



FIPI

Federation of Indian Petroleum Industry



REPORT
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OIL & GAS MARKET



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Executive Summary

The global economy in April 2026 is navigating a renewed phase of uncertainty, driven by the escalation of geopolitical tensions in the Middle East. This development has emerged at a time when global economic conditions were gradually stabilizing following years of disruptions from the pandemic, monetary tightening, and trade fragmentation. The current shock is being transmitted primarily through energy markets, global trade routes, and financial systems, thereby reinforcing downside risks to growth and adding volatility to an already fragile macroeconomic environment.

According to the International Monetary Fund (IMF), global growth is projected to moderate to around 3.1 per cent in 2026, remaining below historical averages. While advanced economies are expected to witness subdued growth, emerging markets continue to provide relative support, albeit with increasing vulnerability to external shocks. Inflation dynamics remain closely tied to energy prices, with crude oil crossing the \$100 per barrel mark, reflecting heightened supply risks and geopolitical premiums. These developments have reintroduced concerns around cost-push inflation, & tighter financial conditions.

Turning to India, the country remains the fastest-growing major economy, with growth estimated at 7.6 % in FY 2025–26, supported by strong domestic demand, robust performance in manufacturing and services, and supportive macroeconomic policies. However, the outlook is expected to moderate to around 6.6 % in FY27, reflecting the impact of rising global uncertainties and higher energy prices. Inflationary pressures in India remained largely subdued during FY26, supported by lower food prices, which enabled monetary easing during 2025. Reflecting these dynamics, the RBI has maintained a neutral monetary policy stance, keeping the policy repo rate unchanged at 5.25 %.

High-frequency indicators present a mixed picture of domestic economic activity. The HSBC Composite PMI rose to 58.3 in April 2026, indicating strong expansion in private sector activity, driven primarily by domestic demand. However, export demand remains relatively subdued, reflecting weakening global trade conditions. Similarly, while indicators such as GST collections, e-way bills, and digital payments suggest continued strength in consumption, sectoral divergences are becoming more visible, particularly in areas affected by global disruptions.

India's external sector reflects both resilience and emerging pressures. Foreign exchange reserves have stabilized at around \$700 billion, providing a strong buffer against external shocks. At the same time, trade performance in March 2026 showed a contraction in both exports and imports on a year-on-year basis, indicating softening global demand and adjustments in trade flows.

As far as oil and gas industry is concerned, the resumption of flows through the Strait of Hormuz remains the single most critical factor in alleviating pressure on energy supplies, prices, and the global economy. The latest development in this rapidly evolving situation is the announced US blockade on vessels entering or departing Iranian ports and coastal waters, which was scheduled to take effect shortly. In early April, shipments through the Strait remained severely constrained, with loadings of crude oil, natural gas liquids, and refined products averaging approximately 3.8 mb/d, compared with more than 20 mb/d in February

prior to the crisis. Exports through alternative routes including the west coast of Saudi Arabia, Fujairah on the UAE's east coast, and the ITP pipeline connecting Iraq to Ceyhan in Türkiye had increased to 7.2 mb/d, up from less than 4 mb/d before the conflict. Overall, the disruption has resulted in a loss of more than 13 mb/d in oil exports. Combined with associated production curtailments and damage to regional energy infrastructure, this has led to cumulative supply losses exceeding 360 mb in March, with losses projected to surpass 440 mb in April.

Consumers and refiners alike are tapping into oil inventories to mitigate the immediate impact of supply disruptions. In March, global observed oil stocks fell by 85 mb despite an accumulation of both on-land and offshore inventories in the Middle East and further builds in China. The largest decline came from oil on water following the near halt to sailings from Gulf producers dependent on the Strait. Crude oil stocks in importing countries in Asia dropped by 31 mb, with further declines expected in April. Where oil inventories could not bridge the gap, demand has taken a hit. Most notably, Asian petrochemical producers have curtailed operating rates as feedstock supply dried up. Households and businesses using LPG have also been impacted, while flight cancellations across the Middle East, parts of Asia and Europe have led to a sharp drop in jet fuel consumption. A growing number of countries have implemented policies to reduce demand, while others have put in place measures to shield consumers from the full impact of rising fuel prices. Overall, global oil demand is estimated to contract by 800 kb/d year-on-year in March and by 2.3 mb/d in April.

Hedge funds and other money managers turned increasingly bullish on oil in March, sharply increasing their net long positions amid large supply disruptions and rising oil prices, given the escalating geopolitical tensions. ICE Brent net long positions rose to their highest level since October 2018, accompanied by substantial financial flows into futures contracts for both ICE Brent and NYMEX WTI. Net long positions in the two contracts increased by about 38% in March, with speculators buying an equivalent of 152 mb. The sharp rise in oil futures prices prompted speculators to close more short positions as they managed their previous bearish bets, while others accumulated additional long positions.

Crude spot prices rose sharply in March, supported by disruptions to crude and petroleum product flows and deteriorated regional shipping operations in Middle East. These developments tightened physical markets and led to an increase in the demand for prompt crude replacement from other regions, such as the Atlantic Basin, North Sea, Caspian, Mediterranean, and Asia-Pacific. A sharp rise in middle distillate crack spreads across all main refining hubs added support to spot prices. The tightness in the physical market was also reflected in the dislocation between spot and futures markets, which was seen in the spread between North Sea Dated and ICE Brent.

Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.04 per million British thermal units (MMBtu) in March 2026. Henry Hub natural gas prices dropped for a second consecutive month in March, falling 15.7%, m-o-m. Prices continued to decline amid a shift from end-of winter demand to the restocking season. According to data from the US Energy Information Administration (EIA), the withdrawal rate dropped by 96.4%, m-o-m. Losses were limited by higher US LNG demand in March amid supply disruptions in the Middle East. Prices were down by 26.2%, y-o-y.

Impact of economic & global geo-political factors on Oil & Gas sector in India

Impact of economic activity on demand of Petroleum products

In April 2026, the impact of strong PMI-led economic activity on India's oil and gas sector is clearly visible when supported with actual consumption and macro indicators.

The expansion in private sector activity (Composite PMI at 58.3) is one of the contributors for firm fuel demand, particularly for transport fuels.

- Petrol consumption grew by 8.5% y-o-y in March 2026, primarily supported by sustained urban mobility, rising passenger vehicle usage, and continued strength in consumption demand. Additionally, some degree of precautionary buying was observed amid concerns over potential supply disruptions linked to geopolitical tensions.
- Diesel consumption increased by around 7.41%, reflecting sustained mobility, freight movement, agriculture and infrastructure activity. Demand was supported by ongoing logistics activity and the rabi harvesting season. This is consistent with strong manufacturing output (PMI 55.9) and services activity (PMI 57.9), both of which are energy-intensive sectors.
- However, this demand strength was not uniform across all fuels. Aviation turbine fuel (ATF) consumption declined sharply by about 0.6% y-o-y in March 2026, primarily due to geopolitical disruptions affecting flight operations.
- LPG consumption contracted by around 11 per cent, driven by elevated global LPG prices, supply constraints and weaker refill demand.
- As a result, overall petroleum consumption marginally increased ~3.38% y-o-y in March 2026 despite strong transport fuel demand. This indicates that strong domestic transport demand could not fully compensate for weakness in external and price-sensitive segments.

Impact of high global crude prices & weakened Rupee

- ***Risk premium driving India's upstream inflationary pressures***

The escalation of geopolitical tensions in West Asia during early 2026 has not only tightened supply expectations but has also added a risk premium to crude prices. In the absence of actual supply disruptions, this “fear premium” has pushed global benchmarks upward. The Wholesale Price Index (WPI) inflation stood at 3.88%, with a significant contribution from crude petroleum and natural gas, indicating rising upstream cost pressures feeding into the sector. At the same time, retail inflation (CPI) was 3.40 %, suggesting limited room for aggressive fuel price pass-through without triggering broader inflation concerns. Thus, the adverse impact is on OMCs as they are caught in a margin squeeze—buying expensive crude but selling petrol/diesel at lower price.

- ***Currency dynamics***

The elevated cost pressures are reflected in foreign exchange reserves declining from US\$ 728.5 billion in February 2026 to around US\$ 700.9 billion by April 2026, indicating intervention to manage rupee volatility amid oil price pressures. In April 2026, the Reserve Bank of India (RBI) stabilized the rupee against depreciation pressures. The RBI intervened by conducting multi-pronged forex sales in both the spot and non-deliverable forward (NDF) markets, while also restricting speculative trading to prevent excessive volatility rather than targeting a specific rate.

As a result, the domestic oil sector is experiencing a dual shock: higher global crude prices combined with a weaker currency.

Impact of Narrowing Trade Deficit via "Value vs. Volume"

In March 2026, India experienced a synchronized slowdown in international trade, with both exports and imports contracting. Because imports fell faster than exports (5.76% vs. 4.58%), the overall trade gap narrowed compared to the previous year. The total trade deficit narrowed to US\$ 2.44 billion in March 2026 (from \$3.55 billion YoY).

While global crude prices remained high (\$111.4/bbl. in March 2026), the total value of imports dropped because logistical bottlenecks (like the Strait of Hormuz closure) prevented high volumes of goods from entering the country. Further, the contraction in exports reflects cooling global demand and geopolitical disruptions affecting shipping routes.

Therefore, while deficit improved, the energy security of the country weakened because the physical volume of oil imported was significantly lower.

- The crude imports fell by 17% (from 22.8 MMT in March 2024-25 to 18.9 MMT in March 2025-26).
- The cost per unit was much higher, but since the import volume was low, the total dollar amount spent dipped from \$12.3 billion in March 2024-25 to \$11.7 billion YoY in March 2025-26.
- Thus, the upstream companies benefit since they produce oil domestically & can sell it at higher global market rates, significantly increasing their revenue. The OMCs faced margin compression leading to under-recoveries.

Impact of Index of Eight Core Industries (ICI)

The Index of Core Industries (ICI) data for March 2026 translates into reflecting supply constraints for Indian oil & gas sector: -

- The 5.7% year-on-year contraction in domestic crude oil production represents a significant supply-side vulnerability. This decline has exacerbated India's reliance on foreign energy, pushing import dependency beyond its typical 85% threshold at a time of heightened global volatility.

- While transport fuel demand remained robust, refinery output growth stayed nearly flat at 0.1% YoY. This stagnation suggests that refiners faced capacity constraints or operational hurdles—likely a mix of planned maintenance, sluggish export markets, and the drag from sharply lower aviation turbine fuel (ATF) consumption.
- Increased natural gas availability (+6.4% YoY) was undermined by a 24.6% collapse in fertilizer output. This implies that industrial gas consumption has weakened, preventing the economy from fully leveraging the domestic production surge.
- A downturn in coal (-4.0%) and electricity (-0.5%) production suggests a slowdown in heavy industrial activity, limiting fuel demand. However, the resilience of the steel and cement sectors—growing by 2.2% and 4.0% respectively—provided a critical floor for diesel demand, driven by ongoing infrastructure projects.

Economy in Focus

1. A snapshot of the global economy

Global economy under renewed geopolitical stress

The global economy in April 2026 finds itself at a critical juncture, once again being tested by a major geopolitical shock arising from the escalation of conflict in the Middle East since late February 2026. This development comes at a time when the global economy had been gradually stabilizing after a series of disruptions over recent years, including the pandemic, supply chain realignments, tightening financial conditions, and rising trade fragmentation. While growth in 2025 was supported by favorable financial conditions, a relatively weaker US dollar, and sustained technology-led investment, the ongoing conflict has emerged as a significant countervailing force. Its effects are being transmitted through commodity markets, trade routes, inflation expectations, and financial systems, thereby introducing a fresh layer of uncertainty into an already fragile global macroeconomic environment.

The conflict has already inflicted visible economic disruptions, including damage to infrastructure, interruptions in maritime and air traffic, and heightened volatility in global markets. More importantly, it has amplified systemic risks by increasing the likelihood of sustained disruptions to energy supply chains and global trade flows.

Growth outlook: Moderation with heightened downside risks

The IMF projects global economic growth at around 3.1 per cent in 2026 and 3.2 per cent in 2027, marking a moderation from the growth levels observed during 2024–25 and remaining below the long-term historical average. This moderation reflects a combination of geopolitical tensions, weakening trade momentum, and persistent inflationary pressures. Although the baseline projections suggest continued expansion, the balance of risks has shifted decisively to the downside.

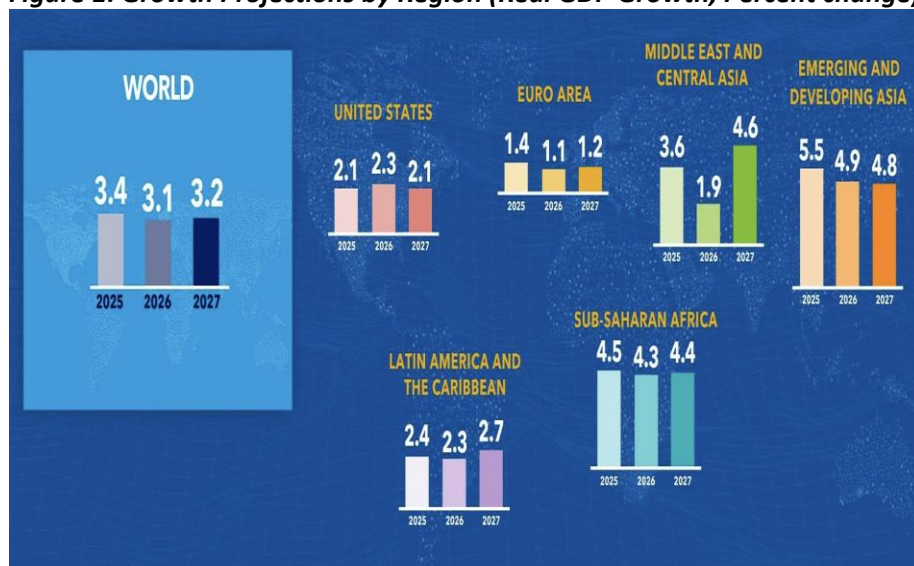
Growth Forecast for Advanced Economies

- In the United States, the economy is projected to expand by 2.3 percent in 2026, with growth supported by fiscal policy and the lagged impact of monetary policy rate cuts in 2025, even as the rise in trade barriers since April 2025 continues to weigh on the level of activity.
- In the euro area, growth is expected to decline from 1.4 percent in 2025 to 1.1 percent in 2026 and to 1.2 percent in 2027.
- In Japan, growth is projected to drop from 1.2 percent in 2025 to 0.7 percent in 2026 and to 0.6 percent in 2027.
- Growth in the United Kingdom is projected to slow from 1.3 per cent in 2025 to 0.8 per cent in 2026, reflecting the impact of the war and slower monetary easing, before recovering to 1.3 per cent in 2027, albeit at a weaker pace due to persistently high energy prices.
- In Canada, growth is projected to moderate from 1.7 per cent in 2025 to 1.5 per cent in 2026, before recovering to 1.9 per cent in 2027.

Growth Forecast for Emerging Market and Developing Economies

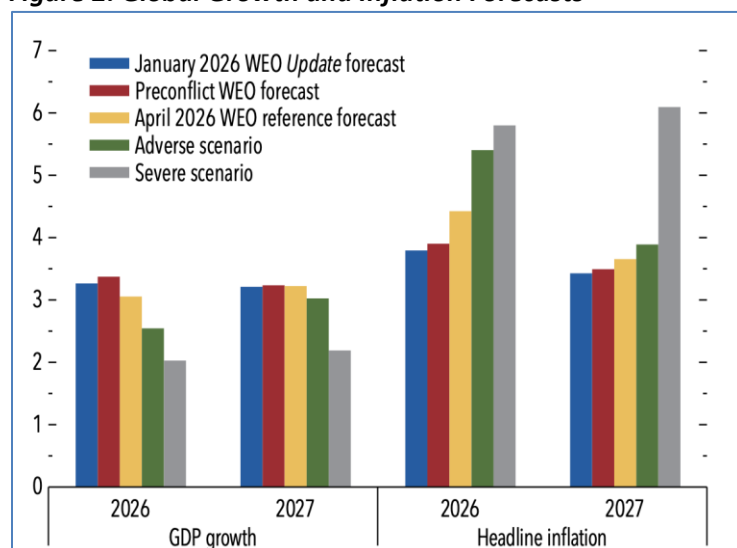
- In China, growth for 2026 is projected at 4.4 percent, revised upward due to lower US tariff pressures and supportive policy measures.
- Growth is projected to decline from 3.6 percent in 2025 to 1.9 percent in 2026, before recovering to 4.6 percent in 2027 in the Middle East and Central Asia.
- Growth is expected to remain stable at 4.3 percent in 2026 and 4.4 percent in 2027 in sub-Saharan Africa.
- Growth is projected to remain at 2.3 percent in 2026, before increasing to 2.7 percent in 2027 in Latin America and the Caribbean.

