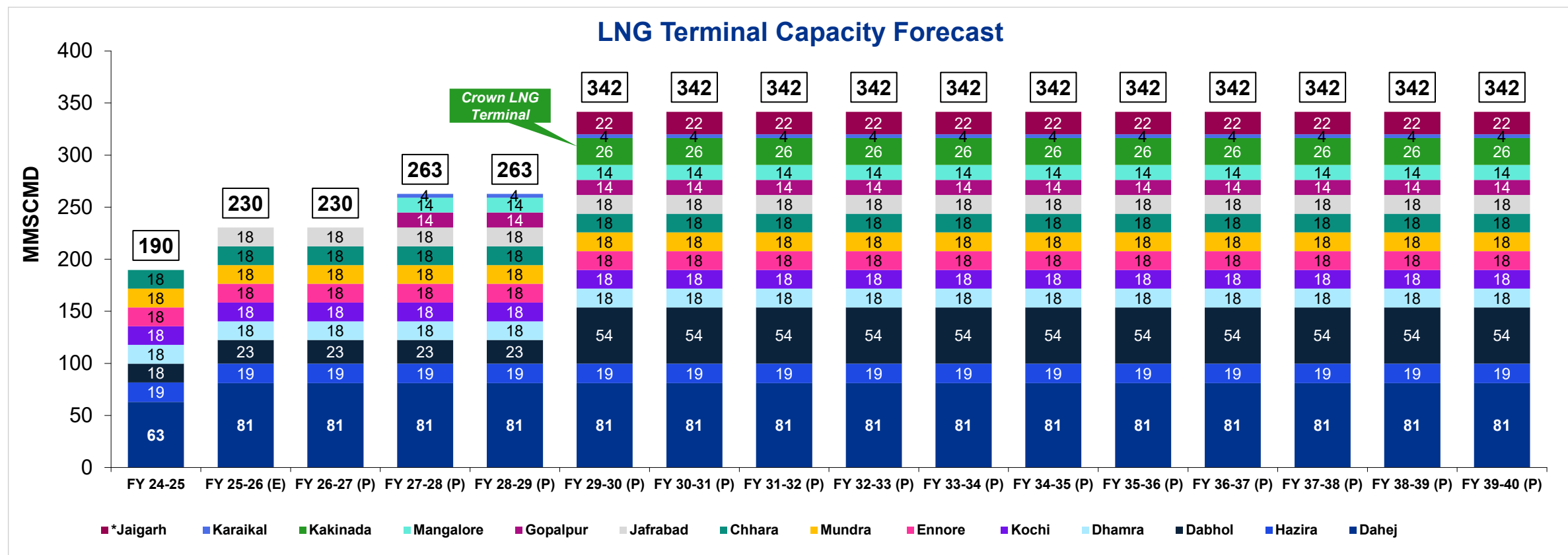


\* Since all domestic gas produced is consumed within the country itself, domestic gas consumption data from PPAC has been considered to project/ forecast net domestic gas production to account for the impact of flaring, internal consumption and losses.

## Key Insights:

- Domestic gas production to grow at 9-year historical CAGR of 3.6% for next 5 years and reach 116 MMSCMD by FY 29-30.
- FY 29-30 onwards, production is expected to decline at 4% CAGR and reach 77MMSCMD by FY 39-40 due to maturing fields primarily in western sedimentary basins and no new significant gas discovery.
- India's natural gas production, primarily from Mumbai high and KG basin offshore fields is insufficient to meet the country's increasing natural gas demand.

