FIPI

Federation of Indian Petroleum Industry

POLICY & ECONOMIC REPORT

OIL & GAS MARKET

August 2025

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Executive Summary

According to IMF, global real GDP grew by 0.7 percent quarter-on-quarter in 2025Q1 following growth of 1.0 percent in the previous quarter, with slowdowns in all major geographic regions. The rate was close to the pre-pandemic average (from 2012Q1) of 0.8 percent.

Asia continued to provide the main impetus, increasing by 1.1 percent and contributing 0.6 percentage points to global growth. Europe also saw more muted gains than in the previous quarter, contributing 0.1 percentage points to World growth. Expansion in the Americas slowed to 0.2 percent with the region making only a marginal contribution to overall growth. Africa grew by 0.7 percent, while in Oceania, GDP grew by 0.3 percent, with each region also making marginal positive contributions.

As far as India is concerned, according to Ministry of Statistics and Programme Implementation (MoSPI), India's real GDP which measures the output of economy after removing effect of inflation expanded by 6.5% in 2024-25. The Reserve Bank of India expects this pace to continue into 2025–26.

India's economy shows robust expansion, with real GDP for FY25 estimated at Rs. 1,87,97,000 crore (US$ 2.20 trillion), from Rs. 1,76,51,000 crore (US$ 2.06 trillion) in FY24 with a growth rate of 6.5%. By 2030, India is set to become the world's third-largest economy with a projected GDP of $7.3 trillion.

The combined Index of Eight Core Industries (ICI) increased by 2.0 per cent (provisional) in July, 2025 as compared to the Index in July, 2024. The production of Steel, Cement, Fertilizer and Electricity recorded growth in July, 2025. The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP). The final growth rate of Index of Eight Core Industries for June 2025 was observed at 2.2 per cent. The cumulative growth rate of ICI during April to July, 2025-26 is 1.6 per cent (provisional) as compared to the corresponding period of last year.

In case of Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of July, 2025 over July, 2024 is 1.55% (Provisional). There is decline of 55 basis points in headline inflation of July, 2025 in comparison to June, 2025. It is the lowest year-on-year inflation rate after June, 2017.

Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of July, 2025 over July, 2024 is -1.76% (Provisional). Corresponding inflation rates for rural and urban are -1.74% and -1.90%, respectively.

The significant decline in headline inflation and food inflation during the month of July, 2025 is mainly attributed to favourable base effect and to decline in inflation of Pulses and Products, Transport and communication, Vegetables, Cereal and products, Education, Egg and Sugar and confectionery.

On the external front, India's forex reserves surged by $1.48 billion to $695.10 billion for the week ending August 15, according to the data released by Reserve Bank of India. For the week ending on August 15, foreign currency assets, a major component of the reserves, increased $1.92 billion to $585.90 billion.

Gold reserves were down by $2.16 billion to stand at $86.16 billion during the week. India's special drawing rights (SDRs) with the International Monetary Fund (IMF) rose by $41 million to $18.782 billion. As per the data, India's reserve position with the IMF was up by $15 million at $4.75 billion in the reporting week.

India's total exports (Merchandise and Services combined) for July 2025 is estimated at US$ 68.27 Billion, registering a growth of 4.52 percent vis-à-vis July 2024. Total imports (Merchandise and Services combined) for July 2025 is estimated at US$ 79.99 Billion, registering a growth of 6.07 percent vis-à-vis July 2024. India's total exports during April-July 2025 is estimated at US$ 277.63 Billion registering a growth of 5.23 percent. Total imports during April-July 2025 is estimated at US$ 308.91 Billion registering a growth of 4.25 percent.

Standard & Poor's (S&P) Global Ratings upgrades India's long-term sovereign credit rating to 'BBB' from 'BBB-' and its short-term rating to 'A-2' from 'A-3', with a Stable Outlook. This marks the country's first sovereign upgrade by S&P in 18 years, the previous one being in 2007 when India was elevated to investment grade at BBB-. In May 2024, the agency revised its outlook on India from 'Stable' to 'Positive'.

As per S&P's India sovereign rating review, the upgrade reflects a combination of key factors, including India's buoyant and dynamic economic growth, the government's sustained commitment to fiscal consolidation, improved quality of public spending, particularly on capex and infrastructure, and strong corporate, financial, and external balance sheets. Credible inflation management and increasing policy predictability have also played a central role.

As far as oil and gas industry is concerned, oil prices have been caught in the crosshairs of fast-changing market dynamics. While new sanctions on Russia and Iran threaten to impact trade flows, weaker economic growth is poised to temper demand. Volatility in oil markets slumped to near all-time lows in July as Brent crude oil futures hovered around $70/bbl. However, the early August OPEC+ supply agreement and the prospects for untenable stock builds later in the year saw Brent crude futures slip to around $67/bbl.

Global oil demand growth for 2025 has been repeatedly downgraded since the start of the year, by a combined 350 kb/d. Demand is now projected to rise by around 700 kb/d this year and next. The latest data show lacklustre demand across the major economies and, with consumer confidence still depressed, a sharp rebound appears remote. Consumption in emerging and developing economies has been weaker than expected, with China, Brazil, Egypt and India all revised down compared with last month's Report. Aviation has been an exception, with robust summer travel propelling jet fuel demand to all-time highs in both the United States and Europe.

Spot prices showed a mixed trajectory in July, despite robust physical market fundamentals during the summer holiday season, as uncertainties in the futures market influenced spot price performance. Prices were supported by strong refining margins in Europe and the US Gulf Coast (USGC), along with a continued increase in global refinery intakes, reflecting firm demand, particularly for transportation fuels. This strength was especially evident in gasoil/diesel margins. The medium sour benchmark Dubai averaged

higher last month, buoyed by firm demand from Asia-Pacific buyers, which reduced the availability of prompt loading cargoes.

Natural gas spot prices at the US Henry Hub benchmark averaged $3.20 per million British thermal units (MMBtu) in July 2025. Henry Hub's natural gas prices rebounded in July after four consecutive months of decline, increasing by 6.0%, m-o-m. Prices rose on the back of higher LNG exports and reports of lower storage levels. According to data from the US Energy Information Administration, average weekly natural gas storage increased by 7.9%, m-o-m, in July; however, it was down by 4.9%, y-o-y, signaling higher consumption. Prices were up by 54.6%, y-o-y.

Economy in Focus

1. A snapshot of the global economy

Global economic growth

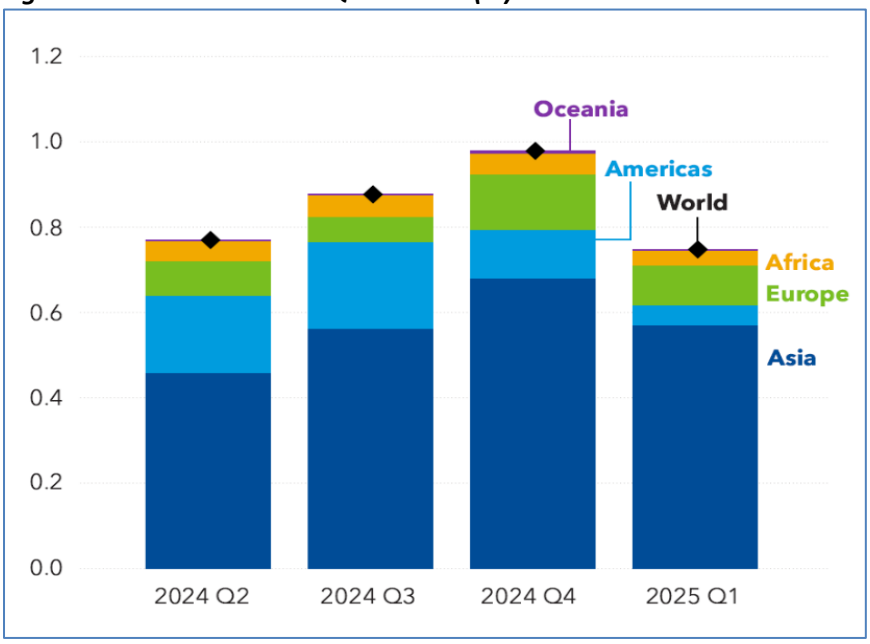
- According to IMF, global real GDP grew by 0.7 percent quarter-on-quarter in 2025Q1 following growth of 1.0 percent in the previous quarter, with slowdowns in all major geographic regions. The rate was close to the pre-pandemic average (from 2012Q1) of 0.8 percent.

- Asia continued to provide the main impetus, increasing by 1.1 percent and contributing 0.6 percentage points to global growth.

- Europe also saw more muted gains than in the previous quarter, contributing 0.1 percentage points to World growth.

- Expansion in the Americas slowed to 0.2 percent with the region making only a marginal contribution to overall growth. Africa grew by 0.7 percent, while in Oceania, GDP grew by 0.3 percent, with each region also making marginal positive contributions.

Figure 1: Global Growth in Q1 2025-26 (%)



Source- IMF

- By economic classification, quarter-on-quarter real GDP growth in Emerging Market and Developing Economies increased 1.1 percent in 2025Q1, down from 1.3 percent in 2024Q4. This group accounted for the majority of World GDP growth (0.7 percentage points).

- Growth in Advanced Economies slowed to 0.2 percent in 2025Q1, versus 0.5 percent in 2024Q4, and contributed 0.1 percentage points to overall growth.

Figure 2: Real GDP Growth & Contributions to world growth

	Growth (percent)				Contributions to World Growth (percentage points)			
Region	**2024Q2**	**2024Q3**	**2024Q4**	**2025Q1**	**2024Q2**	**2024Q3**	**2024Q4**	**2025Q1**
Africa	0.9	1.0	0.9	0.7	0.0	0.1	0.0	0.0
Americas	0.8	0.9	0.5	0.2	0.2	0.2	0.1	0.0
Asia	0.9	1.1	1.4	1.1	0.5	0.6	0.7	0.6
Europe	0.4	0.3	0.7	0.5	0.1	0.1	0.1	0.1
Oceania	0.1	0.2	0.6	0.3	0.0	0.0	0.0	0.0
World	**0.8**	**0.9**	**1.0**	**0.7**	**0.8**	**0.9**	**1.0**	**0.7**
Emerging Market and Developing Economies	0.9	1.1	1.3	1.1	0.5	0.7	0.8	0.7
Advanced Economies	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.1
G20[2]	0.7	0.9	1.0	0.6	0.6	0.7	0.8	0.5
G7	0.6	0.5	0.4	0.1	0.2	0.1	0.1	0.0

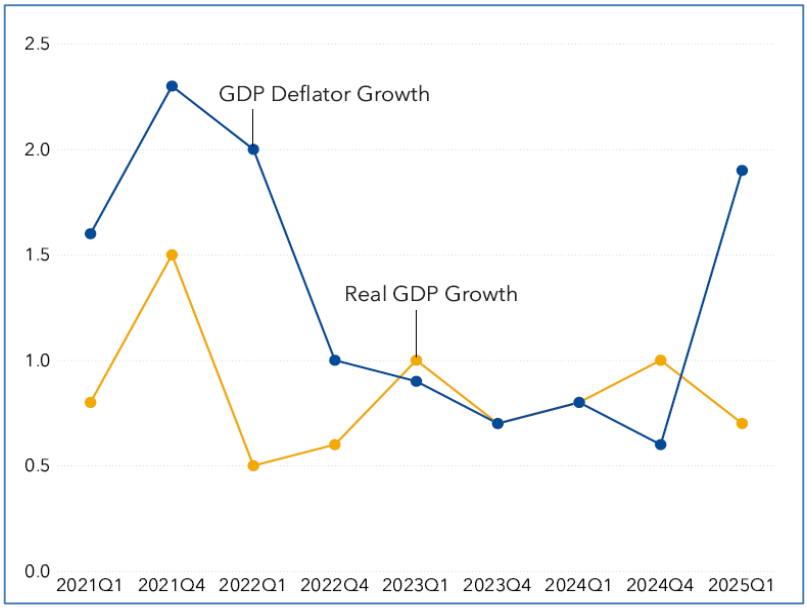
Source- IMF

Global inflation

- According to IMF, economy-wide prices, as measured by the World GDP deflator, grew by 1.9 percent in 2025Q1, the fastest increase since 2022Q2. This was a sharp uptick on the 0.6 percent increase seen in the previous quarter and well above the pre-pandemic average of 0.5 percent.

- Prices increased in all regions, but most markedly in Asia, Europe, and the Americas.

Figure 3: Global Growth in Q1 2025-26 (%)



Source- IMF

Note- The GDP deflator is a price index that measures the average level of prices of all domestically produced final goods and services in an economy over a given period. It is calculated by dividing the economy's nominal GDP (GDP valued at current prices) by its real GDP (GDP adjusted for inflation). This allows economists to determine the extent of price changes, or inflation, impacting the GDP.

Global Trade

- Global trade has shown resilience in the face of persistent shocks, including recent tariff hikes. Frontloaded imports and improved macroeconomic conditions have provided a modest lift to the 2025 outlook. However, the full impact of recent tariff measures is still unfolding. The shadow of tariff uncertainty continues to weigh heavily on business confidence, investment, and supply chains. Uncertainty remains one of the most disruptive forces in the global trading environment.

- Asian economies are projected to remain the largest positive driver of world merchandise trade volume growth in 2025.

- North America will weigh negatively on global trade growth in both 2025 and 2026, but its negative impact this year will be smaller than previously estimated due to stronger-than-expected frontloading of imports in the US in the first quarter.

- Meanwhile, Europe's contribution to trade in 2025 has gone from moderately positive to slightly negative.

- Other regions, including economies whose exports are largely energy products, will see their positive contribution to trade growth shrink between 2025 and 2026 as lower oil prices reduce export revenues and dampen import demand.

- North America's imports are expected to decline by 8.3% in 2025, less than the 9.6% drop foreseen in the April forecast. This positive impact was matched by a stronger-than-expected 4.9% rise in exports of Asia, up from 1.6% in the previous forecast. Europe's export and import growth this year of -0.9% and 0.4% respectively will be slightly weaker than predicted in April while North America's exports will be less negative. (-4.2%).

Figure 4: Merchandise trade volume growth, 2023-26 (% annual change)

	2023	2024	2025 [a]	2026 [a]
World Trade [b]	**-1.0**	**2.9**	**0.9**	**1.8**
Exports				
North America	3.6	2.3	-4.2	0.7
Europe	-2.9	-1.7	-0.9	3.6
Asia	0.2	8.0	4.9	1.3
Rest of World	3.9	3.6	1.2	1.3
Imports				
North America	-2.2	4.7	-8.3	-2.4
Europe	-5.0	-2.2	0.4	2.7
Asia	-0.7	4.4	3.3	2.8
Rest of World	4.9	8.2	6.8	2.7

Source- WTO

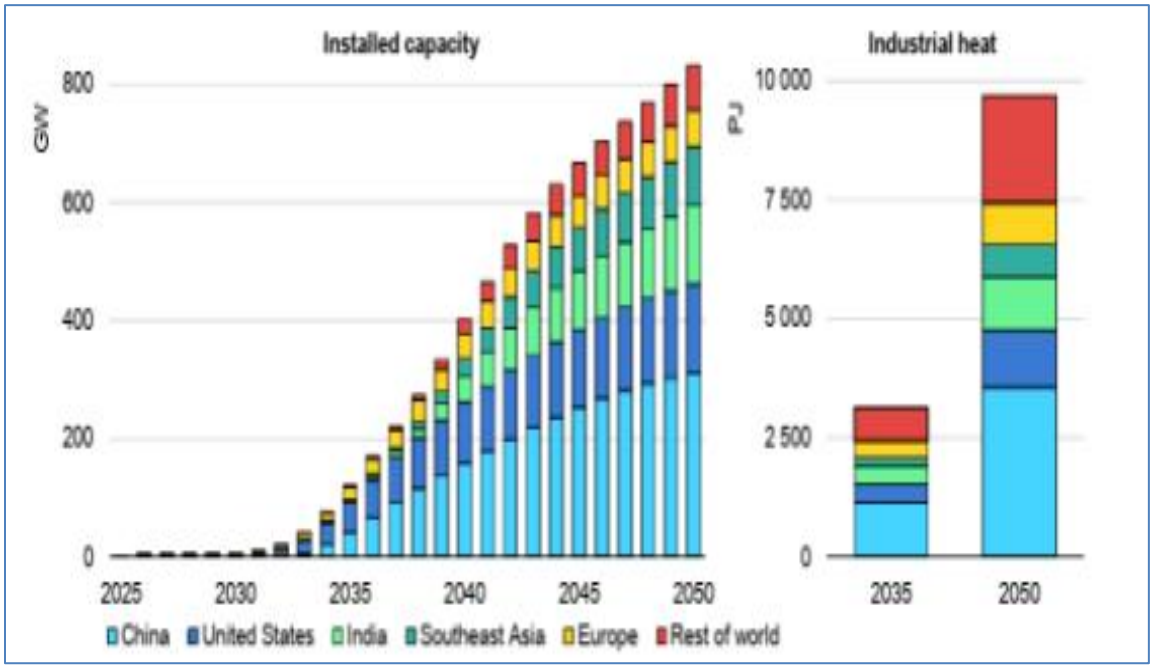
2. Geothermal Energy Could Meet 15% of Global Power Demand by 2050: IEA

Geothermal capacity has the potential to meet up to 15% of the global electricity demand growth by 2050 with continued technological improvements and a reduction in project costs, according to the International Energy Agency's (IEA) 'The Future of Geothermal Energy' report.

The geothermal energy potential is increasing as developers access higher heat resources at greater depths by exploring and utilizing newer technologies. Primarily, two new drilling methods, geothermal systems (EGS) and advanced geothermal systems (AGS), are being explored. These methods reduce the need for natural-reservoir dependency and enable the technical exploitation of geothermal heat in almost any location. These new drilling technologies, which explore resources at depths beyond 3 km, increase the potential for geothermal energy in nearly all countries.

Utilizing thermal resources at depths below 8 km can provide nearly 600 TW of geothermal capacity with an operating lifespan of 25 years. According to the report, Africa has one-fifth (115 TW) of EGS power potential and the largest untapped conventional geothermal potential. The technical potential of geothermal energy would be more than enough to meet all electricity and heat demand in Africa, China, Europe, Southeast Asia, and the U.S.

Figure 5: Market potential for next-generation power capacity & industrial heat by region, 2025-2050



Source- IEA

The cost-effective deployment with newer drilling technologies could effectively generate 8,000 terawatt-hours (TWh) per year. Currently, geothermal accounts for less than 1% of global energy demand, with primary activity concentrated in the U.S., Iceland, Indonesia, Türkiye, Kenya, and Italy. On average, global geothermal capacity has a utilization rate of over 75% in 2023, compared to 30% in wind and less than 15% in solar projects.

Policy changes

According to IEA, policy support is lagging for large-scale adoption of geothermal energy. More than 100 countries have policies in place for solar and/or onshore wind, but less than 30 have implemented policies for geothermal. The IEA has urged governments to elevate geothermal energy on the energy policy agenda by incorporating it as a prominent part of national energy planning, with dedicated goals and technology roadmaps. The report recommends creating risk mitigation programs for early-stage project development in collaboration with national, regional, and international finance institutions. To attract investments on a scale, IEA stressed the importance of long-term revenue certainty and fair remuneration, supported by contracts and programs that value geothermal ’s contribution to grid adequacy and flexibility.