Figure 1: Growth Projections by Region (Real GDP Growth, Percent change)



Source- IMF

Figure 2: Global Growth and Inflation Forecasts



Source- IMF

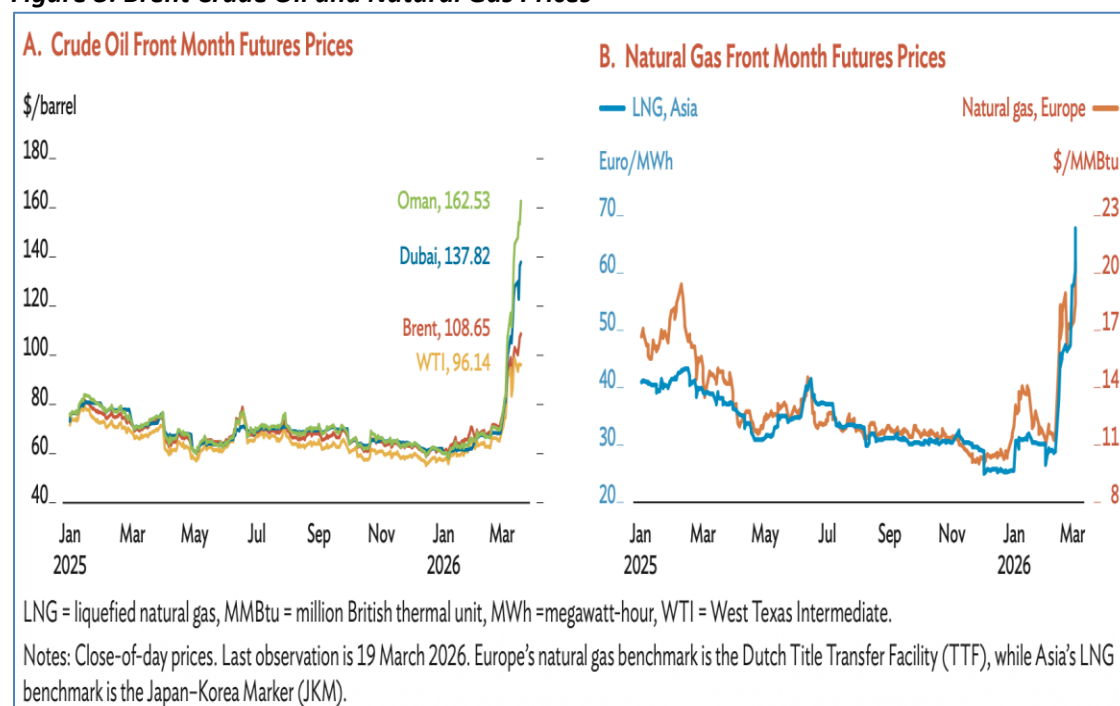
Global Inflation

Energy markets as the central transmission channel

The most immediate and dominant channel through which the conflict is affecting the global economy is the energy market. The strategic importance of the Strait of Hormuz has come sharply into focus, given that a significant share of global oil and liquefied natural gas trade passes through this narrow corridor.

Crude oil prices have already risen sharply, crossing the \$100 per barrel mark, reflecting heightened risk premiums and supply concerns. Natural gas markets, particularly in Europe, have also experienced increased volatility. Beyond primary energy markets, the impact has extended to refined fuels such as diesel and jet fuel, which play a critical role in global transportation and logistics.

Figure 3: Brent Crude Oil and Natural Gas Prices



Source- Bloomberg

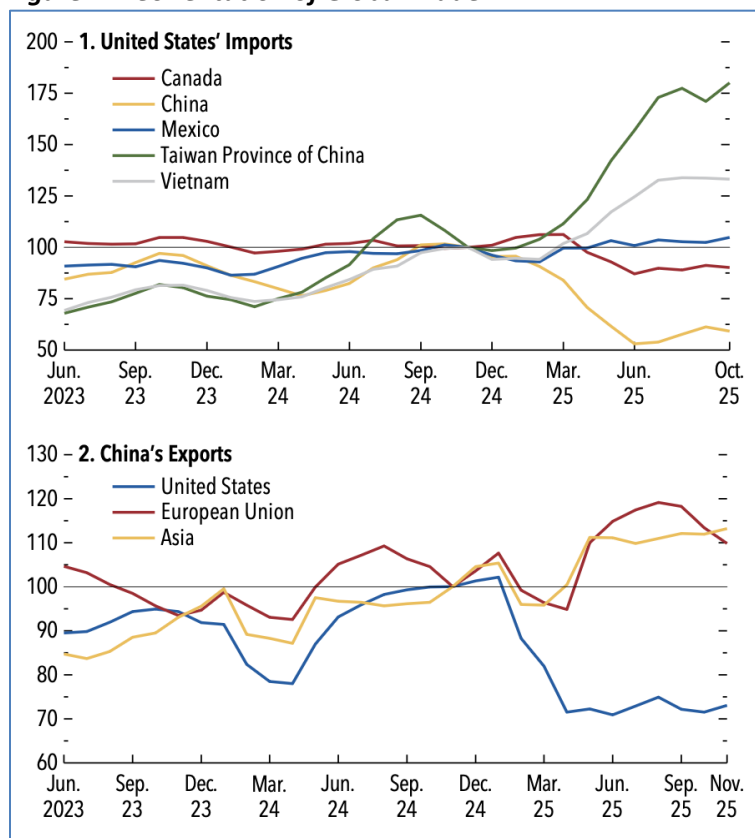
The macroeconomic impact of the conflict operates through multiple interlinked channels:

- Direct increase in commodity prices raises production costs across sectors, particularly in energy-intensive industries.
- These cost pressures generate second-round effects, as firms adjust prices and workers demand higher wages, influencing inflation expectations and potentially leading to wage-price dynamics.
- The shock is transmitted through financial markets, where heightened uncertainty results in tighter financial conditions, capital flow volatility, and reduced investment.

At the same time, supply constraints have emerged in several critical commodities and services:

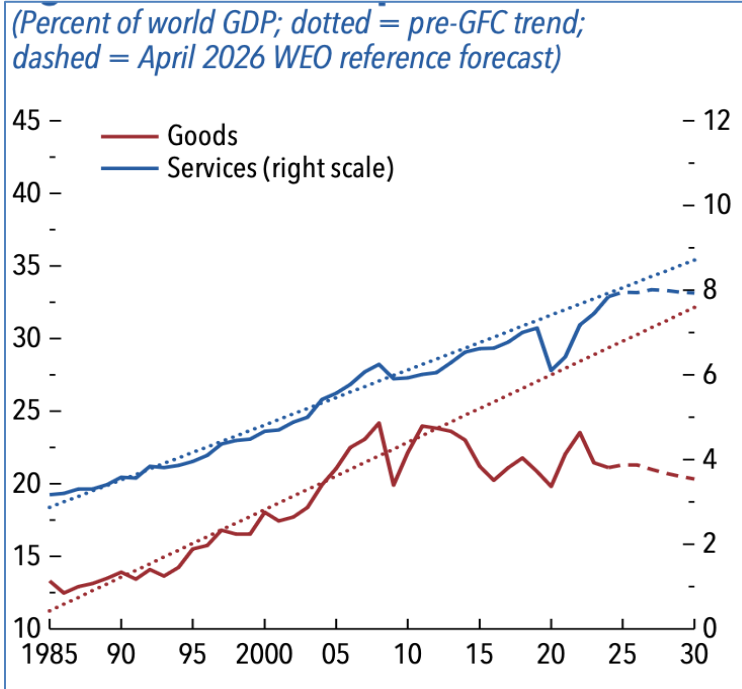
- **Fertilizers (Urea, Ammonia):** Supply disruptions have tightened fertilizer markets, leading to sharp price increases and raising input costs for agriculture.
- **Agricultural Inputs (Indirect Impact):** Higher fertilizer costs are likely to increase food production costs, exerting upward pressure on global food prices.
- **Helium:** Supply disruptions have affected the availability of helium, a critical input for semiconductor manufacturing and medical applications.
- **Industrial Inputs (Broader Category):** Disruptions in key industrial inputs are impacting manufacturing processes, particularly in high-technology and healthcare sectors.
- **Aviation Routes:** Disruptions in air travel routes have affected global connectivity, leading to delays and increased logistics costs.
- **Tourism Flows:** Reduced mobility and travel disruptions have impacted tourism-dependent economies and services trade.
- **Remittances:** Disruptions in labour mobility and regional economic activity are affecting remittance flows, particularly in developing economies.
- **Global Supply Chains (Systemic Impact):** These disruptions collectively indicate the re-emergence of supply chain bottlenecks, leading to higher production costs, disrupted trade flows, and broader impacts on economic activity across regions.

Figure 4: Reorientation of Global Trade



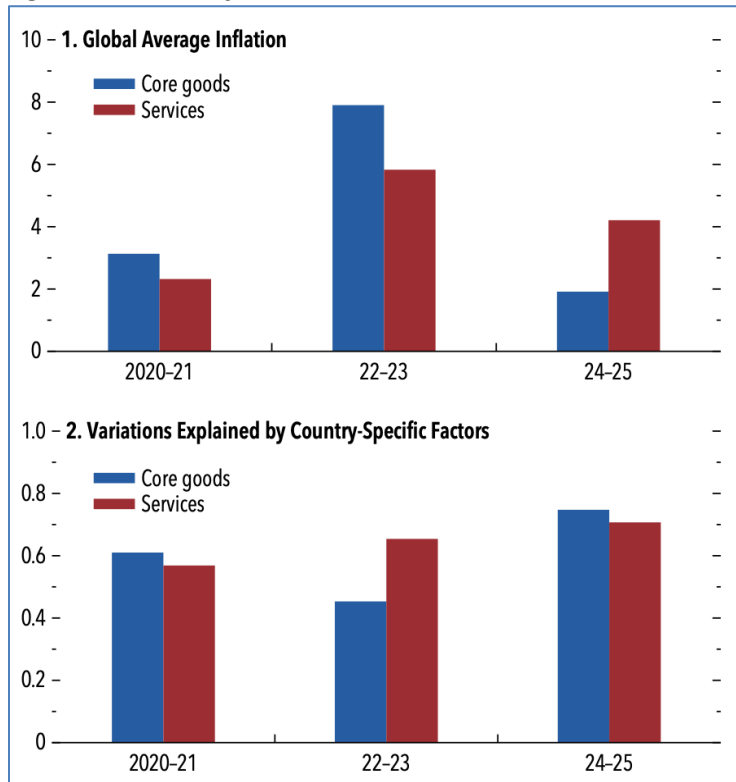
Source- IMF (Note: Based on latest available data; series may have differing time coverage)

Figure 5: World Exports



Source- IMF

Figure 6: Global Inflation Trends



Source- IMF (Intermediate years are not labeled for visual clarity)

2. Global wind installations jump 40% to record 165 GW in 2025: GWEC – ET Energy

Global wind power installations recorded a significant surge in 2025, increasing by 40 per cent year-on-year to a record 165 GW, reflecting a rapid acceleration in the global energy transition. The expansion comes amid rising oil and gas prices and supply disruptions, highlighting the growing importance of renewable energy in enhancing energy security and reducing dependence on fossil fuels. Total installed wind capacity reached 1,299 GW by the end of 2025, with 138 countries now generating power from wind energy, indicating broad-based adoption across regions.

Key Highlights

- Asia-Pacific accounted for nearly 80 per cent of global capacity additions, led by China and India
- China added over 120 GW, while India recorded 6.3 GW, nearly doubling its annual installations
- The top five markets contributed 86 per cent of global additions, including the United States, Germany, and Brazil
- Onshore wind dominated growth with over 155 GW, while offshore wind added around 9 GW, taking total offshore capacity close to 100 GW
- Europe surpassed 300 GW of installed capacity, adding 19.1 GW, while the United States added nearly 7 GW of new onshore capacity
- Persistent challenges include regulatory delays and grid infrastructure bottlenecks
- Global wind capacity is projected to grow by ~969 GW during 2026–2030, with total capacity expected to exceed 2 terawatts by the end of the decade

3. Increase in renewable energy curbs emissions growth in 2025

The expansion of renewable energy, particularly solar power, played a crucial role in moderating global emissions growth in 2025. According to the International Energy Agency, energy-related carbon dioxide emissions increased by just **0.4 per cent**, marking a slowdown compared to previous years. This moderation was driven largely by the rapid growth in renewable energy supply, which helped offset emissions increases in advanced economies, even as global energy demand continued to expand.

Key Highlights

- Expansion of solar power was a major factor in slowing emissions growth
- Renewable energy growth in developing economies helped offset emissions increases in advanced economies
- Advanced economies recorded a rise in emissions, led by higher coal use in some regions
- Global energy demand growth moderated to around 1.3%, with slower growth in gas demand due to high prices
- In China, emissions declined due to increased deployment of renewables and low-emission technologies

In India, emissions remained broadly flat, supported by renewable expansion and favorable weather conditions

4. ILO 2026 Workplace Safety Report Links Work Design Risks to 840,000 Deaths

Recent findings from the International Labour Organization highlight the growing impact of workplace conditions on global health and economic outcomes. The 2026 report underscores that poor job design and adverse working conditions particularly psychosocial risks are emerging as a major global concern. These risks are estimated to contribute to over 840,000 deaths annually, making them one of the leading work-related causes of mortality worldwide. The findings reflect a structural shift in labour market risks, where non-physical factors such as stress, job insecurity, and excessive workloads are increasingly affecting worker health and productivity.

The economic impact is significant, with an estimated 1.37% loss of global GDP and nearly 45 million disability-adjusted life years (DALYs) lost each year.

The report highlights that current interventions remain individual-centric, focusing on stress management and counselling, while the underlying risks are structural, embedded in workload, control, and organizational design. Globally, 35% of workers exceed 48 hours per week, and 23% report exposure to workplace violence or harassment.

Key Findings

- **Economic Toll:** Nearly 45 million disability-adjusted life years (DALYs) are lost annually due to psychosocial risks, leading to massive absenteeism and turnover.
- **Prevalence of Harassment:** Almost one-fourth (23%) of global workers have experienced violence or harassment, necessitating immediate implementation of the ILO Violence and Harassment Convention (2019).
- **Organizational Measures:** Prevention strategies must prioritize collective measures, such as workload management, role clarity, and supportive leadership, over individual stress-management training.
- **Data Gaps:** The report identifies a critical need for internationally comparable data and psychosocial indicators to be integrated into national OSH monitoring systems.
- **Social Dialogue:** Effective risk management requires participatory approaches, involving workers and collective bargaining to translate laws into daily workplace practices.

5. Indian Economy

Economic Growth

As per RBI, India remained the fastest-growing major economy, with growth accelerating to 7.6 per cent in FY26 from 7.1 per cent in FY25, supported primarily by strong domestic demand,

accommodative macroeconomic policies, and robust performance in the manufacturing and services sectors.

However, the external environment has become less favorable in recent months, particularly following the escalation of conflict in the Middle East, which is expected to moderate growth to around 6.6 per cent in FY27.

Inflation in India

Inflationary pressures remained subdued for much of FY26, with headline inflation averaging below 2 per cent during April 2025 to February 2026, largely driven by a decline in food prices. This benign inflation environment provided space for monetary easing, with the Reserve Bank of India reducing policy rates significantly during 2025. However, the monetary policy stance shifted from accommodative to neutral in mid-2025, reflecting limited room for further easing and emerging concerns around external vulnerabilities, including currency pressures and capital flow volatility. The Reserve Bank of India kept the policy repo rate unchanged at 5.25 per cent in its first bi-monthly Monetary Policy Statement for the financial year 2026–27 and the policy stance neutral. Consequently, the Standing Deposit Facility (SDF) rate remains at 5 per cent and the Marginal Standing Facility (MSF) rate and the bank rate at 5.5 per cent.

Going forward, inflation risks are expected to rise moderately, particularly in the context of elevated global energy prices and ongoing geopolitical tensions. As highlighted in recent global assessments, energy price shocks are increasingly becoming a key driver of inflation dynamics across economies. For India, this implies a gradual shift from food-driven disinflation to cost-push inflation, driven by fuel, transport, and input costs.

In a significant methodological reform in the measurement of retail inflation, the base year has been revised from 2012 to 2024 (Base: 2024=100). The new CPI 2024 series is constructed using the latest Household Consumption Expenditure Survey (HCES) 2023–24, along with inputs from the Periodic Labour Force Survey (PLFS) and the Annual Survey of Unincorporated Sector Enterprises (ASUSE). This revision ensures that the index better reflects current consumption patterns, emerging expenditure trends, and structural changes in the economy.

- **National Level Indices**

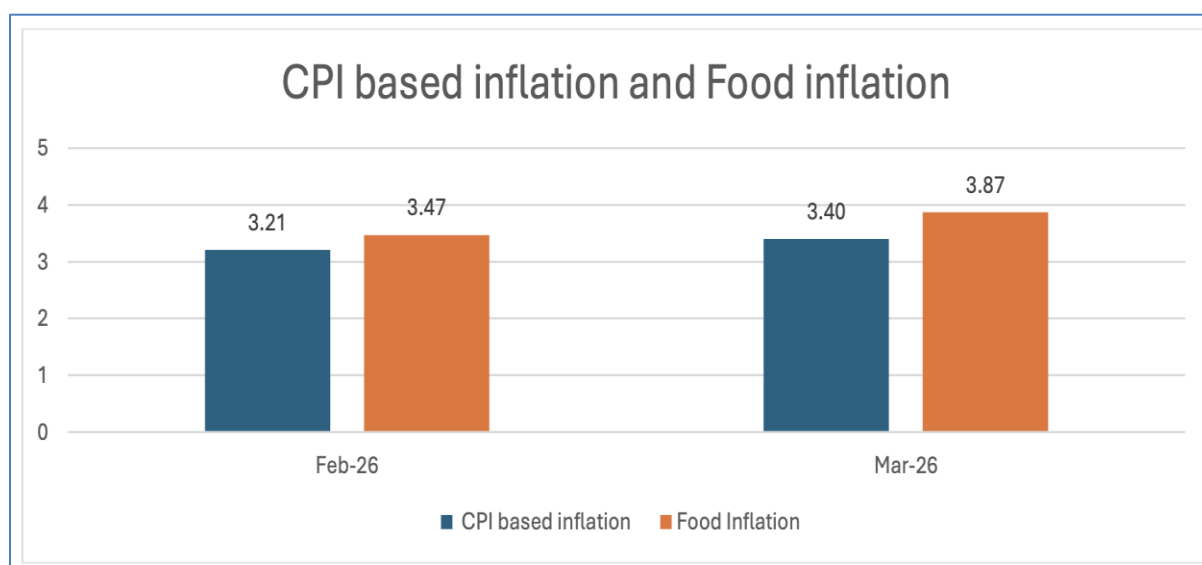
Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of March, 2026 over March, 2025 is 3.40%(Provisional). Corresponding inflation rates for rural and urban are 3.63% and 3.11%, respectively.

