FIPI

Federation of Indian Petroleum Industry

POLICY & ECONOMIC REPORT

OIL & GAS MARKET

June 2025

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Executive Summary

According to the latest World Economic Situation and Prospects (WESP) update, global growth is forecast to slow to 2.4 per cent in 2025, down from 2.9 per cent in 2024 and 0.4 percentage points below the January forecast. This downward revision primarily reflects heightened trade tensions and intensified policy uncertainty, which are expected to strain global supply chains, raise production costs, and delay critical investment decisions, besides fueling financial market volatility.

Developed economies are forecast to grow at 1.3 per cent in 2025, down from 1.8 per cent in 2024, reflecting weakening private investment, trade tensions, and ongoing policy uncertainty. The United States is projected to grow by 1.6 per cent in 2025, significantly lower than the 2.8 per cent recorded in 2024. This slowdown is attributed to weaker domestic demand, with heightened policy uncertainty projected to dampen private investment. The European Union economy is projected to grow by 1.0 per cent in 2025, unchanged from 2024. Key challenges include higher trade barriers, elevated policy uncertainty and slowing growth in the United States and China. In Developed Asia and the Pacific, global trade tensions and slowing external demand are dampening growth prospects for 2025. Japan's economy is forecast to grow by 0.7 per cent, as subdued consumption continues to weigh on the economy. Australia is projected to rebound, driven by monetary easing from the Reserve Bank of Australia.

In case of India, the latest Monetary Policy was announced on 6th June 2025 which published the estimates of NSO; stating that real GDP growth in Q4:2024-25 stood at 7.4 per cent as against 6.4 per cent in Q3. Real Gross Value Added (GVA) rose by 6.8 per cent in Q4:2024-25. For 2024-25, real GDP growth was placed at 6.5 per cent, while real GVA recorded a growth of 6.4 per cent.

The following were the key highlights of the meeting: -

- Economic activity continues to maintain the momentum in 2025-26, supported by private consumption and traction in fixed capital formation.
- Investment activity is expected to improve considering higher capacity utilization, improving balance sheets of financial and non-financial corporates, and government's capital expenditure push.
- Trade policy uncertainty continues to weigh on exports prospects, however the conclusion of free trade agreement (FTA) with the United Kingdom and progress with other countries is supportive of trade activity.
- Agriculture prospects remain bright on the back of an above normal south- west monsoon forecast and resilient allied activities.
- Services sector is expected to maintain its momentum.
- Taking into consideration the above factors the policy projects real GDP growth for 2025-26 is projected at 6.5 per cent, with Q1 at 6.5 per cent, Q2 at 6.7 per cent, Q3 at 6.6 per cent, and Q4 at 6.3 per cent.

Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of May, 2025 over May, 2024 is 2.82% (Provisional). There is decline of 34 basis points in headline inflation of May, 2025 in comparison to April, 2025. It is the lowest year-on-year inflation after February, 2019. Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of May, 2025 over May, 2024 is 0.99% (Provisional). Corresponding inflation rate for rural and urban are 0.95% and 0.96%, respectively. A sharp decline of 79 basis point is observed in food inflation in May, 2025 in comparison to April, 2025. The food inflation in May, 2025 is the lowest after October, 2021.

According to the monetary policy meeting, record wheat production and higher production of key pulses in the Rabi crop season, and expected above normal monsoon along with its early onset augurs well for Kharif crop prospects should ensure adequate supply of key food items. Reflecting this, inflation expectations are showing a moderating trend, more so for the rural households.

Taking the above factors into consideration the policy projects CPI inflation for the financial year 2025-26 at 3.7 per cent, with Q1 at 2.9 per cent; Q2 at 3.4 per cent; Q3 at 3.9 per cent; and Q4 at 4.4 per cent

Policy repo rate is being reduced by 50 basis points (bps) to 5.50 per cent with immediate effect. There will be consequent adjustment of the Standing Deposit Facility (SDF) rate under the Liquidity Adjustment Facility (LAF) to 5.25 per cent and of the Marginal Standing Facility (MSF) rate and the Bank Rate to 5.75 per cent. RBI expects to attain the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while stepping up growth momentum.

India's economic activity surged in June, with the HSBC Flash Composite Output Index climbing to a 14-month high of 61, indicating a sharp and above-trend expansion in both manufacturing and services. The Flash India Manufacturing Purchasing Managers' Index (PMI) rose to 58.4 in June from 57.6 in May, while the output index reached 61.5, its highest since April 2024. In the services sector, the activity index increased to 60.7 from 58.8 in May, reflecting robust momentum.

On the external front, India's total exports (Merchandise and Services combined) for May 2025 are estimated at USD 71.12 Billion, registering a growth of 2.77 percent vis-à-vis May 2024. Total imports (Merchandise and Services combined) for May 2025 are estimated at USD 77.75 Billion, registering a negative growth of 1.02 percent vis-à-vis May 2024.

As far as oil and gas industry is concerned, global oil markets experienced significant turbulence following a sharp escalation in geopolitical tensions, as Israel launched a series of air strikes on targets in Iran, prompting retaliatory action from Tehran. Although the two nations have engaged in a prolonged shadow conflict for decades, the current escalation marks the most intense phase to date, notably involving attacks on energy infrastructure for the first time. As of the time of reporting, Iranian oil flows remained unaffected; however, heightened concerns over potential regional disruptions—particularly to oil transit through the strategically vital Strait of Hormuz—led to a surge in oil prices, with Brent crude futures rising to a six-month high of $74 per barrel.

Iran has repeatedly issued threats to close the strategically vital Strait of Hormuz in the event of an attack. Even a temporary closure of the Strait would significantly impact global oil and gas markets. The Strait

serves as the primary maritime passage for approximately 25% of the world's oil supply—including exports from Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Iraq, and Iran—as well as the majority of the world's spare production capacity. Barring any major supply disruptions, the global oil market appears well supplied in 2025. In May, global oil production increased by 1.9 million barrels per day (mb/d) compared to the same period last year, driven in part by the easing of voluntary production cuts by OPEC+ members. For the full year 2025, global oil supply is projected to grow by 1.8 mb/d, reaching 104.9 mb/d, with a further increase of 1.1 mb/d anticipated in 2026. Non-OPEC+ producers are expected to contribute an average of 1.4 mb/d in additional supply this year and 840 kb/d in 2026.

Crude spot prices declined in May, primarily driven by continued selloffs in the futures market. Spot prices also came under pressure, mainly due to weaker European refiners' demand, given refinery outages, easing geopolitical concerns about oil supply, and signs of a well-supplied crude market, including expectations of higher short-term supply from the US. Crude oil futures prices extended their decline in May, amid persistently elevated volatility and downward pressure from global macroeconomic headwinds and the continued unwinding of geopolitical supply risk premiums. Weaker sentiment was further exacerbated by trade and monetary policy-related developments that contributed to heightened market fluctuations.

Natural gas spot prices at the US Henry Hub benchmark averaged $3.12 per million British thermal units (MMBtu) in May 2025. Henry Hub's natural gas prices declined for the third consecutive month in May, falling by ~8.8%, m-o-m. Softer demand due to mild weather reduced heating demand, thereby putting downward pressure on prices. At the same time, high storage levels during the injection season kept the market well supplied. Despite the monthly decline, prices were up by ~47.2%, y-o-y.

Economy in Focus

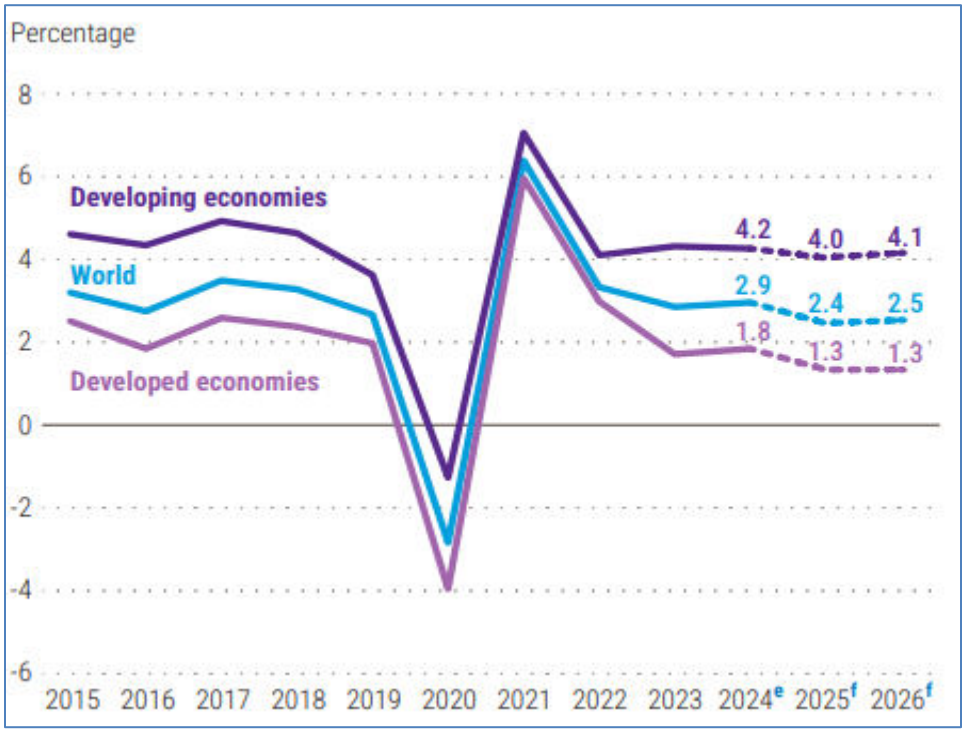
1. A snapshot of the global economy

Global economic growth

- According to the latest World Economic Situation and Prospects (WESP) update, global growth is forecast to slow to 2.4 per cent in 2025, down from 2.9 per cent in 2024 and 0.4 percentage points below the January forecast.

- This downward revision primarily reflects heightened trade tensions and intensified policy uncertainty, which are expected to strain global supply chains, raise production costs, and delay critical investment decisions, besides fueling financial market volatility.

Figure 1: Growth of economic output (%)



Source- UN

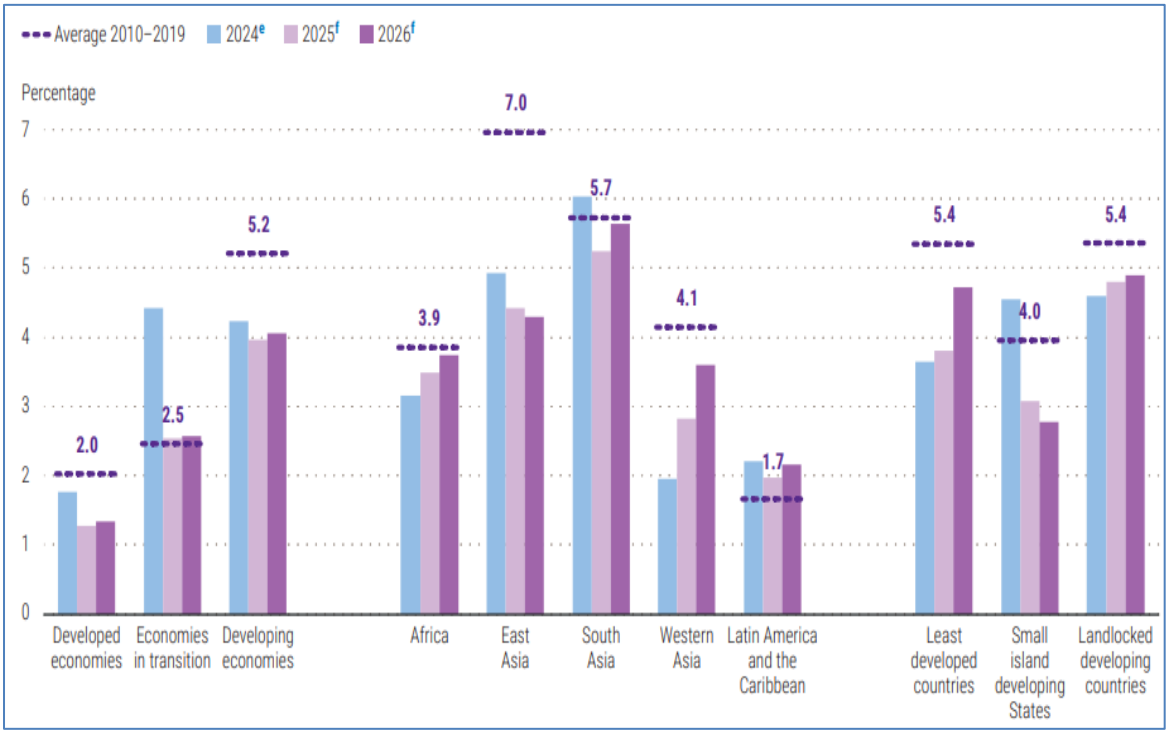
Developed economies are forecasted to grow at 1.3 per cent in 2025, down from 1.8 per cent in 2024, reflecting weakening private investment, trade tensions, and ongoing policy uncertainty.

- The United States is projected to grow by 1.6 per cent in 2025, significantly lower than the 2.8 per cent recorded in 2024. This slowdown is attributed to weaker domestic demand, with heightened policy uncertainty projected to dampen private investment.

- The European Union economy is projected to grow by 1.0 per cent in 2025, unchanged from 2024. Key challenges include higher trade barriers, elevated policy uncertainty and slowing growth in the United States and China.

- In Developed Asia and the Pacific, global trade tensions and slowing external demand are dampening growth prospects for 2025. Japan's economy is forecasted to grow by 0.7 per cent, as subdued consumption continues to weigh on the economy. Australia is projected to rebound, driven by monetary easing from the Reserve Bank of Australia.

Figure 2: Growth of GDP by region & country group



Source- UN

- Growth projections for developing economies have been downgraded, with average growth now forecast at 4.0 per cent in 2025, compared to 4.2 per cent in 2024, reflecting significant regional disparities. Africa's gross domestic product (GDP) is forecast to expand by 3.6 per cent in 2025, slightly up from 3.5 per cent in 2024, but growth remains constrained by trade tensions, low commodity prices, and ongoing conflicts.

- South Asia's growth is forecast to moderate from 6.0 per cent in 2024 to 5.3 per cent in 2025, with risks stemming from persistent debt challenges, trade uncertainty, and geopolitical tensions. India is forecast to grow by 6.3 per cent in 2025, supported by strong consumption, public investment, and services exports.

- In Latin America and the Caribbean, GDP is projected to grow at 2.0 per cent in 2025, down from 2.2 per cent in 2024. Brazil's growth is forecast at 1.8 per cent, slowing from 3.4 per cent in 2024, as weaker household consumption, reduced fiscal stimulus and monetary tightening take a toll.

- Small island developing States (SIDS) have seen a downward revision in growth to 3.1 per cent in 2025. Landlocked developing countries (LLDCs) are likely to experience limited near-term impacts from the trade conflict due to their restricted access to international markets.

Global inflation

According to UN, global inflation is projected to moderate from 4.0 per cent in 2024 to 3.6 per cent in 2025. However, the trend masks divergent regional dynamics.

- In developed economies, inflation is projected to average 2.8 per cent, slightly above the 2.7 per cent recorded in 2024, with risks of renewed upward pressures in the United States due to tariffs on intermediate and final goods.

- Developing economies are projected to see inflation fall to 4.7 per cent, but three quarters of these economies will still experience rates above pre-pandemic levels. Food inflation remains high, especially in developing countries, where conflict and climate shocks continue to disrupt supply chains.

- The United States Federal Reserve has been holding its policy rates steady, awaiting more information on inflation and growth trajectories. The European Central Bank has lowered rates amid easing inflation and stagnant growth. Many central banks in developing economies are gradually easing monetary policies as inflation moderates. Brazil, however, has raised policy rates to address persistent inflation.