# RLNG supply capabilities through terminal additions

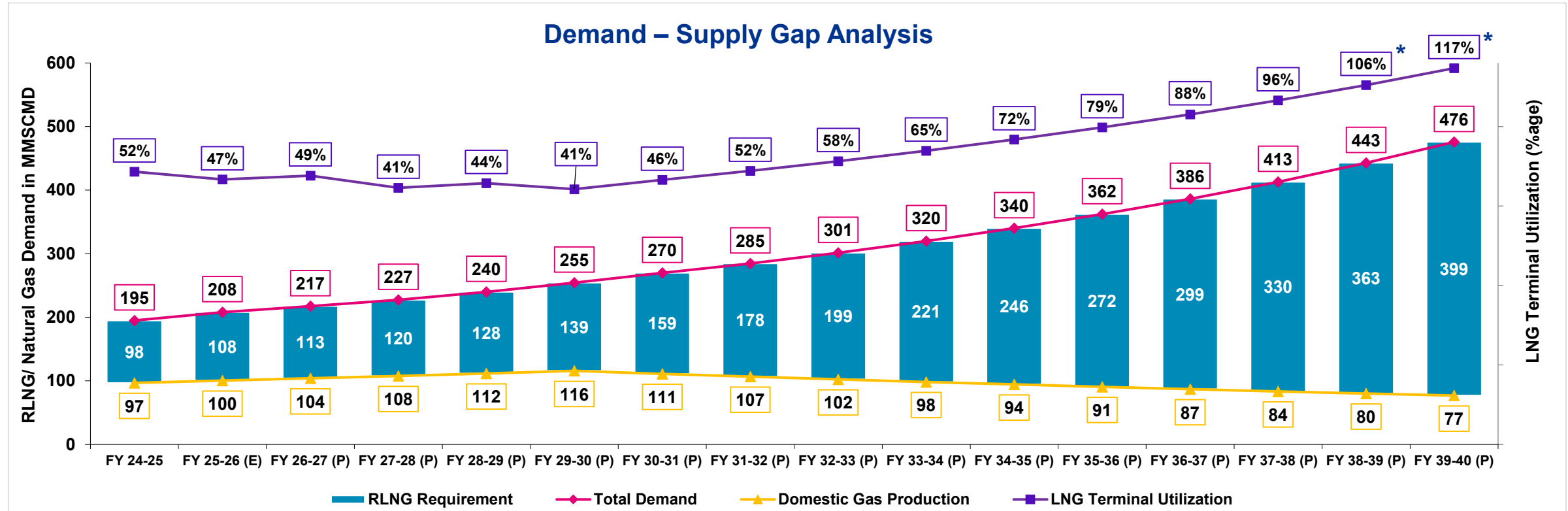


## Key Insights:

\*Since Jaigarh LNG terminal is being acquired by AG&P, the operationalization timelines are uncertain. Hence, the capacity addition been considered in 2030 for Jaigarh

- The average utilization of LNG terminals in FY 2024-25 was ~50%
- Highest capacity addition is expected in 2028 with operationalization of Kakinada, Mangalore, Gopalpur, and Karaikal terminals
- 2030 onwards total RLNG capacity remains at 342 MMSCMD as no greenfield or expansion plans has been announced yet.

# Overall demand-supply dynamics till 2040



## Key Insights:

*\*This is a representation of utilization required to fulfill RLNG demand based on existing plans. However, a number greater than 100% indicates requirement of additional capacity to fulfill the future demand.*

- R-LNG imports play an important role in bridging the gap between natural gas demand and domestic gas production.
- LNG terminals utilization is expected to reduce in upcoming years as new capacities become operational but gradually increase as the India's natural gas consumption is continuously growing.
- LNG terminals reach utilization level of more than 80% in FY 36-37 and crosses 100% mark thereafter. This is due to current non-visibility of any greenfield or expansion projects a decade later. This means there shall be requirement of new LNG terminal or capacity expansion of existing terminals in the years preceding the utilization peak in FY 38-39.