Table 1: Inflation rates for rural and urban

		March, 2026 (Provisional)			February, 2026 (Final)		
		Rural	Urban	Combined	Rural	Urban	Combined
Inflation (%)	CPI (General)	3.63	3.11	3.40	3.37	3.02	3.21
	CFPI	3.96	3.71	3.87	3.46	3.48	3.47
Index	CPI (General)	105.01	104.62	104.84	104.74	104.36	104.57
	CFPI	104.01	104.38	104.14	103.79	104.04	103.88

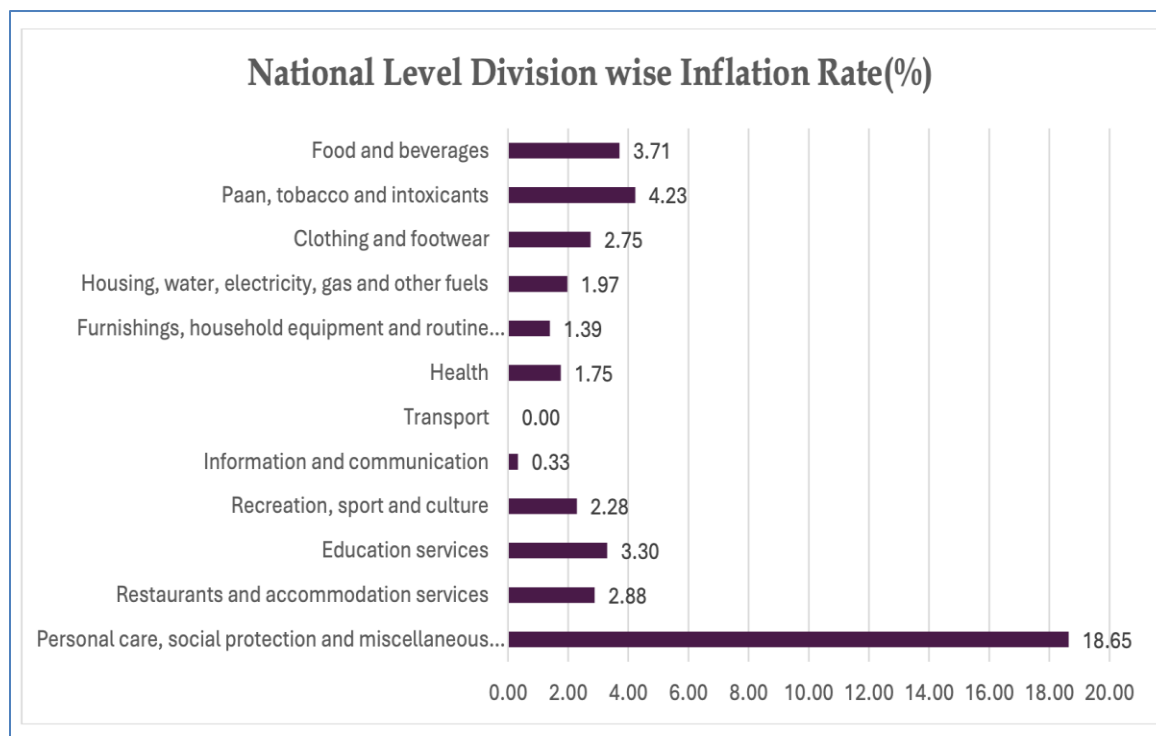
Source- PIB

- Food Inflation:** Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of March, 2026 over March, 2025 is 3.87% (Provisional). Corresponding inflation rates for rural and urban are 3.96% and 3.71%, respectively.



Source- PIB

- Housing Inflation:** Year-on-year Housing inflation rate for the month of March, 2026 is 2.11% (Provisional) and the corresponding inflation rates for rural and urban are 2.54% and 1.95%, respectively.
- At **National** level, division wise inflation for the month of March, 2026 in the Combined sector may be seen from the graph below:



Source- PIB

- **Index Numbers of Wholesale Price in India for the Month of March, 2026 (Base Year: 2011-12)**

The annual rate of inflation based on All India Wholesale Price Index (WPI) number is 3.88% (provisional) for the month of March, 2026 (over March, 2025). Positive rate of inflation in March, 2026 is primarily due to increase in prices of crude petroleum & natural gas, other manufacturing, non-food articles, manufacture of basic metals and food articles etc. The index numbers and inflation rate for the last three months of all commodities and WPI components are given below:

Table 2: Index numbers and inflation rate

Index Numbers and Annual Rate of Inflation (Y-o-Y in %) *							
All Commodities/Major Groups	Weight (%)	Jan-26 (F)		Feb-26 (P)		Mar-26 (P)	
		Index	Inflation	Index	Inflation	Index	Inflation
All Commodities	100.00	157.6	1.68	158.2	2.13	160.8	3.88
I. Primary Articles	22.62	194.0	2.27	192.9	3.27	197.3	6.36
II. Fuel & Power	13.15	145.9	-4.01	147.6	-3.78	153.7	1.05
III. Manufactured Products	64.23	147.1	2.58	148.2	2.92	149.5	3.39
Food Index	24.38	194.4	1.51	192.9	1.85	192.8	1.85

Source- PIB

India PMI

HSBC India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 58.3 in April 2026 from 57.0 in March, indicating a strong expansion in private sector activity. A PMI reading above 50 signals expansion. The upturn reflects a rebound in economic momentum at the start of the new fiscal year, supported by robust domestic demand across both manufacturing and services sectors.

India's manufacturing activity strengthened in April, with the manufacturing PMI rising to 55.9, driven by a sharp increase in output and new orders. Production levels expanded significantly, with firms responding to strong domestic demand conditions. However, export demand remained relatively subdued, with growth in new export orders lagging behind domestic orders, reflecting continued weakness in external demand.

The services sector also recorded steady expansion, with the PMI rising to 57.9, supported by resilient domestic consumption and improved business activity. Despite the continued growth, firms reported some moderation in business confidence amid rising cost pressures and uncertain global conditions.

Input cost inflation, while easing slightly compared to March, remained elevated, driven by higher prices of raw materials and fuel. Firms continued to pass on part of these costs to customers, although the increase in output prices was relatively moderate compared to input cost pressures.

Employment conditions improved, with job creation reaching a 10-month high, reflecting increased hiring to meet rising demand. However, the pace of employment growth remained cautious, with firms continuing to adopt a measured approach to workforce expansion.

India's external position

India's forex reserves

India's foreign exchange reserves increased by \$3.825 billion to \$700.946 billion in the week ended April 10, 2026, according to data released by the Reserve Bank of India. This follows a sharp increase of \$9.063 billion in the previous week, when reserves stood at \$697.121 billion. The reserves had earlier touched an all-time high of \$728.494 billion in the week ended February 27, before moderating in subsequent weeks due to pressure on the rupee amid the Middle East conflict, which also prompted intervention by the RBI through dollar sales.

Composition of Reserves

- Foreign Currency Assets (FCA): Increased by \$3.127 billion to \$555.983 billion
 - Remains the largest component of reserves
 - Includes valuation effects from movements in major currencies such as the euro, pound, and yen
- Gold Reserves: Increased by \$601 million to \$121.343 billion
- Special Drawing Rights (SDRs): Increased by \$56 million to \$18.763 billion
- Reserve Position with IMF: Increased by \$41 million to \$4.857 billion

External Trade Developments

India's external trade performance in March 2026 reflected a moderation in both exports and imports amid evolving global uncertainties. Total exports (merchandise and services combined) are estimated at US\$ 74.11 billion, registering a contraction of 4.58 per cent compared to March 2025. Similarly, total imports are estimated at US\$ 76.55 billion, reflecting a decline of 5.76 per cent on a year-on-year basis.

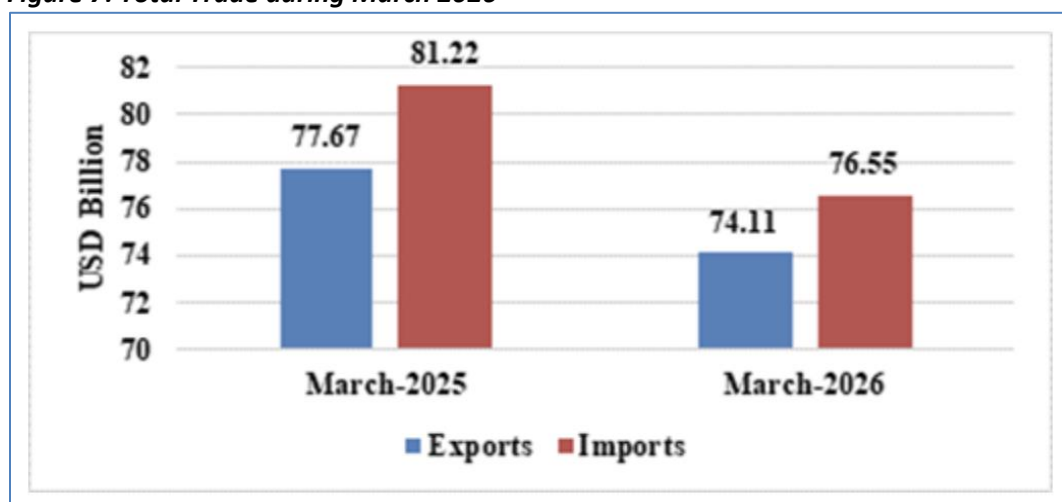
The simultaneous contraction in both exports and imports suggests a softening of external demand conditions as well as adjustments in import volumes, potentially influenced by global trade disruptions, elevated uncertainty, and fluctuations in commodity prices. While the decline in imports may provide some relief to the trade balance in the short term, it also reflects the broader impact of global economic conditions on trade flows. In the current context of heightened geopolitical tensions and supply chain disruptions, these trends indicate increasing sensitivity of India's trade dynamics to external shocks.

Table 3: Trade during March 2026

		<i>March 2026</i> <i>(US\$ Billion)</i>	<i>March 2025</i> <i>(US\$ Billion)</i>
<i>Merchandise</i>	<i>Exports</i>	38.92	42.05
	<i>Imports</i>	59.59	63.74
<i>Services*</i>	<i>Exports</i>	35.20	35.63
	<i>Imports</i>	16.96	17.48
<i>Total Trade</i> <i>(Merchandise +Services) *</i>	<i>Exports</i>	74.11	77.67
	<i>Imports</i>	76.55	81.22
	<i>Trade Balance</i>	-2.44	-3.55

Source - Ministry of Commerce & Industry

Figure 7: Total Trade during March 2026



Source - Ministry of Commerce & Industry

India’s external trade during FY 2025–26 (April–March) remained broadly resilient, albeit with emerging imbalances. Total exports (merchandise and services combined) are estimated at US\$ 860.09 billion, registering a growth of 4.22 per cent over the previous year. In comparison, total imports are estimated at US\$ 979.40 billion, reflecting a higher growth of 6.47 per cent.

The divergence between export and import growth indicates a widening trade gap, driven in part by stronger domestic demand and continued dependence on imports, particularly in energy and industrial inputs. While export growth underscores the resilience of India’s external sector supported by services exports and diversified markets the relatively faster growth in imports points to underlying structural pressures on the trade balance. In the context of rising global energy prices and geopolitical uncertainties, this trend highlights the increasing sensitivity of India’s external position to external demand conditions and commodity price movements.

Figure 8: Trade during FY 2025-26 (April-March)

		FY 2025-26 (US\$ Billion)	FY 2024-25 (US\$ Billion)
Merchandise	Exports	441.78	437.70
	Imports	774.98	721.20
Services*	Exports	418.31	387.55
	Imports	204.42	198.72
Total Trade (Merchandise +Services) *	Exports	860.09	825.26
	Imports	979.40	919.92
	Trade Balance	-119.30	-94.66

Source - Ministry of Commerce & Industry

Figure 9: Total Trade during FY 2025-26 (April-March)



Source - Ministry of Commerce & Industry

Sectoral Trends

Export performance across sectors remained mixed:

- Positive growth observed in:
 - Other Cereals (108.23%)
 - Mica, Coal & Other Ores and Minerals (11.27%)
 - Handicrafts (excluding handmade carpets) (8.51%)
 - Petroleum Products (5.88%)
 - Engineering Goods (1.13%)
 - Marine Products (0.76%)
- Import contraction observed in:
 - Petroleum, Crude & Products (-35.91%)
 - Gold (-31.63%)
 - Cotton Raw & Waste (-30.38%)
 - Project Goods (-23.7%)
 - Pulses (-21.81%)
 - Pulp & Waste Paper (-19.11%)
 - Chemical Material & Products (-18.43%)
 - Iron & Steel (-14.21%)
 - Transport Equipment (-13.7%)
 - Pearls & Precious Stones (-13.15%)
 - Wood & Wood Products (-8.02%)
 - Organic & Inorganic Chemicals (-6.4%)
 - Plastic Materials (-2.98%)
 - Newsprint (-2.22%)

Geographical Trends

Export diversification remained evident across regions:

- **Top export destinations (March 2026 growth):**
 - Singapore (158.55%)
 - Malaysia (84.47%)
 - China (28.1%)
 - Tanzania (100.54%)
 - Sri Lanka (88.31%)
- **Top export destinations (FY growth):**
 - China (36.66%)
 - Spain (46.33%)
 - Hong Kong (33.22%)
 - Vietnam (22.78%)
 - Sri Lanka (21.14%)
- **Top import sources (March growth):**
 - China (24.81%)
 - Thailand (64.53%)
 - Peru (267.67%)
 - Oman (112.01%)
 - USA (14.4%)
- **Top import sources (FY growth):**
 - China (16.03%)
 - USA (15.95%)
 - Hong Kong (23.32%)
 - Peru (78.08%)
 - UK (36.09%)

Index of Eight Core Industries (ICI)

The Index of Eight Core Industries (ICI), which serves as a key indicator of industrial activity, recorded a decline of 0.4 per cent (provisional) in March 2026 compared to March 2025. The contraction was primarily driven by negative growth in key sectors such as fertilizers, crude oil, coal, and electricity, indicating emerging supply-side pressures in core infrastructure segments.

The ICI tracks the performance of eight core industries—coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity which together account for 40.27 per cent of the weight in the Index of Industrial Production (IIP). As such, trends in the ICI provide an important leading signal of broader industrial momentum.

While the index had shown some recovery in the previous month, with growth of 2.8 per cent in February 2026, the moderation in March highlights the impact of evolving global and domestic conditions. On a cumulative basis, the ICI grew by 2.6 per cent during April–March 2025–26 (provisional), indicating modest expansion compared to the previous year.

Sector-wise Performance (March 2026)

- **Coal** (weight: 10.33%):
 - Declined by 4.0% YoY
 - Cumulative growth: -0.5%
- **Crude Oil** (weight: 8.98%):
 - Declined by 5.7% YoY
 - Cumulative growth: -2.8%
- **Natural Gas** (weight: 6.88%):
 - Increased by 6.4% YoY
 - Cumulative growth: -2.8%
- **Petroleum Refinery Products** (weight: 28.04%):
 - Increased marginally by 0.1% YoY
 - Cumulative growth: -0.1%
- **Fertilizers** (weight: 2.63%):
 - Declined sharply by 24.6% YoY
 - Cumulative growth: -0.1%
- **Steel** (weight: 17.92%):
 - Increased by 2.2% YoY
 - Cumulative growth: 9.1%
- **Cement** (weight: 5.37%):
 - Increased by 4.0% YoY
 - Cumulative growth: 8.6%
- **Electricity** (weight: 19.85%):
 - Declined by 0.5% YoY
 - Cumulative growth: 0.9%

Aggregate Demand

High-frequency indicators of economic activity exhibited mixed performance in March 2026, reflecting resilience in domestic demand alongside emerging sector-specific moderation. Indicators of goods movement and consumption remained strong, with e-way bills continuing to record double-digit growth, supported in part by GST rate rationalization. GST collections also witnessed a surge, pointing to sustained consumption demand as well as improved tax compliance.

Fuel consumption trends presented a nuanced picture. Petrol and diesel consumption registered an uptick, partly driven by precautionary buying amid concerns over potential supply disruptions linked to

the West Asia conflict. However, overall petroleum consumption moderated, primarily due to a sharp decline in aviation turbine fuel demand following widespread flight suspensions. This divergence highlights the uneven impact of geopolitical developments across consumption categories.

Digital payments continued to expand robustly in both transaction value and volume, indicating ongoing formalization and strength in underlying consumption activity. In contrast, electricity demand remained moderate during the month, largely due to above-normal rainfall in the first 25 days of March, which reduced cooling requirements and dampened seasonal demand.

Overall, while domestic demand conditions remain broadly resilient, the mixed trends across indicators suggest the beginning of differentiated impacts across sectors, influenced by both global disruptions and domestic factors.

Economic Activity Showed Mixed Performance in March

Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
GST E-way bills	20.2	23.4	18.9	19.3	25.8	22.4	21.0	8.2	27.6	23.5	15.8	18.8	12.9
GST revenue	10.6	13.3	17.3	6.5	8.2	6.9	10.0	7.6	0.7	6.1	6.2	8.1	8.8
Toll collection	11.9	16.6	16.4	15.5	14.8	12.7	4.5	4.6	2.9	0.4	-1.8	-8.7	-4.0
Electricity demand	5.7	2.8	-4.8	-2.3	2.6	3.8	3.5	-5.8	-0.6	5.8	3.8	1.0	1.7
Petroleum consumption	-3.1	0.2	1.1	0.5	-4.4	4.8	7.0	-1.5	0.6	4.5	0.7	5.5	2.2
Of which													
Petrol	5.7	5.0	9.2	6.8	5.9	5.5	8.0	7.4	2.6	7.1	6.1	6.1	7.6
Diesel	0.9	4.2	2.1	1.5	2.4	1.2	6.5	-0.3	4.8	5.2	3.3	4.3	8.0
Aviation turbine fuel	5.7	3.9	4.4	3.3	-2.3	-2.9	-0.8	2.1	5.4	0.3	5.5	4.0	0.7
Digital Payments – Volume*	30.8	30.0	29.2	28.3	30.9	31.1	28.1	21.5	30.2	26.8	22.3	23.5	18.5
Digital Payments – Value*	17.3	18.4	12.6	17.4	16.6	5.3	13.4	8.8	14.7	15.2	11.5	17.9	12.8

Source – RBI

6. Government notifies Conditional Concessional Customs Duty for SEZ to Domestic Tariff Area sales to boost manufacturing capacity

In line with the Budget announcement 2026, conditional customs duty concessions have been notified on clearance of goods manufactured in Special Economic Zones (SEZs) to the Domestic Tariff Area (DTA) to improve capacity utilization of manufacturing units impacted by global trade disruptions. The measure is expected to benefit approximately 1,200 SEZ manufacturing units by enabling economies of scale, reducing costs and enhancing resilience, while preserving the export-oriented nature of SEZs.