Outlook

Global conventional geothermal capacity is expected to increase by almost 50% to 22 GW by 2030 and to nearly 60 GW by 2050 in the IEA Stated Policies Scenario. Under this scenario, projects currently under development and planned for the upcoming decade will be deployed in accordance with existing government policies. Beyond 2030, the untapped economic potential of hydrothermal resources, long-term government goals, and increasing geothermal competitiveness are expected to drive further growth through 2050.

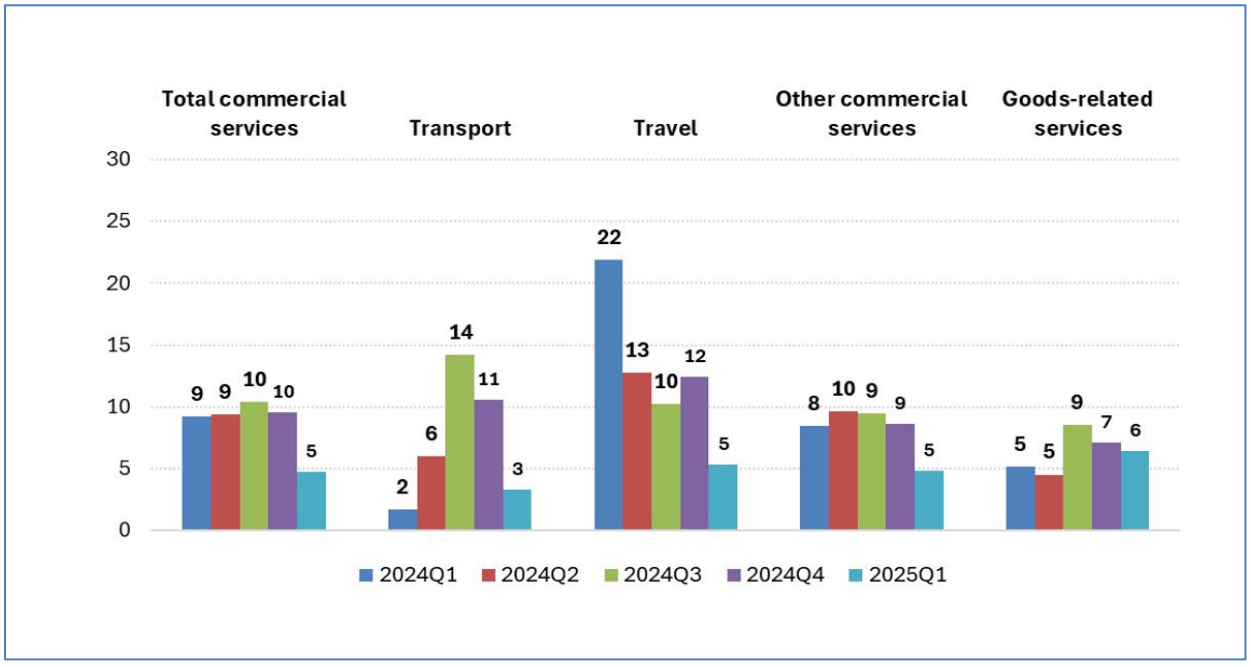
3. Services trade growth slows in first quarter of 2025- World Trade Organisation (WTO)

According to WTO, global services trade growth slowed in the first quarter of 2025 to 5% year-on-year, roughly half the pace recorded in both 2024 and 2023. The appreciation of the US dollar against the euro and other currencies, coupled with increased economic uncertainty, contributed to the slowdown in services trade in the early months of the year.

Services exports in Europe and North America increased by only 3% year-on-year in the first quarter of 2025, down from 8% and 11% respectively in the first quarter of 2024. In contrast, strong growth was sustained in Asia at 9%.

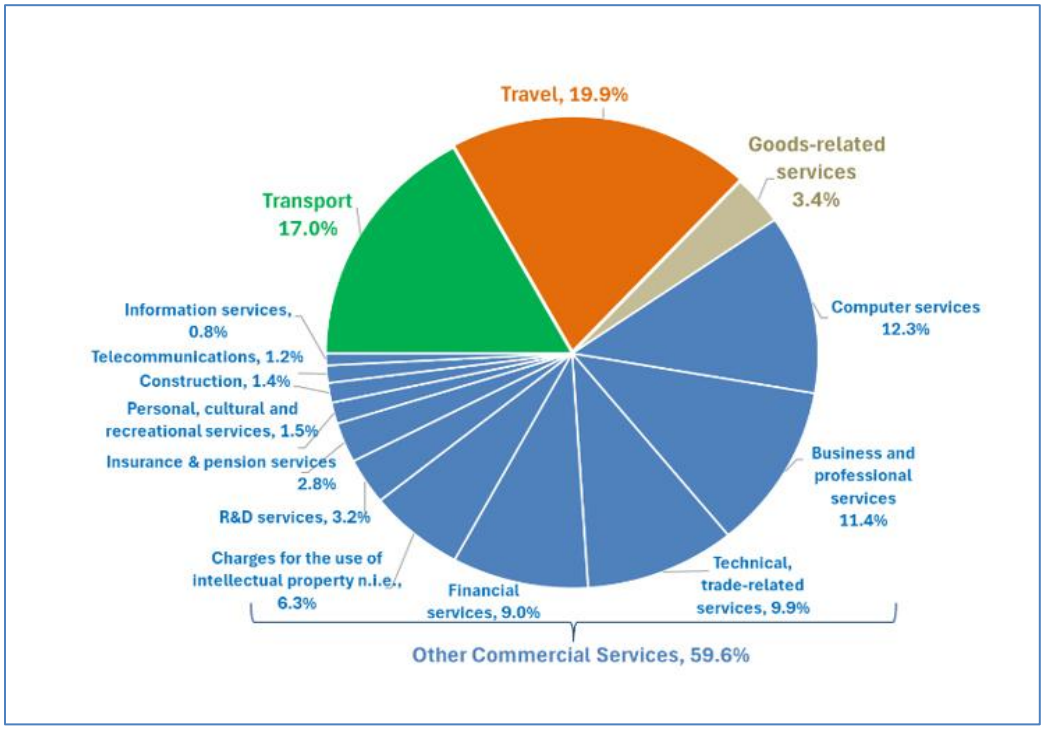
The overall slowdown in services trade was mainly due to "Other commercial services," a category that encompasses a wide variety of mostly digitally deliverable services ranging from financial to professional services. In 2024, "Other commercial services" accounted for some 60% of global services trade, with Europe contributing 40% of those exports.

Figure 6: Commercial services trade growth by main sector, 2024Q1-2025Q1 (y-o-y, % change)



Source- WTO UNCTAD estimates

Figure 7: Structure of world exports of commercial services, 2024 (%) shares



Source- WTO UNCTAD estimates

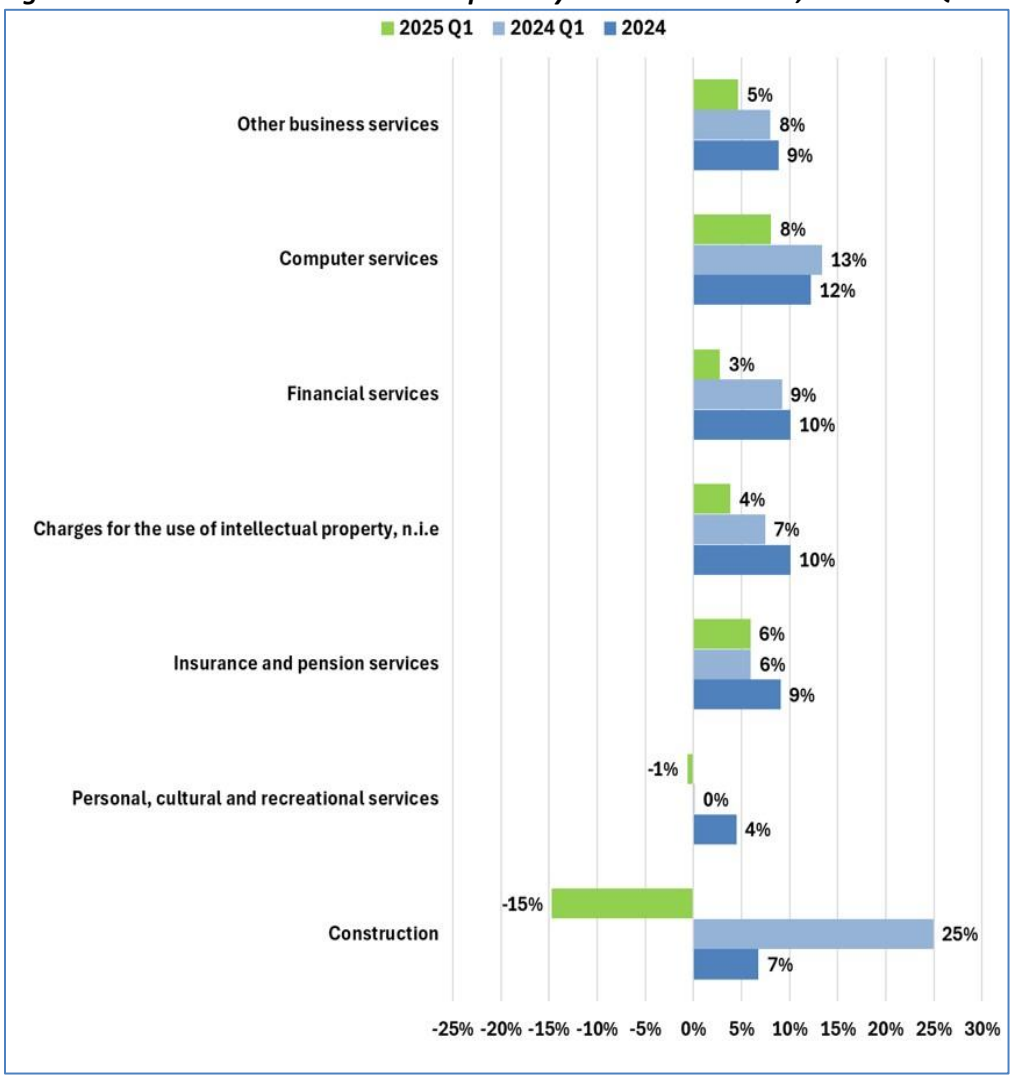
The analysis shows a deceleration across selected subsectors of "Other commercial services" in the first quarter of 2025 compared with the same period of 2024. Growth in "Other business services," covering various professional, technical, and trade-related services, as well as research and development services, moderated. The United States posted a subdued 4% year-on-year increase in "Other business services" following an 8% expansion in the same period of 2024.

Financial services exports grew by only 3% year-on-year in the first quarter of 2025, reflecting reduced investment activity amid increased global economic uncertainty. Exports from both the European Union and the United States rose just 2% year-on-year while Switzerland's exports fell by 3%. The United Kingdom, on the contrary, posted a robust 10% year-on-year increase sustained by double digit growth in exports to the United States (+13%).

Global construction exports fell by 15% year-on-year in the first quarter of 2025, reversing part of the strong 25% growth recorded during the same period in 2024. The decline reflects weaker performance across several key economies, including China (-25%), which alone accounted for over 28% of global construction exports in 2024, the Republic of Korea (-15%), and the European Union (-6%).

Computer services exports were only marginally affected by the broader slowdown, as strong global demand for artificial intelligence (AI), digital transformation, and cybersecurity solutions continued to drive growth. During the period, India's computer services exports grew by 13%, while Ireland recorded a 9% increase.

Figure 8: Other commercial services exports by selected subsector, 2024 and Q1 2025 (y-o-y %)



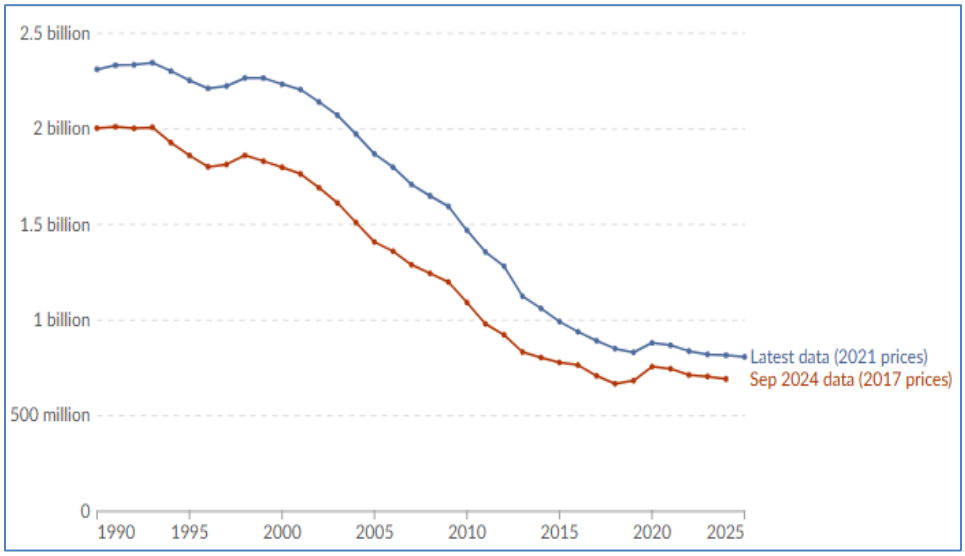
Source- WTO

4. A new poverty line has shifted the World Bank's data on extreme poverty

In June 2025, the World Bank announced a major change to the International Poverty Line (IPL), raising it significantly, from $2.15 to $3 per day. This increase partly reflects inflation — a consequence of the World Bank using international dollars at 2021 prices, updated from 2017 prices. To track progress towards ending extreme poverty by 2030, the United Nations relies on the World Bank to estimate the share of people living below a certain threshold, called the International Poverty Line (IPL).

The poverty line has increased in real terms. And with it, so have the World Bank's estimates of extreme poverty. 125 million people who would not have been counted as extremely poor before June are now included. According to the June 2025 update, 817 million people lived in extreme poverty in 2024 under the new $3 a day line. This is 125 million more than the previous estimate based on the old $2.15 definition. The below figure compares the September 2024 data with the latest World Bank data.

Figure 9: Number of people living in extreme poverty: September 2024 data vs. latest data



Source- World Bank Poverty and Inequality Platform (2025)

5. Indian Economy

India's economic growth

- According to Ministry of Statistics and Programme Implementation (MoSPI), India's real GDP which measures the output of economy after removing effect of inflation expanded by 6.5% in 2024-25. The Reserve Bank of India expects this pace to continue into 2025–26.
- India's economy shows robust expansion, with real GDP for FY25 estimated at Rs. 1,87,97,000 crore (US$ 2.20 trillion), from Rs. 1,76,51,000 crore (US$ 2.06 trillion) in FY24 with a growth rate of 6.5%.
- By 2030, India is set to become the world's third-largest economy with a projected GDP of $7.3 trillion.
- Capital expenditure (CAPEX) builds long-term assets that boost national investment, enhance efficiency, create jobs, and raise productivity while generating sustained revenue. In 2024-25, capital expenditure was ₹10.52 trillion, surpassing the revised estimates. The quality of expenditure, measured as the ratio of capital expenditure to revenue expenditure, has remained higher than 0.27 for the past three years, almost double the pre-COVID average.
- In July 2025, the Goods and Services Tax (GST) completed eight years since its rollout. By improving transparency and efficiency, GST has helped lay the foundation for a stronger, more integrated economy. There are over 1.52 crore active GST registrations; Top 5 states accounted for ~50% of total Active GST Tax Payers.

INDEX OF EIGHT CORE INDUSTRIES (BASE YEAR: 2011-12=100) FOR JULY, 2025

- The combined Index of Eight Core Industries (ICI) increased by 2.0 per cent (provisional) in July, 2025 as compared to the Index in July, 2024. The production of Steel, Cement, Fertilizer and Electricity recorded growth in July, 2025.

- The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP).

- The final growth rate of Index of Eight Core Industries for June 2025 was observed at 2.2 per cent. The cumulative growth rate of ICI during April to July, 2025-26 is 1.6 per cent (provisional) as compared to the corresponding period of last year.

The summary of the Index of Eight Core Industries is given below:

- Coal - Coal production (weight: 10.33 per cent) declined by 12.3 per cent in July, 2025 over July, 2024. Its cumulative index declined by 3.1 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Crude Oil - Crude Oil production (weight: 8.98 per cent) declined by 1.3 per cent in July, 2025 over July, 2024. Its cumulative index declined by 1.7 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Natural Gas - Natural Gas production (weight: 6.88 per cent) declined by 3.2 per cent in July, 2025 over July, 2024. Its cumulative index declined by 2.6 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Petroleum Refinery Products - Petroleum Refinery production (weight: 28.04 per cent) declined by 1.0 per cent in July, 2025 over July, 2024. Its cumulative index declined by 0.3 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Fertilizers - Fertilizer production (weight: 2.63 per cent) increased by 2.0 per cent in July, 2025 over July, 2024. Its cumulative index declined by 2.2 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Steel - Steel production (weight: 17.92 per cent) increased by 12.8 per cent in July, 2025 over July, 2024. Its cumulative index increased by 8.5 per cent during April to July, 2025-26 over corresponding period of the previous year.

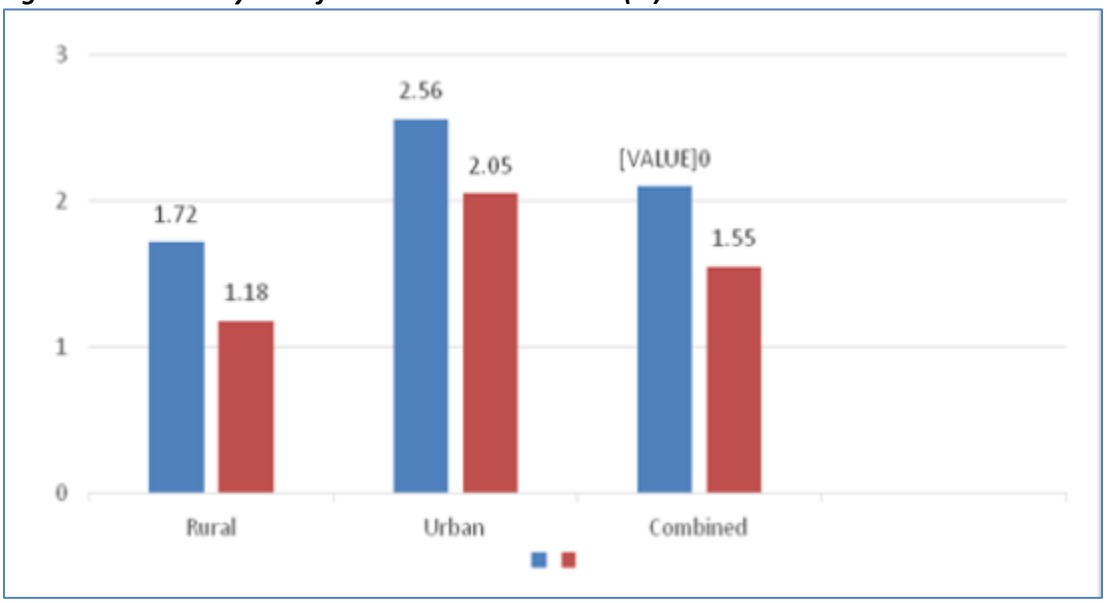
- Cement - Cement production (weight: 5.37 per cent) increased by 11.7 per cent in July, 2025 over July, 2024. Its cumulative index increased by 8.9 per cent during April to July, 2025-26 over corresponding period of the previous year.