Global trade

Global trade is projected to experience a sharp slowdown. Following a temporary surge driven by frontloaded shipments ahead of anticipated tariffs, growth in trade volume is projected to reach just 1.6 per cent in 2025, down from 3.3 per cent in 2024. Falling prices for key commodities, including oil, industrial metals, and minerals, reflect subdued global demand, posing additional challenges for resource-dependent economies. Amid escalating protectionism and persistent policy uncertainty, the continuing erosion of the multilateral trading system risks further marginalizing small and vulnerable countries.

In contrast, services trade remains resilient, buoyed by the rapid expansion of digitally deliverable services, which now account for 14 per cent of global exports. Sectors such as education, finance, and healthcare have benefited from the widespread adoption of artificial intelligence.

2. Global energy investment set to rise to $3.3 trillion in 2025; clean energy to attract $ 2.2 trillion – IEA

According to IEA, global energy investment is set to increase in 2025 to a record $3.3 trillion despite headwinds from elevated geopolitical tensions and economic uncertainty, with clean energy technologies attracting twice as much capital as fossil fuels.

Investment in clean technologies – renewables, nuclear, grids, storage, low-emissions fuels, efficiency, and electrification – is on course to hit a record $2.2 trillion this year, reflecting not only efforts to reduce emissions but also the growing influence of industrial policy, energy security concerns and the cost competitiveness of electricity-based solutions, according to the 2025 edition of the IEA's annual World Energy Investment report. Investment in oil, natural gas and coal is set to reach $1.1 trillion.

According to IEA, when it published the first ever edition of its World Energy Investment report nearly ten years ago, it showed energy investment in China in 2015 just edging ahead of that of the United States. Today, China is by far the largest energy investor globally, spending twice as much on energy as the European Union – and almost as much as the EU and United States combined. Over the past decade, China's share of global clean energy spending has risen from a quarter to almost a third, underpinned by strategic investments in a wide range of technologies, including solar, wind, hydropower, nuclear, batteries and EVs.

Globally, spending on low-emissions power generation has almost doubled over the past five years, led by solar PV. Investment in solar, both utility-scale and rooftop, is expected to reach $450 billion in 2025, making it the single largest item in the global energy investment inventory. Battery storage investments are also climbing rapidly, surging above $65 billion this year.

Capital flows to nuclear power have grown by 50% over the past five years and are on course to reach around $75 billion in 2025. Rapid growth in electricity demand also underpins continued investment in coal supply, mainly in China and India. In 2024, China started construction on nearly 100 gigawatts of new coal-fired power plants, pushing global approvals of coal-fired plants to their highest level since 2015.

3. Solar surpasses nuclear for first time, contributes 10% of global power in April 2025

In April 2025, solar power surpassed nuclear energy for the first time, contributing 10% to global electricity generation. This milestone reflects a 34% year-on-year growth in solar output, driven by rapid capacity expansion, especially in China. Solar is now the fourth-largest power source globally, signaling its rising dominance and the urgent need for energy storage and grid upgrades.

Over the past five years, the total installed capacity for solar energy has nearly tripled, pushing global figures to approximately 1,866 gigawatts. Solar's peak monthly generation is projected to exceed 260 terawatt-hours during the summer, compared to nuclear 's average of 223 terawatt-hours. This

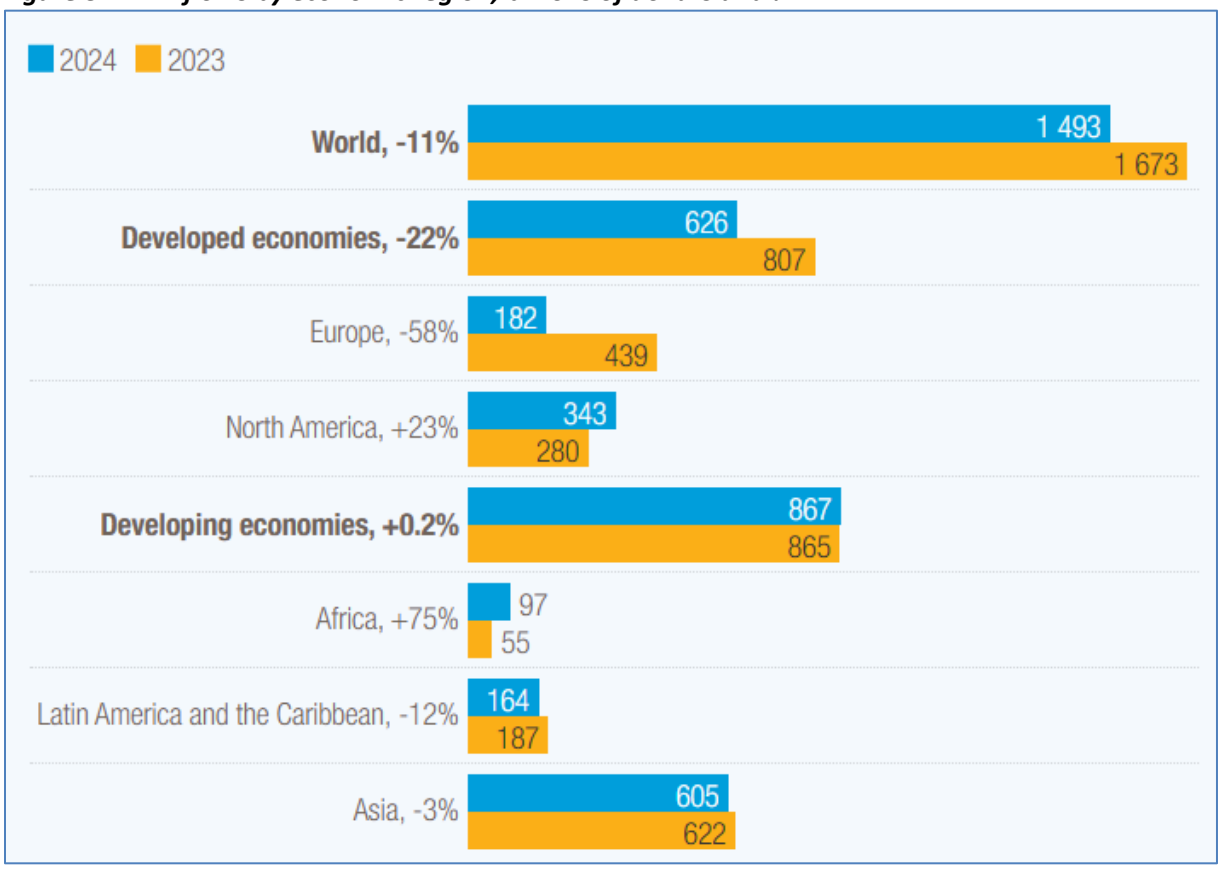
increase in output reflects solar 's growing dominance among clean energy sources, especially during high-sunlight months, and solidifies its role in decarbonizing global power grids.

China played a crucial role in this global shift. In April alone, wind and solar together provided 26% of the country's electricity. This marks a record for China and showcases the potential impact of large-scale renewable adoption in major economies.

4. **Global foreign direct investment (FDI) fell by 11% to $1.5 trillion in 2024, marking the second straight year of decline.**

Global FDI flows fell by 11 per cent in 2024, to $1.5 trillion in 2024. Developed countries experienced a 22 per cent contraction, while flows to developing economies were stable. Much of the global decline was due to a 58 per cent fall in FDI to Europe. Other contributors were the decline of FDI to China, where inflows dropped by 29 per cent, and South America, where inflows declined by 18 per cent.

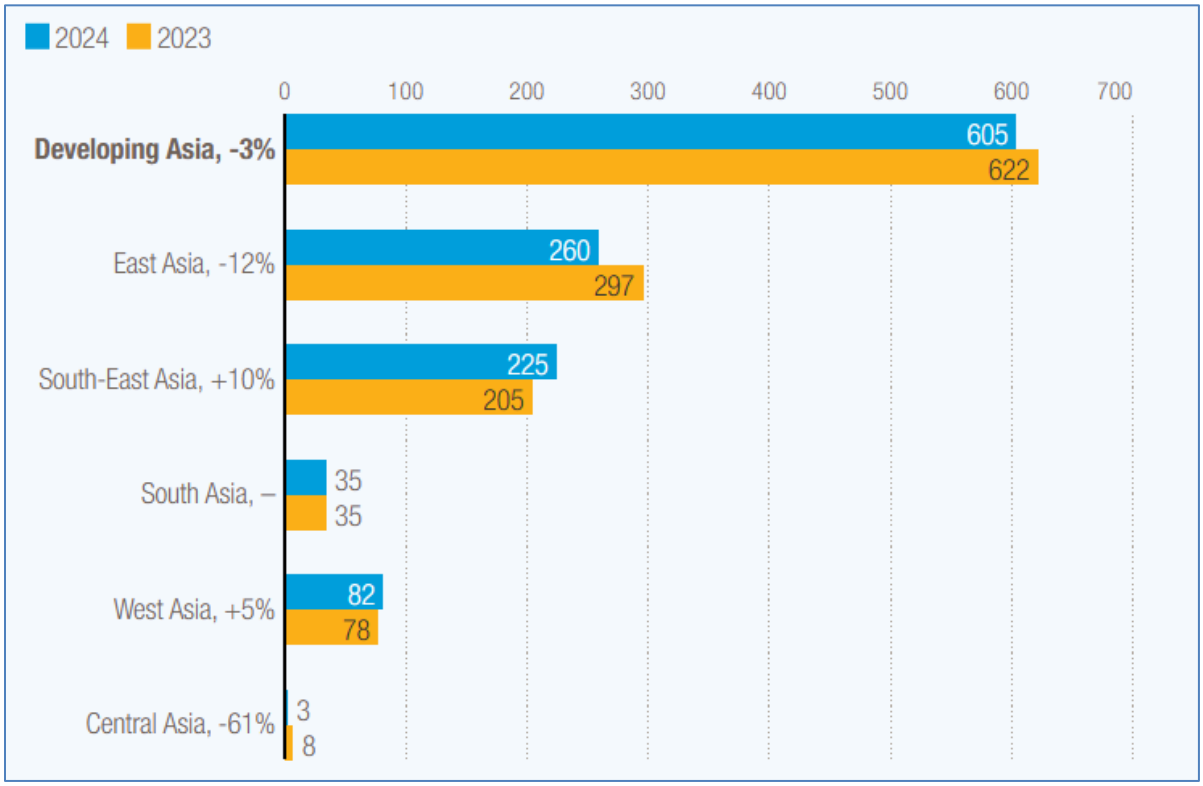
Figure 3: FDI inflows by economic region, billions of dollars and %



Source- UNCTAD

Asia remained the top recipient region, despite a 3% overall decline and a 29% drop in flows to China. South-East Asia stood out, with ASEAN countries up 10%, reaching a record $225 billion in FDI. India saw strong momentum in greenfield investment, even as total inflows dipped slightly.

Figure 4: FDI inflows to developing countries in Asia by region, billions of dollars and %



Source- UNCTAD

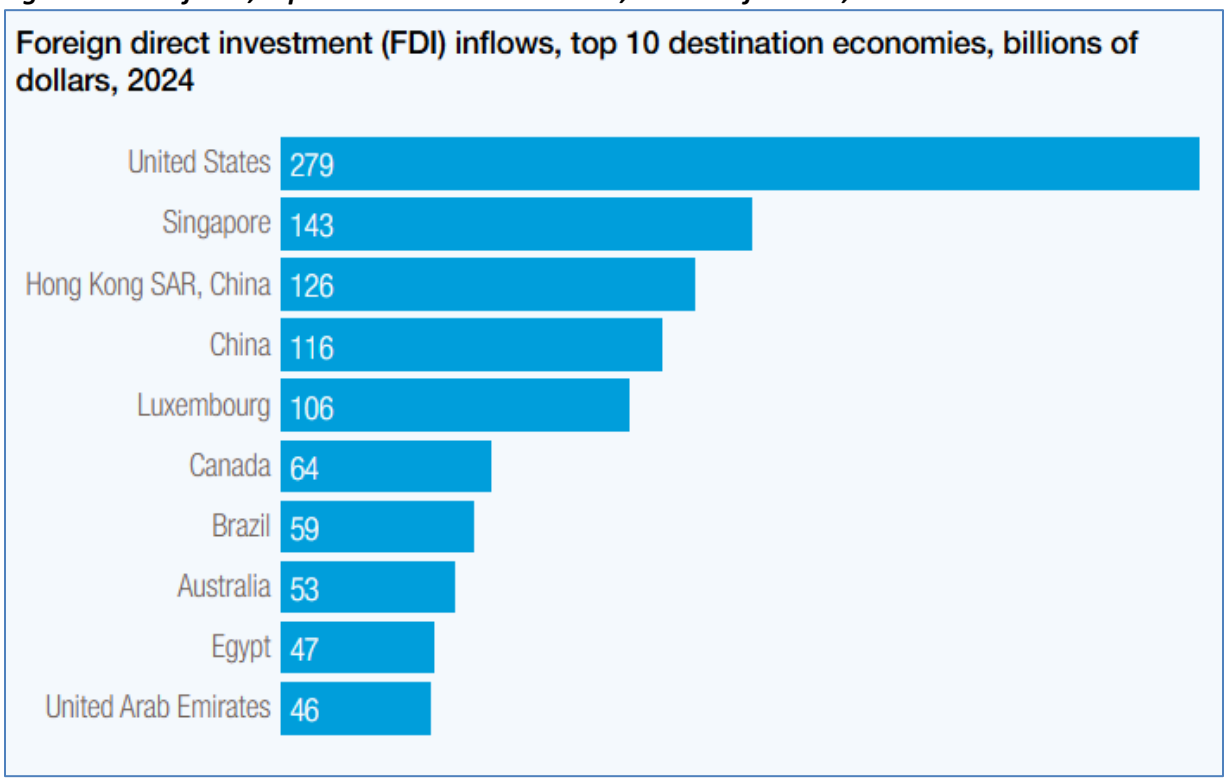
By contrast, several regions recorded growth. North America saw a 23 per cent increase in FDI, with inflows in the United States of America up 20 per cent, mostly driven by a doubling of M&A sales values and by large-scale investment in high-tech and clean energy sectors. Among developing regions, ASEAN recorded a 10 per cent growth in inflows, Central America a 4 per cent growth and Africa 75 per cent. The increase in Africa led to a new record for FDI inflows to the region.

FDI to developing countries as a group remained stable at $867 billion, or 57 per cent of global FDI, despite tight financing conditions and growing geopolitical uncertainty. Developing Asia, the largest recipient region, saw only a slight decline of 3 per cent, with several major economies maintaining strong inflows, compensating the decline in China. Latin America and the Caribbean experienced a 12 per cent decline. The relative resilience of developing regions reflects ongoing investor interest in market-seeking and resource-based investment, and the growing role of South–South capital flows.

In terms of announced greenfield projects – a forward-looking indicator of investor sentiment – the global number of projects rose by 3 per cent in 2024, reaching more than 19,000. The increase in project numbers was driven by investment in manufacturing industries, especially in strategic sectors

such as semiconductors and electric vehicle (EV) components, often supported by industrial policies. Digital economy sectors, including platforms and services, also saw strong growth.