The measure allows eligible SEZ manufacturing units to clear goods to the DTA at concessional duty rates, subject to a limit of 30 per cent of the highest annual Free on-Board export value achieved in any of the three immediately preceding financial years. Export benefits such as duty drawback on inputs are not permitted for such clearances to prevent double benefits.

The notification prescribes key eligibility conditions, including a minimum 20 per cent value addition within the SEZ, calculated using a defined formula based on assessable value and input costs.

The concessional framework covers a broad range of sectors including mineral products; chemical products; plastics and rubber; hides and skins, leather products and articles of fur skins; wood, cork and paper; textiles and textile articles; footwear and headgear; stone, ceramic and glass; base metals and articles thereof; machinery and electrical equipment; vehicles, aircraft and transport equipment; optical, medical and scientific instruments; arms and ammunition; and miscellaneous manufactured articles. However, sectors such as agriculture (including marine and processed food products, tobacco, etc.), marble and granite, gems and jewellery, vehicles, toys and petroleum are excluded.

For availing concessional duty benefits, SEZ units are required to furnish a Development Commissioner's certificate confirming compliance with conditions, along with a declaration to pay full duty in case of non-fulfilment. The units will also be subject to audit under SEZ Rules, 2006. The notification is effective from April 1, 2026 to March 31, 2027.

The above has been implemented vide Notification No. 11/2026-Customs dated March 31, 2026 issued under Section 25(1) of the Customs Act, 1962. The notification grants conditional customs duty concessions on goods manufactured in SEZs and cleared to the DTA, including reduced duty rates and, in certain cases, partial exemption from Agriculture Infrastructure and Development Cess. It applies to units that commenced production on or before March 31, 2025 and meet specified conditions, while excluding Free Trade Warehousing Zone units and goods imported into SEZs and cleared to DTA without adequate manufacturing.

As per Section 30 of the Special Economic Zones Act, 2005, clearance of goods from SEZs to the DTA is treated as imports into India and attracts applicable customs duties, which had affected the competitiveness of SEZ manufacturers. The present measure addresses this concern while ensuring a level-playing field for units operating in the DTA.

7. Government recognizes more than 55,200 startups during FY 2025-26, highest ever in a single year since launch of Startup India initiative

The Government has recognized more than 55,200 startups during Financial Year 2025-26, marking the highest number of startups recognized in a single year since the launch of the Startup India initiative.

The Startup India initiative was launched on 16th January 2016 with an Action Plan comprising schemes and incentives aimed at creating a robust ecosystem for nurturing innovation, encouraging private investments, and supporting startups across the country. Various programmes are being implemented to recognize, develop and empower startups.

Since inception, the number of recognized startups has crossed 2.23 lakh as on 31st March 2026, generating more than 23.36 lakh direct jobs. More than 1.07 lakh recognized startups have at least one-woman director or partner, accounting for approximately 48% of total recognized startups.

The number of startups recognized increased by 51.6% year-on-year in FY 2025-26 compared to FY 2024-25, while direct jobs created rose by 36.1% during the same period.

8. India is poised to emerge as the world's second-largest solar market - NSEFI

India is poised to emerge as the world's second-largest solar market in 2026 in terms of annual installations, reflecting the rapid acceleration in its renewable energy transition. This growth is underpinned by sustained capacity additions, strong policy support, and increasing adoption across utility-scale, commercial, and distributed segments. The country has achieved a significant milestone by adding around 50 GW of solar capacity in just 14 months, taking total installed capacity to over 150 GW, marking a sharp acceleration compared to earlier phases of expansion.

Looking ahead, solar energy is expected to play a central role in achieving India's target of 500 GW of non-fossil fuel capacity by 2030, with solar capacity projected to reach 280–300 GW over the medium term.

9. India remains among the fastest-growing economies even as growth slows amid Middle East Conflict – World Bank Assessment

According to the latest update by the World Bank, India is projected to remain among the fastest-growing major economies despite a moderation in growth amid rising global uncertainties. Growth is expected to ease to 6.6 per cent in FY27, primarily due to higher energy prices linked to the Middle East conflict and disruptions in global supply chains. Nevertheless, the Indian economy continues to demonstrate resilience, supported by strong macroeconomic fundamentals and policy buffers.

The report highlights that India's resilience is underpinned by substantial foreign exchange reserves, relatively low inflation, predominantly rupee-denominated public debt, a stable financial sector, and ongoing efforts toward trade diversification. These factors provide insulation against external shocks and enhance the economy's ability to withstand global headwinds.

10. India's gross FDI remains strong, but net flows stay near record lows: Morgan Stanley

India's foreign direct investment (FDI) outlook remains mixed, with strong gross inflows offset by persistently weak net inflows, according to a report by Morgan Stanley. The report noted that gross FDI is likely to remain well supported, driven by both greenfield and brownfield investments. However, net FDI is expected to stay subdued in the near term due to higher repatriation of capital and rising outward investments by Indian firms.

Gross FDI equity inflows rose to \$90.8 billion on a 12-month trailing basis in January 2026 (around 2.3 per cent of GDP), marking a 13 per cent year-on-year increase from \$80.3 billion in January 2025. FDI excluding repatriation reached a three-year high of \$36.3 billion, registering a strong 38.4 per cent growth. In contrast, net FDI remained near historic lows at just \$0.5 billion, weighed down by sustained repatriation (above \$50 billion for the second consecutive year) and a sharp rise in outward FDI to \$35.8 billion, more than 2.5 times higher over the past two years.

11. India–New Zealand Free Trade Agreement (FTA)

India and New Zealand signed a landmark Free Trade Agreement (FTA) in April 2026, marking a significant step in India’s strategy to diversify trade partnerships and deepen economic engagement in the Indo-Pacific region. The agreement, concluded in December 2025 after a fast-tracked negotiation process of less than a year, is expected to enhance bilateral trade, investment flows, and market access across goods and services.

A key feature of the agreement is the comprehensive tariff liberalization framework. India has secured 100 per cent duty-free access for over 8,000 export product categories in the New Zealand market, covering sectors such as textiles, pharmaceuticals, engineering goods, and services. In return, India has agreed to reduce or eliminate tariffs on around 95 per cent of New Zealand exports, including wool, wood products, machinery, and select agricultural goods.

Importantly, the agreement reflects a balanced and calibrated approach to trade liberalization. India has excluded sensitive sectors such as dairy, edible oils, and key agricultural products from tariff concessions to safeguard domestic farmers and industries. At the same time, provisions have been included to facilitate limited cooperation in dairy processing for re-export, without opening the domestic market to direct competition.

Beyond goods trade, the agreement also includes provisions to enhance services trade and labor mobility. Notably, New Zealand has committed to providing around 5,000 temporary work visas annually for Indian professionals, along with additional work and holiday visas, creating new opportunities for skilled labour and strengthening people-to-people ties.

From an investment perspective, the FTA is expected to significantly boost capital flows, with New Zealand indicating a commitment to invest approximately \$20 billion in India over the next 15 years. The agreement also aims to double bilateral trade to around \$5 billion within five years, highlighting its growth potential.

Key Features of the Agreement

- Market Access:
 - 100% duty-free access for Indian exports to New Zealand
 - Tariff reduction/elimination on ~95% of New Zealand exports to India
- Sectoral Coverage:
 - India gains in pharmaceuticals, textiles, engineering goods, and IT services
 - New Zealand gains in wool, forestry, seafood, and industrial goods
- Sensitive Sector Protection:
 - Dairy, edible oils, and key agricultural products excluded from liberalization
- Mobility Provisions:
 - ~5,000 annual work visas for Indian professionals
- Investment Commitments:
 - ~\$20 billion investment expected from New Zealand
- Trade Target:
 - Bilateral trade expected to double to \$5 billion in 5 years

Lessons from Economics

Global Value Chain Reconfiguration and the Rise of Connector Economies

Recent global economic developments highlight a structural shift in international trade and production systems, with the reconfiguration of Global Value Chains (GVCs) emerging as a key theme. As noted by UN Trade and Development, increasing fragmentation in global trade, coupled with supply chain risks and evolving policy priorities, is reshaping how countries participate in global commerce. Complementary analysis by the International Monetary Fund and the World Trade Organization highlights the growing importance of resilience and diversification in global supply chains.

Traditionally, global trade was characterised by deep integration and efficiency-driven production networks. However, recent trends indicate a transition toward diversified and resilience-oriented supply chains, giving rise to a new category of economies referred to as “connector economies”. These countries act as intermediaries, maintaining trade linkages with multiple major economies despite rising fragmentation and geopolitical realignments.

Key Dimensions of GVC Reconfiguration

1. Shift from Efficiency to Resilience

- Firms are increasingly prioritising supply chain resilience over cost efficiency, as highlighted by the Organisation for Economic Co-operation and Development
- Strategies such as “China+1”, near-shoring, and friend-shoring are gaining prominence
- Production bases are becoming more geographically diversified

2. Emergence of Connector Economies

- According to UN Trade and Development, economies such as India, Vietnam, Mexico, and the UAE are emerging as key connectors in global trade
- These countries maintain trade relationships across competing economic blocs
- They serve as critical nodes in reconfigured supply chains

3. Changing Trade Patterns

- The World Trade Organization notes increasing growth in South–South trade and regional trade agreements
- Developing economies are playing a larger role as drivers of global trade growth
- Manufacturing hubs are shifting, particularly in electronics and intermediate goods

4. Investment and Industrial Policy Linkages

- The World Bank highlights the growing alignment between industrial policy and trade strategy
- Governments are promoting domestic manufacturing and supply chain localisation
- Key sectors include:
 - Semiconductors
 - Renewable energy equipment
 - Critical minerals

Implications for the Global Economy

- Resilience vs efficiency trade-off: Diversified supply chains improve resilience but may increase production and logistics costs
- Capital reallocation: Investment flows are increasingly aligned with supply chain positioning and strategic sectors
- Inflationary pressures: Higher costs may contribute to structurally elevated inflation
- Regionalisation of trade: Greater importance of regional blocs and bilateral partnerships, as noted by the IMF

India's Position

India is emerging as a key connector economy, benefiting from supply chain diversification and supportive policy initiatives. As highlighted by UN Trade and Development and the World Bank, India's growing role in global trade is supported by:

- Production-linked incentives (PLI) schemes
- Infrastructure expansion
- Trade diversification efforts

However, fully leveraging this opportunity will require:

- Strengthening logistics and infrastructure efficiency
- Improving ease of doing business
- Enhancing export competitiveness
- Deepening integration into global manufacturing value chains

The global economy is transitioning from a model driven by efficiency and hyper-globalisation to one shaped by resilience, diversification, and strategic alignment. As emphasised by UN Trade and Development and the International Monetary Fund, countries that successfully position themselves within reconfigured global value chains are likely to gain from evolving trade and investment patterns.

Oil Market

Crude oil price – Monthly Review

The resumption of flows through the Strait of Hormuz remains the single most critical factor in alleviating pressure on energy supplies, prices, and the global economy. The latest development in this rapidly evolving situation is the announced US blockade on vessels entering or departing Iranian ports and coastal waters, which was scheduled to take effect shortly. In early April, shipments through the Strait remained severely constrained, with loadings of crude oil, natural gas liquids, and refined products averaging approximately 3.8 mb/d, compared with more than 20 mb/d in February prior to the crisis. Exports through alternative routes including the west coast of Saudi Arabia, Fujairah on the UAE's east coast, and the ITP pipeline connecting Iraq to Ceyhan in Türkiye had increased to 7.2 mb/d, up from less than 4 mb/d before the conflict. Overall, the disruption has resulted in a loss of more than 13 mb/d in oil exports. Combined with associated production curtailments and damage to regional energy infrastructure, this has led to cumulative supply losses exceeding 360 mb in March, with losses projected to surpass 440 mb in April.

Consumers and refiners alike are tapping into oil inventories to mitigate the immediate impact of supply disruptions. In March, global observed oil stocks fell by 85 mb despite an accumulation of both on-land and offshore inventories in the Middle East and further builds in China. The largest decline came from oil on water following the near halt to sailings from Gulf producers dependent on the Strait. Crude oil stocks in importing countries in Asia dropped by 31 mb, with further declines expected in April. Where oil inventories could not bridge the gap, demand has taken a hit. Most notably, Asian petrochemical producers have curtailed operating rates as feedstock supply dried up. Households and businesses using LPG have also been impacted, while flight cancellations across the Middle East, parts of Asia and Europe have led to a sharp drop in jet fuel consumption. A growing number of countries have implemented policies to reduce demand, while others have put in place measures to shield consumers from the full impact of rising fuel prices. Overall, global oil demand is estimated to contract by 800 kb/d year-on-year in March and by 2.3 mb/d in April.

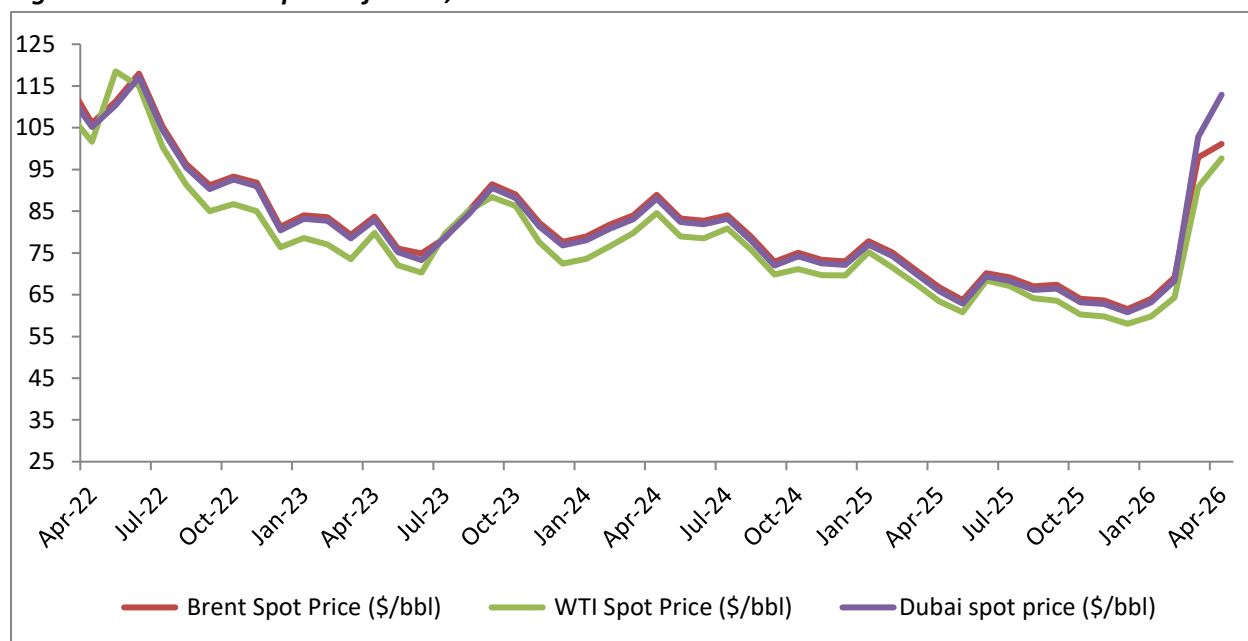
Hedge funds and other money managers turned increasingly bullish on oil in March, sharply increasing their net long positions amid large supply disruptions and rising oil prices, given the escalating geopolitical tensions. ICE Brent net long positions rose to their highest level since October 2018, accompanied by substantial financial flows into futures contracts for both ICE Brent and NYMEX WTI. Net long positions in the two contracts increased by about 38% in March, with speculators buying an equivalent of 152 mb. The sharp rise in oil futures prices prompted speculators to close more short positions as they managed their previous bearish bets, while others accumulated additional long positions.

Crude spot prices rose sharply in March, supported by disruptions to crude and petroleum product flows and deteriorated regional shipping operations in Middle East. These developments tightened physical markets and led to an increase in the demand for prompt crude replacement from other regions, such as the Atlantic Basin, North Sea, Caspian, Mediterranean, and Asia-Pacific. A sharp rise in middle distillate crack spreads across all main refining hubs added support to spot prices. The tightness in the physical market was also reflected in the dislocation between spot and futures markets, which was seen in the spread between North Sea Dated and ICE Brent. This spread jumped to a premium of \$10/b on a daily basis, and averaged a premium of \$4.24/b in March, compared to a premium of \$1.72/b in February. In March, North Sea Dated and WTI front-month prices increased by \$32.75/b and \$26.74/b, m-o-m, respectively, to average \$103.84/b and \$91.16/b. Dubai's front-month price rose by \$59.99/b, m-o-m, to average \$128.25/b.

In March, the ORB value increased by \$48.46/b, m-o-m, to average \$116.36/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro increased by an average of \$32.51/b, m-o-m, to \$102.40/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, rose on average by \$54.72/b, m-o-m, to \$121.82/b. Murban crude rose on average by \$41.41/b, m-o-m, to \$110.86/b, and the Merey component increased by \$33.61/b, m-o-m, to settle at \$85.92/b.

Brent crude ranged an average to \$101.09 a barrel and WTI ranged to \$97.66 per barrel in the month of April 2026.

Figure 10: Benchmark price of Brent, WTI and Dubai crude



Source - World Bank

- Brent crude price averaged \$101.09 per bbl in April 2026, up by 3.3% on a month on month (MoM) and by 51.5% on year on year (YoY) basis, respectively.
- WTI crude price averaged \$97.66 per bbl in April 2026, up by 7.6% on a month on month (MoM) and by 54.0% on year on year (YoY) basis, respectively.
- Dubai crude price averaged \$112.95 per bbl in April 2026, up by 9.8% on a month on month (MoM) and by 71.5% on year on year (YoY) basis, respectively.

