Quarterly Update
Q2 FY 25-26

Contents

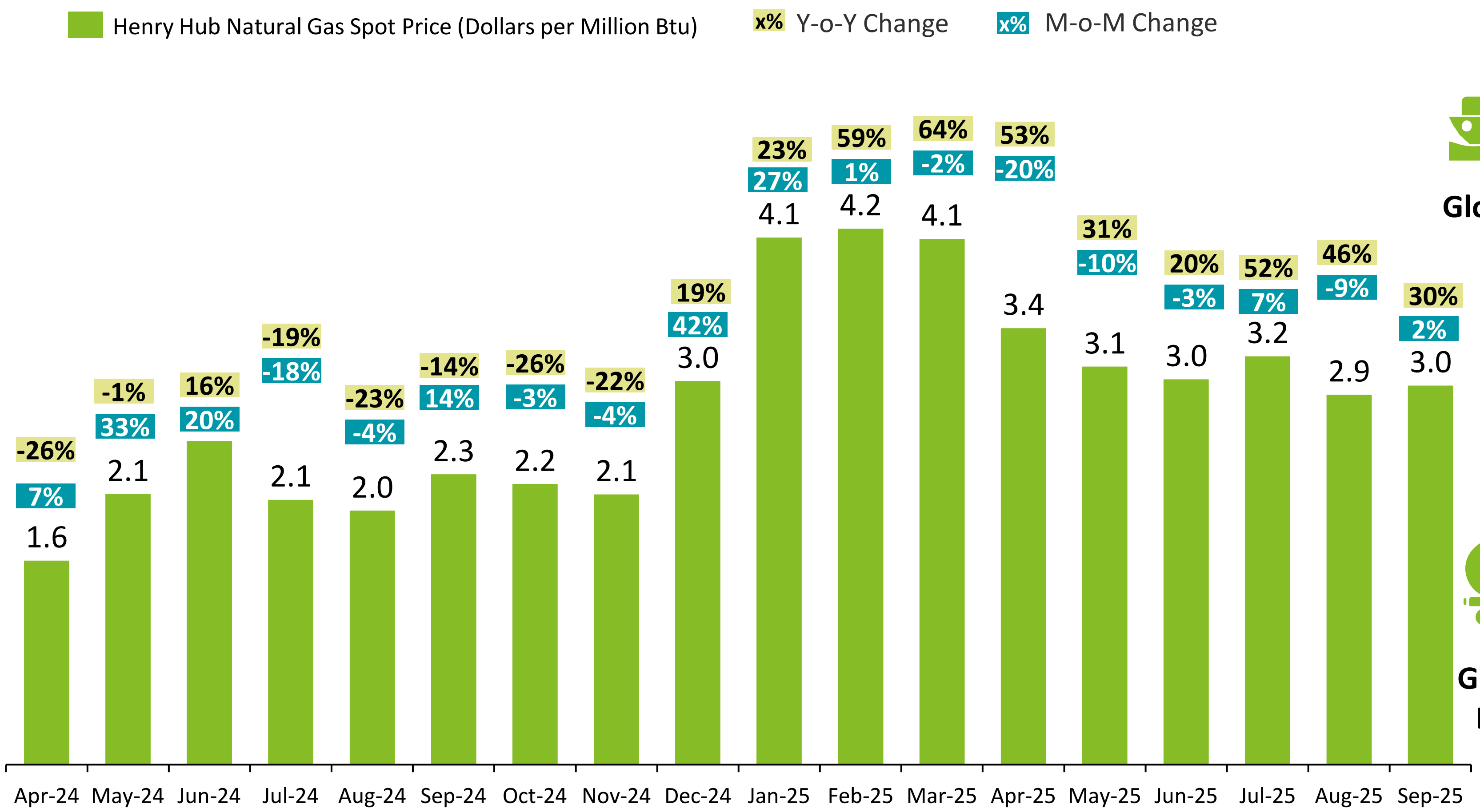
Global Natural Gas Market Snapshot

1

Overview of the global oil & gas market | Natural Gas

Global oil & gas supply-demand is expected to show growth owing to new projects and increasing demand

Prices of Natural Gas (USD/MMBtu)



Source: EIA, OPEC, news articles, Deloitte Research and Analysis

Key things to track

Global Supply

Global natural gas supply is expected to **grow by over 2.3% in 2025**, driven by new LNG projects in the U.S., Qatar, and Australia, alongside strong demand from Europe (replacing Russian gas) and Asia (economic recovery).