Figure 5: FDI inflows, top 10 destination economies, billions of dollars, 2024



Source- UN

5. Indian Economy

India's economic growth

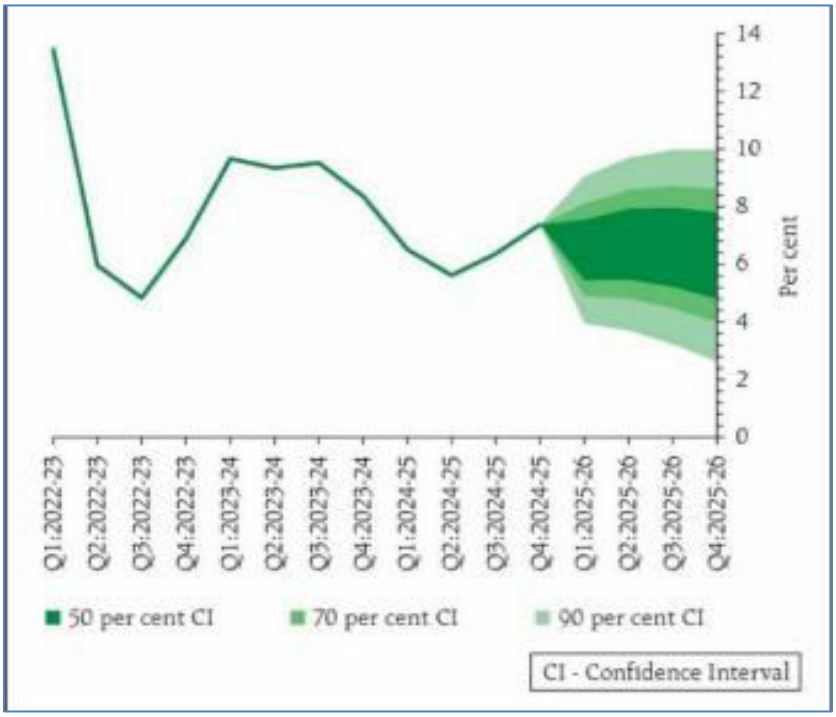
The latest Monetary Policy announced on 6th June 2025, published the estimates of NSO; stating that real GDP growth in Q4:2024-25 stood at 7.4 per cent as against 6.4 per cent in Q3. Real Gross Value Added (GVA) rose by 6.8 per cent in Q4:2024-25. For 2024-25, real GDP growth was placed at 6.5 per cent, while real GVA recorded a growth of 6.4 per cent.

The following were the key highlights of the meeting: -

- Economic activity continues to maintain the momentum in 2025-26, supported by private consumption and traction in fixed capital formation.
- Investment activity is expected to improve considering higher capacity utilization, improving balance sheets of financial and non-financial corporates, and government's capital expenditure push.

- Trade policy uncertainty continues to weigh on exports prospects, however the conclusion of free trade agreement (FTA) with the United Kingdom and progress with other countries is supportive of trade activity.
- Agriculture prospects remain bright on the back of an above normal south- west monsoon forecast and resilient allied activities.
- Services sector is expected to maintain its momentum.
- Taking into consideration the above factors the policy projects real GDP growth for 2025-26 is projected at 6.5 per cent, with Q1 at 6.5 per cent, Q2 at 6.7 per cent, Q3 at 6.6 per cent, and Q4 at 6.3 per cent.

Figure 6: Quarterly projection of real GDP growth (y-o-y)

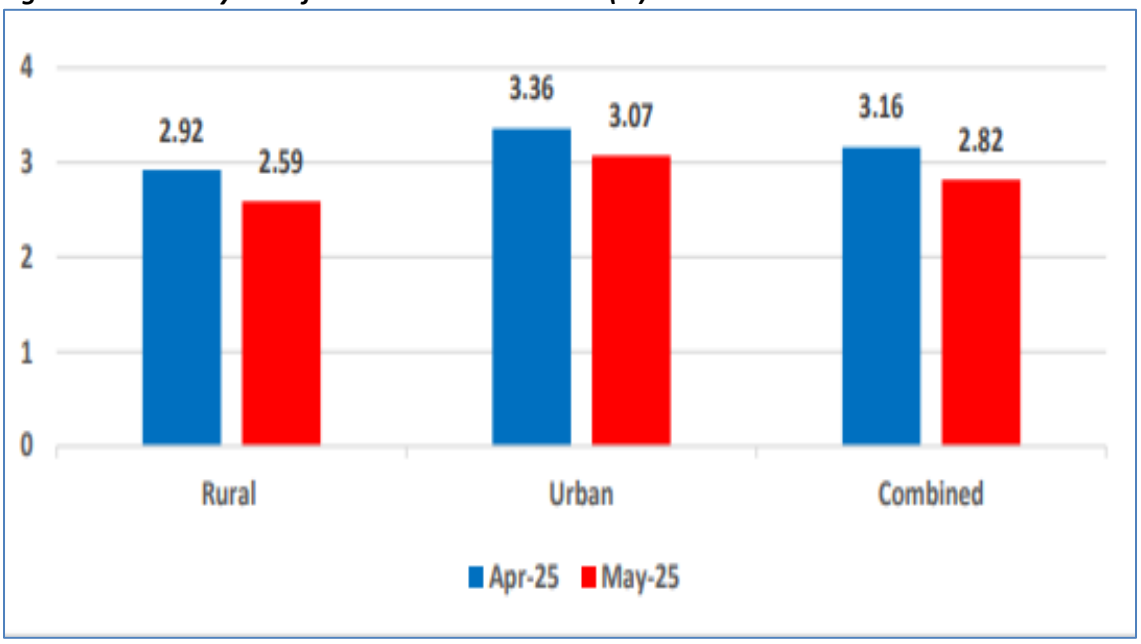


Source- RBI

Inflation in India

- Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of May, 2025 over May, 2024 is 2.82% (Provisional). There is decline of 34 basis points in headline inflation of May, 2025 in comparison to April, 2025. It is the lowest year-on-year inflation after February, 2019.

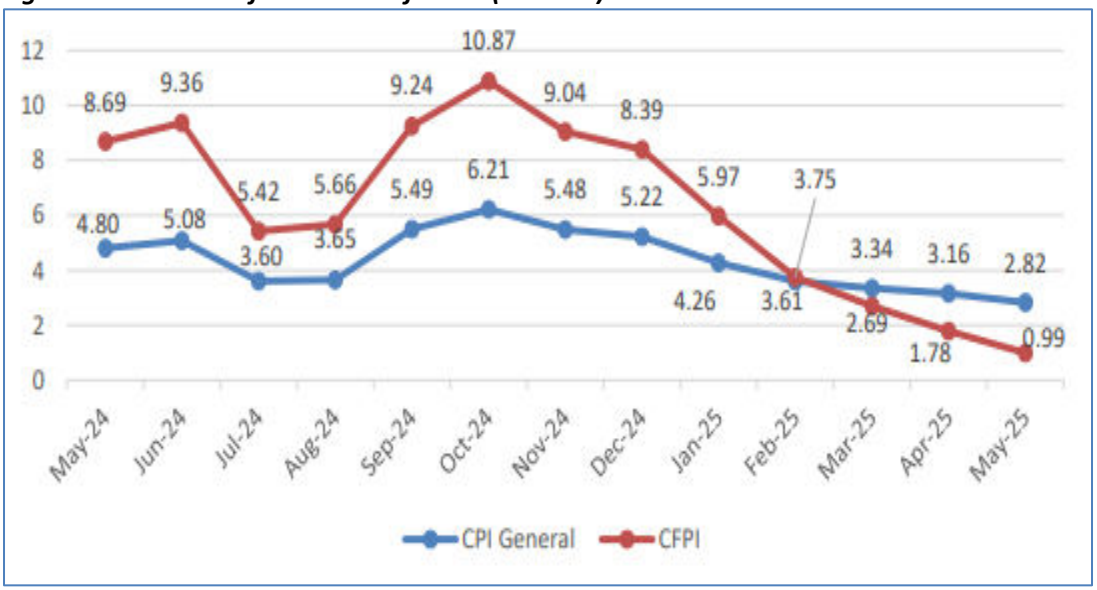
Figure 7: Year on year inflation rate based on CPI (%)



Source- NSO

- Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of May, 2025 over May, 2024 is 0.99% (Provisional). Corresponding inflation rate for rural and urban are 0.95% and 0.96%, respectively. A sharp decline of 79 basis point is observed in food inflation in May, 2025 in comparison to April, 2025. The food inflation in May, 2025 is the lowest after October, 2021.

Figure 8: All India inflation rates for CPI (General) and CFPI



Source- NSO

- The significant decline in headline inflation and food inflation during the month of May, 2025 is mainly attributed to decline in inflation of Pulses & products, Vegetables, Fruits, Cereals & products, Households goods & services, Sugar & confectionary and Egg and the favorable base effect.

- Rural Inflation: Significant decline in headline and food inflation in rural sector observed in May, 2025. The headline inflation is 2.59% (provisional) in May, 2025 while the same was 2.92% in April, 2025. The CFPI based food inflation in rural sector is observed as 0.95% in May, 2025 in comparison to 1.85% in April, 2025.

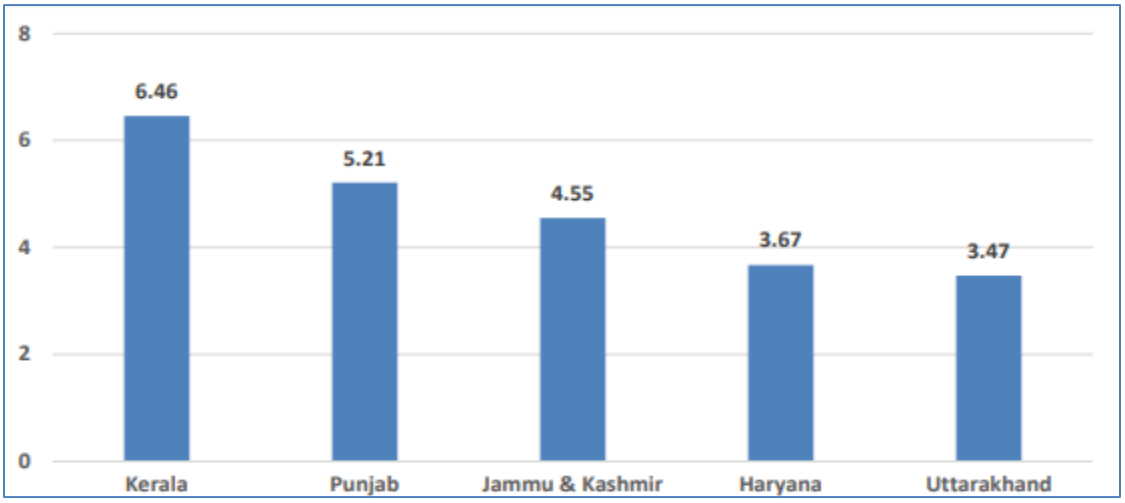
- Urban Inflation: Significant decline from 3.36% in April, 2025 to 3.07% (Provisional) in May, 2025 is observed in headline inflation of urban sector. Sharp decline is also observed in food inflation from 1.64% in April, 2025 to 0.96% (Provisional) in May, 2025.

- Housing Inflation: Year-on-year Housing inflation rate for the month of May, 2025 is 3.16% (Provisional). Corresponding inflation rate for the month of April, 2025 was 3.06%. The housing index is compiled for urban sector only.

- Fuel & light: Year-on-year Fuel & light inflation rate for the month of May, 2025 is 2.78%(Provisional). Corresponding inflation rate for the month of April, 2025 was 2.92%. 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 May, 2025 are shown in the graph below.

Figure 9: All India inflation rates for CPI (General) and CFPI



Source- NSO

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Repo Rate reduction-

- Policy repo rate is being reduced by 50 basis points (bps) to 5.50 per cent with immediate effect.
- There will be consequent adjustment of the Standing Deposit Facility (SDF) rate under the Liquidity Adjustment Facility (LAF) to 5.25 per cent and of the Marginal Standing Facility (MSF) rate and the Bank Rate to 5.75 per cent.
- RBI expects to attain the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while stepping up growth momentum.

Manufacturing PMI – India

- India’s economic activity surged in June, with the HSBC Flash Composite Output Index climbing to a 14-month high of 61, indicating a sharp and above-trend expansion in both manufacturing and services.

- A reading above 50 signals growth, and the index has remained in expansion territory for over three years. According to Standard and Poor's (S&P) Global, which compiled the survey, manufacturers led the upturn, supported by rising demand, efficient operations, and technology investments.

- The Flash India Manufacturing Purchasing Managers' Index (PMI) rose to 58.4 in June from 57.6 in May, while the output index reached 61.5, its highest since April 2024. In the services sector, the activity index increased to 60.7 from 58.8 in May, reflecting robust momentum.

- A significant rise in new export orders is expected, especially in manufacturing, supported by stronger demand from Asia, Europe, West Asia, and the United States (US). Employment expanded in both sectors, though hiring in services slowed slightly on a sequential basis. Despite continued increases in input and output costs, the rate of inflation showed signs of moderation.

India’s external position

India’s forex reserves

- India's forex reserves increased by $2.29 billion to $698.95 billion for the week ending June 13, according to Reserve Bank of India.

- For the week ending on June 13, foreign currency assets, a major component of the reserves, increased $1.73 billion to $589.42 billion.

- Gold reserves increased by $428 million to $86.31 billion during the week. The special drawing rights were up $85 million to $18.75 billion. India's reserve position with the IMF was also up $43 million at $4.45 billion in the reporting week, according to RBI.

India's foreign trade position

- India's total exports (Merchandise and Services combined) for May 2025 are estimated at USD 71.12 Billion, registering a growth of 2.77 percent vis-à-vis May 2024.

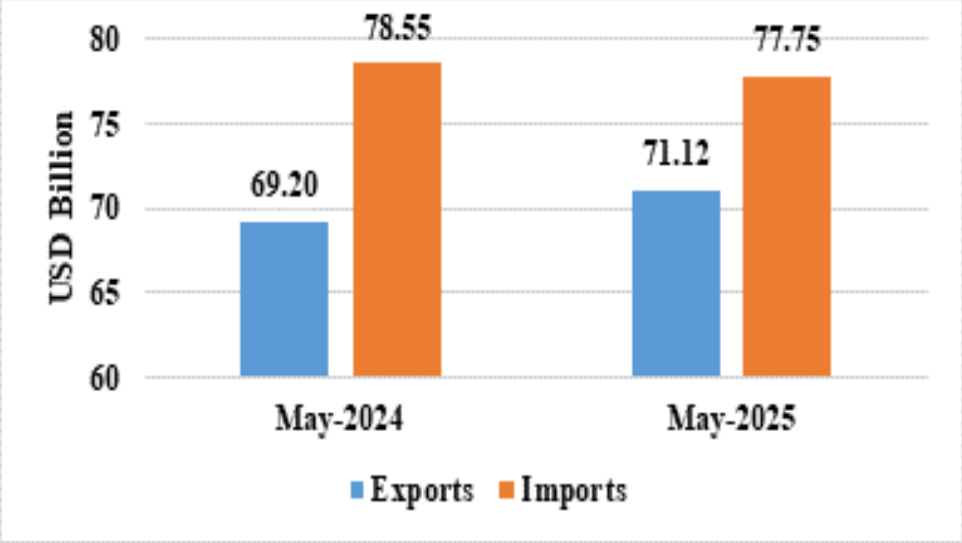
- Total imports (Merchandise and Services combined) for May 2025 are estimated at USD 77.75 Billion, registering a negative growth of 1.02 percent vis-à-vis May 2024.