- Electricity - Electricity generation (weight: 19.85 per cent) increased by 0.5 per cent in July, 2025 over July, 2024. Its cumulative index declined by 1.0 per cent during April to July, 2025-26 over corresponding period of the previous year.

Inflation in India

- Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of July, 2025 over July, 2024 is 1.55% (Provisional). There is decline of 55 basis points in headline inflation of July, 2025 in comparison to June, 2025. It is the lowest year-on-year inflation rate after June, 2017.

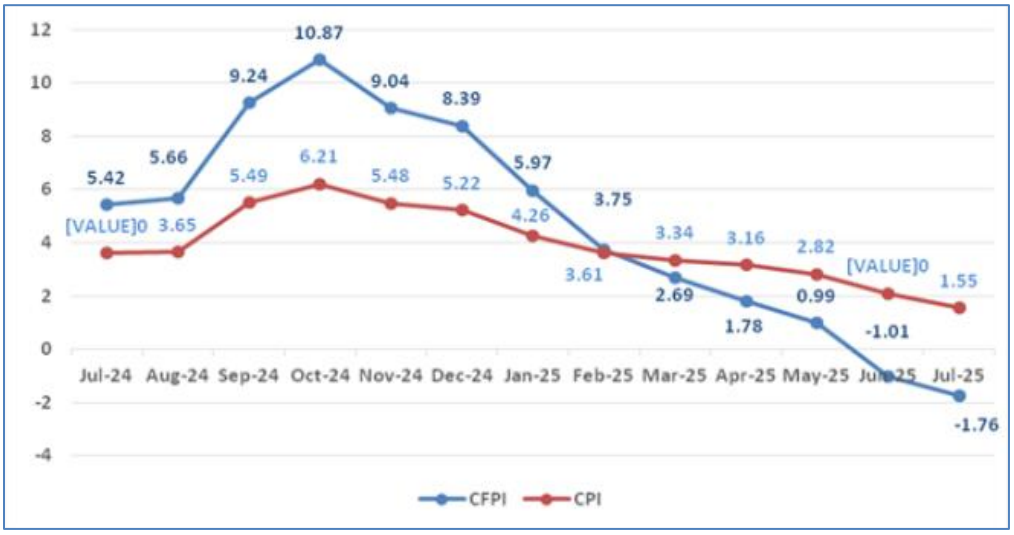
Figure 10: Year on year inflation rate based on CPI (%)



Source- NSO

- Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of July, 2025 over July, 2024 is -1.76% (Provisional). Corresponding inflation rates for rural and urban are -1.74% and -1.90%, respectively. All India inflation rates for CPI (General) and CFPI over the last 13 months are shown below. A decline of 75 basis points is observed in food inflation in July, 2025 in comparison to June, 2025. The food inflation in July, 2025 is the lowest after January, 2019.

Figure 11: All India inflation rates for CPI (General) and CFPI



Source- NSO

- The significant decline in headline inflation and food inflation during the month of July, 2025 is mainly attributed to favourable base effect and to decline in inflation of Pulses and Products, Transport and communication, Vegetables, Cereal and products, Education, Egg and Sugar and confectionery.

- **Rural Inflation:** Significant decline in headline and food inflation in rural sector observed in July, 2025. The headline inflation is 1.18% (Provisional) in July, 2025 while the same was 1.72% in June, 2025. The CFPI based food inflation in rural sector is observed as -1.74% (Provisional) in July, 2025 in comparison to -0.87% in June, 2025.

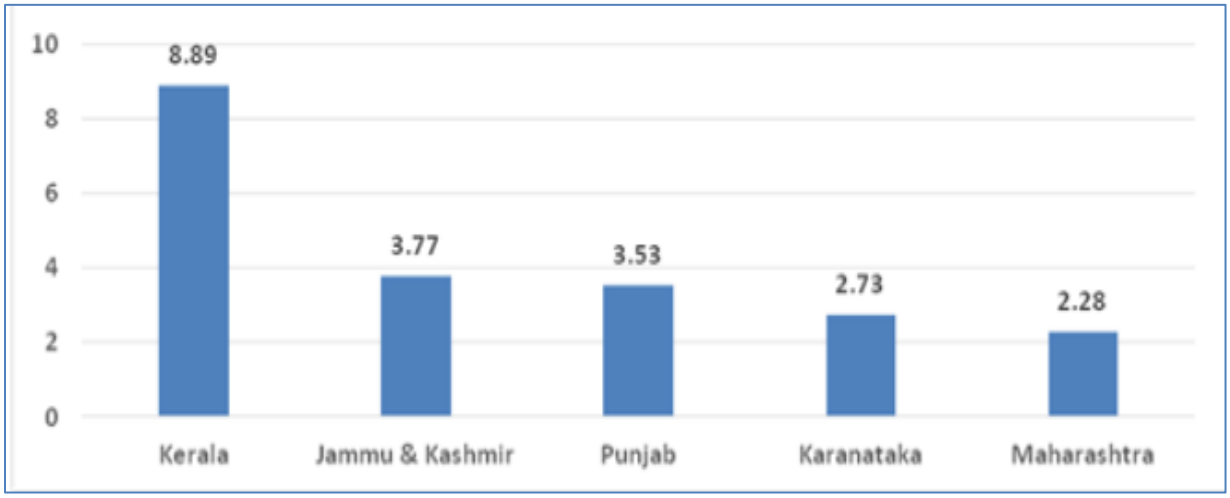
- Urban Inflation: A decline from 2.56% in June, 2025 to 2.05% (Provisional) in July, 2025 is observed in headline inflation of urban sector. Decline is also observed in food inflation from -1.17% in June, 2025 to -1.90% (Provisional) in July, 2025.

- Housing Inflation: Year-on-year Housing inflation rate for the month of July, 2025 is 3.17% (Provisional). Corresponding inflation rate for the month of June, 2025 was 3.18%. The housing index is compiled for urban sector only.

- **Fuel & light:** Year-on-year Fuel & light inflation rate for the month of July, 2025 is 2.67% (Provisional). Corresponding inflation rate for the month of June, 2025 was 2.55%. It is combined inflation rate for both rural and urban sector.

Top five major states with high Year on Year inflation for the month of July, 2025 are shown in the graph below.

Figure 12: Top five major states with high Year on Year inflation for the month of July, 2025



Source- NSO

Manufacturing PMI – India

- India's private sector economy recorded its fastest growth since the start of survey data in December 2005, with the headline HSBC Flash India Composite PMI Output Index rising over four points to 65.2 from 61.1 in July, according to S&P Global.
- Both manufacturing and services sectors reported accelerated growth, with services outperforming and registering a fresh survey high in business activity. The services sector spearheaded this growth with HSBC Flash India Services PMI Business Activity Index soaring to a survey high of 65.6 from 60.5 in the last month.
- The HSBC Flash India Manufacturing PMI rose to 59.8 in August from 59.1 in July, its highest reading since January 2008, signaling faster improvement in factory operating conditions.
- Demand conditions strengthened further, with both goods producers and service providers recording sharp increases in new business. Export orders grew at the fastest pace since composite data collection began in 2014, supported by stronger inflows from Asia, the Middle East, Europe and the US.
- Hiring activity continued for the 27th straight month. Overall job creation quickened in August, driven by stronger employment growth in services, which offset a marginal slowdown in manufacturing.

India's external position

India's forex reserves

- India's forex reserves surged by $1.48 billion to $695.10 billion for the week ending August 15, according to the data released by Reserve Bank of India.
- For the week ending on August 15, foreign currency assets, a major component of the reserves, increased $1.92 billion to $585.90 billion.
- Gold reserves were down by $2.16 billion to stand at $86.16 billion during the week.
- India's special drawing rights (SDRs) with the International Monetary Fund (IMF) rose by $41 million to $18.782 billion.
- As per the data, India's reserve position with the IMF was up by $15 million at $4.75 billion in the reporting week.

India's foreign trade position

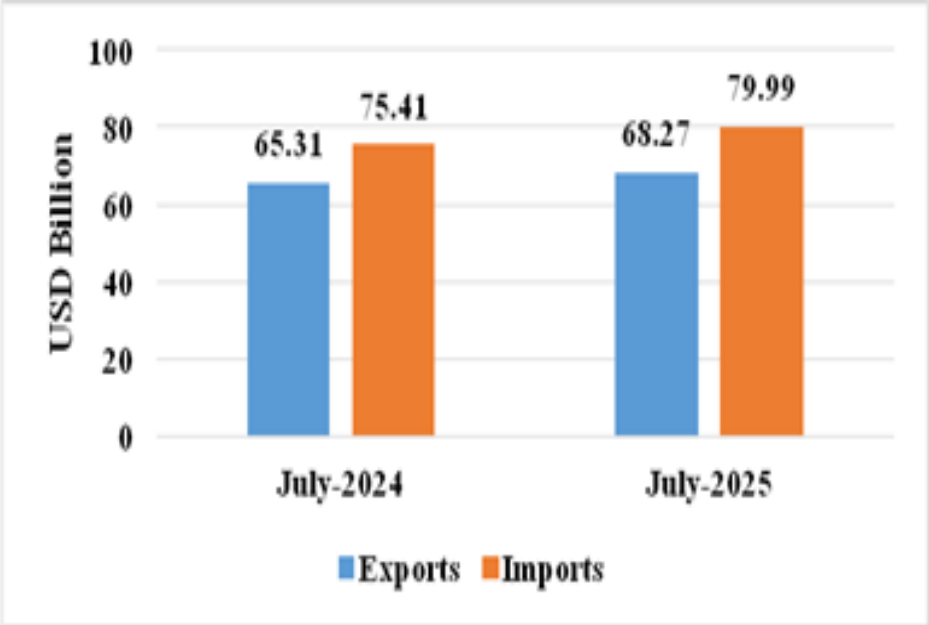
- India's total exports (Merchandise and Services combined) for July 2025 is estimated at US$ 68.27 Billion, registering a growth of 4.52 percent vis-à-vis July 2024.
- Total imports (Merchandise and Services combined) for July 2025 is estimated at US$ 79.99 Billion, registering a growth of 6.07 percent vis-à-vis July 2024.

Table 1: Trade during July 2025

		July 2025 (USD Billion)	July 2024 (USD Billion)
Merchandise	Exports	37.24	34.71
	Imports	64.59	59.48
Services	Exports	31.03	30.60
	Imports	15.40	15.94
Total Trade (Merchandise + Services)	Exports	68.27	65.31
	Imports	79.99	75.41
	Trade Balance	**-11.72**	**-10.10**

Source- Ministry of Commerce & Industry

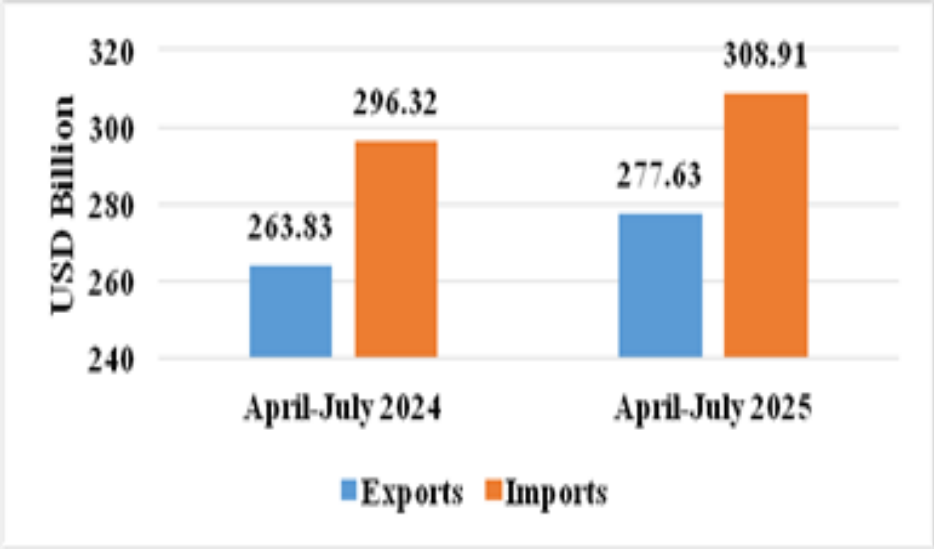
Figure 13: Total Trade during July 2025



Source- RBI

India's total exports during April-July 2025 is estimated at US$ 277.63 Billion registering a growth of 5.23 percent. Total imports during April-July 2025 is estimated at US$ 308.91 Billion registering a growth of 4.25 percent.

Figure 14: Total Trade during April- July 2025



Source- RBI

- Exports of Other Cereals (71.97%), Coffee (67.46%), Electronic Goods (33.89%), Meat, Dairy & Poultry Products (31.19%), Gems & Jewellery (28.95%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (27.11%), Jute Mfg. Including Floor Covering (26.34%), Oil Seeds (22.68%), Tea (18.97%), Cereal Preparations & Miscellaneous Processed Items (14.49%), Drugs &

Pharmaceuticals (14.06%), Marine Products (14.02%), Engineering Goods (13.75%), Ceramic Products & Glassware (12.27%), Rice (10.96%), Cashew (10.96%), Handicrafts Excl. Hand Made Carpet (10%), Carpet (8.05%), Leather & Leather Products (7.79%), Organic & Inorganic Chemicals (7.19%), Fruits & Vegetables (6.58%), Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc. (5.18%), Rmg Of All Textiles (4.75%), Tobacco (4.51%), Plastic & Linoleum (4.39%), Man-Made Yarn/Fabs./Made-Ups Etc. (4.05%) and Spices (4.01%) record positive growth during July 2025 over the corresponding month of last year.

- Imports of Pulses (-51.62%), Leather & Leather Products (-41.1%), Newsprint (-25.73%) and Coal, Coke & Briquettes, etc. (-20.93%) record negative growth during July 2025 over the corresponding month of last year.

- Services exports is estimated to grow by 7.86 percent during April-July 2025 over April-July 2024. Top 5 export destinations, in terms of change in value, exhibiting growth in July 2025 vis a vis July 2024 are U S A (19.94%), U Arab Emts (11.69%), China P Rp (27.39%), Spain (60.12%) and Hong Kong (66.43%).

- Top 5 export destinations, in terms of change in value, exhibiting growth in April-July 2025 vis a vis April-July 2024 are U S A (21.64%), China P Rp (19.97%), U Arab Emts (4.62%), Kenya (64.05%) and Germany (14.37%).

- Top 5 import sources, in terms of change in value, exhibiting growth in July 2025 vis a vis July 2024 are Saudi Arab (41.34%), Hong Kong (45.78%), Ireland (375.56%), Peru (249.3%) and U S A (13.78%).

- Top 5 import sources, in terms of change in value, exhibiting growth in April-July 2025 vis a vis April-July 2024 are China P Rp (13.06%), U Arab Emts (17.67%), Ireland (302.8%), U S A (12.33%) and Hong Kong (36.87%).

6. S&P upgrades India to BBB with a Stable Outlook, highlighting Economic Resilience and Sustained Fiscal Consolidation

Standard & Poor's (S&P) Global Ratings upgrades India's long-term sovereign credit rating to 'BBB' from 'BBB-' and its short-term rating to 'A-2' from 'A-3', with a Stable Outlook. The rating upgrade is a significant affirmation of India's economic trajectory and prudent fiscal management. This marks the country's first sovereign upgrade by S&P in 18 years, the previous one being in 2007 when India was elevated to investment grade at BBB-. In May 2024, the agency revised its outlook on India from 'Stable' to 'Positive'.

As per S&P's India sovereign rating review, the upgrade reflects a combination of key factors, including India's buoyant and dynamic economic growth, the government's sustained commitment to fiscal consolidation, improved quality of public spending, particularly on capex and infrastructure, and strong

corporate, financial, and external balance sheets. Credible inflation management and increasing policy predictability have also played a central role.

S&P in its report details the key strengths of the Indian economy, which have enabled India to stand out as one of the fastest-growing major economies globally, with real GDP growth averaging 8.8 per cent from FY22 to FY24, the highest in the Asia-Pacific region. Monetary policy reforms, particularly the adoption of an inflation-targeting regime, have anchored inflation expectations more effectively, the agency stated. S&P has also recognised that despite global headwinds and price shocks, India has demonstrated resilience by maintaining overall price stability.

The report further observes that India's external and financial positions remain strong and the democratic institutions continue to ensure policy continuity and long-term economic stability.

Looking ahead, S&P projects GDP growth of 6.5 per cent in FY26 and a continued momentum over the next three years. The agency suggested that a narrowing fiscal deficit and continued public investment could support further positive rating actions. The report also noted that the impact of recently imposed U.S. tariffs is expected to be limited, owing to India's large and resilient domestic consumption base.

7. India Launches a Pioneering India Electric Mobility Index (IEMI) to Track States/UTs Progress in EV Transition- Niti Aayog

NITI Aayog launched the India Electric Mobility Index (IEMI), a first-of-its-kind tool developed to comprehensively track and benchmark the progress of States and Union Territories (UTs) in achieving their Electric Mobility goals.

The India Electric Mobility Index (IEMI) tracks, evaluates, and scores all Indian States and UTs out of 100 across 16 indicators under three-core themes: **Transport Electrification Progress** to capture demand-side adoption, **Charging Infrastructure Readiness** to track allied charging infrastructure development and **EV Research and Innovation Status**: Covers supply-side ecosystem R&D efforts.

The IEMI enables evaluation across states and union territories, identifying key drivers of success as well as areas requiring targeted interventions. The Index aims to inform decision-making, foster healthy competition among states, and promote sharing of best practices.

The Index underscores the importance of state-level coordination, integrated planning, and cross-sectoral collaboration in achieving India's electric mobility vision. By identifying strengths and gaps, the Index aims to support states in aligning with national goals while addressing local needs.

India seeks to attain a 30% share of electric vehicles, in the total vehicles sold, by 2030. Sale of EVs in India went up from 50,000 in 2016 to 2.08 million in 2024 as against global EV sales having risen from 918,000 in 2016 to 18.78 million in 2024. Thus, India's transition has been slow to start, but it is picking up. India's EV penetration was only about one – fifth of the global penetration in 2020, but has picked up to over

two-fifth of the global penetration in 2024. It continues to show an increasing trend, though relatively slow. This calls for measures to give a stronger push to the EV transition.

8. India has a critical opportunity to drive resilient urban development- World Bank report

A new World Bank report notes that Indian cities hold tremendous potential as centres of economic growth with 70 percent of new jobs coming from cities by 2030. However, timely action is needed for cities to deal with impacts from extreme weather events and avert billions of dollars in future losses.

The report titled ***Towards Resilient and Prosperous Cities in India***, prepared in close collaboration with the Ministry of Housing and Urban Affairs, states that with India's urban population expected to almost double by 2050 to 951 million, more than 144 million new homes will be needed by 2070. At the same time, intense heat waves and urban heat island effects are already causing temperatures in city centres to rise by over 3-4 degrees over surrounding areas. The rapid growth of built-up areas is also reducing cities' capacity to absorb storm water, making them more vulnerable to floods.