Global LNG Demand

According to estimates, global demand for LNG is estimated to **rise by around 60% by 2040**, driven largely by economic growth in Asia, AI impact and efforts to cut emissions in heavy industries and transportation

India Natural Gas Market Snapshot

2

Overview of the Indian economy

India's economy is experiencing strong growth driven by increased allocation of capital expenditures and rise in overall manufacturing industry

Economic overview of India – Key indicators

Economic parameter	Current Status (Sept-2025)	M-o-M Change (%)	Y-o-Y Change (%)
Inflation Rate (WPI)	154.9#	0%	0%
Services PMI	60.6 points*	-4%	5%
Manufacturing PMI	57.7 points*	-3%	0%
Consumer Price Index (CPI)	197.2 points#	0%	2%
Imports	USD 68.5 Billion#	11%	17%
Exports	USD 36.4 Billion#	4%	7%
FOREX reserves	USD 700.2 Billion#	1%	-1%

Key Developments

- India's **GDP (Revised) is expected to grow at 6.6% in 2025 followed by 6.2% in 2026**. GDP Growth Rate in India averaged 1.65% from 1996 until 2025.
- Petroleum Products exports increased by 15.22 % from US$ 4.30 Billion in September 2024 to US$ 4.96 Billion in September 2025.
- **Business Confidence in India increased to 126.20 points** in 3rd quarter of 2025 from 117.5 points in 2nd quarter of 2025.

Source: World Bank data,PIB, PPAC reports, MoSPI, S&P Global reports, Moneycontrol, Trading economics, Deloitte Research and Analysis

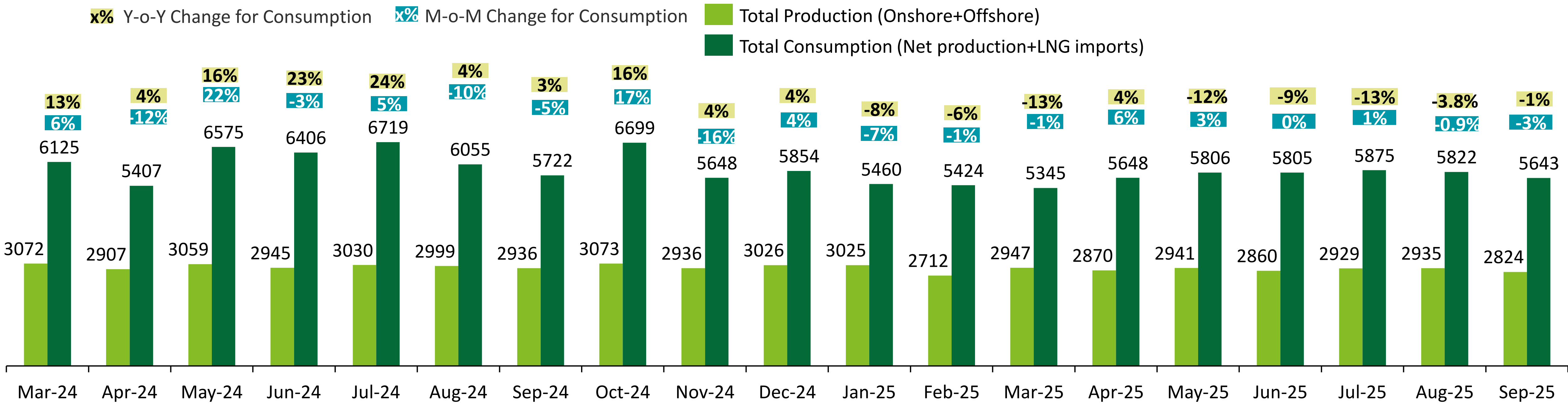
Note: All commodities considered for WPI inflation;
 # Provisional Data for Sept'25 as per latest releases
** Updated actual figures for Sept25 as per latest releases*

Overview of the Indian oil & gas market| Natural Gas

An overall Y-o-Y growth of -1 % is observed in natural gas consumption in India in Sept’25, with import dependency for sourcing natural gas still prevailing

Natural Gas Market in India (Production v/s Consumption)

(Figures in MMSCM)



- Overall production of natural gas in India amounted to an average ~2927 MMSCM from Sept ’24 to Sept ‘25
- Overall consumption of natural gas in India amounted to an average ~5825 MMSCM from Sept’24 to Sept‘25
- The above graph and figures clearly indicate the need for dependency of imports of natural gas as we can clearly observe that the consumption exceeds the domestic production of natural gas consistently on a month-on-month basis.
- This reliance of imports for natural gas is expected to continue in the upcoming years also.