Table 1: Trade during April 2025

		May 2025 (USD Billion)	May 2024 (USD Billion)
Merchandise	Exports	38.73	39.59
	Imports	60.61	61.68
Services	Exports	32.39	29.61
	Imports	17.14	16.88
Total Trade (Merchandise + Services)	Exports	71.12	69.20
	Imports	77.75	78.55
	Trade Balance	**-6.62**	**-9.35**

Source- Ministry of Commerce & Industry

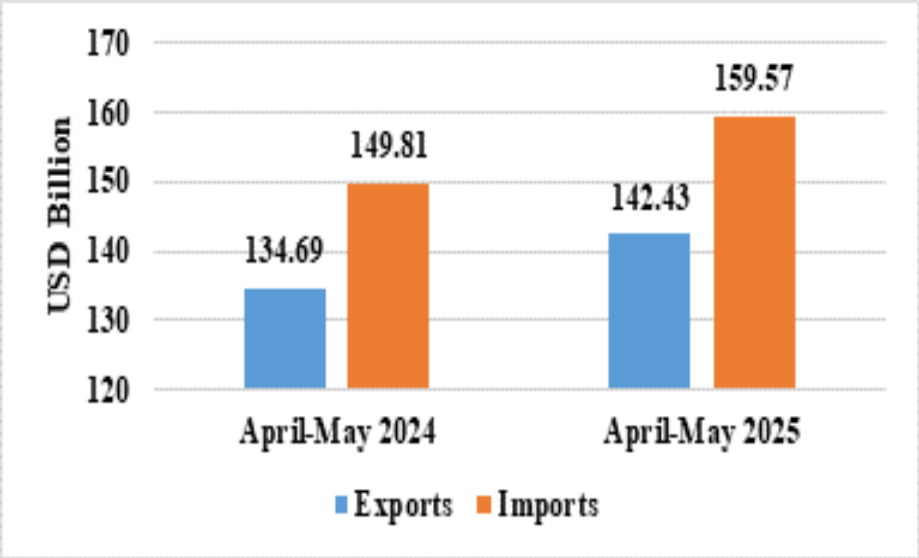
Figure 10: Total Trade during May 2025



Source- RBI

India's total exports during April-May 2025 are estimated at US$ 142.43 Billion registering a growth of 5.75 percent. Total imports during April-May 2025 are estimated at US$ 159.57 Billion registering a growth of 6.52 percent.

Figure 11: Total Trade during April-May 2025



Source- RBI

- Exports of Electronic Goods (54.1%), Marine Products (26.79%), Tobacco (22.69%), Meat, Dairy & Poultry Products (16.87%), Organic & Inorganic Chemicals (16%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (11.65%), Textiles (11.35%), Spices (11.19%), Other Cereals (9.64%), Jute Mfg. Including Floor Covering (9.5%), Coffee (8.18%), Drugs & Pharmaceuticals (7.38%), Leather & Leather Products (6.89%), Fruits & Vegetables (2.56%), Tea (2.3%), Ceramic Products & Glassware (2.27%), Carpet (1%) record positive growth during May 2025 over the corresponding month of last year.

- Imports of Pulses (-51.89%), Transport Equipment (-28.23%), Fertilisers, Crude & Manufactured (-26.64%), Petroleum, Crude & Products (-26.14%), Newsprint (-20.57%), Coal, Coke & Briquettes, Etc. (-19.37%), Pearls, Precious & Semi-Precious Stones (-18.51%), Metalliferous Ores & Other Minerals (-13.53%), Gold (-12.6%), Vegetable Oil (-3.61%) record negative growth during May 2025 over the corresponding month of last year.

- Services exports is estimated to grow by 9.11 percent during April-May 2025 over April-May 2024.

- Top 5 export destinations, in terms of change in value, exhibiting growth in May 2025 vis a vis May 2024 are U S A (16.93%), China P Rp (25.04%), Australia (35.36%), Russia (48.11%), and Germany (17.05%).

- Top 5 export destinations, in terms of change in value, exhibiting growth in April-May 2025 vis a vis April-May 2024 are U S A (21.78%), U Arab Emts (12.31%), Australia (50.76%), China P Rp (18.75%) and Oman (40.94%).

- Top 5 import sources, in terms of change in value, exhibiting growth in May 2025 vis a vis May 2024 are China P Rp (21.61%), U Arab Emts (27.64%), Nigeria (89.56%), Hong Kong (29.3%), and Japan (24.32%).

- Top 5 import sources, in terms of change in value, exhibiting growth in April-May 2025 vis a vis April-May 2024 are U Arab Emts (52.08%), China P Rp (24.23%), U S A (25.8%), Ireland (287.99%) and Hong Kong (38.5%).

6. India slips to 71st spot on Energy Transition Index

- The Fostering Effective Energy Transition 2025 report, developed in collaboration with Accenture, benchmarked the performance of energy systems of 118 countries across three performance dimensions security, sustainability, and equity and five readiness factors -- political commitment, finance and investment, innovation, infrastructure, and education and human capital.

- It noted that despite USD 2 trillion in clean energy investment in 2024, emissions hit a record 37.8 billion tons in the hottest year on record, as energy demand rose 2.2 per cent driven by artificial intelligence (AI), data centers, cooling, and electrification.

- According to World Economic Forum, India has been ranked 71st on a global Energy Transition Index.

- Sweden topped the list of 118 countries, followed by Finland, Denmark, Norway, and Switzerland in the top five. China was ranked 12th; the US was 17th and Pakistan at 101st place. Congo was ranked lowest.

- While India's rank has fallen from 63rd last year, the WEF said India and China experienced the greatest overall improvement among large economies, especially in increasing access to energy and strengthening transition readiness.

- The WEF said the top five largest economies China, the US, EU, Japan, and India will ultimately determine the pace and direction of the global energy transition due to their sheer size. Together, they account for around half of the global GDP, population, and total energy supply (TES), and nearly two-thirds of global emissions, giving them an outsized influence through their consumption patterns, investment flows and policy choices.

- Over the past decade, India has made significant strides in increasing equity through greater access to energy and clean fuels, while also improving energy regulations and investment in renewable and other clean-energy technologies. India also made progress in lowering energy intensity and CH4 emissions, creating more favourable energy regulations and increasing clean energy investments.

- While 77 of 118 countries improved their scores in 2025, the share of countries advancing across all three energy dimensions -- security, sustainability, and equity -- was only 28 per cent, highlighting that the majority still progressed unevenly. The US led in energy security, while India advanced in energy efficiency and investment capacity.

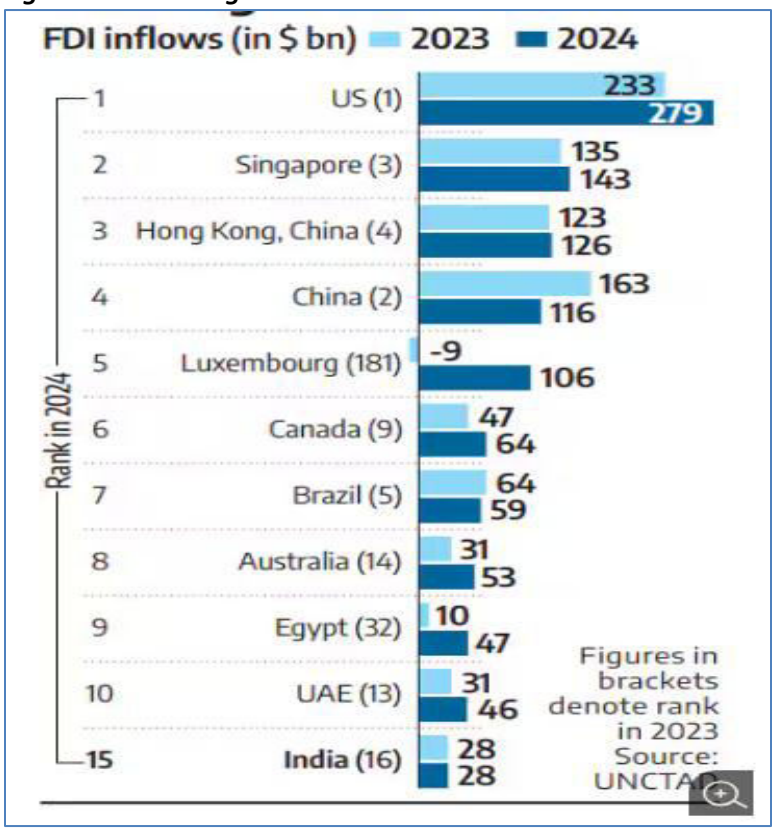
7. India reaches 15th spot in top FDI destinations in 2024: UNCTAD report

According to United Nations Conference on Trade and Development (UNCTAD), foreign direct investment (FDI) into India remained unchanged year-on-year in 2024 at $28 billion even as global FDI flows dropped 11 per cent.

According to UNCTAD's World Investment Report 2025, India moved up a notch in countries' rankings for FDI inflows to hit the 15th spot in 2024. According to data from the Department for Promotion of Industry and Internal Trade, FDI equity inflows stood at $50 billion in 2024-25 (FY25), up 13 per cent.

The country is ranked fourth in terms of greenfield project announcement numbers, the same as the previous year. However, it slipped to the fifth position in international project finance (IPF) deals in 2024 with 97 deals, after recording the second highest number of deals in 2023.

Figure 12: Tracking investment



Source- UNCTAD

The United States retained its top position for FDI inflows, followed by Singapore and Hong Kong, which moved up one place each in 2024. China slipped to the fourth spot last year from the second biggest FDI magnet destination with its inflows dropping to $116 billion from $163 billion in 2023. Developed economies received 53 per cent of the total international private equity investment, while developing Asia attracted 46 per cent, with India emerging as the main recipient.

India, along with Brazil and Chile, hosts more than 30 per cent of international projects in developing economies, doubling their pre-2018 share, driven by strong renewable energy programmes.

The annual investment report tracks international investment trends based on FDI statistics – stocks and flows, inward and outward as well as cross-border mergers and acquisitions, greenfield projects, and international project-finance deals.

8. India achieves second spot globally in social security coverage: 94 crore Indians under social security

According to the ILO (International Labour Organisation), in 2015, the rate of social security in India was only 19 per cent. Currently, India has reached the second position in the world in terms of providing social security where 64.4 per cent of the total population, i.e., 94 crore people, are covered under social security.

Guided by the vision of Prime Minister Narendra Modi of achieving 'Sabka Saath, Sabka Vikas,' India has achieved a historic milestone in the realm of social protection coverage, recording one of the most significant expansions globally.

With a strong focus on welfare policies, India aims to further enhance its social security framework. Currently, China provides social security to 107 crore people. India is rapidly progressing towards achieving its goal. Recognizing these efforts, the ILO acknowledged India's achievement and officially published on its dashboard that over 94 crore people are now covered under at least one social protection benefit.

India is also the first country globally to update its 2025 social protection coverage data in the ILOSTAT database, reinforcing its leadership in digital governance and transparency in welfare systems.

9. India records highest growth in power generation after US & China in last five years: IEA

India has emerged as a country with the third-largest growth in power generation capacity globally over the past five years, according to the latest report by the International Energy Agency (IEA). Only China and the United States surpassed India in power generation growth during this period.

The report highlighted that India's electricity demand has been rising sharply due to several factors. These include the expansion of commercial and residential spaces, increased ownership of air conditioners and other household appliances, and growing demand from industries. To meet this growing demand, power generation in the country has expanded across all energy sources.

The report mentioned that a major driver of this expansion has been the strong push towards renewable energy. The report noted a significant increase in investments in clean energy, especially solar photovoltaic (PV) projects. In fact, solar PV alone accounted for more than half of the total non-fossil energy investment in India over the past five years. In 2024, as much as 83 per cent of power sector investment in the country went into clean energy initiatives.

India was also the largest recipient of development finance institution (DFI) funding for clean energy in 2024. The country received around USD 2.4 billion in project-specific funding aimed at boosting clean energy generation.

In terms of foreign investment, India has seen a steady rise in foreign direct investment (FDI) in the power sector. FDI reached USD 5 billion in 2023, nearly twice the level seen before the COVID-19 pandemic. This growth is partly driven by government policies that allow 100 per cent FDI in all areas of electricity generation (except nuclear power) and transmission infrastructure.

Overall, the IEA report outlined India's strong performance in power generation and its growing focus on clean energy investment.

Lessons from Economics

Indexing

Indexing, broadly, refers to the use of some benchmark indicator or measure as a reference or yardstick. In economics, indexing is used as a statistical measure for tracking economic data such as inflation, unemployment, gross domestic product (GDP) growth, productivity, and market returns. Indexing may also refer to passive investment strategies that replicate benchmark indexes.

Types of indexes: -

- Economic indexes closely followed in the financial markets include the Purchasing Managers' Index (PMI), the Institute for Supply Management's Manufacturing Index (ISM), and the Composite Index of Leading Economic Indicators. These indexes are tracked to measure changes over time.

- Statistical indexes may also be used as a gauge for linking values. The cost-of-living adjustment (COLA) is a statistical measure obtained through analysis of the Consumer Price Index (CPI) that indexes prices to inflation.

- There could be a broad-based index that captures the entire market, such as the Standard & Poor's 500 Index or Dow Jones Industrial Average (DJIA). The Dow Jones Industrial Average is a price-weighted index, which means it gives greater weight to stocks in the index with a higher price. The S&P 500 Index is a market capitalization-weighted index, which means it gives greater weight to stocks in the S&P 500 Index with a higher market capitalization.

Advantages of index numbers: -

- Help in formulating policies-To make any policy related to the industrial or agricultural production, the government refers to their respective index numbers.

- Help in study of trends- Index numbers help in the study of trends in variables like, export-import, industrial, and agricultural production, share prices, etc.

- Helpful in forecasting- Index numbers not only help in the study of past and present behavior; they are also used for forecasting economic and business activities.

- Facilitates comparative study- To make comparisons with respect to time and place especially where units are different, index numbers prove to be very useful.

- Measurement of purchasing power of money to maintain standard of living- Index numbers, such as cost inflation index help in measuring the purchasing power of money at different times between different regions.

- Act as economic barometer- Index numbers are very useful in knowing the level of economic and business activities of a country. So, these are rightly known as economic barometers.

Problems involved in the construction of index number: -

- Selection of base period- Base period is the period against which the comparisons are made. Selection of a suitable base period is a very crucial step. It should be of reasonable length and normal one, i.e., it should not be affected by any abnormalities like, natural calamities, war, extreme business cycle situations.

- Selection of sources of data- Depending upon the type of index numbers, the correct source should be selected for data. For instance, to construct CPI, we need retail prices and to construct the wholesale price index, we need wholesale prices.

Importance of Indexing: -

- It helps in guiding economic policy: - through Monetary and Fiscal Policy, wage adjustment, trade policies etc.
- It helps in forecasting economic activity and predicting market behavior.
- It helps in assessing purchasing power & standard of living.
- It helps in assessing economic changes such as price fluctuations, production trends, cost of living etc.

Oil Market

Crude oil price – Monthly Review

Global oil markets experienced significant turbulence following a sharp escalation in geopolitical tensions, as Israel launched a series of air strikes on targets in Iran, prompting retaliatory action from Tehran. Although the two nations have engaged in a prolonged shadow conflict for decades, the current escalation marks the most intense phase to date, notably involving attacks on energy infrastructure for the first time. Iranian oil flows remained unaffected; however, heightened concerns over potential regional disruptions—particularly to oil transit through the strategically vital Strait of Hormuz—led to a surge in oil prices, with Brent crude futures rising to a six-month high of $74 per barrel.

Iran currently produces around 4.8 mb/d of crude, condensates and NGLs, with total oil exports of about 2.6 mb/d. While the US administration has recently intensified sanctions on buyers of Iranian oil supplies, Iran's exports of crude and condensates have remained unchanged, averaging around 1.7 mb/d so far this year, with most of it going to China. Iran is also a significant oil product exporter, with shipments of fuel oil, LPG and naphtha averaging nearly 800 kb/d since January. Iran partially suspended production at the world's biggest natural gas field, South Pars, after an Israeli strike caused a fire in what would be the first Israeli attack on Iran's oil and gas sector. Iran has repeatedly threatened to close the key Strait of Hormuz if attacked. Closure of the Strait, even for a limited period, would have a major impact on global oil and gas markets. The Strait is the exit route from the Gulf for around 25% of the world's oil supply – including from Saudi Arabia, the UAE, Kuwait, Qatar, Iraq and Iran – and most of the world's spare production capacity.