**03**

# **PIL Pipeline Throughput estimates of RLNG**

# A. RLNG flow estimates till 2040 through existing PIL connected customers

## Growth Rate Assumptions

- CGD**
- Previous 3 years CNG consumption of GAs connected to PIL pipeline shows a very high growth rate of 70% to more than 100% due to lower base demand.
  - Growth rate of CNG consumption in Hyderabad, which is one of the top tier cities, is around 20% which has been assumed till FY 29-30, then a steady growth of 12% till FY 39-40 (national average growth rate of CGD sector in India based on past 9 years data).
- Industrial**
- Strong presence of industrial clusters (ceramics, pharma, glass, chemicals) which can consume natural gas in Andhra Pradesh, Telangana, and Karnataka.
  - Based on national historical growth rate of 12%, same has been assumed for future growth of natural gas consumption for PIL connected customers.
- Power, Fertilizer and Petrochemical**
- Historically, not much growth has been witnessed in these sectors either due to price sensitivity or due to overall very marginal growth in sectoral GDP such as agriculture.
  - Hence, 9-year historical growth rate from PPAC data has been assumed with minimum growth rate of 0% for negative values

Domestic Gas/ RLNG Split based on FY 2024-25 PPAC Data			Growth Rates		Natural Gas Flow to PIL Pipeline (in MMSCMD)	
Sector	Domestic Share	RLNG Share	FY 25-26 to FY 29-30	FY 30-31 onwards	FY 24-25	FY 25-26 (E)
CGD	67%	33%	20%	12%	1.20	1.50
Power	69%	31%	0%	0%	0.11	0.11
Fertilizer	14%	86%	3%	3%	2.0	2.0
Industrial	32%	68%	12%	12%	0.10	0.20
Petrochemical	35%	65%	0%	0%	0.74	0.50
Refinery	26%	74%	2%	2%	-	-

Using RLNG share split and growth rates assumptions, RLNG flow from PIL pipeline has been estimated till 2040

A. RLNG Flow from PIL Pipeline to PIL connected customers	FY 25-26 (E)	FY 26-27 (P)	FY 27-28 (P)	FY 28-29 (P)	FY 29-30 (P)	FY 30-31 (P)	FY 31-32 (P)	FY 32-33 (P)	FY 33-34 (P)	FY 34-35 (P)	FY 35-36 (P)	FY 36-37 (P)	FY 37-38 (P)	FY 38-39 (P)	FY 39-40 (P)
CGD	0.50	0.60	0.72	0.86	1.03	1.16	1.30	1.45	1.63	1.82	2.04	2.29	2.56	2.87	3.21
Power	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Fertilizer	1.72	1.77	1.81	1.86	1.91	1.96	2.02	2.07	2.13	2.18	2.24	2.30	2.36	2.43	2.49
Industrial	0.14	0.15	0.17	0.19	0.22	0.24	0.27	0.30	0.34	0.38	0.43	0.48	0.54	0.60	0.68
Petrochemical	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
<b>Total (in MMSCMD)</b>	<b>2.71</b>	<b>2.88</b>	<b>3.06</b>	<b>3.27</b>	<b>3.52</b>	<b>3.72</b>	<b>3.94</b>	<b>4.19</b>	<b>4.45</b>	<b>4.75</b>	<b>5.07</b>	<b>5.43</b>	<b>5.82</b>	<b>6.26</b>	<b>6.74</b>