Source: PPAC reports, Deloitte Research and Analysis

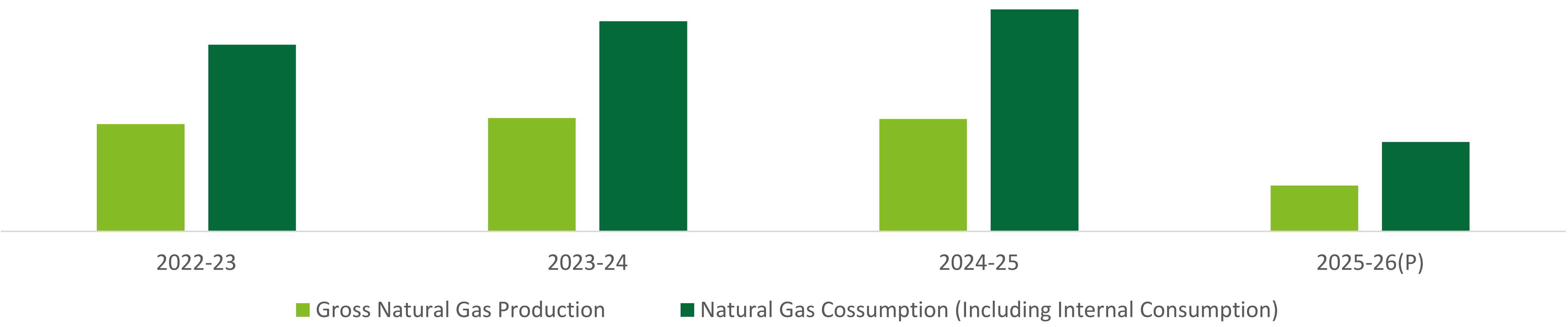
**Note: Data for May’25 is provisional*

India CGD Market Snapshot

3

Production vs Consumption Trend| Natural Gas

Natural Gas Production Vs. Consumption Trend, MMSCM



Status of CBG Plants as on 30.09.2025

Plant Status	Registered	Functional	Completed	Construction U/P	Yet to Start Construction	Districts Covered
Biogas	1492	1097	116	167	112	533
CBG/Bio-CNG	1179	151	11	250	767	767

Source: PPAC, GOBARdhan

LNG Terminal Capacity Utilization (%)

LNG Terminals -Capacity Utilization (%)	Petronet LNG Ltd (Dahej)	Shell Energy (Hazira)	Konkal LNG Ltd.(Dhabo)	Petronet LNG Ltd (Kochi)	Indian Oil (Ennore)	GSPC (Mundra)	Adani Total (Dhamra)	HPCL (Chhara)	Avg. Annual Utilization	Total Capacity
2022-23	77.76	36.6	39.2	18.58	13	16	0	0	**33.50%**	**42.7 MMT**
2023-24	95.47	30.3	42.7	20.83	18.3	14.6	24.8	0	**35.30%**	**47.7 MMT**
2024-25	96.6	32.5	45.1	22.6	25.1	22	41	3.2	**36%**	**52.7 MMT**

Comparison CGD Infrastructure Development *(as of July' 25)*

		Domestic PNG Connections		CNG Stations		Pipeline Infra (inch-km)	
Round	**No. of GA**	**Total MWP Target**	**Achievement**	**Total MWP Target**	**Achievement**	**Total MWP Target**	**Achievement**
Till Round 8	96	1,12,13,139	1,14,96,872	30	3,559	2,33,367	1,48,005
Round 9 onwards	211	11,51,42,679	33,35,215	18,306	4,437	3,13,500	1,36,353
Total	**307**	**12,63,55,818**	**1,48,32,087**	**18,336**	**7,996**	**5,46,867**	**2,84,358**
% Contribution in Total							
Till Round 8	31%	9%	78%	0.2%	45%	43%	52%
Round 9 onwards	69%	91%	22%	99.8%	55%	57%	48%

Source: PNGRB Report: India's Natural Gas Demand Projection for 2030-2040, PPAC

Status of MWP Target vs Achievement

ACE Members MWP Target Achievement % on Pro-Rata Target (as on 31st August 2025)