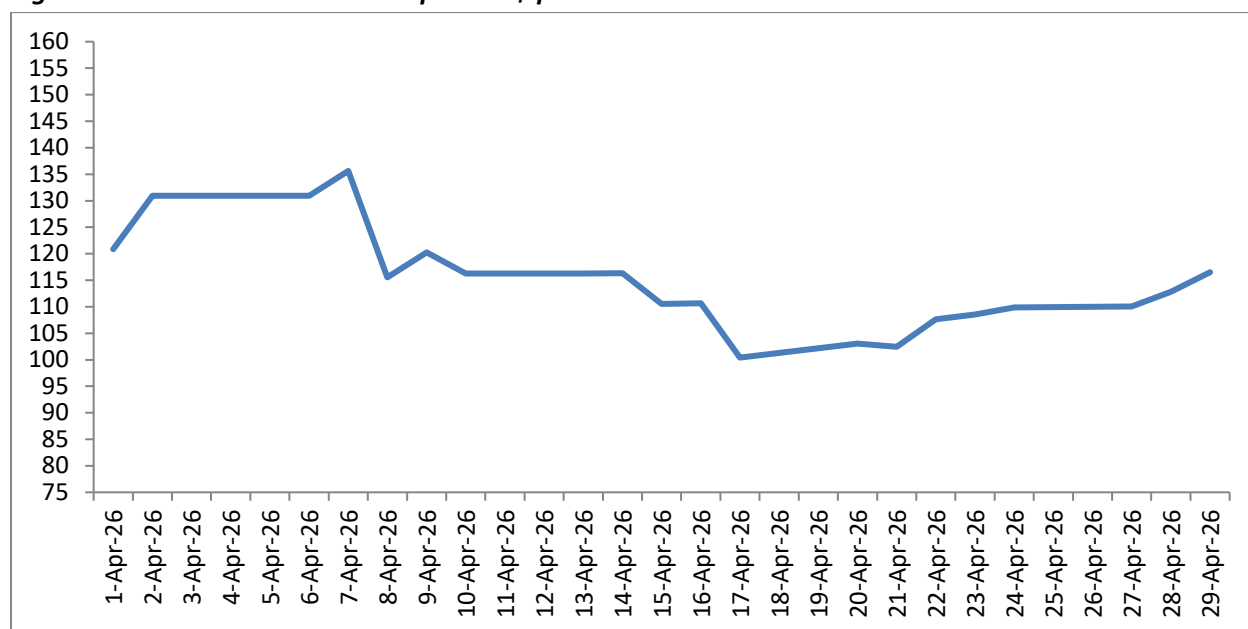
Table 4: Crude oil price in April, 2026

Crude oil	Price (\$/bbl)	MoM (%) change	YoY (%) change
Brent	101.09	3.3%	51.5%
WTI	97.66	7.6%	54.0%
Dubai	112.95	9.8%	71.5%

Source - World Bank

Indian Basket Crude oil price

Figure 11: Indian crude oil basket price in \$ per bbl



Source - PPAC

- Indian crude basket price averaged \$115.54 per barrel in April 2026, up by 2.8% on Month on Month (M-o-M) and by 69.9% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

- Non-DoC liquids production (i.e. liquids production from countries not participating in the DoC) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026. The main drivers of liquids production growth are expected to be the US, Brazil, Canada, and Argentina.
- In 2027, non-DoC liquids production is also forecast to grow by about 0.6 mb/d, unchanged from last month’s assessment, mainly driven by Brazil, Canada, Qatar, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2026, to average about 8.8 mb/d, followed by similar growth in 2027 of about 0.1 mb/d, y-o-y, to average about 8.9 mb/d. In March, crude oil production by countries participating in the DoC dropped by 7.70 mb/d, m-o-m, to average about 35.06 mb/d, according to available secondary sources.

Table 4: Non-DoC liquids production in 2026, mb/d

Non-OPEC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026
Americas	28.29	27.95	28.41	28.82	29.04	28.56
of which US	22.22	21.78	22.40	22.60	22.69	22.37
Europe	3.63	3.74	3.55	3.52	3.63	3.61

Asia Pacific	0.41	0.41	0.38	0.39	0.38	0.39
Total OECD	32.32	32.10	32.35	32.72	33.05	32.56
China	4.62	4.67	4.67	4.57	4.57	4.62
India	0.82	0.83	0.82	0.82	0.83	0.82
Other Asia	1.64	1.64	1.62	1.61	1.61	1.62
Latin America	7.55	8.04	7.96	8.02	8.16	8.05
Middle East	1.99	1.73	1.83	1.98	1.99	1.88
Africa	2.27	2.24	2.23	2.24	2.31	2.25
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09
Total Non-OECD	19.34	19.61	19.58	19.69	19.91	19.70
Total Non-DoC production	51.66	51.71	51.93	52.42	52.96	52.26
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	54.20	54.28	54.50	54.99	55.53	54.83

Source - OPEC monthly report, April 2026

- From the above table, it can be inferred, that the total non-DoC liquids production is expected to reach 54.83 mb/d by 2026.
- The non-DoC liquids production (i.e. liquid production countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d to average in 2026.

Oil demand situation

- The global oil demand growth forecast for 2026 remains at a healthy 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.1 mb/d, while the non-OECD is forecast to grow by about 1.3 mb/d.
- In 2027, global oil demand is forecast to grow by about 1.3 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.1 mb/d, while the non-OECD is forecast to grow by around 1.2 mb/d.

Table 4: World Oil demand, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	Growth	%
Total OECD	45.94	45.38	45.59	46.78	46.49	46.07	0.13	0.28
<i>~ of which US</i>	<i>20.74</i>	<i>20.45</i>	<i>20.71</i>	<i>21.31</i>	<i>20.87</i>	<i>20.84</i>	<i>0.10</i>	<i>0.48</i>
Total Non-OECD	59.21	60.36	59.48	60.34	61.66	60.46	1.26	2.11
<i>~ of which India</i>	<i>5.65</i>	<i>5.85</i>	<i>5.90</i>	<i>5.61</i>	<i>6.13</i>	<i>5.87</i>	<i>0.22</i>	<i>3.89</i>
<i>~ of which China</i>	<i>16.88</i>	<i>17.22</i>	<i>16.73</i>	<i>17.30</i>	<i>17.29</i>	<i>17.14</i>	<i>0.25</i>	<i>1.54</i>
Total world	105.15	105.74	105.07	107.12	108.16	106.53	1.38	1.31

Source - OPEC monthly report, April 2026

Global petroleum product prices

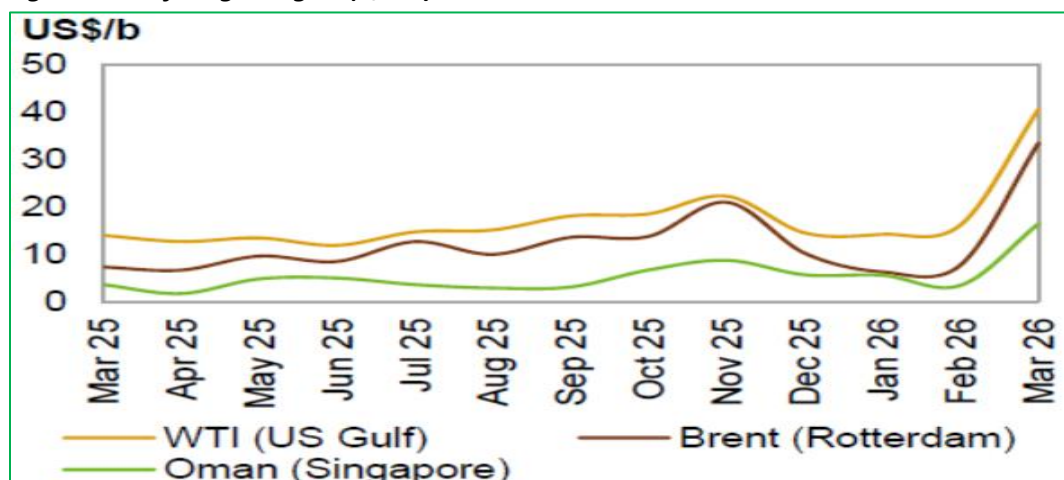
USGC refining margins against WTI rose 150% relative to February levels, reaching the highest level since January 2023. The increase was primarily attributed to jet/kerosene, followed by gasoil, in line with the massive m-o-m crack spread gains registered in March for the same products, driven by a contraction in global balances. Additionally, all other products across the barrel further contributed to the gains, in contrast to what was observed in the other reported trading hubs. Domestically sourced feedstock, although it partially represents the crude diet for US refiners, offered a competitive economic advantage, lifting product margins beyond those of middle distillates. Moreover, global product tightness supported exports, adding to the increase in US refining margins.

According to preliminary data, refinery intake in the USGC increased by 380 tb/d, m-o-m, to average 16.54 mb/d in March. USGC margins against WTI averaged \$40.50/b, up \$24.36, m-o-m, and \$26.57, y-o-y.

Rotterdam refinery margins against Brent jumped 333.7% from the February level and posted the largest m-o-m rise among the reported key trading hubs, despite a lower baseline relative to the USGC. Crude and product flow disruptions contributed to a tighter product market in the region, particularly for middle distillates. A considerable volume of diesel (250 tb/d) and nearly 60% of jet/kerosene (280 tb/d) imports in the first two months of the year sailed into Europe through maritime channels currently exposed to ongoing geopolitical risks. Meanwhile, total product inventories in the Amsterdam-Rotterdam-Antwerp storage hub declined 10.2%, m-o-m, and 12.2%, y-o-y, according to S&P Global data published on 2 April.

According to preliminary data, March refinery runs in EU-14, Norway and the UK decreased by 390 tb/d to an average of 9.09 mb/d. Refinery margins against Brent in Europe averaged \$33.40/b in March, which was \$25.70 higher, m-o-m, and \$26.14 higher, y-o-y.

Figure 12: Refining Margins (\$/bbl)

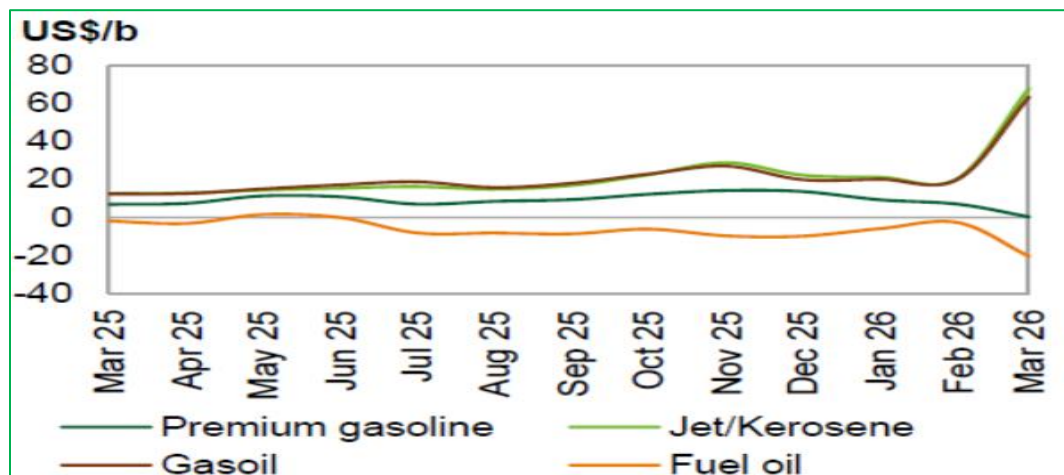


Source - Argus and OPEC

The Southeast Asia gasoline 92 crack spread against Dubai weakened, pressured by limited demand. Going forward, gasoline fundamentals in the West of Suez are expected to improve amid warmer weather in the

Atlantic Basin; however, geopolitical trade transit constraints could limit any gains. The margin averaged \$0.42/b in March, down \$6.61/b, m-o-m, and down \$6.50/b, y-o-y.

Figure 13: Singapore crack Spreads vs. Dubai (\$/bbl)



Source - Argus and OPEC

The Singapore gasoil crack spread rose steeply, supported by declining gasoil arrivals amid suppressed regional refinery output. The bullish sentiment over gasoil markets globally supported gasoil markets in the region despite Singapore middle distillate stocks showing a significant monthly stock build at the end of March. The Singapore gasoil crack spread against Dubai averaged \$63.64/b, up \$43.17/b, m-o-m, and up \$51.09/b, y-o-y.

Table 5: Singapore FOB, refined product prices (\$/bbl) in March 2026

Singapore product prices	Price (\$/b)	MoM (%) change	YoY (%) change
Naphtha	116.34	76.1%	67.0%
Premium gasoline (unleaded 95)	136.90	77.0%	69.0%
Regular gasoline (unleaded 92)	128.67	70.9%	61.8%
Jet/Kerosene	196.15	120.3%	130.1%
Gasoil/Diesel (50 ppm)	193.04	115.8%	124.4%
Fuel oil (180 cst 2.0% S)	190.44	116.0%	124.4%
Fuel oil (380 cst 3.5% S)	107.75	64.1%	52.0%

Source - OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in March 2026 with a volume of 21.37 MMT registered a growth of 2.18% on volume of 20.91 MMT in March 2025.
- MS (Petrol) consumption during the month of March 2026 with a volume of 3.78 MMT recorded a growth of 7.61% on volume of 3.51 MMT in March 2025.
- HSD (Diesel) consumption during the month of March 2026 with a volume of 8.73 MMT recorded growth of 8.04% on volume of 8.08 MMT in the month of March 2025.
- LPG consumption during the month of March 2026 with a volume of 2.38 MMT registered a de-growth of 12.58% over the volume of 2.72 MMT in the month of March 2025.
- ATF consumption during March 2026 with a volume of 0.807 MMT registered a growth of 0.66% over the volume of 0.801 MMT in March 2025.
- Bitumen consumption during March 2026 with a volume of 1.02 MMT registered growth of 3.14% over volume of 0.99 MMT in the month of March 2025.
- Kerosene consumption registered growth of 34.09% during the month of March 2026 as compared to March 2025.

Table 6: Petroleum products consumption in India, March 2026 and Year till Date (YTD)

Consumption of Petroleum Products (P)	Monthly			Year till Date	
	Consumption in '000 MT	MoM (%) change	YoY (%) change	Consumption in '000 MT	YoY (%) change
LPG	2,379	-15.7%	-12.6%	33,212	6.04%
Naphtha	943	-6.8%	-12.5%	11,741	-10.80%
MS	3,779	12.2%	7.6%	42,586	6.45%
ATF	807	5.5%	0.7%	9,161	1.97%
SKO	44	16.1%	34.1%	460	12.73%
HSD	8,726	13.9%	8.0%	94,704	3.61%
LDO	95	15.8%	4.2%	1,009	20.41%
Lubricants & Greases	483	17.4%	5.5%	4,914	6.91%
FO & LSHS	649	23.0%	34.3%	6,397	-0.95%
Bitumen	1,017	10.5%	3.1%	8,841	6.10%
Petroleum coke	1,730	0.5%	-8.3%	19,845	-9.99%
Others	713	-17.0%	-8.9%	10,322	-11.09%
TOTAL	21,367	5.8%	2.2%	2,43,192	1.68%

Source - PPAC

Year Till Date: 1st April 2025 – 31st March 2026

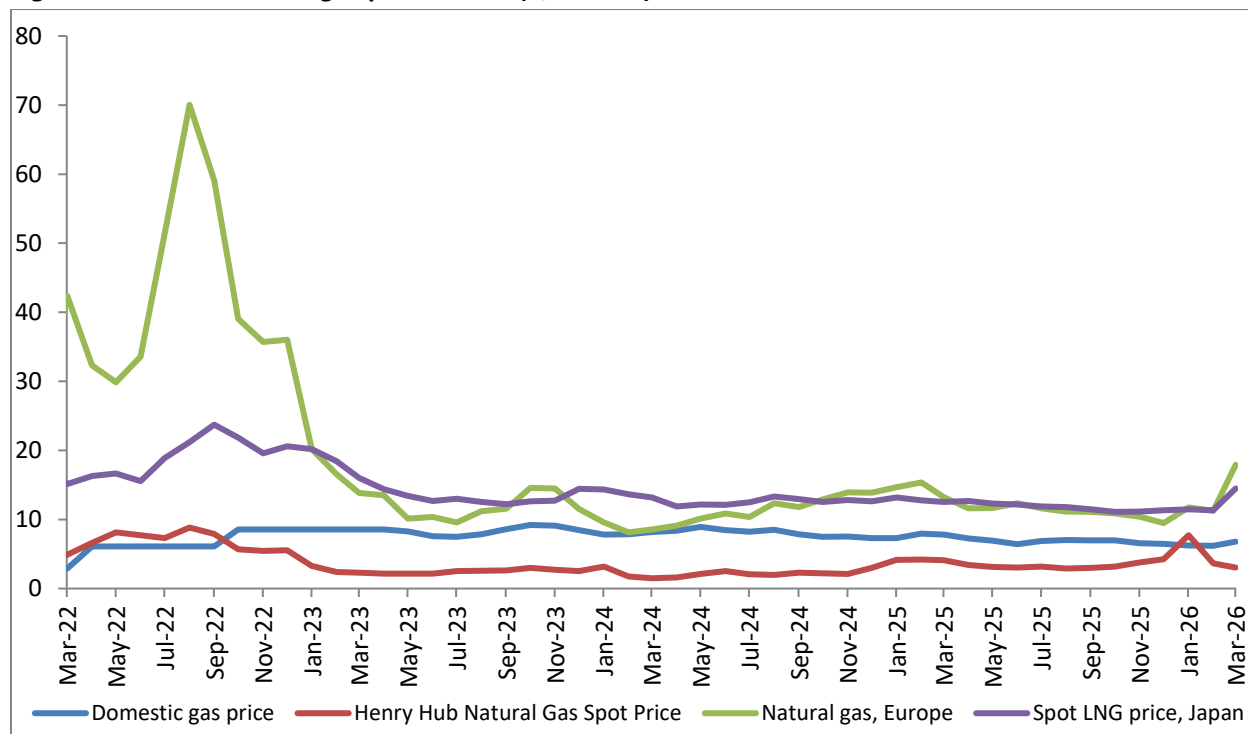
Natural Gas Market

Natural Gas Price – Monthly Review

- Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.04 per million British thermal units (MMBtu) in March 2026. Henry Hub natural gas prices dropped for a second consecutive month in March, falling 15.7%, m-o-m. Prices continued to decline amid a shift from end-of winter demand to the restocking season. According to data from the US Energy Information Administration (EIA), the withdrawal rate dropped by 96.4%, m-o-m. Losses were limited by higher US LNG demand in March amid supply disruptions in the Middle East. Prices were down by 26.2%, y-o-y.
- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of \$17.91 per MMBtu. The average Title Transfer Facility (TTF) price increased by ~59.3%, m-o-m, in March. Prices rose sharply in the period on the back of a higher geopolitical risk premium amid Middle East supply disruptions and higher competition from Asia for US LNG. A further decline in storage levels throughout the month exacerbated supply risks in the region. According to data from Gas Infrastructure Europe, EU storage levels fell to 28.1% as of the end of March, down from 30% the previous month, a 1.9-percentage-point decrease m-o-m. Prices were up by 35.3%, y-o-y.
- Japan Liquefied Natural Gas Import Price averaged at \$14.49 per MMBtu for March 2026. There is a change of 28% from last month and 15.5% from one year ago.
- The Union Cabinet has approved a new formula for pricing of natural gas and imposed cap or ceiling price on the same. Natural gas produced from legacy or old fields, known as APM gas, will now be indexed to crude oil prices. From April 1 2023, APM gas will be priced at 10% of the price of basket of crude oil that India imports. The rate such arrived at however will be capped at US\$ 6.50 per MMBTU. The price such arrived at will also have a floor of US\$4 per MMBTU. As per notification dated 31st March 2025, the APM gas price has been raised to US\$ 6.75 per MMBTU, up from US\$ 6.50 per MMBTU. Further, as per notification dated 31st March 2026, the APM gas price has been raised to US\$ 7.00 per MMBTU.
- Further, in accordance with MoP&NG, Govt. of India, pricing freedom for gas being produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, the gas price ceiling for the period 1st April, 2023 - 30th September, 2023 was notified as US\$ 12.12/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March, 2023. As per notification dated 30th September 2023, Gas price ceiling was further revised for the period 1st October, 2023 – 31st March, 2024 was notified as US\$9.96/MMBTU on Gross Calorific Value (GCV) basis. Prices were further revised for the period 1st April, 2024 – 30th September, 2024 was notified as US\$9.87/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March 2024. Accordingly, for the period 1st October, 2024 – 31st March, 2025 gas price ceiling was further revised as US\$10.16/MMBTU on Gross Calorific Value (GCV) basis as per notification