The new report, which studied 24 Indian cities, with a special focus on Chennai, Indore, New Delhi, Lucknow, Surat and Thiruvananthapuram, finds that timely adaptation can avert billions of dollars of annual losses from future weather-related shocks. For example, annual pluvial flood-related losses can be averted and can amount to $5 billion by 2030, and $30 billion by 2070. Investments in adaptation will also save over 130,000 lives from extreme heat impacts by 2050.

With over 50 percent of the urban infrastructure required for 2050 still to be built, India has a critical opportunity to drive resilient urban infrastructure development.

To urgently help Indian cities and support vulnerable populations, this report outlines key recommendations:

1. Implement programs to address extreme urban heat and flooding, including better regulation of stormwater, green spaces, installation of cool roofs, and effective early warning systems.

2. Invest in resilient infrastructure and municipal services, energy efficient and resilient housing, modernize solid waste management, and make urban transport flood resilient.

3. Improve access to urban finance through better private sector engagement.

The report estimates that investments of over $2.4 trillion will be needed by 2050 to meet the need for new, resilient, and low-carbon infrastructure and services in cities. The private sector's role will be critical in meeting these investments.

The report cites how several cities in India are already taking urgent steps to build resilience. Ahmedabad has developed a Heat Action Plan model which aims to strengthen early warning systems, improve healthcare readiness, increase green cover and shift work schedules for outdoor laborers. Kolkata has adopted a city-level flood forecasting and warning system. Indore has invested in a modern solid waste management system, improving cleanliness and supporting green jobs. Chennai has

adopted a climate action plan based on thorough risk assessment and targeting both adaptation and low-carbon growth.

9. EPFO Records All-Time Highest Net Addition of Nearly 22 Lakh Members during June 2025

The Employees' Provident Fund Organization (EPFO) has released provisional payroll data for June 2025, revealing a net addition of 21.89 lakh members, marking the highest recorded addition since payroll data tracking began in April 2018. This figure depicts an increase of 9.14 % in net payroll additions during the current month as compared to the previous month of May 2025.

Further, the year-on-year analysis reveals a growth of 13.46 % in net payroll additions in June 2025 compared to June 2024, signifying increased employment opportunities and heightened awareness of employee benefits, bolstered by EPFO's effective outreach initiatives.

Key highlights of the EPFO Payroll Data (June 2025) are as follows:

New Subscribers:

EPFO enrolled around 10.62 lakh new subscribers in June 2025, representing a 12.68% increase over May 2025 and a growth of 3.61% compared to June 2024. This increase in new subscribers can be attributed to growing employment opportunities, increased awareness of employee benefits, and EPFO's successful outreach programs.

Age Group 18-25 Leads Payroll Addition:

A noticeable aspect of the data is the dominance of the 18-25 age group. EPFO added 6.39 lakh new subscribers in the 18-25 age group, constituting a significant 60.22% of the total new subscribers added in June 2025. New subscribers in the 18-25 age group added in the month show an increase of 14.08% compared to the previous month of May 2025.

Further, the net payroll addition for the age group 18-25 for June 2025 is approximately 9.72 lakh, reflecting an increase of 11.41% from the previous month of May 2025 and a growth of 12.15% from the previous year in June 2024. This is in consonance with the earlier trend which indicates that most individuals joining the organized workforce are youth, primarily first-time job seekers.

Rejoined Members:

Approximately 16.93 lakh members, who had exited earlier, rejoined EPFO in June 2025. This figure depicts a 5.09% increase over May 2025. It also displays a significant 19.65% year-over-year growth compared to June 2024.

Growth in Female Membership:

Around 3.02 lakhs new female subscribers joined EPFO in June 2025. It reflects an increase of 14.92% compared to the previous month of May 2025. It also depicts year-over-year growth of 1.34% compared to June 2024.

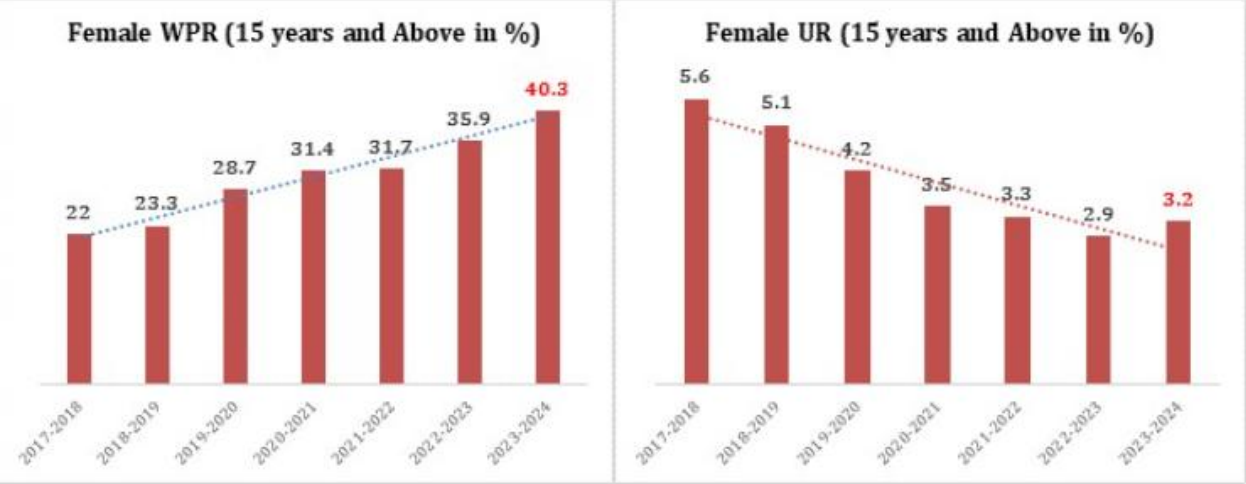
Further, the net female payroll addition during the month stood at around 4.72 lakh, with a month-on-month increase of 11.11% compared to May 2025 and a significant year over year growth of 10.29% compared to June 2024. The growth in female member additions is indicative of a broader shift towards a more inclusive and diverse workforce.

State-wise Contribution:

State-wise analysis of payroll data denotes that the top five states/ UTs constitute around 61.51% of net payroll addition, adding a total around 13.46 lakh net payroll during the month. Of all the states, Maharashtra is leading by adding 20.03% of net payroll during the month. The states/UTs of Maharashtra, Karnataka, Tamil Nadu, Gujarat, Haryana, Delhi, Uttar Pradesh, and Telangana individually added more than 5% of the total net payroll during the month.

10. Women's employment rate nearly doubled between 2017-18 to 2023-24, shows Periodic Labor Force Survey (PLFS) data

India has witnessed a remarkable increase in the female workforce participation rate, PLFS data shows that the women's employment rate (WPR) grew from 22% in 2017-18 to 40.3% in 2023-24, while the unemployment rate (UR) dropped from 5.6% in 2017-18 to 3.2% in 2023-24, reflecting positive growth in employment opportunities for women. This shift is even more significant in rural India, where female employment has grown by 96%, while urban areas have seen an increase of 43% in employment during the same period.



Source- Ministry of Labour & Employment

Reports indicate that the employability of female graduates has also increased from 42% in 2013 to 47.53% in 2024. The employment rate (WPR) among women with postgraduate education and above has risen from 34.5% in 2017-18 to 40% in 2023-24.

As per India Skills Report 2025, nearly 55 percent of Indian graduates are expected to be globally employable in 2025, up from 51.2 percent in 2024.

Efforts by the Government of India are contributing to growth in women entrepreneurs. At the National level, 70 central schemes across 15 Ministries and more than 400 State-level schemes focus on supporting female entrepreneurship. PLFS data shows that female self-employment grew by 30% - from 51.9% in 2017-18 to 67.4% in 2023-24, making women truly Atmanirbhar.

Gender budgets have increased by 429% in the last decade, rising from ₹0.85 lakh crore in FY 2013-14 (RE) to Rs. 4.49 lakh crore in FY 2025-26. This reflects a paradigm shift from women's development to women-led development, with a strong focus on employment, employability, entrepreneurship, and welfare.

Lessons from Economics

Carbon Intensity Indicator (CII)

A Carbon Intensity Indicator (CII) is an economic concept used in the shipping industry, as defined by the International Maritime Organization (IMO). It measures a ship's energy efficiency by calculating its CO2 emissions per unit of transport work (grams of CO2 per cargo capacity per nautical mile) annually. CII requires yearly data collection, verification, and a resulting environmental rating (A-E) to track performance and incentivize continuous improvement in reducing carbon emissions, with a particular focus on existing ships.

Calculating carbon intensity using CII

CII will be used by the IMO to assess how efficiently a ship is operating and is calculated using the following carbon intensity formula:

Annual Efficiency Ratio (AER) = (Annual Fuel Consumption X CO2 Emission Factor*) / (Annual Distance Sailed X Design Deadweight of the Vessel**)

*A ship's CO2 emission factor is calculated based on the type of fuel used to power it. **A ship's design deadweight is the maximum amount of cargo plus crew, fuel, etc. that it can carry.

Rating System:

Each ship will get a CII rating of A, B, C, D, or E, with A being the best possible mark. A ship that is rated D for three consecutive years, or E in one year (e.g. those with the highest carbon intensity) will be required to submit a "corrective action plan" that outlines how the vessel will be brought to a minimum C rating.

Scope:

It applies to ships above a certain size, specifically 5,000 GT and above. This includes bulk carriers, gas carriers, tankers, container ships, general cargo ships, refrigerated cargo carriers, cruise ships, combination carriers, LNG carriers, vehicle carriers, and more.

In January 2023, all ships will be required to submit an enhanced **Ship Energy Efficiency Management Plan (SEEMP)** to the IMO. The latest SEEMP requirements include mandatory content related to CII; that is, each SEEMP will be required to detail the actions that a shipping company will take to improve the energy efficiency of a vessel in a cost-effective manner.

The SEEMP of every vessel must include the following key information:

- The required Annual Operational CII for the next three years.
- An implementation plan describing how the Required Annual Operational CII target will be achieved over the next three years.

- How the shipping company calculates and reports the vessel's Attained Annual Operational CII. This metric is compared to the Required Annual Operational CII each year to track progress.
- A plan for the ship's continued self-evaluation and improvement.

Monitoring:

The IMO also plans to make its CII ratings more difficult to achieve each year, to motivate ship operators to continuously optimize. Critically, the IMO is encouraging key maritime shipping stakeholders, such as port authorities, to award incentives to companies that use ships with high CII ratings. Economic Significance

Oil Market

Crude oil price – Monthly Review

Oil prices have been caught in the crosshairs of fast-changing market dynamics. While new sanctions on Russia and Iran threaten to impact trade flows, weaker economic growth is poised to temper demand. Volatility in oil markets slumped to near all-time lows in July as Brent crude oil futures hovered around $70/bbl. However, the early August OPEC+ supply agreement and the prospects for untenable stock builds later in the year saw Brent crude futures slip to around $67/bbl.

Global oil demand growth for 2025 has been repeatedly downgraded since the start of the year, by a combined 350 kb/d. Demand is now projected to rise by around 700 kb/d this year and next. The latest data show lacklustre demand across the major economies and, with consumer confidence still depressed, a sharp rebound appears remote. Consumption in emerging and developing economies has been weaker than expected, with China, Brazil, Egypt and India all revised down compared with last month's Report. Aviation has been an exception, with robust summer travel propelling jet fuel demand to all-time highs in both the United States and Europe.

While oil market balances look ever more bloated as forecast supply far eclipses demand towards year-end and in 2026, additional sanctions on Russia and Iran may curb supplies from the world's third and fifth largest producers. At the end of July, the U.S. Department of the Treasury announced its most significant Iran-related sanctions since 2018, aimed at making it more difficult for Iran to sell its oil. Washington is also pressuring major buyers of Russian crude oil, most notably India, to scale back purchases. For its part, the European Union has imposed a ban on imports of oil products refined from Russian crude oil starting in January 2026.

Spot prices showed a mixed trajectory in July, despite robust physical market fundamentals during the summer holiday season, as uncertainties in the futures market influenced spot price performance. Prices were supported by strong refining margins in Europe and the US Gulf Coast (USGC), along with a continued increase in global refinery intakes, reflecting firm demand, particularly for transportation fuels. This strength was especially evident in gasoil/diesel margins. The medium sour benchmark Dubai averaged higher last month, buoyed by firm demand from Asia-Pacific buyers, which reduced the availability of prompt loading cargoes.

Hedge funds significantly raised their bullish bets on ICE Brent, with net long positions surging by 56.8%, anticipating disruptions from potential US tariffs. In contrast, NYMEX WTI net long positions fell sharply by 50.7%, likely reflecting concerns over weakening short-term US economic and demand growth following new tariff announcements.

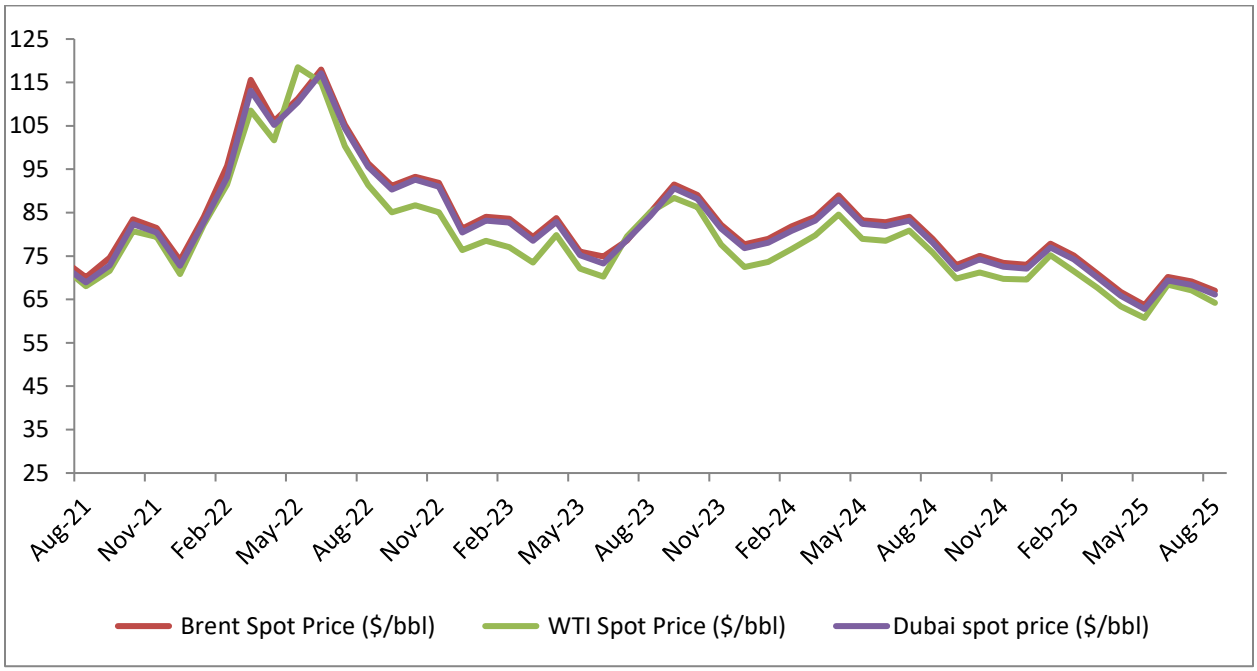
Sweet–sour crude differentials showed divergent trends between the East and West of Suez markets. In the Asia-Pacific, the premium of light sweet crude over medium sour crude narrowed amid a strong sour crude market and a sharp rise in middle distillate margins. Meanwhile, in Europe and the USGC, sweet –

sour differentials widened, supported by robust fundamentals in the light sweet crude market and a slight easing in sour crude values.

In July, the OPEC Reference Basket (ORB) value increased by $1.24, m-o-m, to settle at $70.97/b as most ORB component values rose, supported primarily by the higher value of the Dubai benchmark and higher crude differentials.

Brent crude ranged an average to $67.03 a barrel and WTI ranged to $64.18 per barrel in the month of August 2025.

Figure 15: Benchmark price of Brent, WTI and Dubai crude



Source- World Bank

- Brent crude price averaged $67.03 per bbl in August 2025, down by 3.1% on a month on month (MoM) and by 15.1% on year on year (YoY) basis, respectively.
- WTI crude price averaged $64.18 per bbl in August 2025, down by 4.3% on a month on month (MoM) and by 15.3% on year on year (YoY) basis, respectively.
- Dubai crude price averaged $66.17 per bbl in August 2025, down by 3.1% on a month on month (MoM) and by 15.3% on year on year (YoY) basis, respectively.

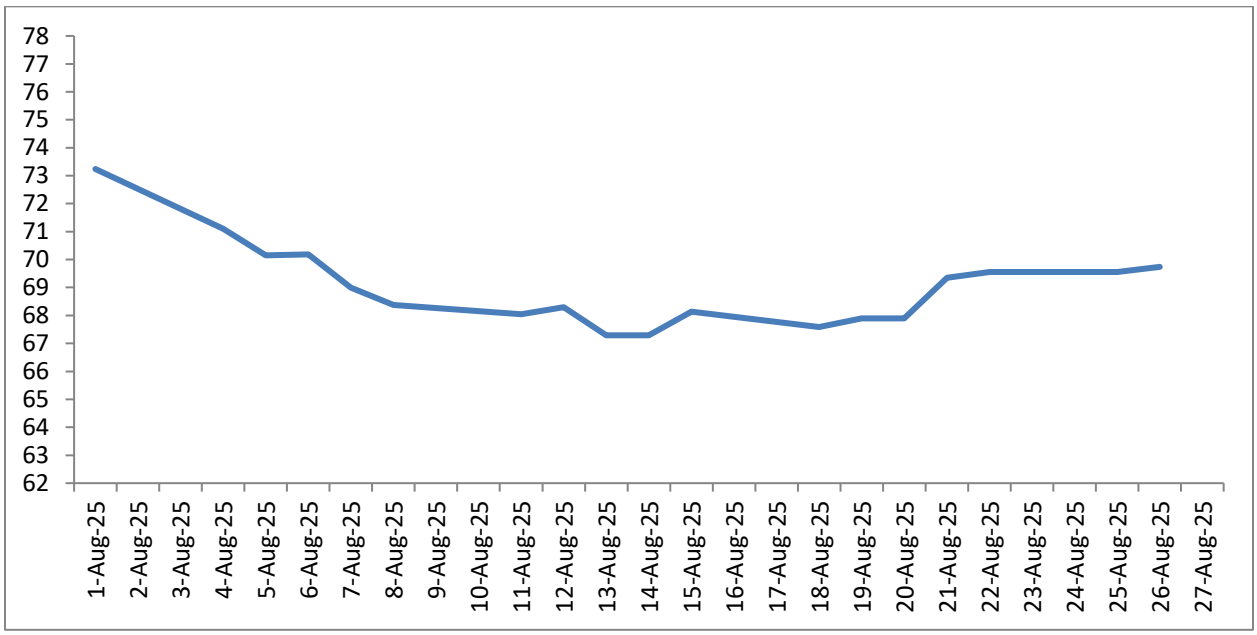
Table 2: Crude oil price in August, 2025

Crude oil	Price ($/bbl)	MoM (%) change	YoY (%) change
Brent	67.03	-3.1%	-15.1%
WTI	64.18	-4.3%	-15.3%
Dubai	66.17	-3.1%	-15.3%

Source- World Bank

Indian Basket Crude oil price

Figure 16: Indian crude oil basket price in $ per bbl



Source- PPAC

- Indian crude basket price averaged $69.11 per barrel in August 2025, down by 2.6% on Month on Month (M-o-M) and by 11.7% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

- Non-DoC liquids production (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is forecasted to grow by about 0.8 mb/d, y-o-y, in 2025.