		PNG (Nos)				CNG (Nos)				Pipeline (inch-km)			
ACE Members	GAs	Total MWP Target	Pro-Rata Target	Achievement	Achievement %	Total MWP Target	Pro-Rata Target	Achievement	Achievement %	Total MWP Target	Pro-Rata Target	Achievement	Achievement %
Adani Gas	33	1,03,62,249	25,62,954	9,67,524	38%	1,806	445	647	145%	62,269	39,837	18,709	47%
AG&P Pratham	12	1,20,39,137	36,44,574	1,56,860	4%	1,553	700	371	53%	17,105	10,293	12,253	119%
Gujarat Gas	27	54,40,467	35,15,746	21,50,959	61%	310	145	816	563%	63,561	59,177	42,576	72%
Megha Gas	22	1,24,27,762	22,44,037	1,12,380	5%	2,144	572	226	40%	54,926	22,141	10,887	49%
Think Gas	6	18,84,811	6,70,903	82,011	12%	279	146	110	75%	5,845	3,978	4,764	120%
Torrent Gas	17	67,17,424	20,49,928	2,06,387	10%	764	355	498	140%	46,848	28,574	18,515	65%
HCG	9	48,88,029	5,03,674	68,051	14%	1,949	138	175	127%	20,485	3,890	6,329	163%
IRM Energy	4	18,98,926	1,43,485	77,792	54%	325	39	112	287%	4,088	2,743	4,601	168%
Indian Oil - Adani	19	33,62,053	16,46,366	2,77,418	17%	876	349	424	121%	20,488	14,867	18,568	125%
Total ACE members	**149**	**5,90,20,858**	**1,69,81,667**	**40,99,382**	**24%**	**10,006**	**2,889**	**3,379**	**117%**	**2,95,615**	**1,85,500**	**1,37,202**	**74%**
Industry Total	**307**	**12,63,55,818**	**3,48,86,959**	**1,54,12,304**	**44%**	**18,336**	**5,606**	**8,269**	**148%**	**5,46,867**	**3,72,724**	**2,97,268**	**80%**

Source: PPAC

Below Industry % Above Industry %

Status of PNG connections and CNG stations across India

Status of PNG Connections & CNG stations across India as on 31.08.2025 (P)

State/UT (State/UTs are clubbed based on the GAs authorised by PNGRB)	CNG Stations	PNG connections		
		Domestic	Commercial	Industrial
Andhra Pradesh	214	289,609	527	55
Andhra Pradesh, Karnataka & Tamil Nadu	49	17,750	30	23
Assam	36	70,169	1,463	485
Bihar	196	251,394	237	47
Bihar & Jharkhand	30	13,950	16	1
Bihar & Uttar Pradesh	26	35,179	0	0
Chandigarh (UT), Haryana, Punjab & Himachal Pradesh	35	31,516	231	76
Chhattisgarh	55	14,257	0	1
Dadra & Nagar Haveli (UT)	6	13,776	62	69
Daman & Diu (UT)	5	5,351	102	59
Daman and Diu & Gujarat	17	9,578	51	0
Goa	15	19,412	52	57
Gujarat	1,040	3,675,791	24,243	5,877
Haryana	534	519,800	1,642	2,917
Haryana & Himachal Pradesh	14	214	2	1
Haryana & Punjab	28	2,830	5	0
Himachal Pradesh	20	11,552	49	13
Jharkhand	118	174,616	110	25
Karnataka	466	523,811	721	424
Kerala	206	136,555	176	40
Kerala & Puducherry	31	12,118	2	0
Madhya Pradesh	363	304,954	670	621
Madhya Pradesh and Chhattisgarh	9	0	0	0
Madhya Pradesh and Rajasthan	39	1,245	2	0
Madhya Pradesh and Uttar Pradesh	20	105	1	3
Maharashtra	1,063	4,116,851	5,391	1,163
Maharashtra & Gujarat	84	224,564	16	58
Maharashtra and Madhya Pradesh	17	0	0	0
Meghalaya	4	0	0	0

Source: PPAC

Status of PNG connections and CNG stations across India

Status of PNG Connections & CNG stations across India as on 31.08.2025 (P)