dated 30th September 2024. Now, as per notification dated 31st March 2025, Gas price ceiling was further revised for the period 1st April, 2025 – 30th September, 2025 was notified as US\$10.04/MMBTU on Gross Calorific Value (GCV) basis. Prices were further revised for the period 1st October, 2025 – 31st March, 2026 was notified as US\$9.72/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 30th September 2025. As per notification dated 31st March 2026, gas prices were further revised for the period 1st April 2026 – 30th September 2026 and was notified as US\$ 8.90/MMBTU on Gross Calorific Value (GCV) basis.

Figure 14: Global natural gas price trends (\$/mmbtu)



Source - EIA, World Bank

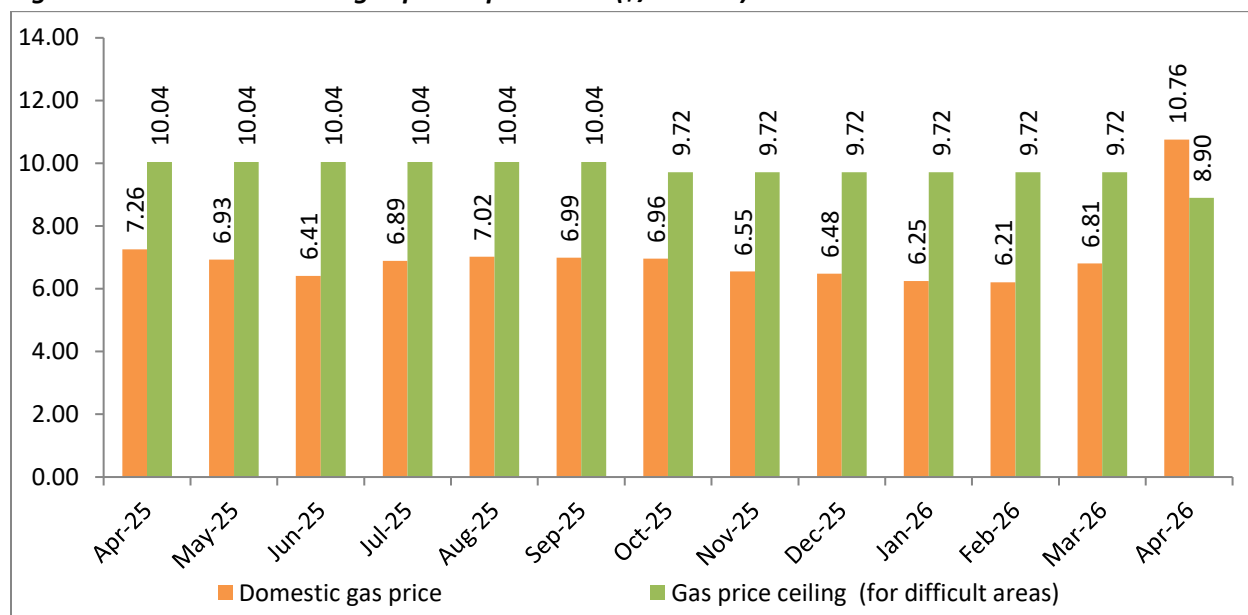
Table 7: Gas price, March 2026

Natural Gas	Price (\$/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (Apr'26)	10.76	58.00%	48.21%
India, Gas price ceiling – difficult areas (Apr'26-Sep'26)	8.90	-8.44%	-11.35%
GIXI (Gas index of India) price*	10.8	1%	-18%
Henry Hub	3.04	-16.0%	-26.2%
Natural Gas, Europe	17.91	59.3%	35.3%
Liquefied Natural Gas, Japan	14.49	28.0%	15.5%

Source - EIA, PPAC, World Bank, IGX

*Prices are weighted average prices (data excluding ceiling price gas, ssLNG & LDC)

Figure 15: Domestic natural gas price April'25–26 (\$/mmbtu)



Source - PPAC

Indian Gas Market

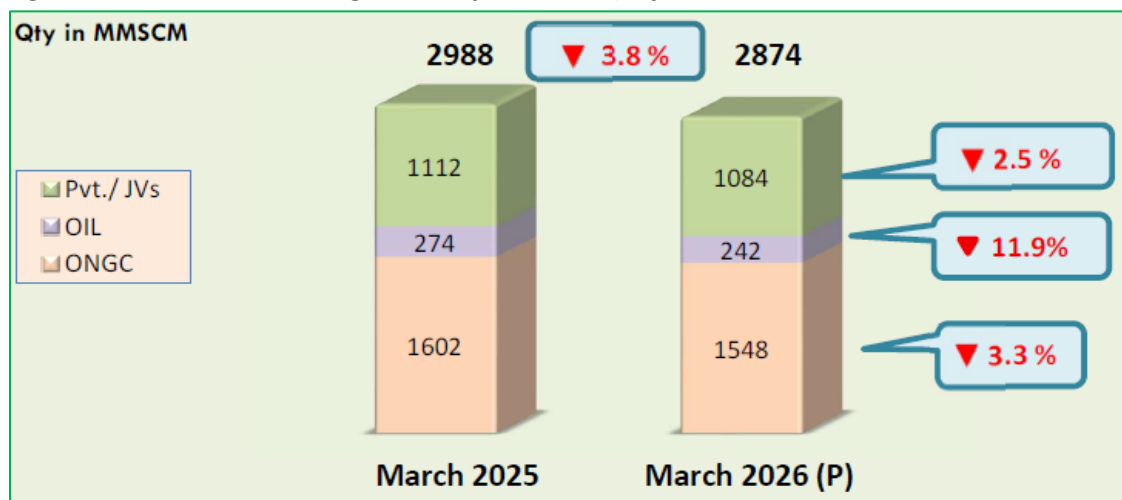
- Gross production of natural gas for the month of March 2026 (P) was 2874 MMSCM which was lower by 4.9% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of March 2026 (P) was 2888 MMSCM (higher by 20.5% over the corresponding month of the previous year). However, actual figures for March 2026 are expected to be much lower due to Middle East conflict.
- Natural Gas available for sale during March 2026 (P) was 5269 MMSCM (P) (increase of 7.8% over the corresponding month of the previous year).
- Total Gas Consumption Availability during March 2026 (P) was 5726 MMSCM (Provisional). However, this is based on pro-rated LNG Import figures for Mar'26. The actual LNG Import figure for Mar '26 is expected to be much lower due to Middle East conflict thereby further lowering the NG Consumption.
- Major consumers were Fertilizer (26%), City Gas Distribution (CGD) (30%), Power (11%), Refinery (7%) and Petrochemicals (3%).

Monthly Report on Natural gas production, imports, and consumption – March 2026

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of March 2026 was 2874 MMSCM (decrease of 4.9% over the corresponding month of the previous year).

Figure 16: Domestic natural gas Gross production (Qty in MMSCM)

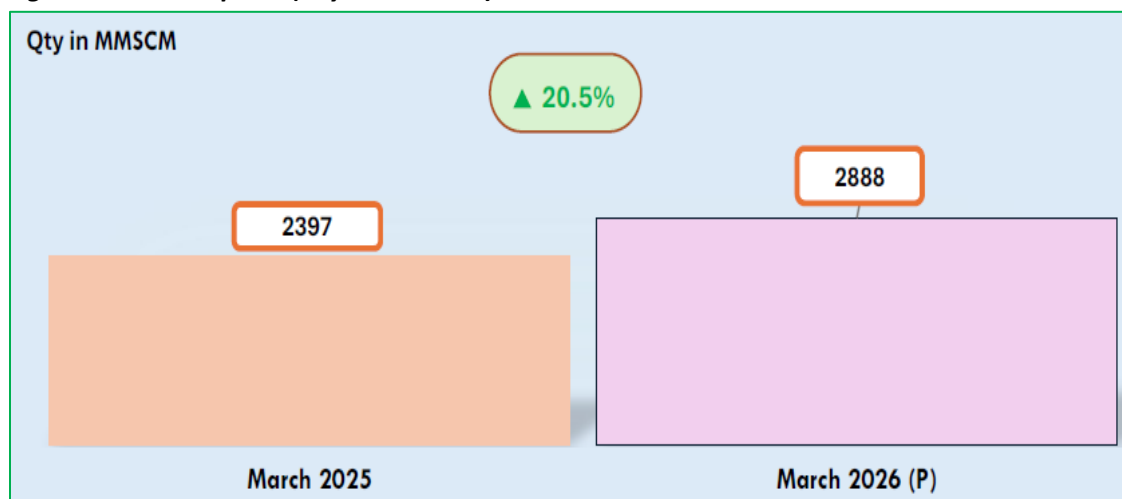


Source - PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of March 2026 was 2888 MMSCM (P) (higher by 20.5% over the corresponding month of the previous year).

Figure 17: LNG imports (Qty in MMSCM)

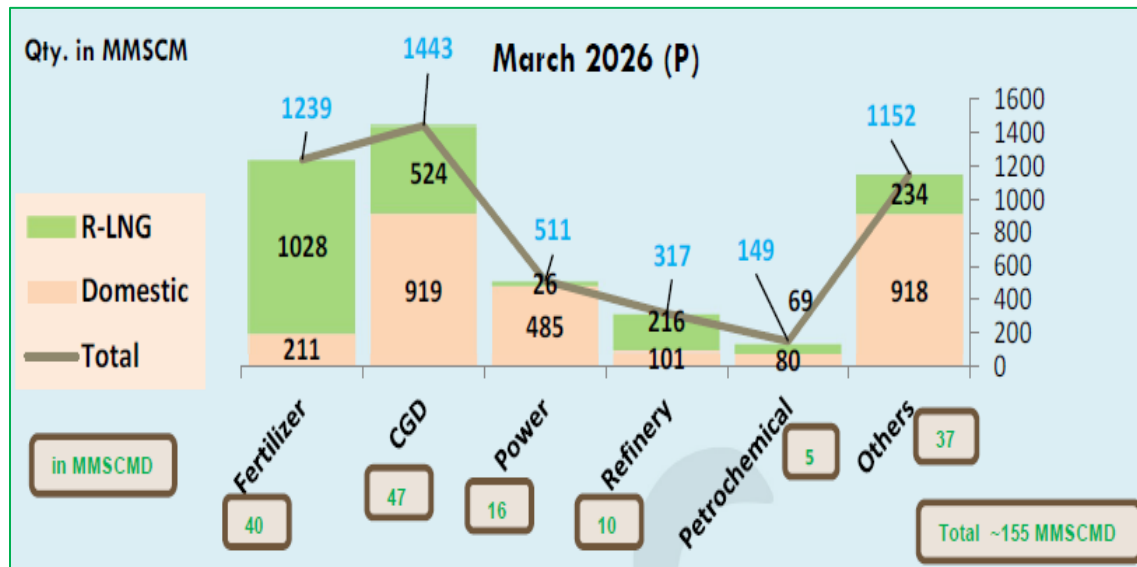


Source – PPAC

3. Sectoral Consumption of Natural Gas:

Major consumers were fertilizer, CGD, power, refinery, petrochemicals among others.

Figure 18: Sectoral Consumption of Natural Gas (Qty in MMSCM) in March 2026



Source - PPAC

Key developments in Oil & Gas sector

Monthly Production Report for March 2026

1. Production of Crude Oil

Indigenous crude oil and condensate production during March 2026 was 2.3 MMT. Around 78% of Production came from Nomination Fields, 12.8% from Pre-NELP Fields and 9.1% from NELP Fields, during March 2026. A de-growth of 5.3 % has been registered in crude oil and condensate production during March 2026 as compared with the corresponding period of the previous year.

2. Production of Natural Gas

Gross production of natural gas for the month of March 2026 (P) was 2874 MMSCM which was lower by 4.9% compared with the corresponding month of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during March 2026 was 23.5 MMT, which is -1.8 % lower than March 2025, out of which PSU/JV refiners processed 16.4 MMT and private refiners processed 7.1 MMT of crude oil. Total indigenous crude oil processed was 2.1 MMT and total Imported crude oil processed was 21.4 by all Indian refineries (PSU+JV+PVT). A growth of 1.3 % has been registered in total crude oil processed in April-March during current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 25.1 MMT during March 2026, which is 1% higher than March 2025. Out of 25.1 MMT, 24.9 MMT was from refinery production & 0.3 MMT was from fractionator. A growth of 0.4 % was observed in production of petroleum products in April-March FY 2025 – 26 as compared to same period of FY 2024 – 25. Of the total POL production in March 2026, share of major products including HSD is 42.9%, MS 17%, Naphtha 5.6%, ATF 5%, Pet Coke 5.1%, LPG 5.5%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

MoP&NG organizes Data Driven Exploration Conference under Samudra Manthan to strengthen India's exploration ecosystem

A conference on “*Data Driven Exploration*” was convened by the Directorate General of Hydrocarbons (DGH) in the context of India's expanding exploration agenda under the *Samudra Manthan – National Offshore Mission*, to engage industry on accelerating India's exploration outcomes through a stronger data ecosystem.

The conference was chaired by the Secretary, M/o Petroleum & Natural Gas, and witnessed participation by over 80 participants including M/o PNG, DGH, national oil companies, global Exploration & Production (E&P) players (BP, ExxonMobil, Shell, etc.), private operators (Reliance Industries, Cairn India, Invenire Energy, Adani Welspun Exploration), and leading seismic service providers and technology players (TGS, Viridien, Shearwater GeoServices, SLB, Wave Geo Services). With a renewed focus on offshore and frontier basin development, the conference aimed to engage industry stakeholders on the role of seismic data in enabling exploration outcomes.

In his posts on social media platform X, the Minister for Petroleum and Natural Gas, Shri Hardeep Singh Puri highlighted that the India is moving beyond blind exploration and is embracing a bold multi-client model that allows more minds to interpret, innovate, and discover, thereby decisively changing how E&P has been considered a sector of uncertainty.

He further added that with SamudraManthan, India's vast offshore potential is being unlocked with openness, collaboration, and cutting-edge science to fulfil our quest towards energy Aatmanirbharta.

Key takeaways from the conference:

Data as the Primary Enabler:

- There was clear industry consensus that availability, quality, and accessibility of seismic data directly determine exploration outcomes.
- Participants highlighted that gaps in data coverage, particularly in frontier and deepwater basins, continue to constrain basin prospectivity, investment inflow, and exploration intensity.
- Significant value can be unlocked through reprocessing and reinterpretation of legacy datasets, leveraging advancements in imaging technologies and AI-driven interpretation.

Need to Accelerate Data Acquisition:

- Participants emphasized the need for targeted and accelerated seismic acquisition, aligned with upcoming licensing rounds. Global experience indicates that early-stage data densification materially improves participation and investment outcomes.

Multi-Client Seismic Models (MCM) as Accelerators:

- Multi-client seismic models were identified as a potential mechanism to improve cost efficiency and broaden participation, particularly in frontier basins.
- Global experience suggests that MCM enables faster data availability and supports increased licensing participation.
- At the same time, a phased and calibrated approach is required for India, considering basin maturity and existing data ownership structures.

Government as a Key Enabler:

- The role of the Government in enabling the data ecosystem was emphasized, including policy support, continued investment in data acquisition, and strengthening of data access frameworks (NDR). Policy clarity and predictability were highlighted as critical to unlocking industry participation.

Procurement and Execution Frameworks:

- Given the scale of anticipated activity, participants highlighted the need for robust procurement frameworks, including engagement with multiple service providers and adoption of quality-cum-cost-based approaches to ensure high-quality data acquisition and timely execution.