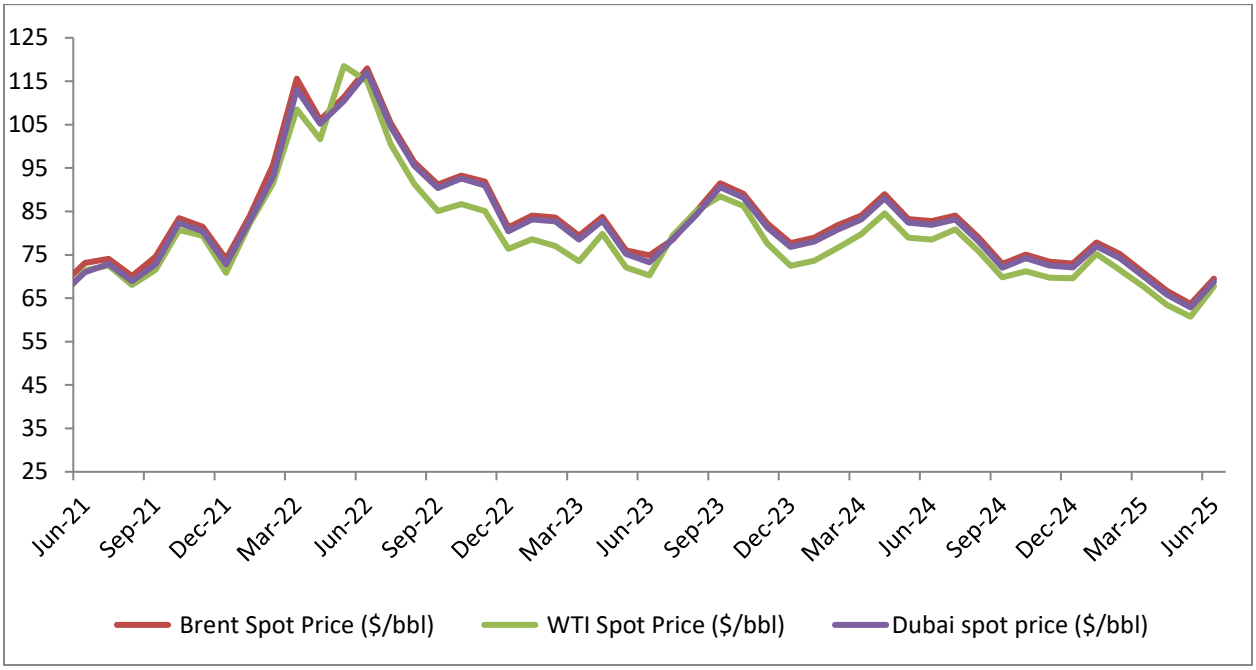
In the absence of a major disruption, oil markets in 2025 look well supplied. Meanwhile, global oil supply in May was up by 1.9 mb/d from a year ago, led in part by the unwinding of voluntary OPEC+ production cuts. For 2025 as a whole, world oil supply is projected to rise by 1.8 mb/d to 104.9 mb/d and by an additional 1.1 mb/d in 2026. Non-OPEC+ producers are forecast to add 1.4 mb/d on average this year and 840 kb/d next year.

Crude spot prices declined in May, primarily driven by continued selloffs in the futures market. Spot prices also came under pressure, mainly due to weaker European refiners' demand, given refinery outages, easing geopolitical concerns about oil supply, and signs of a well-supplied crude market, including expectations of higher short-term supply from the US. Additional downward pressure came from higher US petroleum product inventories in May, the slow clearing of some loading programmes in the Atlantic Basin, and the availability of prompt-loading cargoes. However, the crude spot prices decline was partially offset by stronger refining margins in major refining hubs and renewed spot market demand during the second half of the month.

In May, the OPEC Reference Basket (ORB) value declined by $5.36, or 7.8%, m-o-m, to stand at $63.62/b. All ORB component values declined alongside their respective crude oil benchmarks. Lower official selling prices for most components in the three main markets also contributed to the drop.

Brent crude ranged an average to $69.53 a barrel and WTI ranged to $67.73 per barrel in the month of June 2025.

Figure 13: Benchmark price of Brent, WTI and Dubai crude



Source- World Bank

- Brent crude price averaged $69.53 per bbl in June 2025, up by 9.2% on a month on month (MoM) and down by 16.0% on year on year (YoY) basis, respectively.
- WTI crude price averaged $67.73 per bbl in June 2025, up by 11.5% on a month on month (MoM) and down by 13.7% on year on year (YoY) basis, respectively.
- Dubai crude price averaged $68.75 per bbl in June 2025, up by 9.4% on a month on month (MoM) and down by 16.0% on year on year (YoY) basis, respectively.

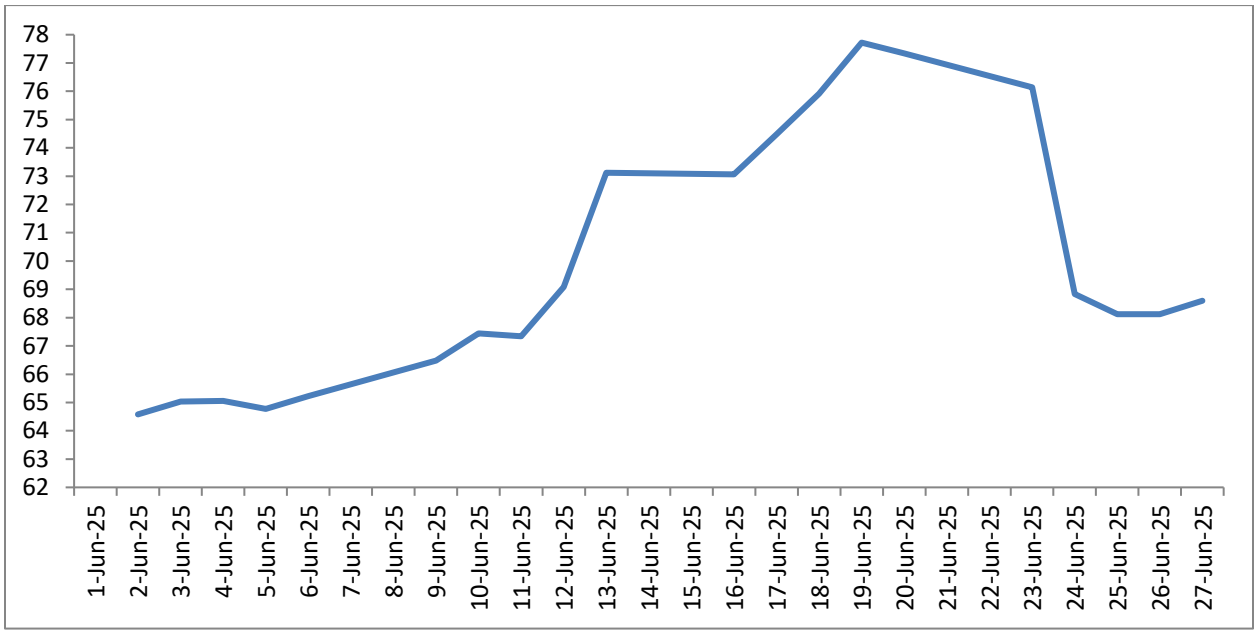
Table 2: Crude oil price in June, 2025

Crude oil	Price ($/bbl)	MoM (%) change	YoY (%) change
Brent	69.53	9.2%	-16.0%
WTI	67.73	11.5%	-13.7%
Dubai	68.75	9.4%	-16.0%

Source- World Bank

Indian Basket Crude oil price

Figure 14: Indian crude oil basket price in $ per bbl



Source- PPAC

- Indian crude basket price averaged $69.82 per barrel in June 2025, up by 9.0% on Month on Month (M-o-M) and down by 15.4% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

- Non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is forecast 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 supply growth forecast for 2026 is revised slightly down to 0.7 mb/d, with US, Brazil, Canada, and Argentina as the main growth drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.4 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.5 mb/d. Crude oil production by countries participating in the DoC increased by 180 tb/d in May, m-o-m, to average about 41.23 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	28.04	28.08	28.15	28.29	28.14
of which US	*21.76*	*21.84*	*22.15*	*22.15*	*22.14*	*22.07*
Europe	3.53	3.59	3.62	3.53	3.61	3.59
Asia Pacific	0.44	0.40	0.43	0.43	0.43	0.42
Total OECD	**31.68**	**32.04**	**32.12**	**32.11**	**32.34**	**32.15**
China	4.56	4.69	4.61	4.52	4.53	4.59
India	0.80	0.83	0.82	0.82	0.80	0.82
Other Asia	1.61	1.62	1.61	1.56	1.57	1.59
Latin America	7.22	7.42	7.47	7.49	7.64	7.50
Middle East	1.99	2.01	2.02	2.00	1.99	2.00
Africa	2.33	2.32	2.31	2.33	2.32	2.32
Other Eurasia	0.37	0.36	0.37	0.37	0.37	0.36
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10
Total Non-OECD	**19.00**	**19.34**	**19.29**	**19.18**	**19.32**	**19.28**
Total Non-DoC production	50.68	51.38	51.41	51.29	51.66	51.44
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	**53.20**	**53.95**	**53.98**	**53.86**	**54.23**	**54.01**

Source- OPEC monthly report, June 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 forecast 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 to actual data for 1Q25. In the OECD, oil demand is forecast to grow by about 0.2 mb/d in 2025, while non-OECD demand is forecast to grow by more than 1.1 mb/d in 2025.
- In 2026, global oil demand is forecast to grow by 1.3 mb/d y-o-y, also unchanged from last month's assessments, with the OECD forecast to grow by around 0.1 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**	**45.35**	**45.51**	**46.32**	**46.13**	**45.83**	**0.16**	**0.35**
~ of which US	*20.42*	*20.44*	*20.46*	*20.67*	*20.72*	*20.57*	*0.15*	*0.73*
Total Non-OECD	**58.17**	**59.09**	**58.68**	**59.21**	**60.23**	**59.31**	**1.13**	**1.96**
~ of which India	*5.55*	*5.70*	*5.78*	*5.50*	*5.91*	*5.72*	*0.17*	*3.06*
~ of which China	16.65	16.86	16.56	17.03	17.04	16.87	0.22	1.32
Total world	**103.84**	**104.44**	**104.19**	**105.53**	**106.36**	**105.13**	**1.29**	**1.24**

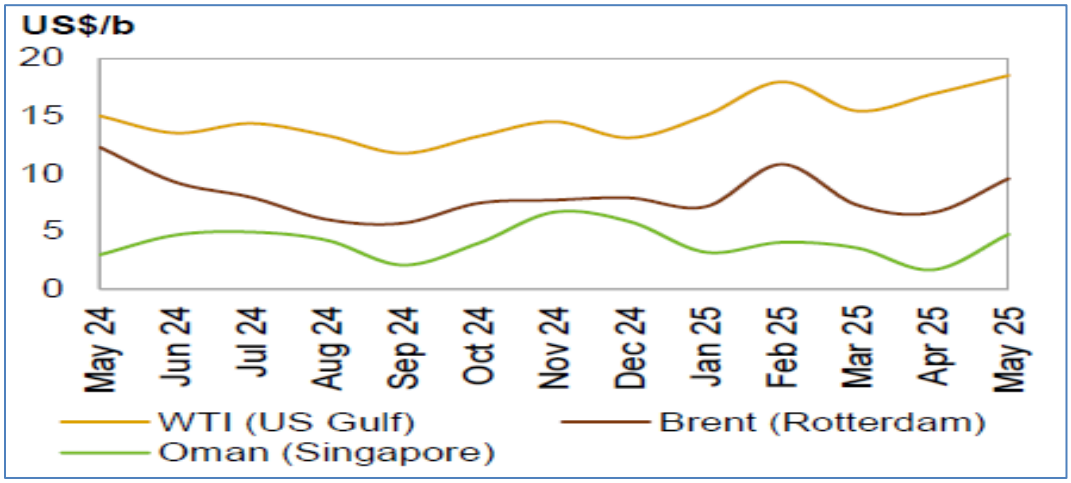
Source- OPEC monthly report, June 2025

Global petroleum product prices

USGC refining margins against WTI continued to trend upwards, rising for the second consecutive month and reaching a three-month high in May. Robust gasoline markets continued to lift margins on the back of improving demand, in line with seasonality. Regular gasoline represented the strongest positive contributor, backed by improving demand, despite a monthly decline in premium gasoline crack spreads. Additionally, fuel oil 3.0% sulphur further added to the upside as fuel oil demand for feedstock blending and for conversion units increased with the end of repair works. The gasoline upside came against the backdrop of rising product inventories, with supply-side driven weakness associated with all other US products. This pressure was completely overshadowed by the gasoline and residual fuel demand-side driven gains. According to preliminary data, refinery intake in the USGC added 500 tb/d to the previous month's increase, averaging 16.64 mb/d in May. USGC margins against WTI averaged $18.49/b in May, up by $1.61, m-o-m, and up $3.52, y-o-y.

Refinery margins in Rotterdam against Brent showed a strong recovery following the previous month's downturn, reaching a three-month high. Strong gasoline outflows to Canada and a modest rise in gasoline flows to the US contributed to the gains. Additionally, a contraction in fuel oil availability amid lower inflows from East of Suez and lower global supply further underpinned European product markets. Moreover, improvement in naphtha volume requirements for gasoline blending added to the upside in refining economics for the month of May.

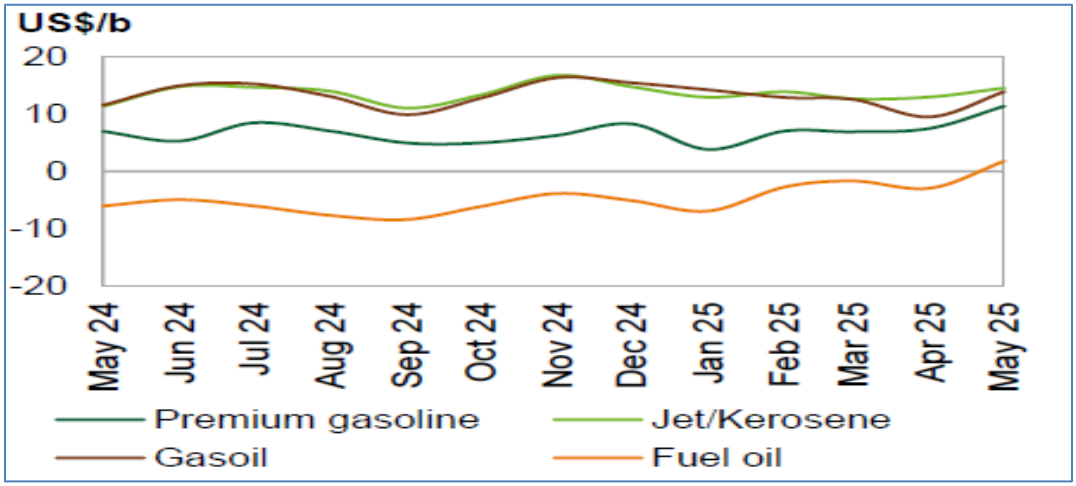
Figure 15: Refining Margins ($/bbl)



Source- Argus and OPEC

The Southeast Asia gasoline 92 crack spread against Dubai rose with elevated refinery maintenance activities in the region and lower gasoline arrivals in Singapore. However, the recovery in refinery runs could put pressure on gasoline margins going forward. The product's margin averaged $11.38/b in May, up $3.86, m-o-m, and $4.39, y-o-y.