- The main growth drivers are expected to be the US, Brazil, Canada and Argentina. The non-DoC liquids production growth forecast for 2026 is revised down slightly by 0.1 mb/d to average 0.6 mb/d, y-o-y, with Brazil, the US, Canada and Argentina as the main growth drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecasted to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.7 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.8 mb/d. Crude oil production by countries participating in the DoC increased by 335 tb/d in July, m-o-m, to average about 41.94 mb/d, according to available secondary sources.

Table 3: Non-DoC liquids production in 2025, mb/d

Non-OPEC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025
Americas	27.71	28.06	28.31	28.11	28.08	28.14
of which US	*21.76*	*21.82*	*22.37*	*22.12*	*21.96*	*22.07*
Europe	3.53	3.59	3.53	3.55	3.61	3.57
Asia Pacific	0.44	0.40	0.44	0.43	0.42	0.42
Total OECD	**31.68**	**32.05**	**32.28**	**32.09**	**32.12**	**32.13**
China	4.56	4.69	4.66	4.50	4.53	4.59
India	0.81	0.83	0.82	0.82	0.80	0.82
Other Asia	1.61	1.63	1.63	1.57	1.57	1.60
Latin America	7.23	7.42	7.59	7.50	7.65	7.54
Middle East	1.99	2.01	2.01	2.00	2.00	2.01
Africa	2.33	2.32	2.25	2.29	2.29	2.29
Other Eurasia	0.37	0.36	0.35	0.37	0.36	0.36
Other Europe	0.10	0.09	1.10	0.10	0.10	0.10
Total Non-OECD	**19.00**	**19.35**	**19.42**	**19.15**	**19.31**	**19.31**
Total Non-DoC production	50.58	51.40	51.70	51.24	51.43	51.44
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	**53.20**	**53.97**	**54.27**	**53.81**	**54.00**	**54.01**

Source- OPEC monthly report, August 2025

- From the above table, it can be inferred, that the total non-DoC liquids production is expected to reach 54.01 mb/d by 2025.
- The non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is forecasted to grow by about 0.8 mb/d, y-o-y in 2025.

Oil demand situation

- The global oil demand growth forecast for 2025 remains at 1.3 mb/d, year-on-year (y-o-y), unchanged from last month's assessment. Some minor adjustments were made, mainly due to actual data for 1Q25 and 2Q25. In the OECD, oil demand is forecasted to grow by about 0.1 mb/d in 2025, while non-OECD demand is forecasted to grow by about 1.2 mb/d in 2025.
- In 2026, global oil demand is forecasted to grow by 1.4 mb/d, y-o-y, revised up by 0.1 mb/d from last month's assessment, on the back of supportive economic activities. The OECD is projected to grow by about 0.2 mb/d, y-o-y, while the non-OECD is forecast to grow by 1.2 mb/d, y-o-y.

Table 4: World Oil demand, mb/d

	2024	1Q25	2Q25	3Q25	4Q25	2025	Growth	%
Total OECD	**45.67**	**45.15**	**45.62**	**46.32**	**46.13**	**45.81**	**0.14**	**0.31**
~ of which US	*20.42*	*20.42*	*20.48*	*20.67*	*20.72*	*20.57*	*0.15*	*0.73*
Total Non-OECD	**58.17**	**59.13**	**58.72**	**59.21**	**60.23**	**59.33**	**1.15**	**1.99**
~ of which India	*5.55*	*5.70*	*5.70*	*5.50*	*5.91*	*5.70*	*0.15*	*2.70*
~ of which China	16.65	16.86	16.47	17.03	17.04	16.85	0.20	1.20
Total world	**103.84**	**104.29**	**104.34**	**105.53**	**106.36**	**105.14**	**1.29**	**1.25**

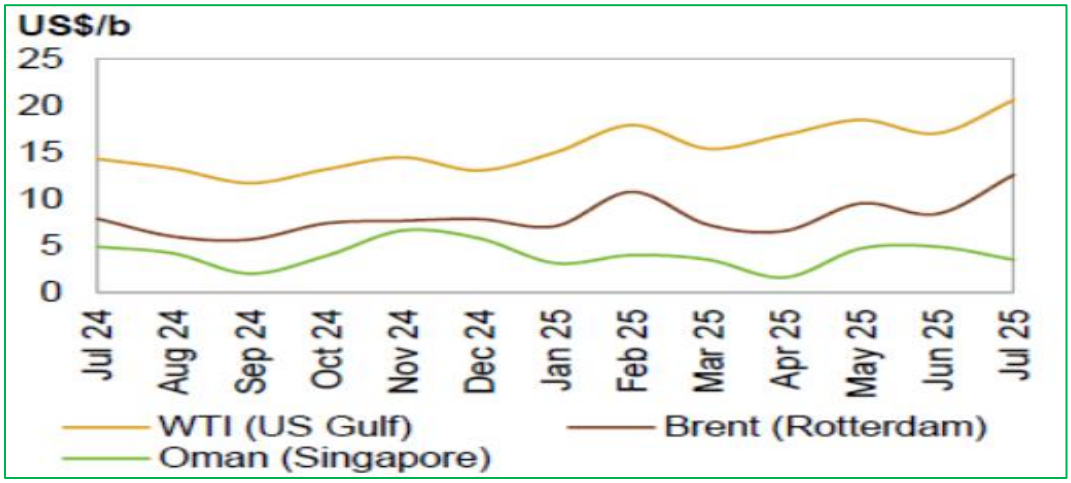
Source- OPEC monthly report, August 2025

Global petroleum product prices

USGC refining margins against WTI reached a 16-month high in July. Tighter middle distillate balances in the USGC amid historically low diesel inventories and diesel production constraints exerted upward pressure on diesel/gasoil prices and crack spreads. These dynamics positioned diesel as the main margin driver in July. The resulting rise in diesel/gasoil margins likely contributed to a call for higher diesel yields at the cost of that for jet/kerosene. This, coupled with healthy air travel activities over the summer season and the subsequent uptick in jet/kerosene demand, likely contributed to higher jet/kerosene margins in the Atlantic Basin. Additionally, slight naphtha and gasoline gains further contributed to the upturn in July USGC refining margins. According to preliminary data, refinery intake in the USGC remained nearly flat and added only 10 tb/d to the previous month's level, to average 17.24 mb/d in July. USGC margins against WTI averaged $20.62/b in July, up by $3.57, m-o-m, and up by $6.29, y-o-y.

Refinery margins in Rotterdam against Brent jumped and exhibited the largest m-o-m increase compared to other key trading hubs. This was possibly a result of the EU's 18th package of sanctions against Russia, as secondary sources reported possible signs of trade disruptions for Russian products. According to Vortexa, Russia's oil product exports declined in July to their lowest level in nine months amid reduced refinery rates and a spike in domestic summer demand. Vortexa data also showed refined fuel flows falling 4%, m-o-m, to 2.1 mb/d.

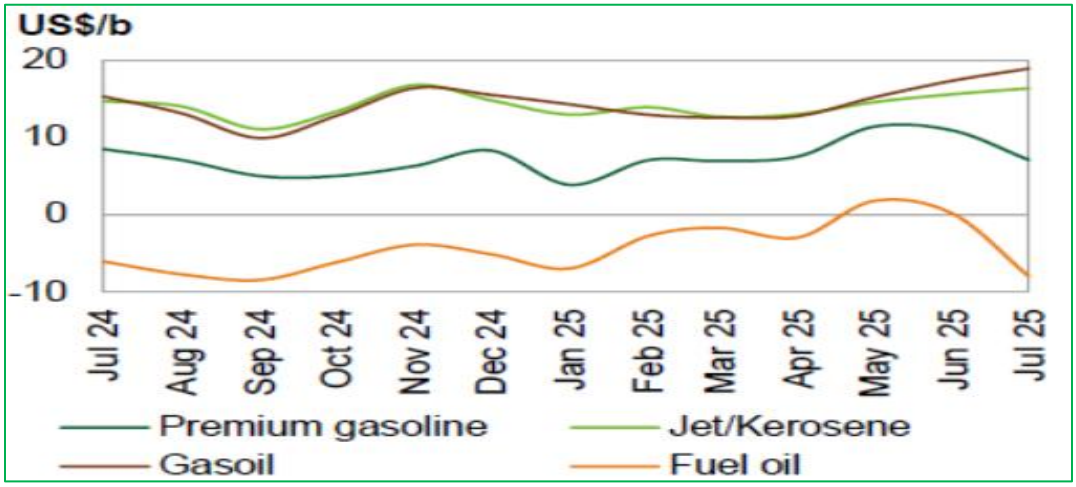
Figure 17: Refining Margins ($/bbl)



Source- Argus and OPEC

The Southeast Asia gasoline 92 crack spread against Dubai declined, showing losses for the third consecutive month, with rising refinery output within the region and lengthened gasoline balances exerting downward pressure on gasoline margins. The margin averaged $7.08/b in July, down $3.80, m-o-m, and down $1.40, y-o-y.

Figure 18: Singapore crack Spreads vs. Dubai ($/bbl)



Source- Argus and OPEC

The Singapore gasoil crack spread kept its upward momentum and reached a new multi-month high in July, outperforming all other products to become the main margin contributor. Moreover, the gasoil crack spread differential widened in July as gasoil margins continued to outperform those of jet/kerosene due to a contraction in gasoil availability. The middle distillate market tightness in the northern hemisphere added support as it provided an arbitrage opening for middle distillate flows from Asia to the Atlantic Basin. The Singapore gasoil crack spread against Dubai averaged $18.90/b, up $1.57, m-o-m, and $3.61, y-o-y.

Table 5: Singapore FOB, refined product prices ($/bbl) in July 2025

Singapore product prices	Price ($/b)	MoM (%) change	YoY (%) change
Naphtha	62.89	-1.9%	-15.9%
Premium gasoline (unleaded 95)	79.59	-2.9%	-17.5%
Regular gasoline (unleaded 92)	77.90	-2.7%	-15.5%
Jet/Kerosene	87.14	2.8%	-11.4%
Gasoil/Diesel (50 ppm)	90.49	4.3%	-8.7%
Fuel oil (180 cst 2.0% S)	88.34	3.8%	-10.4%
Fuel oil (380 cst 3.5% S)	62.84	-9.3%	-19.0%

Source- OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in July 2025 with a volume of 19.43 MMT registered de-growth of 4.02% on volume of 20.24 MMT in July 2024.
- MS (Petrol) consumption during the month of July 2025 with a volume of 3.49 MMT recorded a growth of 5.93% on volume of 3.30 MMT in July 2024.
- HSD (Diesel) consumption during the month of July 2025 with a volume of 7.36 MMT recorded growth of 2.36% on volume of 7.19 MMT in the month of July 2024.
- LPG consumption during the month of July 2025 with a volume of 2.78 MMT registered a growth of 4.76% over the volume of 2.65 MMT in the month of July 2024.
- ATF consumption during July 2025 with a volume of 0.710 MMT registered de-growth of 2.35% over the volume of 0.727 MMT in July 2024.
- Bitumen consumption during July 2025 with a volume of 0.458 MMT registered growth of 12.17% over volume of 0.408 MMT in the month of July 2024.
- Kerosene consumption registered de-growth of 11.37% during the month of July 2025 as compared to July 2024.

Table 6: Petroleum products consumption in India, July 2025 and Year till Date (YTD)

	Monthly			Year till Date	
Consumption of Petroleum Products (P)	**Consumption in '000 MT**	**MoM (%) change**	**YoY (%) change**	**Consumption in '000 MT**	**YoY (%) change**
LPG	2,775	10.4%	4.8%	10,483	7.50%
Naphtha	1,000	-2.2%	-18.3%	3,903	-14.12%
MS	3,493	-0.8%	5.9%	14,246	6.79%
ATF	710	-2.8%	-2.3%	2,987	2.31%
SKO	36	-11.5%	-11.4%	142	5.66%
HSD	7,363	-9.1%	2.4%	32,317	2.55%
LDO	86	-0.5%	41.3%	339	41.69%
Lubricants & Greases	403	6.3%	26.9%	1,545	-3.56%
FO & LSHS	459	-1.3%	-9.4%	1,885	-15.28%
Bitumen	458	-32.8%	12.2%	2,858	-2.35%
Petroleum coke	1,802	-1.3%	-23.9%	6,984	-5.98%
Others	841	-1.0%	-42.0%	3,391	-29.32%
TOTAL	**19,427**	**-3.9%**	**-4.0%**	**81,080**	**-0.42%**

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 $3.20 per million British thermal units (MMBtu) in July 2025. Henry Hub's natural gas prices rebounded in July after four consecutive months of decline, increasing by 6.0%, m-o-m. Prices rose on the back of higher LNG exports and reports of lower storage levels. According to data from the US Energy Information Administration, average weekly natural gas storage increased by 7.9%, m-o-m, in July; however, it was down by 4.9%, y-o-y, signaling higher consumption. Prices were up by 54.6%, y-o-y.

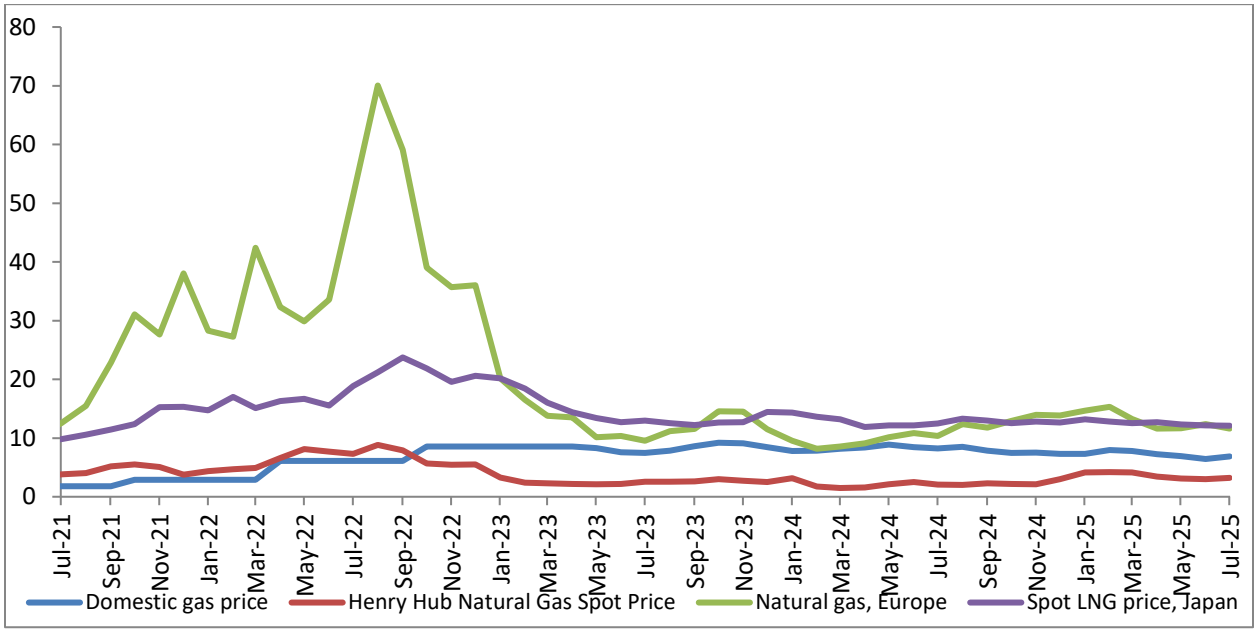
- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of $11.62 per MMBtu. The average Title Transfer Facility (TTF) receded after two consecutive months of gains, falling by 6.0%, m-o-m. Prices experienced elevated volatility throughout the month amid geopolitical developments in the region and maintenance outages at key Norwegian facilities. However, higher US LNG imports in the period eased market concerns on supply risk and lowered the geopolitical risk premium on prices. According to data from Gas Infrastructure Europe, EU storage levels rose to 68.6% as of the end of July, up from 58.9% in June, a 9.8 pp increase. Prices were up by 12.3%, y-o-y.

- Japan Liquefied Natural Gas Import Price averaged at $12.10 per MMBtu for July 2025. There is a change of -0.6% from last month and 3.1% 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, 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.