# B. RLNG supply estimates from Crown LNG terminal to PIL pipeline

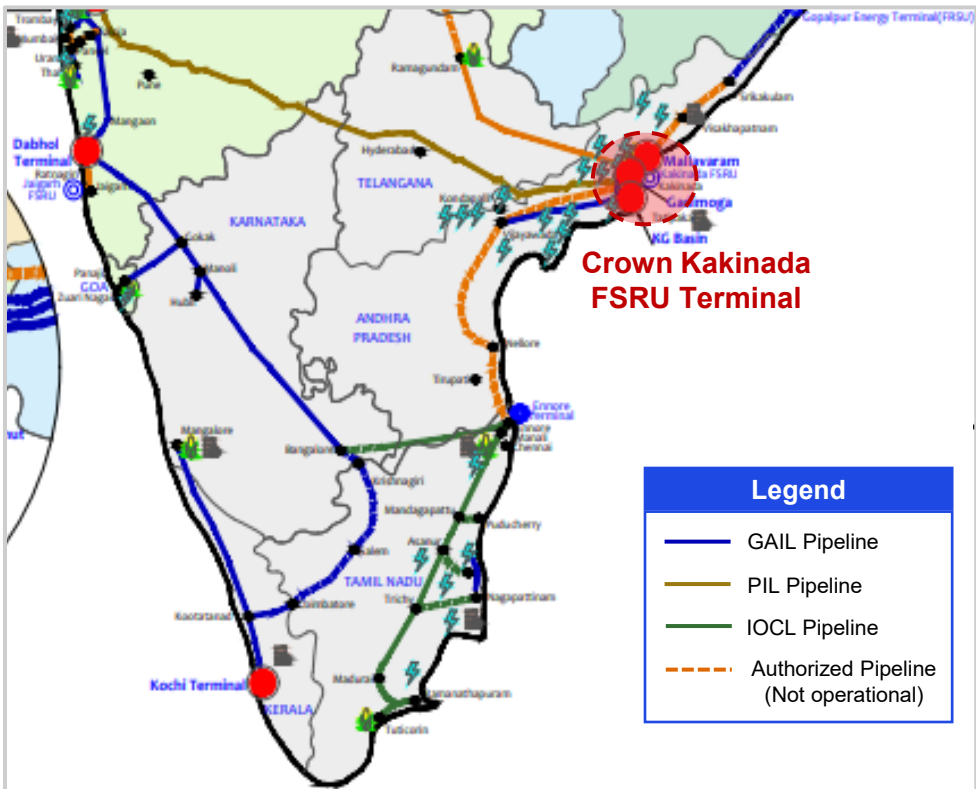
## Terminal Details

- Crown LNG - Norwegian company specializing in all-weather critical offshore LNG infrastructure, is developing an offshore LNG regasification terminal about 11 km off Kakinada, Andhra Pradesh with a planned capacity estimated to be ~7.2 MMTPA or 25 MMSCMD.
- With full Environment Clearance (EC) from MoEFCC, it is estimated that the construction of this regasification terminal would start by early 2026, and the terminal is estimated to be commissioned by FY 29-30.
- Considering that the Indian domestic gas production will have a declining trend post 2030, RLNG is expected to fill that demand gap. Hence, The capacity of this terminal is expected to reach on the higher spectrum of averaging around ~60% by FY 35-36.

## PIL pipeline Planned Connectivity

- The terminal is expected to operate 365 days a year, a first for the harsh weather prone area.
- MoU signed on 10<sup>th</sup> July between PIL and Crown LNG Holdings to establish connectivity between Crown’s LNG proposed terminal and PIL’s existing pipeline network.
- Imported gas from the planned terminal would reach demand centers via PIL pipeline, helping to support the Indian government’s drive to more than double the share of natural gas in the country’s energy mix.

## Crown Terminal Assumptions



With direct connectivity to PIL, all RLNG from Crown LNG terminal is assumed to flow through PIL pipeline

B. RLNG Flow from Crown LNG Terminal (MMSCMD)	FY 25-26 (E)	FY 26-27 (P)	FY 27-28 (P)	FY 28-29 (P)	FY 29-30 (P)	FY 30-31 (P)	FY 31-32 (P)	FY 32-33 (P)	FY 33-34 (P)	FY 34-35 (P)	FY 35-36 (P)	FY 36-37 (P)	FY 37-38 (P)	FY 38-39 (P)	FY 39-40 (P)
Crown LNG (Capacity – MMSCMD)					25	25	25	25	25	25	25	25	25	25	25
Capacity Utilization					10%	15%	25%	35%	45%	55%	60%	60%	60%	60%	60%
Flow from Crown Terminal					2.5	3.75	6.25	8.75	11.25	13.75	15	15	15	15	15