Figure 16: Singapore crack Spreads vs. Dubai ($/bbl)



Source- Argus and OPEC

The Singapore gasoil crack spread reached a four-month high in May. Moreover, gasoil margins nearly matched those of jet/kerosene as the crack spread gap between the two products practically eroded in May. Subdued gasoil exports from China, elevated refinery maintenance activities between April and May, and relatively limited gasoil imports into Singapore contributed to the positive outcome. The upcoming monsoon season in Asia does point to further downside risk in gasoil consumption and crack spreads, as intense rainfalls could slow agricultural activities. The Singapore gasoil crack spread against Dubai averaged $13.92/b, up $4.41, m-o-m, and $2.36, y-o-y.

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

Singapore product prices	Price ($/b)	MoM (%) change	YoY (%) change
Naphtha	61.53	-1.0%	-14.9%
Premium gasoline (unleaded 95)	76.63	0.0%	-19.7%
Regular gasoline (unleaded 92)	74.94	-0.5%	-17.7%
Jet/Kerosene	78.09	-3.3%	-18.2%
Gasoil/Diesel (50 ppm)	79.09	-2.9%	-18.4%
Fuel oil (180 cst 2.0% S)	77.37	-3.5%	-17.8%
Fuel oil (380 cst 3.5% S)	65.30	0.7%	-16.3%

Source- OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in May 2025 with a volume of 21.32 MMT registered growth of 1.13% on volume of 21.08 MMT in May 2024.
- MS (Petrol) consumption during the month of May 2025 with a volume of 3.82 MMT recorded a growth of 9.22% on volume of 3.46 MMT in May 2024.
- HSD (Diesel) consumption during the month of May 2025 with a volume of 8.59 MMT recorded growth of 2.16% on volume of 8.41 MMT in the month of May 2024.
- LPG consumption during the month of May 2025 with a volume of 2.66 MMT registered a growth of 10.37% over the volume of 2.41 MMT in the month of May 2024.
- ATF consumption during May 2025 with a volume of 0.776 MMT registered a growth of 4.34% over the volume of 0.744 MMT in May 2024.
- Bitumen consumption during May 2025 with a volume of 0.803 MMT registered de-growth of 14.54% over volume of 0.940 MMT in the month of May 2024.
- Kerosene consumption registered growth of 28.82% during the month of May 2025 as compared to May 2024.

Table 6: Petroleum products consumption in India, May 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	2,660	5.5%	10.4%	5,181	8.33%
Naphtha	998	7.1%	-8.5%	1,930	-16.36%
MS	3,782	9.6%	9.2%	7,232	7.17%
ATF	776	0.5%	4.3%	1,547	4.14%
SKO	39	50.2%	28.8%	64	13.53%
HSD	8,593	4.0%	2.2%	16,857	3.18%
LDO	81	-5.1%	30.0%	167	47.03%
Lubricants & Greases	365	10.2%	-22.7%	697	-17.79%
FO & LSHS	510	3.6%	-17.4%	1,002	-12.39%
Bitumen	803	0.9%	-14.5%	1,599	-9.92%
Petroleum coke	1,833	8.8%	6.4%	3,518	-0.29%
Others	878	7.9%	-21.3%	1,692	-20.10%
TOTAL	**21,318**	**5.7%**	**1.1%**	**41,485**	**0.59%**

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 $3.12 per million British thermal units (MMBtu) in May 2025. Henry Hub's natural gas prices declined for the third consecutive month in May, falling by ~8.8%, m-o-m. Softer demand due to mild weather reduced heating demand, thereby putting downward pressure on prices. At the same time, high storage levels during the injection season kept the market well supplied. Despite the monthly decline, prices were up by ~47.2%, y-o-y.

- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of $11.66 per MMBtu. The average Title Transfer Facility (TTF) experienced a moderate gain in May, increasing by 0.6%, m-o-m. Prices rose earlier in the month, supported by a combination of ongoing maintenance activities at key Norwegian facilities, which limited supply availability, and the geopolitical risk premium that continued to provide a floor to prices. However, lower seasonal demand and higher storage levels partially offset the gains. According to data from Gas Infrastructure Europe, EU storage levels rose to 48.4% as of the end of May, up from 39.5% in April, an 8.9 pp increase. Prices were up by 15.2%, y-o-y.

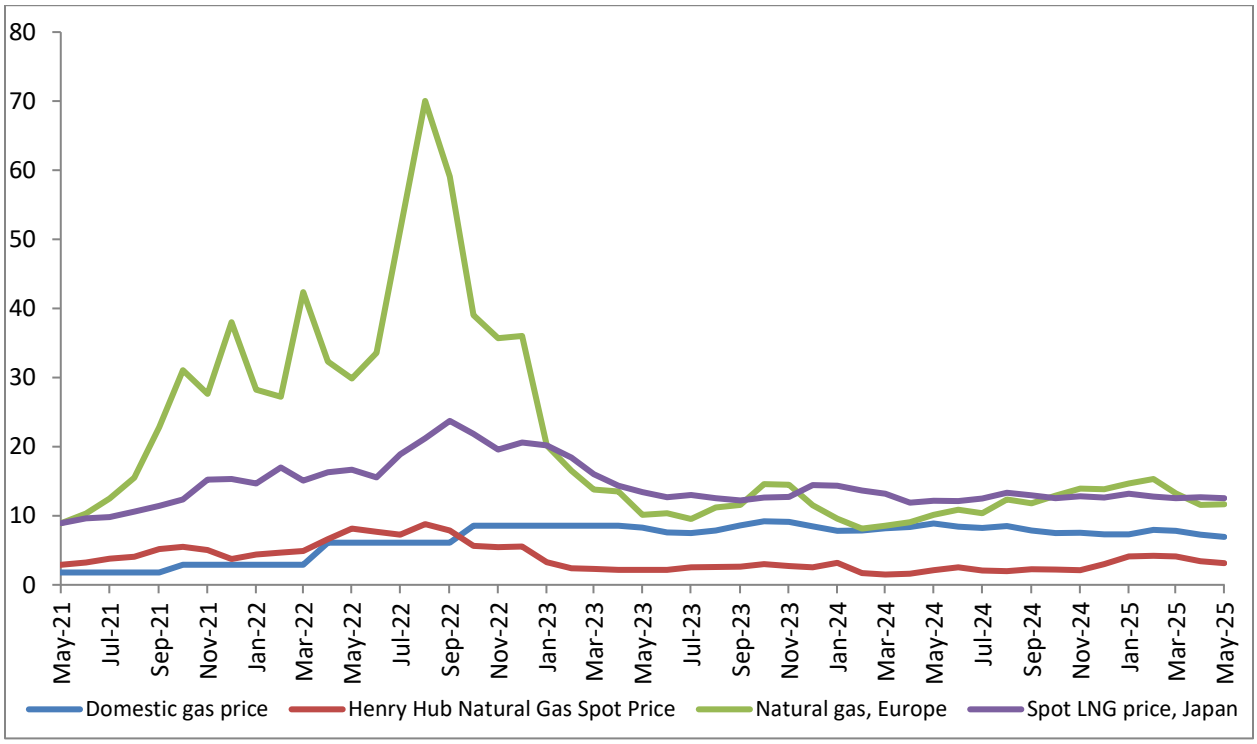
- Japan Liquefied Natural Gas Import Price averaged at $12.56 per MMBtu for May 2025. There is a change of -0.9% from last month and 3.3% from one year ago.

- 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 17: Global natural gas price trends ($/mmbtu)



Source- EIA, World Bank

Table 7: Gas price, May 2025

Natural Gas	Price ($/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (June'25)	6.41	-7.5%	-24.05%
India, Gas price ceiling – difficult areas (Apr-Sep'25)	10.04	-1.18%	1.72%
GIXI (Gas index of India) price*	11.9	-4%	19%
Henry Hub	3.12	-8.8%	47.2%
Natural Gas, Europe	11.66	0.6%	15.2%
Liquefied Natural Gas, Japan	12.56	-0.9%	3.3%

Source- EIA, PPAC, World Bank, IGX

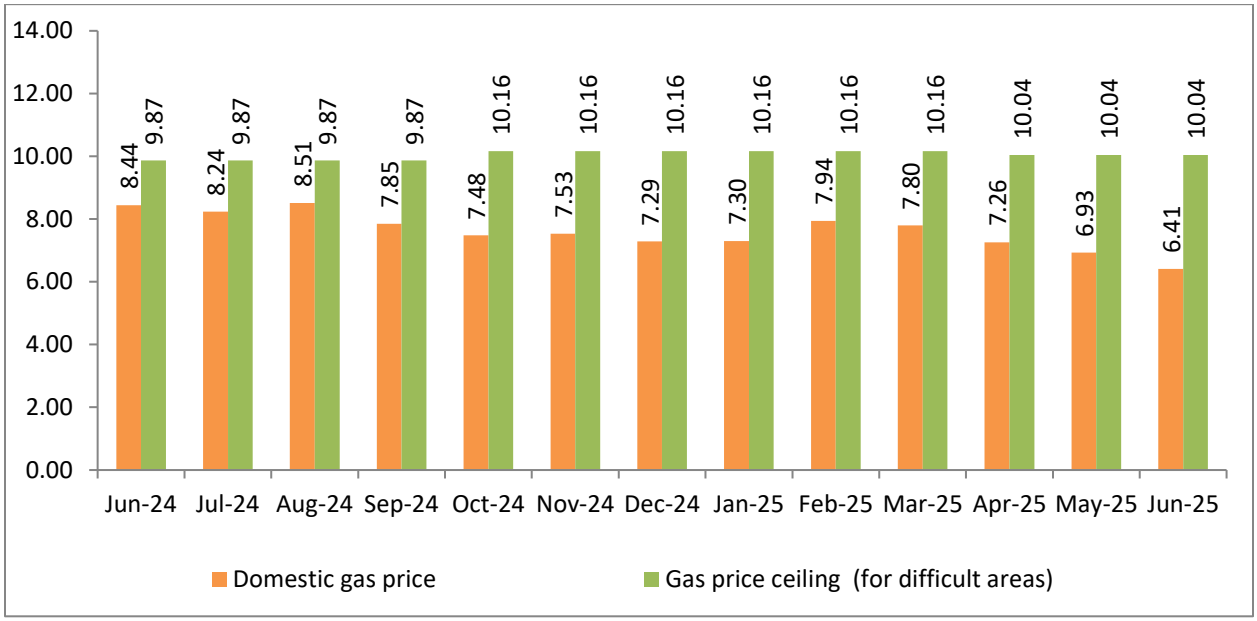
**Prices are weighted average prices (excluding ceiling price gas)*

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
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

Source- PPAC

Figure 18: Domestic natural gas price June'24–25 ($/mmbtu)



Source- PPAC

Indian Gas Market

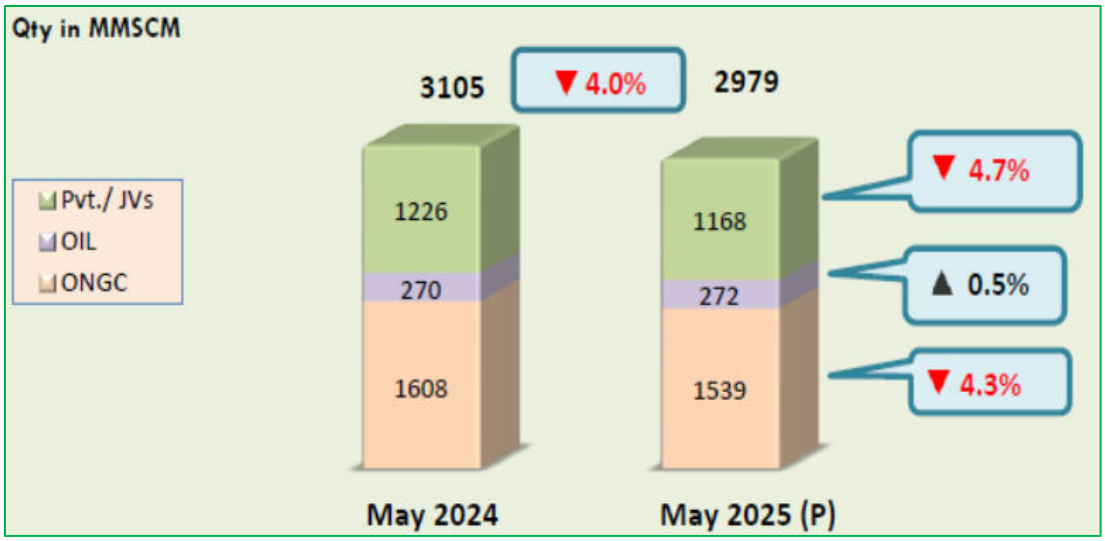
- Gross production of natural gas for the month of May 2025 (P) was 2979 MMSCM which was lower by 4.0% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of May 2025 (P) was 2977 MMSCM (lower by 15.3% over the corresponding month of the previous year).
- Natural Gas available for Sale during May 2025 (P) was 5478 MMSCM (P) (decrease of 10.2% over the corresponding month of the previous year).
- Total Gas Consumption Availability during May 2025 (P) was 5918 MMSCM (Provisional). Major consumers were Fertilizer (26%), City Gas Distribution (CGD) (23%), Power (14%), Refinery (8%) and Petrochemicals (6%).

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

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of May 2025 was 2979 MMSCM (decrease of 4.0% over the corresponding month of the previous year).

Figure 19: Domestic natural gas Gross production (Qty in MMSCM)

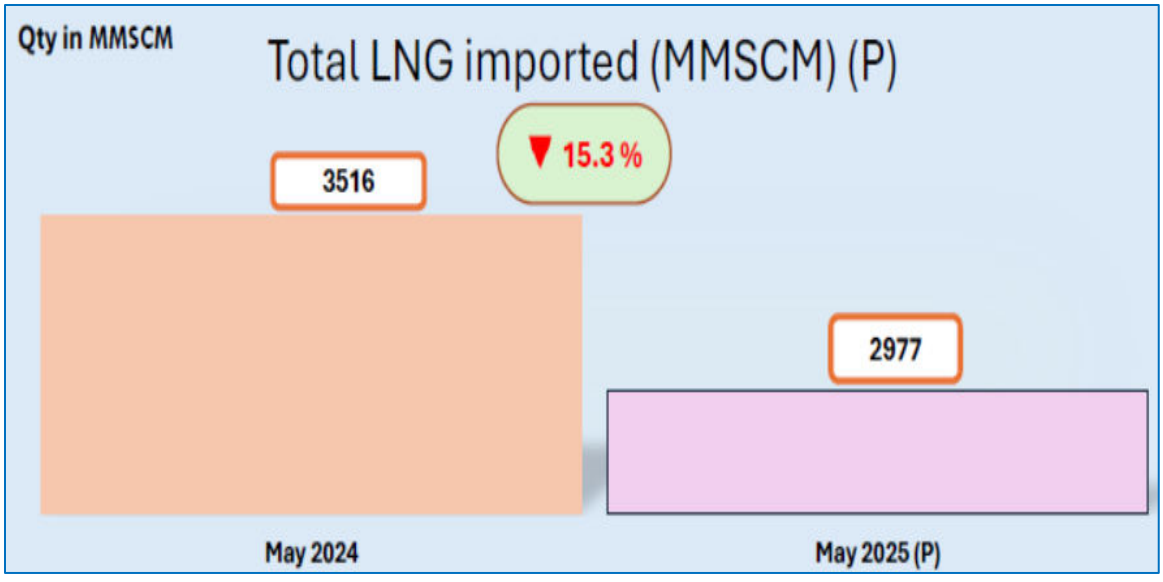


Source- PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of May 2025 was 2977 MMSCM (P) (lower by 15.3% over the corresponding month of the previous year).