Based on the discussions, it was proposed to

- Finalize a prioritized seismic data acquisition roadmap, focusing on frontier and deepwater basins and aligned with upcoming bid rounds
- Initiate a structured programme for reprocessing and integration of existing datasets to unlock near-term exploration value
- Define commercial frameworks for data acquisition, including selective application of multi-client and hybrid models
- Design procurement and execution frameworks aligned to scale, incorporating quality-based evaluation and enabling participation from multiple service providers

The Data Driven Exploration conference reaffirmed that seismic data is the foundational lever for accelerating exploration participation and investment, particularly in frontier and deepwater basins. There was strong industry alignment on the need to improve data quality, accessibility, and commercial viability through a targeted and time-bound approach.

The conference points towards the need to translate consensus into execution, with immediate focus on operationalizing key action areas, including finalization of a prioritized data acquisition roadmap, development of appropriate commercial models, and design of procurement frameworks aligned to scale and quality requirements.

Government Brings SAF-Blended Aviation Fuel Under ATF Control Order

The Government has notified an amendment to the Aviation Turbine Fuel (ATF) (Regulation of Marketing) Order, 2001 (ATF Control Order) vide notification dated 17 April 2026. The amendment has been issued as an administrative measure to bring Aviation Turbine Fuel blended with Sustainable Aviation Fuel (SAF) under the ambit of the ATF Control Order.

SAF consists of specially processed aviation grade hydrocarbons, that are chemically similar to ATF and fully compatible with aircraft engines. SAF does not alter the fundamental nature, safety, or performance of aviation fuel. Inclusion of SAF for aviation use undergoes International Civil Aviation Organization (ICAO) recognised rigorous testing process for aviation engines as per ASTM International and only after such extensive procedure, SAF is accepted for use in aviation.

As recognised by ICAO, SAF is a renewable fuel derived from alternative feedstocks such as crops, biogenic residues, and waste materials, offering significant reductions in GHG emissions. ICAO is implementing CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) to control emissions from international flights. Mandatory phase of CORSIA begins from 2027, requiring international flights to offset emissions above a baseline level. The use of SAF can help reduce these offsetting requirements. Recognising this global requirement, the Government has already announced indicative blending targets of SAF in ATF for international flights as 1% in 2027, 2% in 2028, and 5% in 2030.

Earlier, ATF was defined only as petroleum-based fuel meeting BIS specifications. The amendment expands this definition to also include SAF co-processed alongside ATF as per IS 1571 in petroleum refineries, and SAF conforming to IS 17081 blended with ATF, meeting IS 1571. This amendment is essential to keep India aligned with global supply chain of SAF.

SAF required under the CORSIA not only needs to meet strict quality specifications as per extant BIS stringent specifications (which conform to international specifications), but also must meet CORSIA sustainability criteria to qualify as CORSIA-eligible fuel (CEF). The amendment to the ATF Control Order is therefore an enabling provision to operationalise these targets.

Globally, similar steps are being taken by other countries. The European Union and United Kingdom have introduced SAF blending mandates. In EU, mandate on SAF blending is 2% in 2025, 6% in 2030 and up to 70% by 2050. In UK, mandate is 2% in 2025, 10% in 2030 and 22% in 2040. The United States is promoting SAF through production incentives. Japan has also a SAF mandate of 10% SAF by 2030. In Singapore, international flights will be required to use 1% SAF from 2026 and this target goes to 3 – 5% by 2030.

India is committed to green fuel transition, with a focus on reducing carbon emissions, promoting sustainable fuels like SAF, strengthening domestic production capabilities, and positioning the country as a key player in the emerging global clean energy ecosystem.

Cabinet approves Investment Proposal for construction of 1200 MW Kalai-II Hydro Electric Project in Anjaw District of Arunachal Pradesh with an outlay of Rs.14105.83 crore

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has approved investment of Rs.14,105.83 crore for construction of Kalai-II Hydro Electric Project (HEP) on Lohit river in Anjaw District of Arunachal Pradesh. The estimated completion period for the project is 78 months.

The project with an installed capacity of 1200 MW (6 x 190 MW & 1 x 60 MW) is expected to generate 4852.95 MU of energy annually. As the first hydro project in the Lohit Basin, it will strengthen power supply in the State, support in peak demand management, and contribute to balancing the national grid.

The Project will be implemented through a Joint Venture Company between THDC India Limited and the Govt. of Arunachal Pradesh. Government of India shall extend ₹599.88 crore as budgetary support for construction of roads, bridges and associated transmission line under enabling infrastructure besides Central Financial Assistance of ₹750 crore towards equity share of the State.

The State will receive 12% free power and an additional 1% earmarked for the Local Area Development Fund (LADF), along with significant infrastructure development and socio-economic benefits for the region.

There will be significant improvement in infrastructure in Namsai and Anjaw District of Arunachal Pradesh, including the development of around 29 kilometres of roads and bridges, for the project which shall be mostly available for local use. Local populace shall also be benefitted from many sorts of compensations, employment and CSR activities.

Cabinet approves Investment Proposal for construction of 1720 MW Kamala Hydro Electric Project in Kamle, Kra Daadi & Kurung Kumey Districts of Arunachal Pradesh with an outlay of Rs.26,069.50 crore

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has approved investment of Rs.26,069.50 crore for construction of Kamala Hydro Electric Project (HEP) in Kamle, Kra Daadi & Kurung Kumey Districts of Arunachal Pradesh. The estimated completion period for the project is 96 months.

The project with an installed capacity of 1720 MW (8 x 210 MW & 1 x 40 MW) is expected to generate 6870 MU of energy. The power generated from the Project will strengthen power supply position in the state of Arunachal Pradesh, support in peak demand management, contribute to national grid balancing and will provide flood moderation benefit in the Brahmaputra valley. In addition to Kamala HEP, other hydropower projects—Subansiri Lower (2000 MW), Dibang Multipurpose (2880 MW) is under construction, and Etalin (3097 MW) is planned for development by NHPC Limited in Arunachal Pradesh.

The Kamala HEP will be implemented through a Joint Venture Company between NHPC Limited and the Govt. of Arunachal Pradesh. Government of India shall extend Rs.4743.98 crore as budgetary support towards flood moderation component and Rs.1340 crore as budgetary support for enabling infrastructure

viz. construction of roads, bridges and associated transmission system besides Central Financial Assistance of Rs.750 crore towards the equity share of the State.

The State will receive 12% free power and an additional 1% earmarked for the Local Area Development Fund (LADF), along with significant infrastructure development and socio-economic benefits for the region.

There will be significant improvement in the infrastructure in Kamle, Kra Daadi & Kurung Kumey Districts of Arunachal Pradesh, including the development of around 196 kms of roads and bridges, for the project which shall be mostly available for local use. The district will also benefit from the construction of essential infrastructure such as hospitals, schools, marketplaces etc. to be financed from dedicated project funds of Rs.8 crore. Local populace shall also be benefitted from compensations, employment and CSR activities.

Beside Kamala HEP, three major hydropower projects—Subansiri Lower (2000 MW), Dibang Multipurpose (2880 MW), and Etalin (3097 MW)—are being developed by NHPC Limited in Arunachal Pradesh and Assam. Subansiri Lower HEP (2000 MW) is at an advanced stage with 750 MW already commissioned and remaining capacity is expected to be commissioned by December 2026, while all projects will provide 12% free power to the host states and support local development through a Local Area Development Fund equivalent to 1% of project revenue.

Union Minister Shri Manohar Lal Arrives in Bhutan; Reaffirms India–Bhutan Partnership on Clean Energy and Sustainable Development

The Union Minister of Power and Housing & Urban Affairs, Shri Manohar Lal, arrived in Bhutan for a 4-day visit. His visit marks another important step in the deepening of India–Bhutan bilateral ties.

India and Bhutan share exemplary bilateral relations, characterized by mutual trust, understanding, and close cooperation across sectors. The visit underscores the shared vision of both countries to further strengthen collaboration in energy security and sustainable development.

Shri Manohar Lal called on the Prime Minister of Bhutan, Shri Tshering Tobgay. During the meeting the two leaders reaffirmed the shared commitment of the two nations to advance cooperation in clean energy and sustainable development.

In another meeting with the Lyonpo Gem Tshering, Minister for Energy & Natural Resources, Royal Government of Bhutan, Shri Manohar Lal held discussions that focused on strengthening ongoing cooperation in the hydropower sector and on future avenues in renewable energy and regional power trade.

Expanding the scope of cooperation in the power sector, India and Bhutan have established an enhanced bilateral institutional framework mechanism. This mechanism will enable regular review and coordination of ongoing and future initiatives between the two countries to further strengthen collaboration. Key areas of cooperation include non-hydro energy, cross-border transmission, project financing, capacity building, and institutional partnerships.

On this occasion the two sides signed:

(i) Tariff Protocol of Punatsangchhu-II Hydroelectric Project, marking another step in mutually beneficial hydropower cooperation between the two countries. The 1020 MW Punatsangchhu-II Hydroelectric Project was jointly inaugurated by Shri Narendra Modi, Prime Minister of India and His Majesty Jigme Khesar Namgyel Wangchuck, The King of Bhutan, on 11 November 2025 and commenced export of surplus power to India from 19 September 2025 at a mutually agreed starting tariff.

(ii) The Methodology for Reactive Energy Accounting of the reactive power exchange, a technical framework aimed at enhancing grid stability, improving efficiency in cross-border electricity exchange, and streamlining bilateral power trade.

The engagements during the visit are expected to pave the way for new avenues of collaboration,

Workshop on SHANTI Act, 2025: Enabling India's 100 GW Nuclear Power Roadmap through Public – Private Partnership

The Central Electricity Authority (CEA), in association with the Ministry of Power, Department of Atomic Energy (DAE), and NTPC Limited, organized a high-level workshop at the Scope Convention Centre. The workshop focused on the operationalization of the SHANTI Act, 2025, a legislative cornerstone intended to scale India's nuclear capacity to 100 GW to ensure long-term energy security and meet Net Zero targets.

The program commenced with the ceremonial lighting of the lamp, followed by addresses from senior leaders who outlined the strategic necessity of the new legislative framework:

Ms. Seema Jain, Member (Finance), Department of Atomic Energy focused on the necessity of financial preparedness, the development of robust risk-sharing mechanisms, and the evolution of institutional frameworks to support large-scale nuclear deployment. She further underscored the importance of fostering global technological partnerships and developing innovative and financing mechanism to accelerate the growth of nuclear sector.

Shri Ghanshyam Prasad, Chairperson, CEA underscored that nuclear power is essential for providing reliable, 24/7 clean energy to support India's growing demand while simultaneously meeting international climate commitments. He further emphasized the need to ensure a secure and uninterrupted supply of nuclear fuel through diversification of sources and the establishment of long-term procurement arrangements.

Shri Gurdeep Singh, CMD, NTPC, highlighted the importance of nuclear energy in the overall energy mix and emphasized the need to accelerate preparatory activities such as land identification and site studies to enable timely construction of new nuclear plants. He also underlined the need for partnerships in technology and the supply chain. Referring to the SHANTI Act, he noted that it has opened the sector for private participation, allowing industries to consider nuclear energy as a viable clean power source.

He further emphasized that early formulation of rules and guidelines would facilitate faster progress, and stressed the importance of ensuring long-term fuel availability, maintaining safety, and achieving broader energy security objectives.

Shri Praveen Gupta, Member (E&C), CEA opened the session by emphasizing that multi-stakeholder collaboration across government, industry, and academia is vital to realizing India's ambitious nuclear energy goals.

The workshop featured extensive technical and policy deliberations across seven key areas:

1. **Decoding the SHANTI Act, 2025 and fuel security:** Detailed discussions were held on provisions relating to private sector participation, the graded liability framework, and the harmonization of the new act with the Electricity Act, 2003. Discussions emphasized the importance of fuel security, including domestic capability expansion and maintaining strategic reserves
2. **Site Selection & Project De-risking:** Experts highlighted the need for robust site selection, land acquisition, and project de-risking mechanisms. Repurposing of retiring thermal power plants and stronger coordination with states were identified as key enablers for faster capacity addition.
3. **Technology Access & Deployment:** Technology access and deployment were highlighted as central themes, including the need for design support institutions, streamlined approvals, and global collaborations.
4. **Localisation & Skill Development:** Strengthening of supply chains, localisation, and skill development emerged as critical for scaling up the nuclear programme
5. **Cost, Tariff & Financing:** The workshop also underlined the necessity of cost competitiveness of nuclear, with focus on tariff structures, standardization, indigenization, and innovative financing models.
6. **SMR and MMR Development:** The role of SMRs/MMRs was emphasized as a future pathway to address challenges of large reactors through flexible, safer, and faster deployment models.
7. **Risk Management & Fuel Security:** risk management frameworks, including insurance and liability mechanisms, were discussed as essential components to ensure investor confidence and sustainable sector growth

The workshop was attended by more than 150 delegates from various organisation including 19 States, Central Ministries, Departments, Regulators, Public and Private Developers, PSU/Private vendors, engineering consultancy companies, academic institution and industry associations.

India Meets All-Time Highest Peak Power Demand of ~256 GW Without Shortage

India has successfully met its all-time highest peak electricity demand of 256.1 GW on 25th April 2026 at 15:38hrs without any shortage, while simultaneously maintaining electricity exports to neighbouring countries.

This milestone surpasses the previous all-time high of 250 GW recorded on 30th May 2024 and exceeds the peak of 245.4 GW observed on 09th January 2026 during the last financial year.

The rise in demand is in line with the progression of summer conditions across the country, with electricity consumption witnessing a significant growth of 8.9% during the month of April 2026 (01st to 27th Apr) over the corresponding period last year.

The achievement has been supported by record capacity addition of around 65 GW during FY 2025–26, strengthening the overall generation portfolio and enhancing system preparedness to handle high demand conditions. With this we can successfully meet the expected demand of around 270 GW this year.

The demand was met through advance resource adequacy planning, optimal scheduling and dispatch of available generation resources, and close real-time coordination among NLDC, RLDCs, SLDCs, and generating stations, supported by efficient utilization of transmission corridors.

At the time of peak demand, the requirement was met through a diverse portfolio of generation sources, including thermal, hydro, nuclear, and renewable energy, ensuring reliability and grid stability. Renewable energy, particularly solar, made a significant contribution, complemented by hydro and other flexible resources during peak conditions.

Grid frequency and Source-wise contribution at Peak Demand Met

Time	15:38	
All India Peak Demand Met	256117 MW	
Grid Frequency	50.00 Hz	
Source	MW (ex-bus)	% (of Total Gen)
Gas	5205	2.0%
Hydro	11422	4.4%
Nuclear	6293	2.4%
Thermal	174565	66.9%
Wind	4897	1.9%
Solar	56204	21.5%
Storage (PSP & BESS)	201	0.1%
Others	2110	0.8%

India achieves highest-ever annual wind energy addition of 6.05 GW in 2025–26

India achieved its highest-ever annual wind capacity addition of 6.05 GW during FY 2025-26 crossing the landmark of 5.5 GW capacity addition in FY 2016-17.

This also represents an increase of nearly 46% over the capacity in FY 2024–25 marking a decisive acceleration in India's onshore wind deployment trajectory.

With this addition, India's cumulative installed wind power capacity has crossed 56 GW. This milestone reflects renewed momentum in the sector driven by improved policy clarity, transmission readiness, competitive tariff discovery, and a strong project pipeline.

This milestone achievement is the result of sustained policy support, improved project execution, and greater pipeline maturity across key wind states. States such as Gujarat, Karnataka, and Maharashtra have been the primary contributors to capacity addition during the year, underpinned by a growing pipeline of wind-solar hybrid projects and the progressive roll-out of green energy open access.

India's wind energy sector has grown steadily making India one of the leading wind energy markets globally. Government has taken several initiatives to promote the sector including Concessional Custom Duty on certain components and raw materials used in manufacturing of wind turbines, graded Waiver of Inter-State Transmission System (ISTS) charges till June, 2028, competitive bidding mechanisms, separate Wind Renewable Consumption Obligation (RCO) frameworks, technical support from National Institute of Wind Energy.

The record addition significantly strengthens India's renewable energy portfolio and contributes towards achieving the national target of 500 GW of non-fossil fuel-based energy capacity by 2030.

India's wind energy program was initiated in the early 1990s as part of the Government's broader renewable energy strategy. Over the past three decades, India has developed a strong wind energy ecosystem and a robust policy framework to promote grid-connected wind power projects.

India Ranks third globally in Renewable Energy Installed Capacity: Shri Pralhad Joshi

Union Minister for New and Renewable Energy and Consumer Affairs, Food and Public Distribution, Shri Pralhad Joshi said India ranks third globally in Renewable Energy Installed Capacity, according to the Renewable Energy Statistics 2026. He said India has moved ahead of Brazil in the ranking. The International Renewable Energy Agency released the statistics as of December 2025.

While addressing media persons, Shri Joshi said India achieved a total non-fossil capacity addition of 55.3 GW during FY 2025–26.

The Minister also highlighted that in July 2025, India reached its highest-ever renewable energy share in electricity generation. The renewables met 51.5% of the country's total electricity demand of 203 GW. He also said that a total of 283.46 GW of capacity from non-fossil fuel sources has been installed in the country as on 31.03.2026.

Shri Joshi said India's total power generation during 2025-26 (up to March 2026) reached 1,845.921 BU. The share of non-fossil fuels in total generation reached 29.2% in 2025-26 (538.97 BU). India achieved the milestone of 50% of its cumulative electric power installed capacity from non-fossil fuel sources in June 2025, five years ahead of the 2030 target set under its Nationally Determined Contribution (NDC) to the Paris Agreement.

In line with the Hon'ble Prime Minister's announcement at COP26, the Ministry of New and Renewable Energy is working towards achieving 500 GW of installed electricity capacity from non-fossil sources by 2030.

So far, a total of 283.46 GW of capacity from non-fossil fuel sources has been installed in the country as on 31.03.2026. This includes 274.68 GW Renewable Energy (150.26 GW Solar Power, 56.09 GW Wind Power, 11.75 GW Bio Energy, 5.17 GW Small Hydro Power, 51.41 GW Large Hydro Power) and 8.78 GW Nuclear Power capacity.