# C. RLNG Supply estimates from Ennore LNG Terminal to PIL pipeline

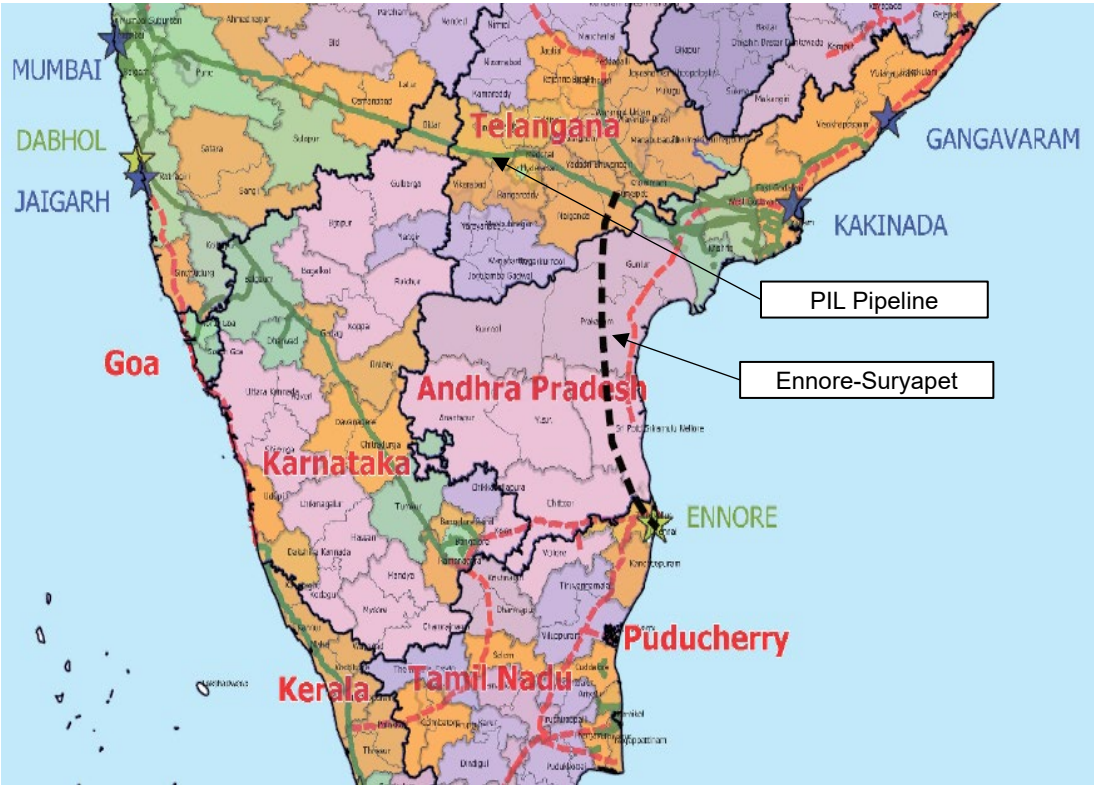
## Terminal Details

- The Ennore LNG Terminal, operated by Indian Oil LNG Pvt Ltd (IOLPL) has been commercially operational since March 2019 with an initial capacity of ~5 MMTPA.
- To meet rising demand in Tamil Nadu, Andhra Pradesh, and Karnataka, Indian Oil plans to double the terminal’s capacity from 5 to 10 MMTPA. However, as a conservative estimate the existing capacity has been considered for arriving at the RLNG future projections.
- The capacity utilization of this terminal is expected to reach around ~50% by FY 31-32.

## PIL pipeline Planned Connectivity

- PNGRB has initiated a suo-moto proposal for development of natural gas pipeline to cater to the requirement of natural gas in the states of Tamil Nadu, Andhra Pradesh and Telangana.
- The pipeline is proposed to emanate from Ennore LNG Terminal, Ennore and connect to PIL’s Pipeline at Suryapet (CS-03).
- The estimated capacity of this pipeline is expected to be ~10 MMSCMD. It has been estimated that barring 1.5-2 MMSCMD of local consumption, ~8 MMSCMD of natural gas will flow through this pipeline into PIL pipeline. The pipeline is expected to be commissioned by FY 29-30.