Figure 20: LNG imports (Qty in MMSCM)



Source- PPAC

3. Sectoral Consumption of Natural Gas:

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

Figure 21: Sectoral Consumption of Natural Gas (Qty in MMSCM) in May 2025

Source- PPAC

Key developments in Oil & Gas sector

Monthly Production Report for May, 2025

1. Production of Crude Oil

Indigenous crude oil and condensate production during May 2025 was 2.4 MMT. OIL registered a production of 0.3 MMT, ONGC registered a production of 1.5 MMT whereas PSC/RSC registered production of 0.6 MMT during May 2025. There is a de-growth of 1.7% in crude oil and condensate production during May 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 May 2025 (P) was 2979 MMSCM which was lower by 4.0% compared with the corresponding month of the previous year. The cumulative gross production of natural gas of 5888 MMSCM for the current financial year till May 2025 was lower by 2.9% compared with the corresponding period of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during May 2025 was 23.1 MMT which is 0.4% higher than May 2024, where PSU/JV refiners processed 15.6 MMT and private refiners processed 7.5 MMT of crude oil. Total indigenous crude oil processed was 1.8 MMT and total Imported crude oil processed was 21.3 MMT by all Indian refineries (PSU+JV+PVT). There was a de-growth of -0.1 % in total crude oil processed in April-May current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 24.3 MMT during May 2025 which is 1% higher than May 2024. Out of 24.3 MMT, 24 MMT was from refinery production & 0.3 MMT was from fractionator. There was a de-growth of -1.6 % in production of petroleum products in April-May FY 2025–26 as compared to same period of FY 2024–25. Out of total POL production, in May 2025, share of major products including HSD is 42.1%, MS 17.1%, Naphtha 7.1%, ATF 6.2%, Pet Coke 4.9%, LPG 4.4%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

Union Minister Sh. Manohar Lal applauded THDC's Commencement of COD of 1st Unit of India's First Variable Speed Pumped Storage Plant, Tehri PSP

THDC India Limited (THDCIL), announced the successful commencement of COD process of the 1st Unit (250 MW) of the 1000 MW Variable Speed Pumped Storage Plant (PSP) at Tehri, Uttarakhand.

This landmark achievement marks a historic milestone in India's renewable energy journey, establishing the Tehri PSP as the largest Pumped Storage Plant by any Central Public Sector Enterprise (CPSE) and the first Variable Speed PSP in the country.

The commencement was virtually graced by Shri Manohar Lal, Union Minister of Power, Housing and Urban Affairs, Government of India.

Sh. Manohar Lal, Hon'ble Union Minister of Power, Housing and Urban Affairs, Government of India, while addressing the gathering stated that the successful operation of 1st unit of India's first Variable Speed Pumped Storage Plant at Tehri is not just a technological achievement by THDCIL, but a bold stride towards India's energy self-reliance. The project will significantly strengthen our grid stability and support the integration of renewable energy. Variable speed technology allows us to manage power flow with precision, making our energy ecosystem smarter and more flexible.

Union Minister congratulated the entire THDCIL team, implementing partners, and every individual who contributed directly or indirectly to this historic success.

Shri Pankaj Agarwal, Secretary, Ministry of Power, lauded the commissioning milestone, stating that the Variable Speed Pumped Storage Plant at Tehri is a path-breaking development that significantly strengthens our Grid flexibility. It plays a pivotal role in our mission to integrate increasing amounts of renewable energy and transition towards a cleaner, more reliable energy ecosystem."

Shri Gurdeep Singh, CMD, NTPC, extended his congratulations, saying that this milestone reflects the high-end engineering capabilities of Indian PSUs in the hydropower sector. It sets a powerful precedent for future PSP developments across the nation.

Shri R.K. Vishnoi, CMD, THDCIL, conveyed his heartfelt congratulations on this significant achievement and stated that once fully operational, this Project will elevate the Tehri Hydro Power Complex's capacity to 2,400 MW, making it India's largest Hydropower Complex. This project will be instrumental in converting off-peak surplus energy into peaking power, enhancing grid resilience and supporting round-the-clock power availability.

Designed to provide flexible peaking power and critical grid balancing support, the Tehri Variable Speed PSP represents a significant leap forward in India's ability to manage intermittent renewable energy. This commissioning milestone reaffirms THDCIL's leadership in State-of-the-Art Hydropower solutions and bolsters India's clean energy credentials on the global stage. The power electronics and controls, along

with the 250 MW variable-speed pumped storage hydropower unit, have been supplied by GE Vernova. GE Vernova is a global energy company that produces advanced technologies to harness hydropower and deliver reliable energy solutions.

Also present at the occasion were Shri L.P. Joshi, Executive Director (Tehri Complex), THDCIL, along with senior officials from THDCIL and representatives from the project consortium comprising GE Vernova, HCC, and other key stakeholders from the power sector.

India successfully met peak power demand of 241 GW on 9th June, 2025 with zero peak shortage: Shri Manohar Lal

Union Minister Shri Manohar Lal highlighted 11 years of transformative growth in power sector in a press conference in New Delhi.

He said that it is our goal to make power accessible to everyone and at all times and the government is aiming for 100% electrification of households across the country. Union Minister Shri Manohar declared that India has become power sufficient meeting all its power demands and well on the path of power surplus country.

1. India Meets Peak Demand with Zero Shortage

Union Minister Shri Manohar Lal informed that demonstrating remarkable growth and resilience, India successfully met peak power demand of 241 GW on 9th June, 2025.

This achievement, underscores the nation's robust power infrastructure, with zero peak shortage reported.

2. Big Push to Battery Energy Storage: VGF Scheme for 30 GWh Battery Storage

Shri Manohar Lal announced that in a massive push for energy security and renewable integration, the Ministry of Power has approved a Viability Gap Funding (VGF) scheme for 30 GWh of Battery Energy Storage Systems (BESS), in addition to the 13.2 GWh already underway.

This Rs 5,400 Crore scheme aims to attract Rs 33,000 Crore in investment, meeting the country's BESS requirement by 2028.

3. Boost for Storage: ISTS Waiver Extended for Storage Projects

Union Minister Shri Manohar Lal in the press conference stated that the waiver of Inter-State Transmission System (ISTS) charges for storage projects has been extended until 30th June, 2028, benefitting Pumped Storage Projects awarded and Battery Energy Storage Systems commissioned before this date.

This extension is crucial for meeting India's growing storage needs and optimising the utilisation of transmission lines.

4. UHV AC Transmission System to Reshape India's Grid by 2034

Shri Manohar Lal said that India is set to revolutionize its power transmission with the rollout of an Ultra High Voltage Alternating Current (UHV AC) Transmission System.

Nine 1100 kV lines and ten substations have been identified for development by 2034, with testing facilities under development by the Central Power Research Institute. Investment would be Rs 53,000 Cr

5. Compensation for Power Transmission Lines Increased

Shri Manohar Lal said that in a landmark move, the central government has increased the compensation for land used in laying transmission lines to ease the Right of Way issues.

Compensation for the tower area has jumped from 85% to 200% of the land value, and for the Right of Way (RoW) corridor from 15% to 30%, directly linking land value to market rates. Haryana and Delhi have already adopted the new guidelines issued on March 21, 2025.

6. More Private Investments in State Transmission Grids

In a move set to attract more private investment and ensure financial discipline, the Late Payment Surcharge (LPS) Rules have been expanded to include Intra-State Transmission Systems. This crucial reform, previously applied only to Inter-State Transmission Systems, aims to expand the Intra-State Transmission networks to absorb Renewable Electricity.

7. India Adds Historic 34 GW Generation Capacity in FY25, Led by Renewables

Shri Manohar Lal also stated that in an unprecedented feat, India added its highest-ever generation capacity of 34 GW during 2024-25, with renewable energy accounting for 29.5 GW. The nation's total installed capacity now stands at 472.5 GW, up from 249 GW in 2014.

8. 250 MW Tehri Pumped Storage Project (PSP) Commissioned

Adding flexibility to the grid, 250 MW first unit of Tehri Pumped Storage Project (PSP) in Uttarakhand has been commissioned. This project will help in managing peak demand and integrating renewable energy.

9. Energy Shortages Plummet to Record Low of 0.1% Nationally

A testament to significant additions in generation and transmission capacities, India's national energy shortage has drastically reduced to a mere 0.1% as of April 2025. This marks a monumental improvement from the 4.2% shortage experienced in 2013-14, ensuring greater power availability for all.

Ministry of Power conceives an 'India Energy Stack' to build the Digital Backbone for India's Power Sector

The Ministry of Power has announced the launch of a task force to conceive the India Energy Stack (IES), a pioneering initiative aimed at creating a unified, secure, and interoperable digital infrastructure for India's energy sector.

As India charts its path to becoming a $5 trillion economy and advances towards its Net Zero commitments, the power sector faces both unprecedented opportunities and complex challenges. Rapid growth in renewable energy, electric vehicles, and consumer participation in energy markets is transforming the sector, but fragmented systems and a lack of seamless digital integration remain key barriers.

To address these, the Ministry of Power is reimagining the sector's digital foundation through the India Energy Stack — a Digital Public Infrastructure (DPI) that will provide a standardised, secure, and open platform to manage, monitor, and innovate across the electricity value chain.

The IES will offer:

- Unique IDs for consumers, assets, and transactions
- Real-time, consent-based data sharing
- Open APIs for seamless system integration
- Tools for consumer empowerment, market access, and innovation

Speaking on this development, Shri Manohar Lal Khattar, Hon'ble Minister for Power, said: "There is an urgent need for developing robust Digital Public Infrastructure in the power sector to manage the country's rising demand, ensure grid stability, and empower consumers. DPI, such as India Energy Stack (IES), will play a vital role in integrating renewable energy, enhancing DISCOM efficiency, and delivering transparent, reliable, and future-ready power services. What Aadhaar did for identity and UPI achieved for digital payments, the India Energy Stack will accomplish for the power sector — unlocking seamless, secure, and consumer-centric energy services for every citizen."

Apart from conceiving the IES, the Ministry will undertake a 12-month Proof of Concept (PoC) to demonstrate IES through real-world use cases in partnership with selected utilities. This includes piloting the Utility Intelligence Platform (UIP), a modular, analytics-driven application built on IES to support utilities, policymakers, and consumers with real-time insights and smarter energy management.

Wind Energy is at the centre of India's strategy for the renewable energy sector: Union Minister Shri Pralhad Joshi

On the occasion of Global Wind Day 2025, Union Minister of New and Renewable Energy Shri Pralhad Joshi addressed a conference of stakeholders here in Bengaluru and said that Wind Energy is at the centre of India's strategy for the renewable energy sector.

Union Minister of State for New and Renewable Energy Shri Shripad Yesso Naik and the Energy Minister in Government of Karnataka Shri K.G. George was also present on this occasion. Shri Pralhad Joshi said that in order to become a global manufacturing hub, India needs energy; be it solar energy, wind energy or any other form of energy.

"Our national goals are ambitious and clear: 50% of our power capacity from non-fossil fuel sources by 2030, and a net-zero India by 2070. Wind energy is central to achieving these goals. Wind energy is not a

component of our renewable energy strategy but it is at the heart of it and at the centre of Atma Nirbhar Bharat," said the minister.

Underlining the vision of Hon. Prime Minister Shri Narendra Modi, Shri Joshi said, "Hon. PM Shri Narendra Modi gave us a vision to have 'renewable energy for manufacturing and conventional energy for household consumption'."

India's manufacturing capacity is increasing and it will continue to increase. In view of this, Hon. PM's vision stresses upon the importance of renewable energy production, storage and usage, so that once India becomes a global manufacturing hub in near future, it should be able to fulfill the energy demands of the manufacturing sector through renewable energy sources, said the minister.

India has the huge potential in the renewable energy sector as it has globally the fourth largest wind power installed capacity and it is third largest renewable energy producer. "No one had thought that India would become the third largest manufacturer of renewable energy in 10 years, but today it is a reality, said the minister.

The minister underlined the 3 key issues for the Wind Energy sector saying:

"First, we must combine wind with solar and storage (BESS) to deliver round-the-clock power and grid stability.

Second, tariffs must be competitive. A rate of ₹3.90 per unit is too high; we must work together to reduce costs.

Third, domestic manufacturing must become more efficient, not just to meet our own targets, but to boost exports."

Underlining the dedicated efforts from GoI to unleash the potential of renewable energy sector, Shri Joshi said, "The Government is backing this sector with full seriousness. This year's renewable energy budget has gone up by 53%, to ₹26,549 crore, with a large share directed to wind."

"The transition to renewables is inevitable. States must lead this transition. Land availability and transmission delays have to be overcome. This is not the time for hesitation, it is the time for execution," the minister added.

The Minister said, "I am happy to note that India is manufacturing wind turbines ranging from 225 kW to 5.2 MW, with 33 models being produced by 14 companies. These turbines meet our domestic needs and are also cost-competitive globally."

The Minister further added that to fully unlock national wind potential, we need a coordinated national push. That is why we are focusing on 5 priorities:

i. Expanding into new states like Madhya Pradesh, Telangana, and Odisha.

ii. Launching the offshore sector with 4 GW of leasing areas identified in Gujarat and Tamil Nadu and tenders being readied.

iii. Integrating wind into round-the-clock and firm green power strategies, through storage-linked business models.

iv. Modernising the grid, investing in AI-based forecasting to manage variable renewable energy.

v. Boosting local manufacturing across the entire wind value chain

Union Minister Joshi also released reports on Wind Energy Roadmap and Manufacturing Roadmap at the event. He said that the documents will serve as guiding frameworks for our journey ahead and reflect our collective ambition, strategic thinking, and commitment to building a strong and Aatmanirbhar wind energy ecosystem in India. Best performing States in terms of Wind Capacity addition were also felicitated at the event. Karnataka was first with a wind capacity addition of 1331.48 MW followed by Tamil Nadu (1136.37 MW) and Gujarat (954.76 MW)

Launch of the City Accelerator Program to Boost Rooftop Solar Adoption in Indian Cities

Shri Santosh Kumar Sarangi (IAS), Secretary, Ministry of New and Renewable Energy (MNRE), launched the City Accelerator Program during the National Conference on Skill Development for Renewable Energy Workforce held at Atal Akshay Urja Bhawan, New Delhi. The program is being implemented in collaboration with Shakti Sustainable Energy Foundation (SSEF).

The City Accelerator Program is a key initiative under the PM Surya Ghar: Muft Bijli Yojana (PMSGMBY), the world's largest domestic rooftop solar (RTS) scheme, and aims to drive faster adoption of RTS across Indian cities. The program is designed to provide:

- Technical assistance to Urban Local Bodies (ULBs) and DISCOMs
- Capacity building and institutional strengthening
- Support in designing enabling city-level policy and regulatory frameworks

In its first phase, the program will be rolled out in 30 cities across 10 states. Insights gained during this phase will inform the subsequent expansion to 100 cities.

The PM Surya Ghar: Muft Bijli Yojana, launched by the Government of India, seeks to solarise 1 crore households and is a critical part of India's commitment to achieving 500 GW of renewable energy capacity by 2030.

The City Accelerator Program supports this vision by targeting urban areas—key hubs of energy consumption—with a focused and structured approach. The program aims to build institutional capacity, improve economic understanding of rooftop solar benefits for stakeholders like DISCOMs and ULBs, and foster policy innovation through collaboration and knowledge sharing.

Key Objectives of the Program:

- Identify and resolve city-level barriers to RTS adoption through technical assistance.
- Develop economic models and tools to demonstrate benefits to stakeholders.
- Support targeted awareness, skill development, and outreach campaigns.
- Create and disseminate toolkits, knowledge products, and success stories.
- Advise cities on enabling policy reforms and innovative business models.
- Facilitate collaboration among city administrators, DISCOMs, and State Nodal Agencies (SNAs).

A dedicated cell has been set up at MNRE, and teams will be deployed with implementation agencies in each city to ensure effective on-ground support and monitoring. By building solar-ready cities and creating replicable models, the City Accelerator Program aims to transform India's urban energy landscape and contribute meaningfully to its clean energy transition.