Figure 19: Global natural gas price trends ($/mmbtu)



Source- EIA, World Bank

Table 7: Gas price, July 2025

Natural Gas	Price ($/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (Aug'25)	7.02	1.89%	-17.51%
India, Gas price ceiling – difficult areas (Apr-Sep'25)	10.04	-1.18%	1.72%
GIXI (Gas index of India) price*	11.9	3%	-8%
Henry Hub	3.20	6.0%	54.6%
Natural Gas, Europe	11.62	-6.1%	12.3%
Liquefied Natural Gas, Japan	12.10	-0.6%	-3.1%

Source- EIA, PPAC, World Bank, IGX

**Prices are weighted average prices (excluding ceiling price gas)*

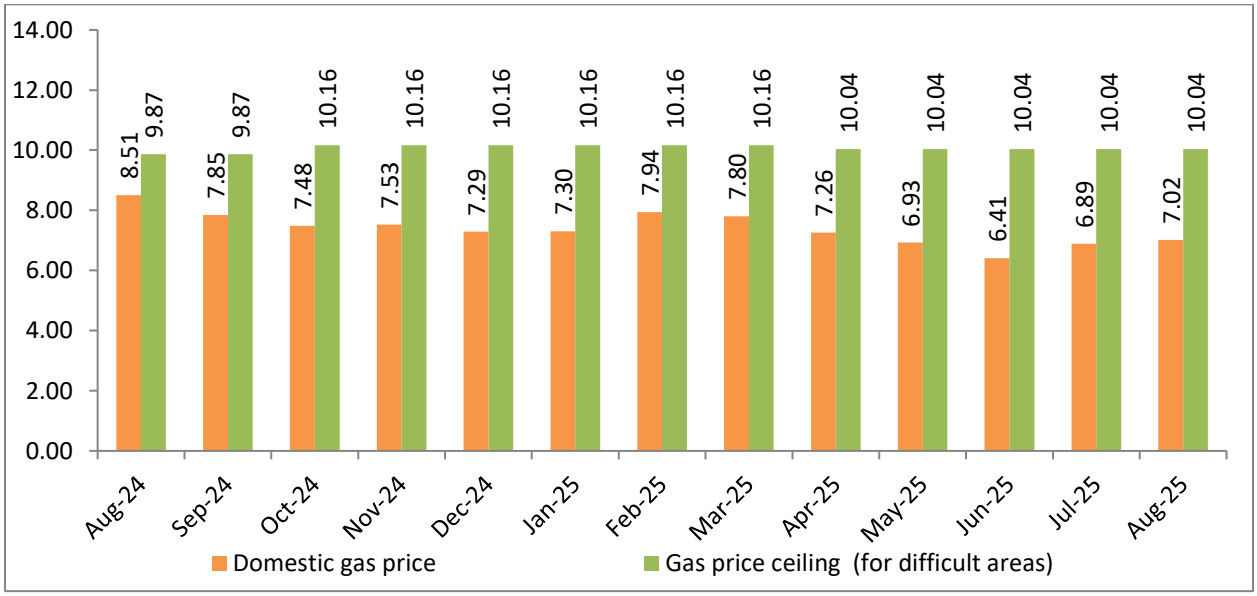
Table 8: Gas price, GCV Basis

Period	Domestic Gas calculated price in US$/MMBTU	Gas price ceiling – difficult areas price in US$/MMBTU
1-31 May 2023	8.27	12.12
1-30 June 2023	7.58	12.12
1-31 July 2023	7.48	12.12
1-31 August 2023	7.85	12.12
1-30 September 2023	8.60	12.12
1-31 October 2023	9.20	9.96
1-30 November 2023	9.12	9.96

Period	Domestic Gas calculated price in US$/MMBTU	Gas price ceiling – difficult areas price in US$/MMBTU
1-31 December 2023	8.47	9.96
1-31 January 2024	7.82	9.96
1-29 February 2024	7.85	9.96
1-31 March 2024	8.17	9.96
1-30 April 2024	8.38	9.87
1-31 May 2024	8.90	9.87
1-30 June 2024	8.44	9.87
1-31 July 2024	8.24	9.87
1-31 August 2024	8.51	9.87
1-30 September 2024	7.85	9.87
1-31 October 2024	7.48	10.16
1-30 November 2024	7.53	10.16
1-31 December 2024	7.29	10.16
1-31 January 2025	7.30	10.16
1-28 February 2025	7.94	10.16
1-31 March 2025	7.80	10.16
1-30 April 2025	7.26	10.04
1-31 May 2025	6.93	10.04
1-30 June 2025	6.41	10.04
1-31 July 2025	6.89	10.04
1-31 August 2025	7.02	10.04

Source- PPAC

Figure 20: Domestic natural gas price July'24–25 ($/mmbtu)



Source- PPAC

Indian Gas Market*

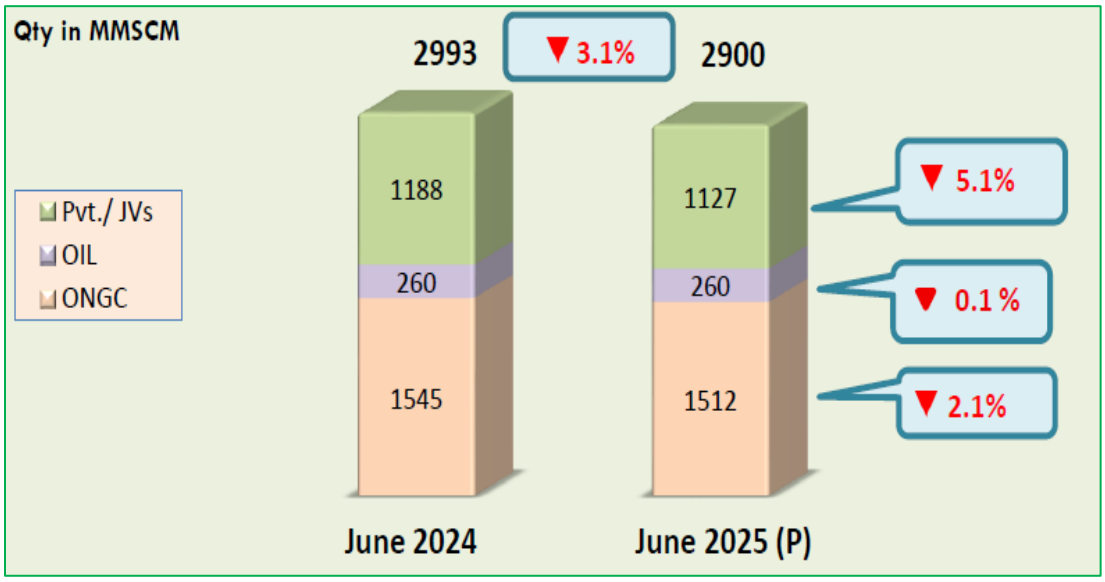
- Gross production of natural gas for the month of June 2025 (P) was 2900 MMSCM which was lower by 3.1% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of June 2025 (P) was 2946 MMSCM (lower by 14.9% over the corresponding month of the previous year).
- Natural Gas available for Sale during June 2025 (P) was 5382 MMSCM (P) (increase of 10.5% over the corresponding month of the previous year).
- Total Gas Consumption Availability during June 2025 (P) was 5805 MMSCM (Provisional). Major consumers were Fertilizer (29%), City Gas Distribution (CGD) (23%), Power (13%), Refinery (7%) and Petrochemicals (7%).

Monthly Report on Natural gas production, imports, and consumption – June 2025*

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of June 2025 was 2900 MMSCM (decrease of 3.1% over the corresponding month of the previous year).

Figure 21: Domestic natural gas Gross production (Qty in MMSCM)

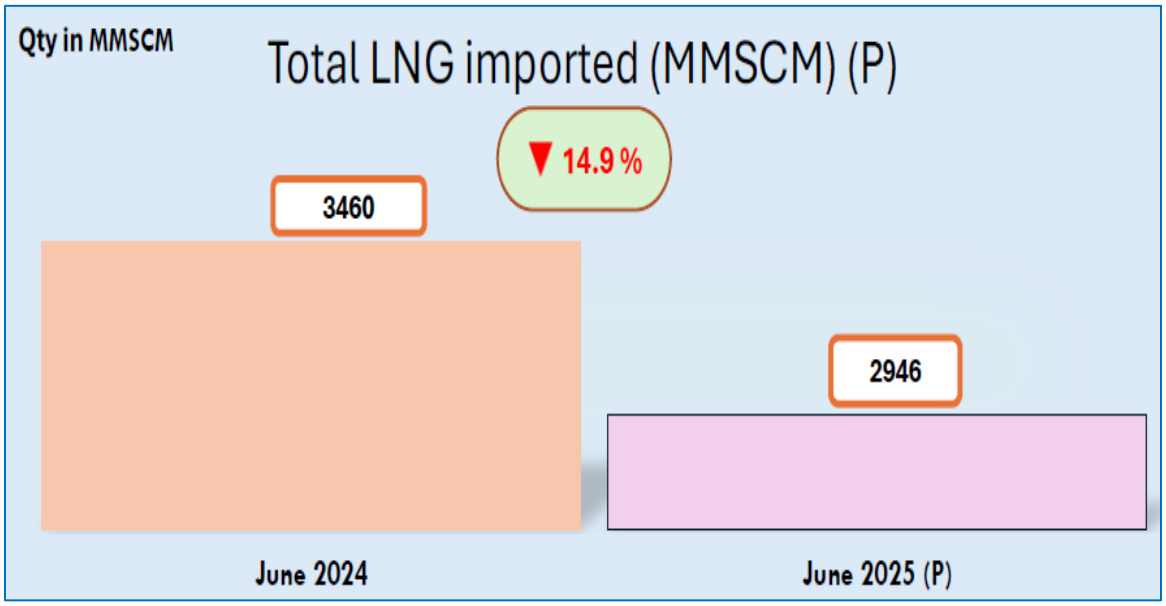


Source- PPAC
**Latest Data for Natural gas is not available*

2. LNG imports:

Total import of LNG (provisional) during the month of June 2025 was 2946 MMSCM (P) (lower by 14.9% over the corresponding month of the previous year).

Figure 22: LNG imports (Qty in MMSCM)

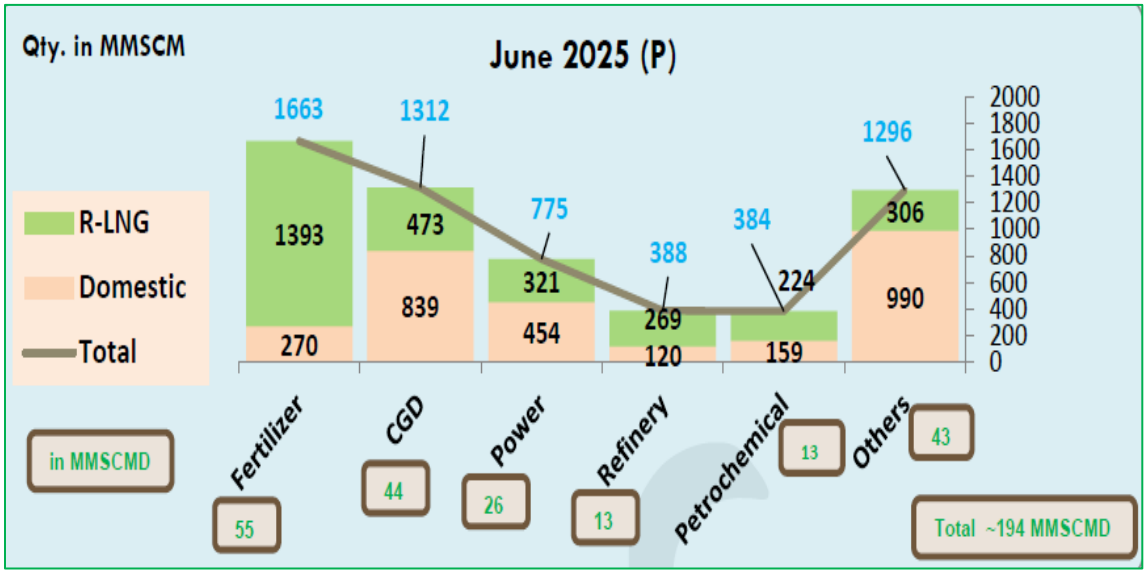


Source- PPAC

3. Sectoral Consumption of Natural Gas:

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

Figure 23: Sectoral Consumption of Natural Gas (Qty in MMSCM) in June 2025



Source- PPAC

Key developments in Oil & Gas sector

Monthly Production Report for July, 2025

1. Production of Crude Oil

Indigenous crude oil and condensate production during July 2025 was 2.4 MMT. Around 75.3% of production came from Nomination Fields, 13.8% from Pre-NELP Fields and 10.8% from NELP fields, during July 2025. There is a de-growth of 0.7% in crude oil and condensate production during July 2025 as compared with the corresponding period of the previous year.

2. Production of Natural Gas

Gross production of natural gas for the month of July 2025 (P) was 2967 MMSCM which was lower by 3.7% compared with the corresponding month of the previous year. The cumulative gross production of natural gas of 11754 MMSCM for the current financial year till July 2025 was lower by 3.1% compared with the corresponding period of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during July 2025 was 23.3 MMT which is 3.2% higher than July 2024, where PSU/JV refiners processed 15.8 MMT and private refiners processed 7.5 MMT of crude oil. Total indigenous crude oil processed was 2.3 MMT and total Imported crude oil processed was 21 by all Indian refineries (PSU+JV+PVT). There was a growth of 1.4% in total crude oil processed in April-July current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 24 MMT during July 2025 which is -1.5% lower than July 2024. Out of 24 MMT, 23.7 MMT was from refinery production & 0.3 MMT was from fractionator. There was a de-growth of -0.4% in production of petroleum products in April-July FY 2025 – 26 as compared to same period of FY 2024 – 25. Out of total POL production, in July 2025, share of major products including HSD is 43.6%, MS 17.1%, Naphtha 7.1%, ATF 5.9%, Pet Coke 5.1%, LPG 4.7%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

Cabinet approved Rs 30,000 crore as compensation to Public Sector Oil Marketing Companies for losses in Domestic LPG

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, has approved compensation amounting to Rs.30,000 crore to the three Public Sector Oil Marketing Companies (IOCL, BPCL & HPCL) for the under- recoveries incurred on sale of domestic LPG. The distribution of the compensation within the OMCs will be done by the Ministry of Petroleum and Natural Gas. The compensation will be paid in twelve tranches.

Domestic LPG Cylinders are supplied at regulated prices to consumers by the public sector Oil Marketing companies namely, IOCL, BPCL, HPCL.

The international prices of LPG remained at high levels during 2024-25 and continue to remain high. However, to insulate consumers from fluctuations in international LPG prices, the increase in cost was not passed on to consumers of domestic LPG which led to significant losses for the three OMCs. Despite the losses, the Public Sector Oil Marketing Companies have ensured continuous supplies of domestic LPG in the country at affordable prices.

This compensation will allow the OMCs to continue meeting their critical requirements such as crude and LPG procurement, servicing of debt, and sustaining their capital expenditure, thereby ensuring uninterrupted supply of LPG cylinders to households across the country.

This step also underlines the Government's commitment to protect consumers from volatility in global energy markets while maintaining the financial health of these PSU OMCs. It also reaffirms the objective of ensuring the widespread availability of clean cooking fuel to all consumers of domestic LPG, including those under flagship schemes like PM Ujjwala Yojana.

Cabinet approved continuation of Targeted Subsidy for Pradhan Mantri Ujjwala Yojana Consumers for 2025-26 at Rs 12,000 Crore

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, has approved the targeted subsidy of Rs.300 per 14.2 kg cylinder for up to 9 refills per year (and proportionately pro-rated for 5 kg cylinder) to the beneficiaries of Pradhan Mantri Ujjwala Yojana (PMUY) during FY 2025-26 at an expenditure of Rs 12,000 crore.

Pradhan Mantri Ujjwala Yojana: Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May, 2016 with an objective to provide deposit-free LPG connection to adult women from poor households across the country. As on 01.07.2025, there are about 10.33 crore PMUY connections across the country.

All PMUY beneficiaries receive deposit-free LPG connection which includes Security Deposit (SD) of Cylinder, Pressure Regulator, Suraksha Hose, Domestic Gas Consumer Card (DGCC) booklet and installation charges. As per the existing modalities of Ujjwala 2.0, the first refill and stove is also provided

free of cost to all beneficiaries. PMUY beneficiaries are not required to make any payments for the LPG connection or the first refill or stove as the cost for these is borne by the Government of India/OMCs.

Targeted Subsidy to Pradhan Mantri Ujjwala Yojana consumers: India imports about 60% of its LPG requirement. To shield PMUY beneficiaries from the impact of sharp fluctuations in international prices of LPG and to make LPG more affordable to PMUY consumers, thereby ensuring sustained usage of LPG by them, Government started a targeted subsidy of Rs.200/- per 14.2 kg cylinder for up to 12 refills per annum (and proportionately pro-rated for 5 kg connections) to the PMUY consumers in May 2022. In October 2023, Government increased targeted subsidy to Rs.300 per 14.2 kg cylinder for up to 12 refills per annum (and proportionately pro-rated for 5 kg connections).

Improved LPG consumption by PMUY Households: Average Per Capita Consumption (PCC) of PMUY consumers which was only about 3 refills in 2019-20 and 3. 68 refills in 2022-23 has improved to about 4.47 during FY 2024-25.

India's Ethanol Journey is Unstoppable: Shri Hardeep Singh Puri

Shri Hardeep Singh Puri, Minister of Petroleum and Natural Gas, said that "India's ethanol journey is unstoppable," while participating in a Fireside Chat Session on the sidelines of the Pioneer Biofuels 360 Summit.

Responding to a question on the success of the Ethanol Blended Petrol (EBP) programme, the Minister highlighted that ethanol blending gained serious momentum only after 2014, when Prime Minister Narendra Modi assumed office. In 2014, ethanol blending was merely 1.53%. By 2022, India achieved 10% blending, five months ahead of schedule. The original target of 20% blending (E20) by 2030 was advanced to 2025 and has already been achieved in the current Ethanol Supply Year (ESY). This success, the Minister noted, was made possible through sustained policy reforms such as guaranteed pricing for ethanol, allowing multiple feedstocks, and rapidly expanding distillation capacity across the country.

Dispelling misinformation and false narratives surrounding ethanol-blended fuel, Shri Puri emphasized that there has not been a single case of engine failure or breakdown reported since E20 became a base fuel over the last 10 months. Citing Brazil's example, he said the country has run on E27 for years without any issues.

Some lobbies with vested interests are actively attempting to create confusion and derail India's ethanol revolution. However, such efforts will not succeed. The E20 transition is already firmly underway, backed by strong policy support, industry readiness, and public acceptance—and there is no turning back.

Elaborating on the benefits of E20, the Minister said it results into reduction in greenhouse gas emissions, improves air quality, enhances engine performance, and has already led to over ₹1.4 lakh crore in foreign exchange savings. He pointed out that 2G ethanol refineries in Panipat and Numaligarh are converting agricultural residues like parali and bamboo into ethanol, providing a win-win solution for clean fuel, pollution control, and farmer income. He further highlighted the remarkable growth of maize-based ethanol—from 0% in 2021–22 to 42% this year—calling it a transformational shift.

On the issue of Flex-Fuel Vehicles (FFVs), Shri Puri said that the Indian automobile industry has already demonstrated its capability. Indian OEMs have begun rolling out prototypes for E85-compatible vehicles. Continuous consultations have been held with the Society of Indian Automobile Manufacturers (SIAM) and other major auto manufacturers, and the direction is clear—progressively moving towards higher ethanol blends. The Ethanol Blending Roadmap (2020–25) has laid a strong foundation, and the successful rollout of E20—five years ahead of target—demonstrates both industry readiness and consumer acceptance. The country will now gradually scale towards E25, E27, and E30 in a phased, calibrated manner with the support of BIS standards and fiscal incentives.

The Minister stressed that ethanol blending is not just about mixing fuel—it is about empowering ***Annadatas*** by turning them into ***Urjadatas***, reducing crude imports, saving foreign exchange, creating green jobs, and honouring India's climate commitments. Over the past 11 years, ethanol procurement has enabled ₹1.21 lakh crore income to farmers, reduced crude imports by 238.68 lakh metric tons, and saved ₹1.40 lakh crore in foreign exchange.

Speaking about India's efforts in Sustainable Aviation Fuel (SAF), Shri Puri said the Ministry is working closely with oil marketing companies, airlines, and global technology partners to develop and scale up SAF. Like ethanol, India will adopt a phased approach to SAF adoption. A blending mandate has already been initiated, with a target of 1% blending for international flights by 2027, increasing to 2% by 2028, and scaling further as supply stabilizes. He also cited the example of the Indian Oil Corporation Ltd. Refinery in Panipat, which is using used cooking oil to produce SAF—showcasing India's innovative and sustainable pathway forward.

Andaman Oil Exploration

Government is taking sustained measures towards exploring and identifying crude oil and hydrocarbon reserves in the Andaman-Nicobar basin so that they can contribute to the country's long term energy security and reduce import dependence. Following the introduction of the Hydrocarbon Exploration and Licensing Policy (HELP), the Government has allocated four blocks for oil and gas exploration in the Andaman-Nicobar Basin, covering approximately 23,261 square kilometers (SKM). Exploratory efforts have resulted in the acquisition of 8,501-line kilometers of 2-Dimentional (2D) seismic data and 3,270 SKM of 3D seismic data in these blocks and three wells have been drilled in these blocks so far. Furthermore, under Open Acreage Licensing Policy (OALP) - X, four blocks with a total area of 47,058 sq. km have been offered in the Andaman Basin.