## Ennore Terminal Assumptions



RLNG from Ennore terminal is assumed to flow through Ennore-Suryapet pipeline to PIL pipeline, limited to 8 MMSCMD

C. RLNG Flow from Ennore LNG Terminal (MMSCMD)	FY 25-26 (E)	FY 26-27 (P)	FY 27-28 (P)	FY 28-29 (P)	FY 29-30 (P)	FY 30-31 (P)	FY 31-32 (P)	FY 32-33 (P)	FY 33-34 (P)	FY 34-35 (P)	FY 35-36 (P)	FY 36-37 (P)	FY 37-38 (P)	FY 38-39 (P)	FY 39-40 (P)
Ennore LNG (Capacity–MMSCMD)					16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
Capacity Utilization					25%	35%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Flow from Ennore Terminal					4.13	5.78	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

# D. RLNG from existing West Coast Terminals delivered to other pipeline networks through PIL Pipeline

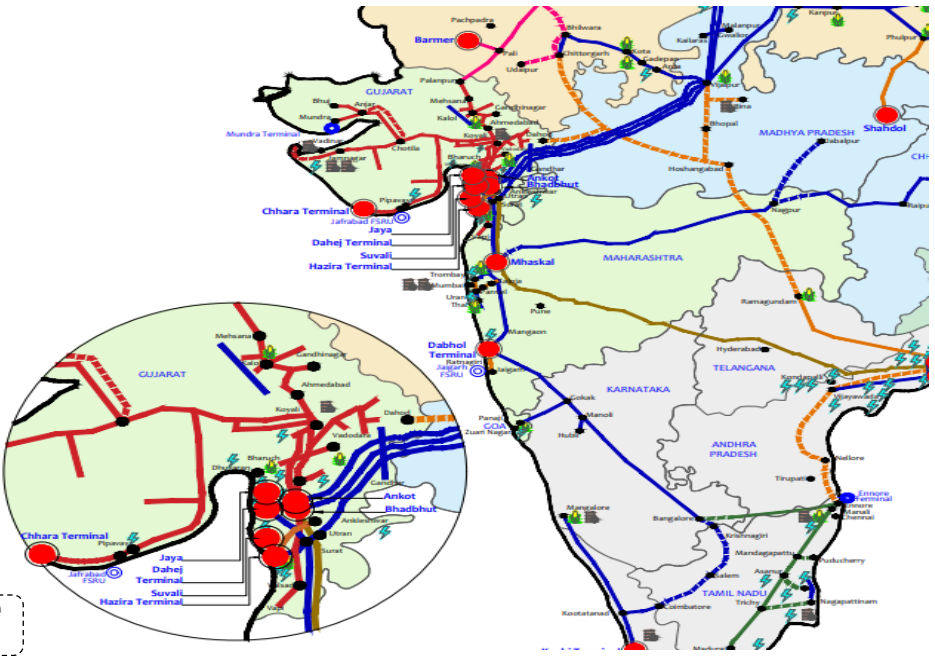
Terminal Details

- PIL's pipeline is directly connected to 5 MMTPA Shell Hazira terminal and 17.5 MMTPA Petronet Dahej terminal. RLNG also flows from other terminals such as Mundra and Dabhol through its connectivity with other pipelines operators such as GSPL and GAIL.
- RLNG flow from west coast terminals delivered to other pipeline networks of GAIL and IOCL through PIL pipeline was ~3.3 MMSCMD in FY 24-25 and is estimated to be ~3.8 MMSCMD in FY 25-26.
- With growing demand in southern states such as Andhra Pradesh, Telangana, Karnataka and Tamil Nadu, it is expected that this RLNG flow shall gradually increase to 6.5 MMSCMD by FY 29-30.

Impact of Ennore on West Coast Terminals

Impact of Ennore Terminal on RLNG flow from West Coast Terminals

- With proposed pipeline connectivity from Ennore terminal to PIL pipeline at Suryapet (CS-03), a significant demand from the states of Andhra Pradesh, Telangana, Karnataka, and Maharashtra shall be met through Ennore terminal.
- This RLNG flow from Ennore terminal is expected to significantly impact the RLNG flow coming from west coast terminals FY 29-30 onwards when this new pipeline is expected to be commissioned.
- It assumed that in FY 29-30 there shall be reduction in RLNG flow from West Coast terminals equivalent to 25% of the RLNG flow from Ennore terminal owing to initial stage of pipeline commissioning which shall gradually rise to 50% thereby reducing net flow from West Coast terminals.