MNRE Launched ₹2.3 Crore Innovative Projects Start-Up Challenge to Accelerate Rooftop Solar and Distributed Renewable Energy Innovations

The Ministry of New and Renewable Energy (MNRE), Government of India, launched the Innovative Projects Start-Up Challenge on Rooftop Solar (RTS) and Distributed Renewable Energy (DRE) Technologies, during the National Conference on Skill Development for the Renewable Energy Workforce at Atal Akshay Urja Bhawan, New Delhi.

This unique national innovation challenge aims to identify and support breakthrough solutions for India's rooftop solar and distributed energy ecosystem. It is being implemented under the aegis of MNRE with support from the National Institute of Solar Energy (NISE), and in coordination with StartUp India, DPIIT.

About the Challenge

The Start-Up Challenge seeks applications from innovators and startups in India, focusing on four key categories to boost renewable energy adoption:

1. Affordability – Making rooftop solar affordable for low- and middle-income households using innovative financing, modular systems, and circular economy strategies.
2. Resilience – Enhancing climate resilience, grid stability, and cybersecurity in solar infrastructure, especially for vulnerable and remote areas.
3. Inclusivity – Expanding access to underserved communities through community solar, virtual net metering, and inclusive financing models.
4. Environmental Sustainability – Promoting eco-friendly technologies such as solar panel recycling, land-neutral solar deployment, and hybrid clean energy models.

The challenge welcomes a wide range of startups in green tech, IoT, AI, blockchain, construction, energy hardware, fintech, and waste management.

Incentives and Support

The selected innovators will compete for a total prize pool of ₹2.3 crore, including ₹1 crore for 1st Prize, ₹50 lakh for 2nd Prize, ₹30 lakh for 3rd Prize, and 10 Consolation Prizes of ₹5 lakh each. Winners will also gain incubation support, pilot implementation opportunities, and mentorship from domain experts and investors, facilitated by MNRE and NISE.

SECI's Landmark Green Ammonia tender set to decarbonize India's fertilizer sector

The Solar Energy Corporation of India Limited (SECI), a 'Navratna' Central Public Sector Undertaking under the aegis of Ministry of New and Renewable Energy (MNRE), has issued a landmark tender for offtake of Green Ammonia, aimed at decarbonizing India's fertilizer sector. With final bid submissions due shortly, the tender calls for the production and supply of 724,000 tonnes of green ammonia annually across 13 fertilizer plants, under the Strategic Interventions for Green Hydrogen Transition (SIGHT) Scheme - Mode 2A, Tranche I.

SECI will anchor demand aggregation and sign long-term offtake agreements, providing producers with market certainty over a 10-year contract period. The tender was issued on 07th June 2024 and the last date for bid submission is 26th June 2025.

Ammonia, an essential component in urea and other nitrogen-based fertilizers, is currently produced using fossil fuels, leading to high greenhouse gas emissions. SECI's tender leverages renewable energy to produce green hydrogen and ammonia, promoting low-emission, domestic fertilizer production.

To ensure financial viability, the government is offering financial incentives under the National Green Hydrogen Mission, with Production Linked Incentives (PLI) of ₹8.82/kg, ₹7.06/kg, and ₹5.30/kg for the first three years respectively- amounting to a total support of ₹1,533.4 crore. A robust Payment Security Mechanism (PSM) is also committed by GOI to de-risk potential payment delays from fertilizer companies. This gives suppliers the assurance of steady cash flows, encouraging greater participation and financing. The bidding process will follow SECI's e-reverse auction model, ensuring competitive and transparent price discovery.

India consumes approximately 17-19 million tonnes of ammonia annually, with more than 50% of its hydrogen requirement used in fertilizer production. However, most of this is derived from imported natural gas. SECI's initiative is expected to drastically cut this dependence, reduce exposure to global gas price fluctuations, and lower the trade deficit. Producing green hydrogen emits less than 2 kg of CO_2 per kilogram, compared to up to 12 kg CO_2 from conventional grey hydrogen.

Domestic green ammonia production is expected to enhance resilience during geopolitical disruptions and generate new employment opportunities.

SECI's green ammonia tender addresses the "chicken-and-egg" challenge facing the hydrogen economy by simultaneously stimulating demand and supply. It creates an immediate demand pull that encourages investment in green hydrogen production, electrolyser manufacturing, and allied clean energy sectors.

This initiative is a pivotal move toward India's goal of achieving net-zero carbon emissions by 2070 and supports the broader vision of Viksit Bharat - a developed, sustainable, and self-reliant India. Bidders are encouraged to bring forward their most competitive proposals, continuing SECI's legacy of pioneering clean energy markets with innovation, transparency, and global impact.

India Poised to Lead Global Energy Storage Revolution: Union Minister Pralhad Joshi

Union Minister for New and Renewable Energy Shri Pralhad Joshi inaugurated Battery Energy Storage Systems (BESS) Manufacturing Facility in Bidadi Industrial Area, Bengaluru. Shri Joshi termed this launch of a factory, as a Promise for cleaner energy, Promise for greater grid resilience and a Promise for India's leadership in the global energy storage market.

While underlining the target of 500 GW of non-fossil fuel capacity by 2030 set by Prime Minister Shri Narendra Modi, Shri Joshi said that as more renewable energy comes into our grid, having reliable storage is more important than ever. "The facilities like the one we are inaugurating today are so important. They are critical to turning our vision into reality. This BESS plant is truly a state-of-the-art establishment. With an annual manufacturing capacity of 5 GWh, it stands among the largest and most advanced BESS facilities in the country," said the minister.

"Its fully automated cell-to-pack assembly line marks a shift towards precision-driven, high-quality production, with minimal human intervention but maximum efficiency and consistency," added the minister. The minister expressed the confidence that such systems will support grid stability, enable renewable integration, manage peak demand, and help maintain frequency regulation.

The minister said that according to the India Energy Storage Alliance, the country's energy storage sector is likely to attract ₹4.79 lakh crore investment by 2032. The CEA estimates a project requirement of 411.4 GWh (175.18 GWh from PSP and 236.22 GWh from BESS) of energy storage systems by 2032.

"I firmly believe that through this facility, PACE Digitek will not be not just building batteries, it will be building India's energy future. It will be creating high-value jobs, nurturing innovation, and strengthening our domestic manufacturing ecosystem in line with Modi ji's vision of Aatmanirbhar Bharat," said the Minister. While referring to Modi government's efforts in direction of setting up of battery storage systems, Shri Joshi said, "Modi government is planning to roll out an additional ₹5,400 crore as viability gap funding to support the setting up of 30 GWh of battery storage systems. This is over and above the ₹3,700 crore already being given under the existing VGF scheme, through which 13.2 GWh of BESS projects are already being implemented."

"As India rolls out the VGF scheme for battery storage and works with stakeholders across sectors to grow the storage market, having world-class manufacturing like this will be very important. It will help meet rising demand, reduce imports, and make our power grid more efficient," he added. Our renewable capacity is growing fast: we are adding 25–30 GW every year. But without storage, we will either waste

that energy or fall back on coal when renewables dip. BESS is how we make our grid strong, stable, and smart.

"I believe that India can become a global manufacturing hub for BESS, from batteries and inverters to software and control systems. Between 2022 and 2032, India plans to add over 47 GW of battery storage capacity, with a total investment of around ₹3.5 lakh crore," said the minister. The strong policy support by the Govt, along with private sector investments, shows that India is serious about a renewable future. At the same time, we are building the storage systems needed to make that future stable and dependable.

CAQM issues Statutory Direction mandating the buses operating under various service regimes like Contract Carriage Permit, Institution/ School Bus Permit, All India Tourist Permit, etc. and entering into Delhi, to be on cleaner modes viz. BS-VI Diesel / CNG / EV buses w.e.f. 01.11.2026

Significant contribution from the transport sector to the overall air pollution load in the entire NCR, consistently throughout the year and more adversely during the winter season, needs no emphasis and efficient and cleaner public transport services particularly the intra-city and inter-city bus services plying to Delhi and other cities / towns in NCR would help to abate air pollution from this sector.

Towards abatement of air pollution from the vehicular sector, considering the high pollution load from commercial goods vehicles and the associated ill-effects of emission owing to such vehicles entering to Delhi, the Commission, vide Direction No. 88 dated 23.04.2025 has stipulated a strict ban on entry of all commercial goods vehicles viz. LGVs, MGVs and HGVs, other than BS-VI, CNG, LNG and EVs, into Delhi w.e.f. 01.11.2025, except such vehicles that are registered in Delhi.

Strengthening its objective to progressively reduce vehicular emissions, the Commission for Air Quality Management in NCR and Adjoining Areas (CAQM) has been extensively working towards a phased transition to cleaner fuel vehicles, especially in the high-emission public transport segment. Considering the substantial contribution of inter-city, tourist and other bus services to the region's pollution load, particularly during the winter season, the Commission has now taken a decisive step in this direction.

Direction Nos. 78 and 81 issued earlier by the Commission already stipulate a cleaner fuel regime for all intercity buses plying to Delhi-NCR from anywhere in the NCR States and from the neighbouring States / UTs of Uttarakhand, Himachal Pradesh, J&K, Madhya Pradesh and Punjab; only BS-VI Diesel/ CNG / EV / cleaner mode buses are permitted to ply to Delhi-NCR.

In pursuit of furthering the objective of clean air, the Commission has issued a Statutory Direction No. 93, mandating the buses operating under various service regimes including those on All India Tourist Permit, and entering Delhi, to be on cleaner modes viz. BS-VI Diesel / CNG / EV w.e.f. 01.11.2026.

These restrictions shall, however, not be applicable to such buses which are registered in Delhi.

Further, Transport Department/ Traffic Police Department of GNCTD have been directed to ensure strict compliance of the restrictions imposed as above through an appropriate mechanism like ANPR system, RFID etc. at border entry points.

All the State Governments / UT Administrations have also been advised by the Commission to widely disseminate these Directions amongst all stakeholders to ensure that only the permitted buses are destined for Delhi, beyond 31.10.2026.

Restrictions imposed vide Direction Nos. 78 and 81 shall, however, continue to be binding for the inter-city public transport bus services to Delhi-NCR.

MNRE Notifies Key Revisions in Biomass Programme Guidelines

The Ministry of New and Renewable Energy (MNRE) has issued revised guidelines for the Biomass Programme under Phase-I of the National Bioenergy Programme, applicable for the period FY 2021–22 to 2025–26. These amendments aim to promote cleaner energy solutions, ease of doing business, and accelerate the adoption of biomass technologies across India.

Under the new framework, Ministry has simplified several processes, such as cutting down on paperwork and easing approval requirements, which will enable the industry especially MSMEs to enhance their production. These changes align well with improvement of stubble management and India's broader goal of reaching **net-zero emissions by 2070**.

One of the major highlights of the revision is technological integration by enabling the use of IoT-based monitoring solutions or quarterly data submissions instead of expensive and high-tech systems like SCADA. This cost-effective step promotes digital monitoring and accountability, especially for smaller business operators.

The guidelines also encourage significant simplification of documentation requirements. Developers of briquette and pellet manufacturing plants will no longer be required to submit number of documents related to clearance matters. This change will save time, and promote ease of doing business.

In a move to enhance operational flexibility, the earlier requirement for a two-year briquette or pellet sale contract has been replaced with a general sale agreement. This change will allow project developers to respond more dynamically to market conditions without being constrained by long-term contracts. The amended guidelines rules allow flexible selling of biomass products, meaning businesses no longer need long-term contracts to get started.

Furthermore, the subsidy disbursement mechanism under the Central Financial Assistance (CFA) component has been made performance-based and transparent. Projects that run efficiently, above 80%, will receive full financial assistance, while below 80% will receive on pro-rata basis.

The performance inspection period has been simplified. Earlier, it has to be done within a period of 18 months from the date of commissioning, but now, it can be carried out within 18 months period either from the commissioning date or from the date of In-principle approval, whichever is later. Additionally, to cater on-ground operational challenges of developers, Secretary, MNRE may extend the time period.

During inspection, performance report was made on the basis of Operation Plant at an average of 80% of rated capacity measured over a period of three consecutive days, taking average 16 Hrs per day. However,

now it has been reduced to just 10 hrs as the inspection process primarily aims to verify the claimed and operational capacities and inspection for 10 hrs continuous operation would suffice this purpose.

Recognizing the urgent need to address air pollution, especially from stubble burning in northern India, the new guidelines include a provision allowing biomass pellet producers in Delhi, Punjab, Haryana, and NCR districts of Rajasthan and Uttar Pradesh to choose the most beneficial support scheme, either from MNRE or CPCB.

These revisions will not only support the smooth implementation of the biomass programme and timely delivery of approved financial support to commissioned plants, but also encourage the sector to establish more biomass-based plants. This would ultimately help in addressing the menace of crop residue burning and ensure sustainable management of agricultural waste.

Overall, the updated guidelines will make it easier for businesses to adopt biomass technologies, provide financial incentives for efficient operations, and support India's clean energy efforts, all while promoting practical, business-friendly solutions to waste management and pollution reduction.

Revised Guidelines for Waste-to-Energy Projects to Enhance Performance Monitoring and Speedier CFA Disbursal

The Ministry of New and Renewable Energy (MNRE) has issued revised guidelines for the Waste-to-Energy (WtE) Programme under the National Bioenergy Programme. These revisions aim to foster a more efficient, transparent, and performance-oriented ecosystem for Bio Waste to Energy deployment in India. By simplifying procedures, expediting financial assistance, and aligning support with plant performance, the updated guidelines are designed to significantly enhance the ease of doing business for private as well as public sector.

Under the new framework, Ministry has simplified several processes, such as cutting down on paperwork and easing approval requirements, which will enable the industry especially MSMEs to enhance their production of CBG, Biogas & Power. These changes align well with improvement of waste management including stubble, industrial waste, and India’s broader goal of reaching **net-zero emissions by 2070**.

A key highlight of the revised guidelines is the improved system for releasing Central Financial Assistance (CFA). Considering the challenges faced by the developers to achieve 80% generation, flexible provisions have been made in the Scheme for release of CFA based on plant performance. Previously, companies had to wait until the entire Waste-to-Energy project attains 80% generation to receive support. Moreover, as per the revised guidelines, there is a provision to release the CFA in two stages. Based on performance of the projects, 50% of total CFA will be released after obtaining the Consent to Operate certificate from State Pollution Control Board, against the bank guarantee, while the balance CFA would be released after achieving the 80% of the rated capacity or the maximum CFA eligible capacity, whichever is lesser.

In notably, even if a plant does not achieve 80% generation for above both conditions during performance inspection, provision is made for pro-rata based disbursement based on the percentage output. However, no CFA will be given if the PLF is <50%.

This change acknowledges real-world challenges and supports developers by offering financial flexibility and viability during operations.

The inspection process has also been refined to ensure greater credibility, transparency and accountability. The revised norms mandate joint inspections led by National Institute of Bio-Energy (SSS-NIBE), an autonomous institute of MNRE, along with any one agency among respective State Nodal Agencies (SNAs), Biogas Technology Development Centers (BTDCs), or any agency empaneled by MNRE. For developers not opting for advance CFA, only a single performance inspection is required, reducing procedural delays.

The revision introduced provides the flexibility to the project developers in claiming CFA either within 18 months from the date of commissioning, or from the date of In-principle approval of CFA, whichever is later.

Overall, these revised guidelines represent a proactive step by the government to support the clean energy in industries. By aligning financial support with actual performance, simplifying compliance, and making funding more accessible, MNRE is fostering a more business-friendly environment. This initiative not only helps private players in the WtE space but also strengthens India's progress toward sustainable waste management and Renewable Energy goals.

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