India stands 3rd globally in Renewable Energy Installed Capacity (as per IRENA RE Statistics 2026 with data as on December, 2025).

Total Renewable Energy Installed Capacity (GW)	
Country	Capacity
China	2258.02
USA	467.92
India	250.52
Brazil	228.20
Germany	199.92
Japan	134.53
Canada	110.51
World	5149.28

Ministry of New and Renewable Energy Showcases India’s Growing Hydrogen Startup Ecosystem at One-Day Exhibition

The Ministry of New and Renewable Energy (MNRE) organized a one-day Hydrogen Startup Exhibition. The aim of the exhibition was to promote the vibrant hydrogen startup ecosystem in the country.

The exhibition brought together 18 promising startups working across various segments of the green hydrogen value chain, including electrolyser technologies, fuel cell applications, biomass-to-hydrogen production, and digital solutions for hydrogen systems. The participating startups demonstrated their technologies and products and interacted with key stakeholders from government, industry, and the research community.

It may be noted that as per Department for Promotion of Industry and Internal Trade (DPIIT), there were 249 startups in the hydrogen area as of September 2025.

The participating companies included five electrolyzer startups (electrolyzers and associated stack components), two hydrogen production startups, one fuel cell startup, one hydrogen applications startup, one safety startup (MEMS-based sensor), two drone startups, three hydrogen cooking startups, one artificial intelligence/machine learning startup, and two bio-hydrogen startups.

Principal Scientific Adviser to the Government of India, Prof. Ajay Sood, graced the occasion and interacted with the startup founders. Other dignitaries included MNRE Secretary Shri Santosh Sarangi, Scientific Secretary in the PSA Office Dr. Parvinder Maini, and NGHM Director Shri Abhay Bakre.

MNRE had launched the scheme for New and Novel Uses of Hydrogen Production and Applications last year, under which Part B of the scheme earmarked Rs. 100 crores for startup funding (pilot projects), with a maximum grant of Rs. 5 crore per startup.

Following the scheme launch, NISE had issued a call for proposals (CfP) in September 2025. A total of 111 applications were received, out of which 58 were shortlisted for presentation before the Project Appraisal Committee earlier this year. The results of the presentations will be declared in the coming weeks.

It may be recalled that MNRE had organized a similar startup expo as part of the R&D Conference last September at Dr. Ambedkar Centre in New Delhi, in which more than 25 startups had participated. This second event was a successor to the first event.

Prototype Fast Breeder Reactor at Kalpakkam, Tamil Nadu attains First Criticality

In a landmark achievement for India's nuclear energy programme, the 500 MWe Prototype Fast Breeder Reactor (PFBR) has successfully attained first criticality (start of controlled fission chain reaction) on 6th April 2026 at 08:25 PM marking a historic step in providing long-term energy security and advancing indigenous nuclear technology capabilities.

The criticality was achieved in the presence of Dr Ajit Kumar Mohanty, Secretary, DAE & Chairman, AEC, Shri Sreekumar. G. Pillai, Director, IGCAR, Shri Allu Ananth, CMD-In-Charge, BHAVINI and Shri K.V. Suresh Kumar, Former CMD, BHAVINI & Homi Sethna Chair after meeting all the stipulations of the Atomic Energy Regulatory Board (AERB), which had issued clearance after a rigorous review of safety of the plant systems.

The technology development & design of PFBR was indigenously done by Indira Gandhi Centre for Atomic Research (IGCAR), an R&D Centre of the Department of Atomic Energy, and was built & commissioned by Bharatiya Nabhikiya Vidyut Nigam Ltd (BHAVINI), a PSU under the Department of Atomic Energy.

Fast Breeder Reactors are a cornerstone of India's long-term nuclear strategy. Unlike conventional thermal reactors, the PFBR uses Uranium-Plutonium Mixed Oxide (MOX) fuel. The core of PFBR is surrounded by a blanket of Uranium-238. Fast neutrons convert fertile Uranium-238 into fissile Plutonium-239, enabling the reactor to produce more fuel than it consumes. The reactor is designed to eventually use Thorium-232 in the blanket. Through transmutation, Thorium-232 will be converted into Uranium-233, which will fuel the third stage of India's nuclear power programme.

This unique capability significantly enhances the utilization of nuclear fuel resources and enables the country to extract far greater energy from its limited uranium reserves while also preparing for large-scale use of thorium in the future.

With the achievement of first criticality, India moves closer to realizing the full potential of its three-stage nuclear power programme. Fast breeder technology forms the vital bridge between the current fleet of pressurized heavy water reactors and the future deployment of thorium-based reactors, leveraging the country's abundant thorium resources for long-term clean energy generation.

Achieving this milestone demonstrates the strength of India's indigenous design, engineering and manufacturing ecosystem. The reactor incorporates advanced safety systems, high-temperature liquid sodium coolant technology and a closed fuel cycle approach that enables recycling of nuclear materials, thereby improving sustainability and reducing waste.

The project also reflects the dedication of significant number of scientists, engineers, technicians and industry partners who have contributed to the design, fabrication and construction of the reactor using predominantly indigenous technologies and components. Their efforts highlight the nation's growing capability in advanced nuclear engineering and reinforce India's commitment to technological self-reliance complying with Atmanirbhar Bharat.

Beyond energy generation, the fast breeder programme strengthens strategic capabilities in nuclear fuel cycle technologies, advanced materials, reactor physics and large-scale engineering. The knowledge and infrastructure developed through this programme will support future reactor designs and next-generation nuclear technologies.

As India continues to expand its clean energy portfolio, fast breeder reactors will play a crucial role in delivering reliable, low-carbon, base-load power with higher thermal efficiency. The attainment of first criticality represents not only a technological milestone but also a major step towards a sustainable and self-reliant energy future for Viksit Bharat.

India positioning itself as a global player in clean energy; there is an integrated push on hydrogen, nuclear and innovation: Dr. Jitendra Singh

Union Minister of State (Independent Charge) for Science & Technology, Earth Sciences, and MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space, Dr. Jitendra Singh said that India is steadily positioning itself as a global player in the Clean Energy landscape through a calibrated mix of policy support, technological innovation, and industry participation.

The Minister said the country is simultaneously advancing green hydrogen, expanding Nuclear Energy capacity, and strengthening renewable sources, while building indigenous capabilities in critical technologies such as electrolyzers. Emphasising the need for scaling up through public-private partnerships, he said India's approach is focused on creating a robust and self-reliant ecosystem supported by enhanced research funding and innovation-led growth.

Dr. Jitendra Singh was addressing the World Hydrogen Energy Summit alongside the World Petrocoal Congress at the NDMC Convention Centre, New Delhi. The conference brought together policymakers, global industry leaders, domain experts and stakeholders from petroleum, coal, gas and emerging hydrogen sectors, providing a platform for deliberations on future energy pathways.

Referring to India's evolving energy roadmap, the Minister said the country is pursuing a multi-dimensional strategy that combines energy security with sustainability. He said India is targeting nearly 100 billion US dollars in oil and gas investments, expansion of exploration areas to 1 million square kilometres, and increasing the share of natural gas in the energy mix to 15 percent. At the same time, India's refining capacity continues to expand, placing it among leading nations globally.

On clean energy transition, Dr. Jitendra Singh said the National Green Hydrogen Mission, with outlay of Rs 19,744 Cr, has placed India among the frontrunners in developing alternative fuel ecosystems. He said green hydrogen will play a key role in decarbonising hard-to-abate sectors such as steel and cement, while efforts are underway to reduce production costs through domestic manufacturing and innovation.

The Minister also shared progress in India's nuclear energy programme, stating that the recently announced Nuclear Energy Mission aims to achieve 100 GW of nuclear power capacity by 2047. He said India has entered the next phase of its nuclear programme with indigenous technological advancements, placing it among a select group of nations.

Highlighting the role of small reactors, Dr. Jitendra Singh said India plans to develop five Small Modular/Small Reactors by 2033, with work already underway on three of them. These include a Bharat Small Modular Reactor (SMR), a Bharat Small Reactor (BSR) based on established heavy water technology, and a small-scale hydrogen-linked reactor of a few megawatts' capacity. He said such reactors will enable flexible, scalable, and decentralised clean energy solutions, while also supporting emerging hydrogen applications.

The Minister said recent policy reforms have opened the nuclear sector for private participation, along with rationalised liability provisions to facilitate wider industry engagement. He said these steps will encourage startups, MSMEs and private players to contribute to the expansion of clean energy infrastructure.

Dr. Jitendra Singh also spoke about emerging opportunities in green jobs and innovation, noting that sectors such as electric mobility, battery recycling, grid management, and renewable manufacturing are generating new livelihood avenues. He referred to ongoing initiatives in the circular economy, including conversion of used cooking oil and agricultural residue into biofuels, as well as new frontiers like ocean energy under the Deep Ocean Mission.

The Union Minister said India's demographic strength, technological capabilities and policy direction position it to play a significant role in global decarbonisation efforts, while ensuring sustainable growth and energy access for its population.

BCGCL and MCL Sign Landmark Land Leasing Agreement for Coal to Ammonium Nitrate Project at Lakhanpur, Odisha

In a major step towards advancing India's coal gasification roadmap, a landmark land leasing agreement was signed between Bharat Coal Gasification and Chemicals Limited (BCGCL) and Mahanadi Coalfields Limited (MCL) for the upcoming Coal to Ammonium Nitrate Project at Lakhanpur, Odisha. The signing ceremony was held in New Delhi in the august presence of the Union Minister of Coal and Mines Shri G Kishan Reddy.

The project, envisaged as a Coal to 2000 TPD Ammonium Nitrate facility, marks a historic breakthrough as India's first coal gasification project to deploy indigenously developed gasification technology by Bharat Heavy Electricals Limited (BHEL). It reflects a decisive shift towards indigenous innovation, technological advancement, and reduced dependence on imported technologies in the energy and chemical sectors.

Spread over approximately 350 acres of land under the possession of MCL, the project has been enabled through recent progressive policy reforms of the Ministry of Coal. These reforms enable the utilisation of Coal Bearing Area (CBA) land for coal gasification projects, unlocking new pathways for value-added utilisation of India's abundant coal resources and strengthening the sector's diversification.

Reinforcing its commitment to promoting coal gasification, the Ministry of Coal has extended financial support of ₹1,350 crore under its dedicated financial incentives scheme. The project is already witnessing strong momentum on the ground, with major LSTK (Lump Sum Turnkey) packages, LSTK-1 and LSTK-2, having been awarded to BHEL, while LSTK-3 and LSTK-4 have been awarded to Larsen & Toubro. Simultaneously, site development works, including boundary wall construction and tree enumeration, are progressing in parallel, ensuring adherence to timelines.

Addressing the gathering at the signing ceremony of the land lease agreement, Union Minister of Coal & Mines, Shri G. Kishan Reddy, emphasised that, in line with the Prime Minister's vision of Atmanirbhar Bharat, the Government is driving focused initiatives to transform the coal sector. Highlighting that India is endowed with abundant coal reserves, he underscored the imperative to harness this resource beyond conventional use through large-scale adoption of coal gasification.

He informed that the Cabinet has approved an outlay of ₹8500 crore to promote coal gasification, with 7 projects already finalized, including 3 where bhoomi puja has been completed. Describing the land lease agreement between MCL and BCGCL, with an investment of about ₹25,000 crore, as a significant step forward, he noted that it marks the first indigenous project of BCGCL and reflects the growing momentum in this sector.

The Minister asserted that coal gasification will be a game-changer, with the potential to significantly reduce import dependency and conserve valuable foreign exchange. He emphasised the need to adopt the best global technologies while simultaneously strengthening indigenous capabilities, assuring full Government support. Emphasising a whole-of-government approach, he highlighted the coordinated role of Ministries including MoEF&CC, Ministry of Heavy Industries, and Ministry of Commerce, and urged industry, investors, and stakeholders to actively participate. He also called for expeditious implementation of the project, with a focus on completing it ahead of schedule.

Addressing the gathering, Shri Vikram Dev Dutt, Secretary, Ministry of Coal, termed the signing of the land lease agreement between BCGCL and MCL a landmark milestone in advancing coal gasification in the country. He emphasised that in the present global scenario, there is a need to accelerate efforts towards Atmanirbharta and strengthen domestic capabilities.

Shri Dutt noted that all key enablers, including statutory clearances, Letters of Award (LOAs), and tender processes, are in place and have reached advanced stages, positioning the project for timely execution. Describing it as a potential model for indigenous development with a competitive cost structure, he urged all stakeholders to work with a strong sense of ownership, ensure timely escalation of issues, and demonstrate effective coordination among PSUs for the successful implementation of the project.

On this occasion, the Minister also inaugurated the official website of BCGCL, marking a step forward in enhancing transparency, accessibility, and stakeholder engagement. The platform will serve as a centralised hub for disseminating key information, including project updates and tenders, fostering greater openness in project implementation.

The signing of this lease agreement is expected to significantly accelerate project execution and ensure timely completion within the stipulated schedule. The Coal to Ammonium Nitrate Project at Lakhanpur is an important industrial initiative that reflects India's progress in technology, policy reforms, and efforts towards achieving self-reliance, while contributing to the nation's long-term industrial growth and economic resilience.

In the present global scenario, marked by evolving geopolitical dynamics and supply chain uncertainties, such initiatives assume greater significance in strengthening domestic capabilities. The project aligns with the vision of Viksit Bharat, focusing on innovation, resource efficiency, and sustainable industrial development. It reinforces India's commitment to reducing import dependence, enhancing value addition to its natural resources, and building a resilient, future-ready economy.

Ministry of Coal Reports Record-Breaking Production and Dispatch in Captive and Commercial Mines for FY 2025-26

The Ministry of Coal has marked FY 2025–26 as a watershed moment in India's coal sector, with captive and commercial mining achieving a milestone never reached before. For the first time, combined production and dispatch from these blocks have surpassed the 200 Million Tonnes (MT) mark, marking a decisive leap in scale, capability, and contribution to the Nation's energy landscape.

As on March 31, 2026, coal production from captive and commercial mines reached 210.46 MT, registering a robust year-on-year growth of 10.22% over 190.95 MT in the previous fiscal. Dispatches also witnessed a strong uptick, touching 204.61 MT and marking a 7.35% increase compared to 190.42 MT in FY 2024–25. These record-breaking figures reflect improved operational efficiency, strengthened logistics, and the sector's growing capacity to meet the nation's rising energy demand.

Significant Milestones Achieved in FY 2025–26

- **Historic 200+ MT Milestone:** Production and dispatch from captive/commercial blocks crossed 200 MT for the first time, reflecting sustained growth and operational excellence.
- **Operationalization of New Blocks:** During FY 2025–26, 12 captive and commercial coal blocks were operationalized through the grant of Mine Opening Permission (MOP), significantly expanding the operational coal mining base by adding more than 86 MT of annual production capacity.
- **Accelerated Production Commencement:** Further, 7 blocks commenced coal production within the same financial year, demonstrating faster project execution and improved regulatory coordination.

The graph illustrates a steady and progressive upward trend in both coal production and dispatch over the past four years. The sustained increase in dispatch underscores more efficient logistics, streamlined evacuation, and a stronger, more resilient coal supply chain.

This landmark achievement is a strong reflection of India's commitment to Aatmanirbhar Bharat, driven by focused policy interventions, streamlined approvals, and a renewed thrust on enhancing domestic coal production. It underscores the Ministry's sustained efforts to create an enabling ecosystem for captive and commercial mining, thereby reducing import dependence and strengthening national resource security.

Building on this momentum, the achievements of FY 2025–26 reinforce the coal sector's central role in advancing the vision of Viksit Bharat 2047. With continued emphasis on efficiency, scalability, and responsible mining practices, the sector is well-positioned to drive industrial growth, support economic expansion, and ensure a resilient and future-ready energy framework for the nation.

India Strengthens Energy Security: Historic First — Coal Mine Development Agreements with Underground Coal Gasification Provisions Signed

In a landmark milestone for India's energy transition and self-reliance, the Ministry of Coal executed Coal Mine/Block Production and Development Agreements (CMDPAs) with successful bidders for four coal mines — marking the first-ever tranche of commercial coal mines in India to carry embedded provisions for Underground Coal Gasification (UCG). This historic step signals a transformative leap in how India envisions and unlocks the full value of its vast coal reserves.

The agreements were executed under the 14th round of commercial coal mining auctions, with Reliance Industries Limited securing the Recherla and Chintalpudi Sector A1 mines, and Axis Energy Ventures India Private Limited bagging the Dip Extension of Belpahar and Tangardihi East coal mines. These mines span across the states of Andhra Pradesh and Odisha with two being partially explored and two fully explored mines.

UCG represents a revolutionary approach to coal utilisation — one that converts coal into synthetic gas in situ, directly within the seam, without the need for conventional mining. This technology unlocks energy from deep, thin, or otherwise unworkable coal seams that traditional extraction methods cannot economically access, significantly expanding India's exploitable energy resource base. By integrating UCG provisions into CMDPAs for the first time, the Ministry of Coal has future-proofed these mines, enabling operators to pursue this cutting-edge pathway to cleaner and more efficient energy production alongside conventional extraction.

The introduction of UCG provisions reflects India's commitment to not only maximising domestic coal production, but also adding value addition to the coal economy by substituting the derivative products potentials the coal possesses. The syngas produced through UCG can serve as a domestic feedstock for the manufacture of urea and ammonia, significantly reducing India's dependence on imported fertilisers and strengthening food security. In the chemicals and petrochemicals sector, UCG syngas can replace

imported natural gas and naphtha as a base feedstock, enabling domestic production of methanol, dimethyl ether (DME), and synthetic fuels

With these four CMDPAs, the total number of agreements signed under commercial coal auctions reaches 138 mines, covering a peak rated capacity of 331.544 MTPA. These 138 mines are projected to generate annual revenues of approximately ₹42,980 crores, attract capital investments of ₹48,231 crores, and create direct and indirect employment for approximately 4,34,175 persons.

The Ministry of Coal remains firmly committed to advancing domestic coal production, ensuring long-term energy security, and driving socio-economic development through transparent, investor-friendly auction processes — while embracing frontier technologies like UCG to position India at the forefront of the global energy landscape.

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