RLNG flow from Ennore terminal is expected to significantly impact the current flow of RLNG from West Coast Terminals FY 29-30 onwards

D. Net RLNG Flow from West Coast Terminals (MMSCMD)	FY 25-26 (E)	FY 26-27 (P)	FY 27-28 (P)	FY 28-29 (P)	FY 29-30 (P)	FY 30-31 (P)	FY 31-32 (P)	FY 32-33 (P)	FY 33-34 (P)	FY 34-35 (P)	FY 35-36 (P)	FY 36-37 (P)	FY 37-38 (P)	FY 38-39 (P)	FY 39-40 (P)
Current Flow from West Coast Terminals - MMSCMD	3.79	4.62	5.44	6.23	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Flow from Ennore Terminal					4.13	5.78	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
%age of Ennore flow cannibalizing West Coast RLNG flow					25%	35%	45%	50%	50%	50%	50%	50%	50%	50%	50%
Net Flow from West Coast Terminals	3.79	4.62	5.44	6.23	5.47	4.48	2.90	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50



# Total RLNG throughput estimates from PIL pipeline till 2040

RLNG Flow estimated in MMSCMD	FY 25-26 (E)	FY 26-27 (P)	FY 27-28 (P)	FY 28-29 (P)	FY 29-30 (P)	FY 30-31 (P)	FY 31-32 (P)	FY 32-33 (P)	FY 33-34 (P)	FY 34-35 (P)	FY 35-36 (P)	FY 36-37 (P)	FY 37-38 (P)	FY 38-39 (P)	FY 39-40 (P)
A. RLNG Flow to existing PIL connected customers	2.71	2.88	3.06	3.27	3.52	3.72	3.94	4.19	4.45	4.75	5.07	5.43	5.82	6.26	6.74
B. RLNG Flow from Crown Terminal	-	-	-	-	2.5	3.75	6.25	8.75	11.25	13.75	15	15	15	15	15
C. RLNG Flow from Ennore Terminal	-	-	-	-	4.13	5.78	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
D. Flow from West Coast Terminals pre-cannibalization from Ennore Terminal	3.79	4.62	5.44	6.23	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
E. Likely cannibalization of West Coast RLNG flow due to Ennore Terminal	-	-	-	-	1.03	2.02	3.60	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Total RLNG Flow through PIL pipeline (A + B + C + D - E)</b>	<b>6.50</b>	<b>7.50</b>	<b>8.50</b>	<b>9.50</b>	<b>15.61</b>	<b>17.73</b>	<b>21.09</b>	<b>23.44</b>	<b>26.20</b>	<b>29.00</b>	<b>30.57</b>	<b>30.93</b>	<b>31.32</b>	<b>31.76</b>	<b>32.24</b>
Total RLNG demand (India)	108	113	120	128	139	159	178	199	221	246	272	299	330	363	399
<b>Flow of RLNG through PIL pipeline as %age of Total RLNG demand</b>	<b>6.0%</b>	<b>6.6%</b>	<b>7.1%</b>	<b>7.4%</b>	<b>11.3%</b>	<b>11.2%</b>	<b>11.9%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.3%</b>	<b>10.3%</b>	<b>9.5%</b>	<b>8.8%</b>	<b>8.1%</b>

## Conclusion:

- RLNG throughput from PIL pipeline is expected to witness a very steep increase of around 64% in FY 29-30 primarily because of commissioning of Crown LNG terminal and RLNG flow from newly commissioned pipeline Ennore-Suryapet from Ennore Terminal.
- Cannibalization of RLNG flow by Ennore terminal is balanced by increase in utilization level of Crown LNG terminal.
- RLNG throughput from PIL pipeline stabilizes around 30 – 32 MMSCMD from FY 35-36 onwards where any marginal increase in RLNG flow is due to increase in natural gas consumption of existing CGD and industrial consumers.



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