India's Hydrocarbon Resource Assessment Study (HRAS) estimates hydrocarbon resources of 371 million Metric Tons of Oil Equivalent (MMTOE) in the AN Basin. Subsequent to HRAS 2017, a 2D broadband seismic survey has been completed in 2024 covering approximately 80,000 line kilometers of India's Exclusive Economic Zone (including in Andaman offshore). This has helped acquiring the essential sub-surface data required for identifying prospective hydrocarbon reserves. Government through Oil India Limited (OIL) has also acquired a total of 22,555 Line Kilometer (LKM) of 2D seismic data in Deep Andaman Offshore Survey during 2021-22.

Geologically, the AN basin lies at the intersection of the Andaman and Nicobar Basins, part of the Bengal-Arakan sedimentary system. The tectonic setting at the boundary of the Indian and Burmese plates have created numerous stratigraphic traps conducive to hydrocarbon accumulation. The basin's geological promise is further amplified by its proximity to prove petroleum systems in Myanmar and North Sumatra. Global interest in the AN basin has been rekindled following significant gas discoveries in South Andaman offshore in Indonesia, highlighting geological continuity across this region.

Each sedimentary basin possesses distinct geological characteristics, hydrocarbon system dynamics, prospectivity, and development challenges, making direct comparison across basins inherently limited. Consequently, economic and strategic assessments are undertaken in the context of basin-specific parameters, rather than on a like-for-like comparative basis, to ensure realistic evaluation and policy decision-making.

Response to Concerns on 20% Blending of Ethanol in Petrol and Beyond

Ministry of Petroleum and Natural Gas has on 4 August 2025 issued a detailed response to certain concerns raised on the impact of 20% Ethanol Blended Petrol (E-20) on mileage and vehicle life. In response to the further queries received, a detailed response is listed below:

Biofuels and Natural Gas are India's bridge fuels. They represent a viable, non-disruptive transition towards meeting our commitments to a greener world and are in line with our Nationally Determined Contribution (NDC) wherein India has signed up to Net Zero by 2070. A study on life cycle emissions of Ethanol done by NITI Aayog has said that GHG emissions in case of use of sugarcane and maize based Ethanol are less by 65% and 50%, respectively than those of petrol.

In addition to pollution reduction, there have been transformative benefits in terms of benefits to the rural economy, elimination of sugarcane arrears and improving the viability of maize cultivation in the country. More income to farmers has not only contributed to furthering their well-being but has also helped decisively tackle the challenge of suicides by farmers. It may be recalled that in areas like Vidarbha farmers suicides were widespread a few years ago.

With the Ethanol blending programme, money which was earlier spent on crude oil imports is now going to our farmers who have become *"Urjadaatas"* apart from being *"Annadatas"*. During the last eleven years from Ethanol Supply Year (ESY) 2014-15 to ESY 2024-25 upto July 2025, Ethanol blending in Petrol by Public Sector Oil Marketing Companies (OMCs) has resulted in savings/conservation of more than Rs.1,44,087 crore of foreign exchange, crude oil substitution of about 245 lakh metric tonnes providing crucial energy security and CO2 emission reduction of approximately 736 lakh metric tonnes, the equivalent of planting 30 crore trees. At 20% blending, it is expected that payment to the farmers in this year alone will be to the tune of Rs.40,000 crore and forex savings will be around Rs. 43,000 crores.

Concerns related to performance and mileage being raised now were anticipated as early as 2020 by Government and an Inter Ministerial Committee (IMC) of the NITI Aayog examined them at length. This also was backed by research studies carried out by IOCL, ARAI and SIAM.

The use of E-20 gives better acceleration, better ride quality and most importantly, lowered carbon emissions by approximately 30% as compared to E10 fuel. Ethanol's higher-octane number (~108.5 compared to petrol's 84.4) makes Ethanol-blended fuels a valuable alternative for higher-octane requirements that is crucial for modern high-compression engines. Vehicles tuned for E20 deliver better acceleration which is a very important factor in city driving conditions. Additionally, Ethanol's higher heat of vaporization reduces intake manifold temperatures, increasing air-fuel mixture density and boosting volumetric efficiency.

Previously Petrol was being sold in India with Research Octane Number (RON) of 88. Today, regular petrol in India has a RON of 91 to meet the requirements of BS-VI, which aims to reduce harmful emissions. However, this has again been improved further to RON 95 with blending of Ethanol 20, resulting in better anti knocking properties and performance.

The critiques suggesting that E20 causes a "drastic" reduction in fuel efficiency are misplaced. Vehicle mileage is influenced by a variety of factors beyond just fuel type. These include driving habits, maintenance practices such as oil changes and air filter cleanliness, tyre pressure and alignment, and even air conditioning load.

Extensive discussions have been carried out with the Society of Indian Automobile Manufacturers (SIAM) as well as prominent manufacturers of vehicles. The efficiency drop (if any) in E 10 vehicles has been marginal. For some manufacturers, vehicles have been E 20 compatible from as far back as 2009. The question of any drop in fuel efficiency in such vehicles does not arise.

The alternative of going back to E-0 Petrol would involve losing the hard fought gains on pollution and the success achieved in energy transition. The roadmap of the IMC had been in the public domain from 2021 and laid out a calibrated path to reaching E-20. Since then, there has been a period of over 4 years which has allowed vehicle technology to improve, supply chain to be calibrated and an overall eco-system developed.

Furthermore, it is noteworthy that Brazil has been successfully running on E27 for years with zero issues. The same automakers such as Toyota, Honda, Hyundai etc. produce vehicles there too. Moreover, safety standards for E20 are well established through BIS specifications and Automotive Industry Standards. In most parameters including drivability, startability, metal compatibility, plastic compatibility, there are no issues. Only in case of certain older vehicles, some rubber parts and gaskets may require replacement earlier than in case non blended fuel was used. This replacement is inexpensive and can be easily managed during routine servicing. It may need to be done once in the life time of vehicle and is a simple process to be carried out at any authorized workshop.

Some concerns have been voiced that ethanol blended petrol should be cheaper than non-blended fuel and that this cost advantage has not been passed on to the customers. They are referring to a NITI Aayog report. In 2020-21, when the Report of NITI Aayog was prepared, Ethanol was cheaper than Petrol. Over time, procurement price of Ethanol have increased and now the weighted average price of Ethanol is higher than cost of refined Petrol.

Currently, the average procurement cost of Ethanol for Ethanol Supply Year 2024-25, as on 31.07.2025, is Rs.71.32 per litre, inclusive of transportation and GST. For producing E20, OMCs blend 20% of this procured Ethanol with Motor Spirit (MS). Price of C-heavy molasses based Ethanol increased from Rs.46.66 (ESY 2021-22) to Rs.57.97 (ESY 2024-25). Price of Maize-based Ethanol increased from Rs.52.92 to Rs.71.86 over the same period. Despite the increase in price of ethanol in comparison to petrol, the oil companies have not gone back on the ethanol blending mandate because the programme delivers on energy security, boosts farmers' incomes and environmental sustainability.

Ethanol Blending is a national programme. Some seek to derail it by fomenting fear and confusion in the minds of car owners by selectively picking information and creating a false narrative that insurance companies will not cover car damage due to use of E20 fuels. This fear mongering is totally baseless and has been clarified by an insurance company whose tweet screenshot was deliberately misinterpreted to create fear and confusion. Usage of E20 fuel has no impact of the validity of insurance of vehicles in India.

In the meanwhile, automobile manufacturers continue to engage with vehicle owners to provide them any support that may be warranted to ensure optimum performance of vehicles. For a vehicle owner, who believes that his/her vehicle may require further tuning or parts replacement, the entire network of authorized service stations are available to respond to such requests.

There continue to be apprehensions on whether the country will go beyond E-20 very rapidly. Any move beyond E-20 requires careful calibration, for which extensive consultations are underway. This has involved the same vehicle manufacturers who are already in Brazil as well as other manufacturers, entities involved in supply of feed stocks, R&D agencies, oil companies and Ethanol producers. This process is yet to reach conclusion. In the meanwhile, the current roadmap commits Government to E-20 upto 31.10.2026. Decisions for beyond 31.10.2026 will involve submission of the Report of the Inter Ministerial Committee, evaluation of its recommendations, stake holder consultations and a considered decision of Government in this regard. That decision is yet to be taken.

Government takes multiple steps to safeguard citizens from impact of global crude oil price fluctuations: Petroleum Minister

Union Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri, in a written reply to a starred question in Lok Sabha, stated that the Government is committed towards ensuring energy security, affordability and accessibility for every citizen. He highlighted that despite international crude oil price fluctuations, domestic petrol and diesel prices have been reduced owing to various steps taken by the Government and Public Sector Oil Marketing Companies (OMCs).

The Minister Informed that prices of petrol and diesel are market determined and Public Sector OMCs take appropriate decisions on pricing. The prices of petroleum products in the country are linked to the international market, with India importing more than 85% of its crude oil requirements.

Crude oil prices (Indian basket) rose from $55/bbl (March 2015) to $113/bbl (March 2022) and further to $116/bbl (June 2022), continuing to fluctuate due to geopolitical and market factors. However,

domestically, petrol and diesel prices have reduced to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) from Rs. 110.04 and Rs. 98.42 per litre in November 2021.

He stated that the Central Government reduced excise duty by Rs. 13/litre on petrol and Rs. 16/litre on diesel in two tranches in November 2021 and May 2022, fully passing the benefit to consumers. Some State Governments also reduced VAT to provide further relief. In March 2024, OMCs reduced retail prices of petrol and diesel by Rs. 2 per litre each. In April 2025, excise duty on petrol and diesel was increased by Rs. 2 per litre each, but this was not passed on to consumers.

Shri Puri informed that PSU OMCs have carried out intra-state freight rationalisation, benefiting consumers in remote areas by reducing petrol and diesel prices in far-flung regions. This has also reduced the difference between maximum and minimum retail prices within a state.

The Government also took several measures to insulate citizens from high international prices, including diversifying the crude import basket, invoking provisions of Universal Service Obligation to ensure availability of petrol and diesel in the domestic market, and augmenting domestic exploration and production of crude oil. Additionally, the Government is promoting ethanol blending and enhancing the share of renewable energy in India's energy basket.

Replying to a question on Government's strategy to promote alternative energy sources, Shri Puri stated that the Government is actively encouraging the adoption of CNG, LNG, Hydrogen, biofuels including ethanol, and electric vehicles.

The National Policy on Biofuels – 2018 had set a target of 20% ethanol blending in petrol and 5% biodiesel blending in diesel by 2030. This target was subsequently advanced to 2025-26. During the ongoing Ethanol Supply Year (ESY) 2024-25, Public Sector OMCs have achieved an average blending of 19.05% as on 31.07.2025, with 19.93% blending achieved in July 2025.

To promote biofuels, the Government has implemented initiatives such as the Ethanol Blended Petrol (EBP) Programme, Biodiesel blending programme, and the SATAT initiative for marketing Compressed Bio Gas (CBG) along with CNG.

Further, steps have been taken to boost biofuel production across the country, including rural India. These include pricing incentives, opening alternate routes for ethanol production, notifying the Pradhan Mantri JI-VAN Yojana for establishing second-generation ethanol bio-refineries using agri-residues, SATAT initiative for CBG and bio-manure production from waste and biomass, and an interest subvention scheme for enhancing and expanding ethanol distillation capacity.

Ethanol Blending Boosts Farmers' Income and Rural Economy: Petroleum Minister Hardeep S. Puri

The Government has achieved remarkable progress in promoting biofuels as a sustainable alternative to petroleum products, stated Union Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri, in a written reply to a starred question in Lok Sabha.

The promotion of use of biofuels has been undertaken through the National Policy on Biofuels. Government has been promoting the blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme with multiple objectives. As a green fuel, ethanol supports environmental sustainability efforts of the Government, reduces dependence on crude oil imports while saving foreign exchange, and promotes the domestic agriculture sector.

The EBP Programme has resulted in expeditious payment to farmers of more than Rs.1,25,000 crore from Ethanol Supply Year (ESY) 2014-15 up to July 2025, besides savings of more than Rs.1,44,000 crore of foreign exchange, net CO2 reduction of about 736 lakh metric tonnes and substitution of more than 244 lakh metric tonnes of crude oil.

Under the EBP Programme, Public Sector Oil Marketing Companies (OMCs) achieved the target of 10% Ethanol blending in petrol in June 2022, i.e. five months ahead of the target during ESY 2021-22. The blending levels further increased to 12.06% in ESY 2022-23, 14.60% in ESY 2023-24, and 19.05% as on 31st July 2025 during the ongoing ESY 2024-25. During July 2025 alone, Ethanol blending of 19.93% was achieved.

To support ethanol production across the country, the Government has taken several steps including expansion of feedstock for ethanol production, administered price mechanism for ethanol procurement, lowered GST rate to 5% for ethanol used in the EBP Programme, introduction of various Ethanol Interest Subvention Schemes (EISS) during 2018-22, and a dedicated subvention scheme for Cooperative Sugar Mills to convert existing sugarcane-based distilleries into multi-feedstock plants for ethanol production from molasses as well as grains. Additionally, Long Term Offtake Agreements (LTOAs) between OMCs and Dedicated Ethanol Plants, multimodal transportation of ethanol to enhance availability, and increasing ethanol storage capacity along with allied infrastructure have been put in place.

Further, to facilitate advanced biofuel production, the Government has notified the 'Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool Fasal Awashesh Nivaran) Yojana' in 2019, amended in 2024, informed Shri Puri. The scheme aims to establish advanced biofuels projects in the country using lignocellulosic biomass and other renewable feedstocks including crop residue. It also provides remunerative income to farmers for their otherwise waste agriculture residues, creates rural and urban employment opportunities, addresses environmental pollution caused by biomass burning, and contributes to the Swachh Bharat Mission. The scheme has a total financial outlay of Rs. 1,969.50 crore, of which Rs. 1,800 crore is allocated for commercial-scale advanced biofuel projects and Rs. 150 crore for demonstration-scale projects.

Government has also taken several measures to promote the use of biodiesel. These include prescribing indicative target of blending of biodiesel in diesel/direct sale of biodiesel under the National Policy on Biofuels, notifying the 'Guidelines for Sale of Biodiesel for Blending with High Speed Diesel for Transportation Purposes-2019', and reduction of GST rate for procurement of biodiesel for blending programme from 12% to 5%.

Shri Puri reiterated that the Government is fully committed towards strengthening the biofuel ecosystem in the country to ensure energy security, reduce crude oil imports, support farmers, and promote environmental sustainability.

Union Minister Shri Manohar Lal Chairs the Meeting of the Consultative Committee of the Members of Parliament for Ministry of Power on 4th Aug, 2025 to discuss the Grid Scale Energy Storage Systems

The Ministry of Power held a high-level Consultative Committee meeting on 4th August 2025, chaired by Hon'ble Union Minister of Power and Housing Affairs Shri Manohar Lal ji. The meeting was attended by Sh. Shripad Yesso Naik, Hon'ble Minister of State of the Ministry of Power and New & Renewable Energy, Members of the Consultative Committee on Power from Lok Sabha and Rajya Sabha, senior officials from the Ministry, CPSUs, and experts from the Central Electricity Authority (CEA) to deliberate on India's energy storage roadmap and future energy security.

Secretary (Power), Government of India (GoI) extended a warm welcome to the distinguished participants of the Meeting and urged for collective deliberation on specific challenges being faced in the power sector and to explore potential solutions for helping in bringing down the variability of generation in RE sources, improve grid stability, enable energy/ peak shifting, and provide ancillary support services enabling larger renewable energy integration.

Hon'ble Union Minister of Power in his address mentioned that India is committed to reduce Emissions Intensity of its GDP by 45 percent by 2030 from 2005 level, and achieve 50 percent cumulative installed capacity from non-fossil fuel-based energy resources by 2030. Hon'ble Minister remarked that RE should be promoted coupled with energy storage systems in order to ensure reliability of supply of power, for storing excess energy available from RE sources to be used at other times of the day. Hon'ble Minister of Power mentioned that the Ministry has taken various policy initiatives to promote Energy Storage Systems laying emphasis on ensuring Resource Adequacy and necessary power generation capacity tie-ups.

Hon'ble Minister of Power emphasized that in one of the largest program on BESS worldwide, 43 GWh Battery Energy Storage Systems (BESS) is supported under Viability Gap Funding Scheme (VGF) of Ministry of Power. Financial support of Rs 9,160 Cr has been earmarked for BESS VGF schemes. The Inter-State Transmission System (ISTS) charges have been fully waived for BESS projects commissioning by June 2028 and PSP projects for which construction awarded by June 2028.

It was mentioned that in terms of Hydro PSP (Pumped Storage Plant), India already has an installed capacity of approx. 6.4 GW. India has a PSP potential of more than 200 GW. At present, approx. 8 GW is under construction and 61 GW is in various stages of planning and development.

The Members of the Consultative Committee for Ministry of Power offered several valuable suggestions regarding various initiatives and schemes on BESS. They praised the VGF scheme and especially the role of smart meters in improving the services and reducing the losses. They praised the role of VGF scheme in providing reliability of supply of power, for storing excess energy available from RE sources to be used at other times of the day power to consumers through execution of distribution infrastructure works. Further, the members lauded Union Minister Shri Manohar Lal for organizing the Consultative Committee

meeting. The Union Minister instructed officials to take necessary steps to incorporate the suggestions provided by the Members of the Consultative Committee and emphasized the importance of ensuring a stable and high-quality power supply for consumers.

In his closing remarks, the Minister of State of Power and New & Renewable Energy highlighted India's remarkable achievement of reaching 50% of installed electricity capacity from non-fossil fuel sources—five years ahead of the 2030 target. This milestone underscores India's deep commitment to sustainable development under the leadership of Hon'ble Prime Minister Shri Narendra Modi.

He emphasized that while renewable energy (RE) sources like solar and wind have driven this transition, the backbone of a reliable, flexible, and modern power system will increasingly rely on Energy Storage Systems (ESS). The Minister of State reiterated the multifaceted role of ESS, not just in generation but across the energy value chain—from transmission and distribution to ancillary services and EV integration. He called on all stakeholders to continue their support for building a resilient, affordable, and sustainable energy future for India.

Cabinet approved Investment Proposal for construction of 700 MW Tato-II Hydro Electric Project in Shi Yomi District of Arunachal Pradesh with an outlay of Rs. 8146.21 crore and completion period of 72 months

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved investment of Rs.8146.21 crore for construction of Tato-II Hydro Electric Project (HEP) in Shi Yomi District of Arunachal Pradesh. The estimated completion period for the project is 72 months.

The project with an installed capacity of 700 MW (4 x 175 MW) would produce 2738.06 MU of energy. The Power generated from the Project will help improve the power supply position in the state of Arunachal Pradesh and will also help in balancing of the national Grid.

The Project will be implemented through a Joint Venture Co. between North Eastern Electric Power Corporation Ltd. (NEEPCO) and the Government of Arunachal Pradesh. Govt. of India shall extend Rs.458.79 crore as budgetary support for construction of roads, bridges and associated transmission line under enabling infrastructure besides Central Financial Assistance of Rs.436.13 crore towards equity share of the State. The state would be benefitted from 12% free power and another 1% towards Local Area Development Fund (LADF) besides significant infrastructure improvement and socio-economic development of the region.