State/UT (State/UTs are clubbed based on the GA's authorised by PNGRB)	CNG Stations	PNG connections		
		Domestic	Commercial	Industrial
National Capital Territory of Delhi (UT)	510	1,768,964	4,719	1,908
Odisha	140	167,333	76	7
Puducherry	10	0	0	0
Puducherry & Tamil Nadu	8	549	3	0
Punjab	240	111,378	917	369
Punjab & Rajasthan	30	19,037	0	0
Rajasthan	421	444,307	530	1,846
Tamil Nadu	422	98,428	67	64
Telangana	216	256,665	167	167
Telangana and Karnataka	13	128	3	4
Tripura	28	67,235	518	48
UT of Jammu and Kashmir	3	0	0	0
Uttar Pradesh	1,211	1,984,077	3,618	4,044
Uttar Pradesh & Rajasthan	51	26,222	76	353
Uttar Pradesh and Uttrakhand	37	17,917	2	0
Uttarakhand	44	79,855	120	135
West Bengal	216	107,995	16	4
Grand Total	**8,340**	**15,627,037**	**46,633**	**20,964**

Source: PPAC

Emerging Trend: Discovery of Natural Gas In Andaman Sea Basin & Restructuring of GST Rates

4

Natural Gas Discovery in Andaman Sea Basin

Oil India announced the first natural gas discovery in the Andaman Basin, containing 87% methane at the Sri Vijayapuram-2 well, drilled 17 km offshore at a water depth of 295 meters

1 Strategic Significance

- Opens a new offshore frontier; boosts investor confidence
- Strengthens energy security & will supplement the natural gas market in addition to LNG imports

2 Opportunities

- Stimulates offshore drilling, subsea & EPC services
- Potential supply to eastern/north-eastern industrial clusters
- Fiscal upside via royalties/taxes; long-term export potential

3 Risks & Uncertainties

- Unproven commercial viability — appraisal & reservoir studies needed
- High development costs & complex infrastructure (pipeline/FLNG)
- Environmental & regulatory sensitivities in the Andaman basin

Source: PIB, Deloitte Research and Analysis

GST Rate Changes on Oil & Gas and Renewable Energy Sector

GST rate restructuring increases levies on Oil & Gas operations while reducing duties on Renewable Energy to drive green adoption

1 Introduction of New GST Rates

56th GST Council meeting on 3rd Sept’25 recommended shift from existing four-slab structure to simplified GST structure of two main rates: 5% (merit rate) & 18% (standard rate) along with a 40% special rate for sin/luxury goods

2 Impact on Oil & Gas Sector – GST Rate Increased

- Petroleum operations(Mining, Drilling), Offshore works contracts: GST increased from 12% → 18%
- Transportation of petroleum products via pipelines: 5% without ITC (Unchanged); 12% → 18% with ITC (Revised)
- Implication: Revised rates leads to higher project and production costs, though classification disputes are expected to reduce.

3 Impact on Renewable Energy Sector – GST Rates Decreased

- Renewable energy devices and parts (including solar, wind, biogas, waste-to-energy) : GST reduced from 12% → 5%
- Fuel cell / hydrogen vehicles: GST reduced to 5%
- Implication: Lower project and manufacturing costs with reduced capex, boosting domestic production and accelerating clean energy adoption.

Source: PIB, Deloitte Research and Analysis

Major Developments shaping/impacting CGD sector

5

Major Developments

Major Developments Shaping/Impacting CGD Sector

Strengthening Natural Gas Value Chain

- Oil India Limited and Mahanagar Gas Limited have signed an MoU to collaborate across the LNG value chain and emerging clean energy sectors. The partnership aims to leverage OIL's upstream capabilities and MGL's gas distribution network in Mumbai to enhance India's LNG ecosystem.
- Oil India Limited (OIL) has signed a memorandum of understanding (MoU) with GAIL (India) Limited to collaborate on strengthening India's natural gas value chain. The partnership aims to enhance domestic gas availability and improve connectivity to demand centers.

Gas Infrastructure Development

- The PNGRB issued public comments on proposed ~450 km pipeline from Ennore LNG Terminal (Tamil Nadu) to Kondapalli (Andhra Pradesh) aiming a minimum capacity of 5 MMSCMD. Stakeholders are invited to provide feedback on the route, length, and capacity by October 18, 2025, as part of the public consultation process. ***(detail map attached in slide 19)***
- Bengal Gas Company Ltd (BGCL) plans to commence PNG supply in Hooghly, West Bengal by February 2026, expanding its footprint in eastern India.