The Project is in line with the aims and objectives of Aatmanirbhar Bharat Abhiyan, would provide various benefits to local suppliers/enterprises/MSMEs including direct and indirect employment opportunities.

There will be significant improvement in infrastructure, including the development of around 32.88 kilometres 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, playgrounds, etc. to be financed from dedicated project funds of Rs.20 crore. Local populace shall also be benefitted from many sorts of compensations, employment and CSR activities.

Bureau of Energy Efficiency (BEE) released State Energy Efficiency Index 2024: Maharashtra, Andhra Pradesh, Assam and Tripura Among Top Performers

Shri Akash Tripathi, IAS, Additional Secretary, Ministry of Power and Director General, Bureau of Energy Efficiency (BEE), released the State Energy Efficiency Index (SEEI) 2024, developed by BEE in association with the Alliance for an Energy Efficient Economy (AEEE). The index assesses the energy efficiency performance of 36 States and Union Territories (UTs) for FY 2023-24, supporting data-driven monitoring, best practice sharing, and healthy competition among states.

Speaking at the launch, Shri Tripathi emphasized that energy efficiency is a key driver of India's net-zero by 2070 vision, offering cost-effective solutions across sectors. The sixth edition features a new implementation-focused framework with 66 indicators covering Buildings, Industry, Municipal Services, Transport, Agriculture, DISCOMs, and Cross-Sector initiatives, reflecting evolving priorities like EV policies, star-rated buildings, and DSM strategies.

States are classified into four performance categories: Front Runners (>60%), Achievers (50-60%), Contenders (30-50%), and Aspirants (<30%). The top performers include:

- **Maharashtra** (Group 1: >15 MToE)
- **Andhra Pradesh** (Group 2: 5–15 MToE)
- **Assam** (Group 3: 1–5 MToE)
- **Tripura** (Group 4: <1 MToE)

The report highlights sectoral progress: 24 states have notified ECBC 2017; 10 states have MSME energy efficiency policies; 31 states have adopted electric mobility policies; and 13 states are promoting solar-powered agricultural pumps, with Kerala achieving 74% adoption. Additionally, all 36 States/UTs have developed State Energy Efficiency Action Plans (SEEAPs), and 31 have formed State-Level Steering Committees on Energy Transition.

SEEI 2024 serves as a key policy tool for guiding state-level actions and accelerating India's energy efficiency and climate goals.

SECI conducts first-ever auction for procurement of Green Ammonia under National Green Hydrogen Mission

In a landmark development under the National Green Hydrogen Mission, the first- ever auction conducted by SECI for the procurement of Green Ammonia under the SIGHT Scheme (Mode-2A) has achieved a record low price discovery of ₹55.75/kg.

This pioneering auction covers the supply of 75,000 metric tonnes per annum of Green Ammonia to Paradeep Phosphates Limited, Odisha. It is the first in a planned series of 13 auctions over the coming month, under a tender aggregating a cumulative procurement capacity of 7.24 lakh MT/year.

The discovered price translates to approximately USD 641/MT, a substantial drop from the previously discovered price of ₹100.28/kg (USD 1,153/MT) in the H2Global auction in 2024. With Grey Ammonia

prices reaching USD 515/MT (as of March 2025), this 10-year fixed-price bid provides strong economic rationale for offtakers to initiate their clean energy transition journey.

SECI, acting as the intermediary procurer, has successfully anchored the auction under the guidance of the Ministry of New & Renewable Energy (MNRE), with steadfast support from the Department of Fertilizers and the participating offtakers.

This price discovery marks a watershed moment in India's Green Hydrogen journey and reinforces the country's vision of becoming a global hub for Green Hydrogen production. The auction witnessed intense competition, reflecting the strong investor and developer confidence in India's green energy transition framework.

With robust payment security mechanisms in place, the scheme unlocks confidence across the value chain and enables large-scale adoption of Green Ammonia and other derivatives.

India Achieved Historic Milestone of 100 GW Solar PV Module Manufacturing Capacity under ALMM

India has achieved a landmark milestone of 100 GW of solar PV module manufacturing capacity enlisted under the Approved List of Models and Manufacturers (ALMM) for Solar PV Modules. This achievement reflects the country's rapid progress in building a robust and self-reliant solar manufacturing ecosystem, aligned with the national vision of Atmanirbhar Bharat and the global imperative for clean energy transition.

Highlighting this achievement, Union Minister of New and Renewable Energy Shri Pralhad Joshi said "India has achieved a historic milestone -100 GW Solar PV Module Manufacturing Capacity under the Approved List of Models and Manufacturers (ALMM), a remarkable rise from just 2.3 GW in 2014! Driven by the visionary leadership of Prime Minister Shri Narendra Modi and transformative initiatives like the Production Linked Incentive (PLI) Scheme for High-Efficiency Solar Modules, we are building a robust, self-reliant solar manufacturing ecosystem. This achievement strengthens our path towards Atmanirbhar Bharat and the target of 500 GW non-fossil capacity by 2030."

The Government of India's commitment is to make India self-reliant in solar PV manufacturing and establish the country as a major player in the global value chain. This commitment is supported through a comprehensive set of initiatives, including the PLI Scheme for High Efficiency Solar PV Modules and measures to provide a level playing field for the Indian manufacturers. The catalytic effect of these interventions has resulted in an expansion in solar module manufacturing capacity, from just 2.3 GW in 2014 to over 100 GW today. This reinforces India's commitment to achieving 500 GW of non-fossil fuel capacity by 2030 and contributes meaningfully to global decarbonization efforts.

The ALMM Order was issued by the Ministry of New and Renewable Energy (MNRE) on 02nd January 2019. The first ALMM list for solar PV modules was published on 10th March 2021 with an initial enlisted capacity of around 8.2 GW. In just over four years, this capacity has grown more than twelvefold, crossing the 100 GW mark. This remarkable expansion is not just limited to depth of capacity achieved, but by the breadth of the number of manufacturers who has also significantly increased from 21 in 2021 to 100 manufacturers, who are operating 123 manufacturing units currently.

This growth includes contributions from both established companies and new entrants, many of whom have adopted high-efficiency technologies and vertically integrated operations. The result is a diverse and competitive manufacturing landscape capable of meeting domestic needs and serving global markets. The crossing of the 100 GW solar module manufacturing capacity underscores the success of Indian solar PV manufacturing story, and the collective efforts of industry, various State governments, and the Government of India.

Seven Coal Blocks Successfully Auctioned in 12th Round of Commercial Auctions

The Ministry of Coal launched the 12th round of coal block auctions for commercial mining on March 27, 2025. In the forward auctions, held from July 28 to July 31, 2025, a total of seven coal blocks has been successfully auctioned, comprising three fully explored and four partially explored coal blocks.

These seven blocks hold a combined geological reserve of approximately 1,761.49 million tonnes. The cumulative Peak Rated Capacity (PRC) of these blocks stands at 5.25 MTPA (excluding partially explored coal blocks).

The block-wise result for auctions held is as under:

S.No.	Name of Block	State	PRC (MTPA)	Geological Reserves (MT)	Closing Bid Submitted By	Reserve Price (%)	Final Offer (%)	Coking / Non-Coking
1	Chitarpur (Revised)	Jharkhand	3.45	237.44	Orissa Alloy Steel Private Limited	4.00	14.75	Non-coking
2	Mahuagarhi	Jharkhand	NA	305.95	Damodar Valley Corporation	4.00	7.00	Non-coking
3	Rajgamar Dipside (Deavnara)	Chhattisgarh	1.00	78.46	TMC Mineral Resources Private Limited	4.00	31.50	Non-coking
4	Rajgamar Dipside (South of Phulakdih Nala)	Chhattisgarh	0.80	61.70	Mivaan Steels Limited	4.00	31.50	Non-coking
5	Cholapathar	Jharkhand	NA	25.00	Shakti Bhumi Mining Private Limited	4.00	27.25	Non-coking
6	Phutamura	Chhattisgarh	NA	170.54	Alom Solar Private Limited	4.00	65.25	Non-coking

7	West of Tubed	Jharkhand	NA	882.40	Oriental Quarries and Mines Private Limited	4.00	9.50	Non-coking

The auctions witnessed intense competition, achieving an average revenue share of 26.70%. This reflects the sustained interest of industries in the coal sector and the Ministry's efforts to provide a stable and transparent policy framework. These blocks are expected to generate an annual revenue of approximately ₹719.90 crore (excluding partially explored blocks), likely to attract a capital investment of around ₹787.50 crore, and create 7,098 employment opportunities.

Since the inception of commercial coal mining in 2020, a total of 131 coal blocks has been auctioned successfully, with a production capacity of 277.31 Million Tonnes per year. Upon operationalization, these blocks will immensely contribute to enhance domestic coal production and in making country self-reliant in coal sector. Collectively, these blocks are expected to generate annual revenue of Rs 39,359 crores, capital investment of Rs 41,597 Crores and provide employment for 3,74,916 people in coal-bearing regions.

These strategic initiatives of the Ministry of Coal reaffirm the Ministry’s dedication to transforming the coal sector into a key driver of economic growth. These initiatives not only address the nation’s energy demands but also foster economic stability and create employment opportunities, contributing to the vision of an Atmanirbhar Bharat.

Ministry of Coal Enables Scientific Coal Mining in Meghalaya

Ministry of Coal, through its persistent and focused efforts, has successfully facilitated the commencement of scientific coal mining in the State of Meghalaya. This marks a significant step forward in bringing regulated and environmentally sustainable coal mining practices to India’s North-East region.

As a result of these efforts, two coal blocks in Meghalaya have begun production after receiving due approvals. The details of the operational coal mines are as follows:

S. No.	Name of the Coal Mine and Address	Date of Grant of Opening Permission	Date of the Start of Production
1	Saryngkham A Coal Block, East Jaintia Hills District, Meghalaya	10th March, 2025	3rd June, 2025
2	Pyndengshahlang Coal Block, West Khasi Hills District, Meghalaya	2nd May, 2025	5th June, 2025

This milestone underscores the Ministry’s commitment to promoting legal, safe, and scientific mining practices while enhancing the contribution of the North-East to the country’s energy needs.

The Ministry of Coal looks forward to the active cooperation of all State Governments in furthering scientific coal mining and streamlining coal transportation across the region. Such collaborative efforts will play a crucial role in ensuring energy security and fostering economic growth in the North-Eastern states.

Ministry of Coal Successfully Launched the 13th Round of Commercial Coal Mine Auctions

In a landmark step towards strengthening India's energy security and accelerating domestic coal production, the Ministry of Coal successfully launched the 13th Round of Commercial Coal Mine Auctions in New Delhi. The event was graced by Union Minister of Coal and Mines, Shri G. Kishan Reddy, as the Chief Guest, and Minister of State, Shri Satish Chandra Dubey, as the Guest of Honour.

In his keynote address, Shri G. Kishan Reddy celebrated India's historic achievement of surpassing One Billion Tonnes (BT) coal production in FY 2025 a testament to the transformative reforms initiated under the visionary leadership of Prime Minister Shri Narendra Modi. He emphasized that since 2015, the coal sector has undergone a paradigm shift through transparent auction regimes, increased private sector participation, and technological modernization.

The Minister highlighted that the coal sector is emerging as a key champion of Atmanirbhar Bharat, with a transparent and inclusive auction system attracting new companies and junior mining firms, providing them fresh opportunities to enter the industry. With 134 mines auctioned across 12 rounds, attracting investments worth ₹41,600 crore and generating over 3.5 lakh jobs, we are reshaping India's energy landscape. The 13th Round introduces 14 coal blocks, further reducing reliance on imports and conserving foreign exchange. The transparent auction process has fostered healthy competition, compelling public sector undertakings (PSUs) to innovate and compete with private players, thereby enhancing operational efficiency and global competitiveness.

The Minister further stressed the need for diversification from conventional coal mining to cleaner use of coal through coal gasification. He emphasized that more than 40% of India's coal resources, approximately 370 billion tonnes, are deep-seated and currently unmineable through conventional methods. Underground Coal Gasification (UCG) represents a transformative approach, allowing these vast, untapped coal reserves to be converted directly into syngas underground. By harnessing coal in situ, this technology not only unlocks immense energy potential but also minimizes surface disturbance, reduces land use, and promotes cleaner, more sustainable coal utilization, marking a significant step forward in India's energy roadmap. He also highlighted the importance of coal production and urged the successful bidders to commence production ahead of schedule to avail incentives, while reaffirming the Ministry's commitment to progressive reforms, removal of bottlenecks, expediting clearances, and improving ease of doing business. Stressing that coal demand will continue to rise, he said India must plan ahead to enhance production from its vast reserves as the world's second-largest producer and consumer.

Highlighting the Prime Minister's vision of Reform, Perform, Transform, Shri Reddy underlined that the Ministry is driving reforms to ensure efficiency, transparency, and long-term sustainability. He also called upon stakeholders to offer constructive suggestions to further strengthen reforms and accelerate the sector's growth.

Shri Reddy also talked about the holistic approach in coal mining involving the community development and welfare of the local public. He emphasized, investing in coal today is investing in India's future. Every opportunity in the sector not only strengthens our energy security but also promises long-term growth, sustainable development, and a chance to be part of the nation's journey towards a self-reliant and prosperous energy landscape.

In his address Union Minister of State of Coal and Mines, Shri Satish Chandra Dubey, stated that with India surpassing One Billion Tonnes of coal production, the launch of the 13th round of commercial coal mine auctions marks another significant step towards energy self-sufficiency. He emphasized that a transparent auction mechanism, industry-friendly policies, and increased private sector participation will not only enhance coal production but also attract investment, create employment opportunities, and accelerate infrastructure growth.

He emphasised the need for sustainable development including efficient mine closure practises, tree plantation for environment conservation and generating livelihood for local communities. He also highlighted the practise of Plantation drive under "Ek Ped Maa ke Naam" initiative started by Prime Minister and urged the participants to contribute in this initiative.

He also reiterated that ease of doing business remains a key focus area, aligning with the vision of 'Atmanirbhar Bharat' in the energy domain.

In his address, Shri Vikram Dev Dutt, Secretary, Ministry of Coal, provided a comprehensive overview of the sector's transformation since introduction of CMSP Act, 2015 to the introduction of commercial coal mining in 2020. He lauded the achievement of 1 billion Tonne coal production and reaffirmed the Ministry's commitment to faster mine operationalization, streamlined clearances, and enhanced logistics through coordination with MoEF&CC, Ministry of Railways, and State Governments.

Shri Dutt emphasized the strategic importance of coal gasification in India's energy roadmap. These technologies offer cleaner alternatives to conventional coal combustion, enabling the production of syngas for use in power generation, fertilizers, and petrochemicals. They reduce carbon emissions, optimize resource utilization, and unlock value from deep-seated coal reserves that are otherwise uneconomical to mine.

Shri Dutt also elaborated on the current status of coal gasification in India. He noted that several pilot projects are underway, and the Ministry has launched an incentive scheme of Rs 8500 Crore to promote coal gasification, offering financial support and policy facilitation to eligible projects.

"We are actively supporting coal gasification through a dedicated incentive framework," said Shri Dutt. Seven Projects have been selected for the incentive scheme. This will accelerate adoption, attract investments, and position India as a global leader in clean coal technologies.

He assured stakeholders of the Ministry's full support in fast-tracking Environmental Clearances (EC) and Forest Clearances (FC), removing bottlenecks, and ensuring responsible mining practices. Environmental sustainability remains a priority, with a focus on afforestation, rehabilitation of mined-out areas, and stringent compliance measures.

Delivering the welcome address, Ms. Rupinder Brar, Additional Secretary and Nominated Authority, Ministry of Coal, highlighted the transformative impact of commercial coal mining in unlocking new opportunities for private players and fostering competition.

She also spoke that the Underground Coal Gasification represents a pioneering technology in coal utilization, enabling the conversion of coal directly into syngas while still underground. This process minimizes surface disturbance, reduces land requirement, and lowers the environmental footprint compared to traditional mining methods.

Highlighting the importance of UCG, Ms. Brar noted that India has vast coal reserves located at greater depths, which remain untapped due to technical and economic limitations of traditional mining. UCG offers a sustainable pathway to tap these reserves, ensuring energy security while aligning with the principles of responsible and cleaner coal utilization.

The launch marks another major step towards unlocking new investment opportunities, ensuring responsible mining practices, and fostering greater participation in India's coal sector. The event also featured the signing of agreements of previous tranche with successful bidders, reinforcing the Government's commitment to transparency, efficiency, and private sector participation in coal mining.

As part of the 13th Round of Commercial Coal Mine Auctions, 4 coal mines are being offered under the Coal Mines (Special Provisions) Act, 2015 (CMSP) and 10 under the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR). Out of the total mines, 10 are fully explored and ready for immediate development, while 4 are partially explored, offering long-term investment opportunities and contributing to the growth of India's coal sector. In addition, three mines from previous round of commercial coal mine auctions are also being offered. The mines being auctioned are spread across coal bearing states of Jharkhand, Chhattisgarh, Odisha, Andhra Pradesh and Madhya Pradesh.

The 13th Round of Commercial Coal Mine Auctions is set to unlock new investment opportunities, enhance domestic coal supply, and contribute significantly to India's energy security. The Ministry of Coal remains dedicated to fostering growth, sustainability, and safety in the sector, ensuring that India continues to move toward a self-reliant coal economy while prioritizing environmental conservation and community welfare.

India and Japan sign Memorandum of Cooperation on Joint Crediting Mechanism (JCM) under Article 6.2 of the Paris Agreement on Climate Change

The Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, has signed an Memorandum of Cooperation (MoC) with Government of Japan on Joint Crediting Mechanism (JCM) under Article 6.2 of the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC). The development demonstrates India's firm commitment to Climate Action and marks yet another milestone in the implementation of the Paris Agreement.

The MoC, signed earlier this month, is part of an important area of Indo-Japan Cooperation - ***'Green Energy Focus for a Better Future'*** - that was highlighted today by Prime Minister Shri Narendra Modi during his ongoing visit to Japan.

India and Japan share a strong history of economic, commercial and cultural cooperation. The current MoC aims to bolster the partnership between India and Japan on Climate Change Mitigation. The low-carbon technologies approved by the National Designated Agency for Implementation of Article 6 of Paris Agreement (NDAIAPA), under Article 6.2, form an important component of India's long-term low carbon development strategy to achieve Net Zero by 2070.

Presently, this strategy is cost intensive and requires viability gap funding. The JCM will encourage the flow of investment, technology assistance, including technology transfer and capacity building support for the implementation of projects involving these low carbon technologies. It will also develop domestic ecosystem and partnerships to localise low carbon technologies and associated high technology interventions related to equipment, machinery, products, systems and infrastructure, paving the way for their large-scale deployment.

The Memorandum of Cooperation would further facilitate the implementation of projects contributing to greenhouse gas (GHG) reduction or removal and sustainable development in India. It will also enable the international trading of carbon credits generated from such projects under Article 6.2 of the Paris Agreement with Japan and other countries on similar lines, without adversely impacting India's NDC commitments.

The MoEFCC has also received authorisation from the Union Cabinet to finalize the Rules of Implementation (RoI) and for signing agreements with other countries on similar lines under Article 6.2 of Paris Agreement, in consultation with the concerned Ministries of Government of India and Ministry of External Affairs (MEA).

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