Policy Push & Regulation

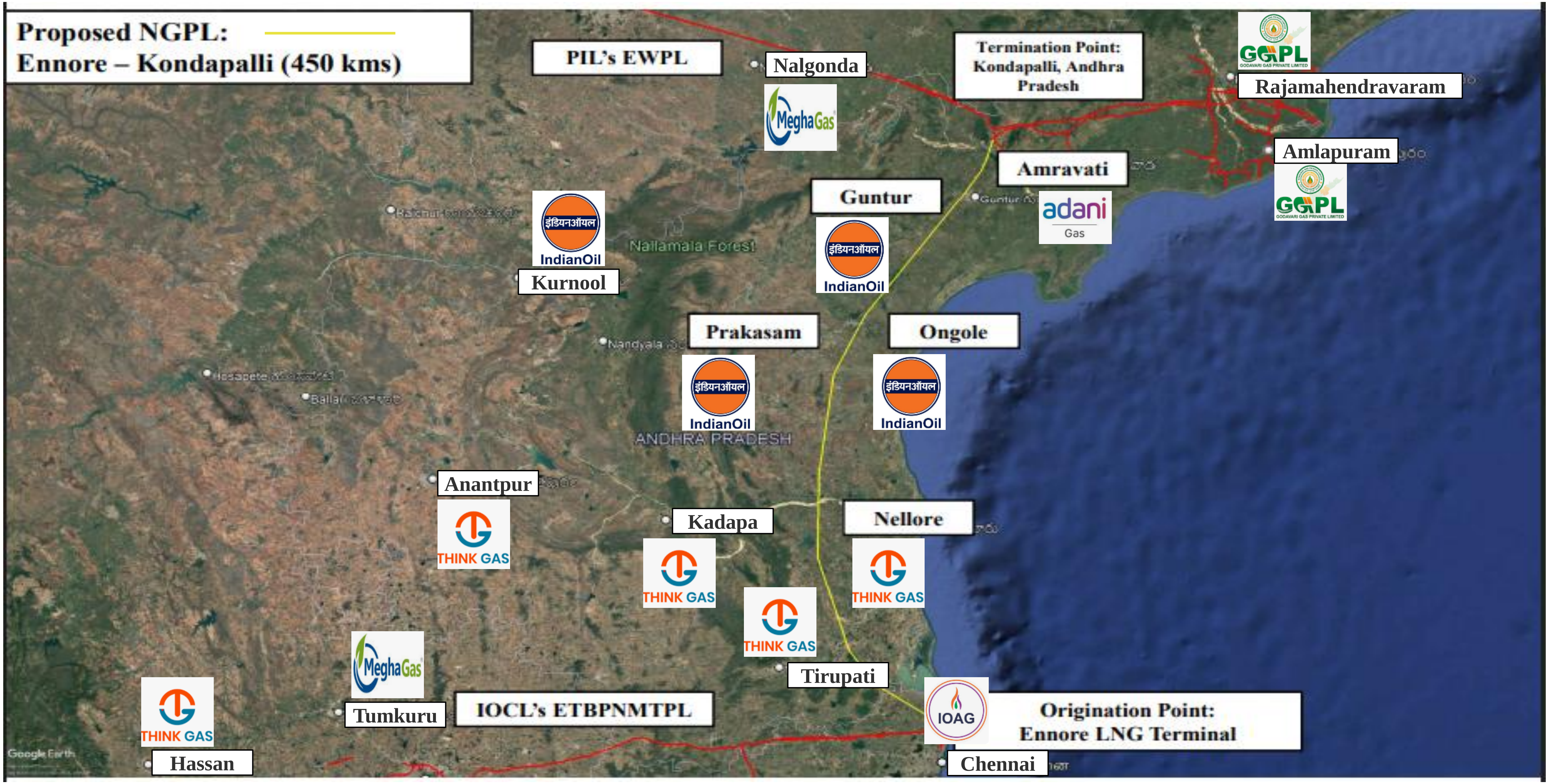
- PNGRB issued public notice to seeks stakeholder feedback on LPG interoperability to Ensure Timely Refills. With over 32 crore LPG connections in India, persistent delays in refills affect millions of consumers. The regulator invites suggestions to enable seamless access through flexible delivery and coordination among distributors.

Sustainability

- GAIL (India) Ltd has partnered with Tata Steel to supply up to 43,000 SCMD of natural gas to its Combi-Mill plant in Jamshedpur, marking a significant industrial customer onboarding and aiming to reduce the carbon footprint of steel production
- Indraprastha Gas Limited inaugurated an Industry 4.0–compliant Smart Gas Meter facility in Noida, set to produce one million smart and prepaid meters annually from October 2025, boosting domestic manufacturing and self-reliance.

Source: PIB, Company Websites

Proposed Pipeline from Ennore LNG Terminal to Knodapalli



Thank You !