



POLICY & ECONOMIC **REPORT** OIL & GAS MARKET

March
2026



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Executive Summary

The escalating conflict involving the United States, Israel, and Iran has created one of the most significant geopolitical shocks to the global economy in recent years. While the military implications are substantial, the economic impact is already becoming visible. The war is disrupting global trade routes, pushing oil prices higher, and significantly increasing shipping and insurance costs, ultimately influencing global trade.

The severity of the economic consequences depends on how long it lasts. Before the war began, the IMF expected the global economy to grow by 3.3% this year. The fund has not yet changed its outlook, but it has been closely monitoring developments and listed several risks to the global economy, including more trade disruptions, surges in energy prices and volatility in financial markets.

Goldman Sachs Research forecasts global real GDP to increase by 2.9% in 2026. In case of US, the real GDP will expand 2.8% in 2026. The key driver is that the drag from tariff increases should give way to a boost from business and personal tax cuts. Further, real wage gains and rising wealth may also help sustain consumer spending growth, even as new tax incentives, easier financial conditions, and reduced policy uncertainty would boost business investment.

In case of India, the Ministry of Statistics and Programme Implementation (MoSPI) has released the New Series of Annual and Quarterly National Accounts Estimates with base year 2022–23, which replaces the previous series with base year of 2011–12. The Financial Year (FY) 2022–23 has been selected as base year, as it represents a recent normal year (after COVID), with availability of robust and comprehensive data across sectors of the economy, making it an appropriate benchmark for the new series of Annual and Quarterly National Accounts Estimates.

Key Highlights of New GDP Series (Base Year 2022-23)

- Real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).
- Overall economic performance in FY 2025-26 is primarily on account of robust Real growth observed in Second Quarter (8.4%) and Third Quarter (7.8%).
- The economy has exhibited sustained performance, recording Real GDP growth rates of 7.2% and 7.1% respectively during FY 2023-24 and FY 2024-25.
- Nominal GDP has registered 11.0% and 9.7% growth rates during FY 2023-24 and FY 2024-25 respectively.
- Manufacturing sector has been the major driver in contributing to the resilient performance of the economy in consecutive 3 financial years after rebasing. This sector has attained double digit growth rates in FY 2023-24 and FY 2025-26.

- Secondary and Tertiary sectors have boosted the performance of the economy by registering above 9.0% growth rate in FY 2025-26.
- Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting, Storage sector has attained a growth rate of 10.1% at Constant Prices in FY 2025-26.
- Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of February, 2026 over February, 2025 is 3.21%(Provisional). Corresponding inflation rates for rural and urban are 3.37% and 3.02%, respectively.

HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 56.9 in February from January's 55.4. A PMI above 50 signals expansion. India's factory activity expanded at its fastest pace in four months in February as strong domestic demand drove new orders and production. However, growth in new export orders continued its slowing trend that began in mid-2025, restricting employment creation in the manufacturing sector. New export orders grew at the slowest pace in 17 months, suggesting U.S. tariff uncertainty remains despite a recent trade deal with India.

India's foreign exchange reserves declined sharply in the week ended March 6, dropping to \$716.81 billion from \$728.49 billion the previous week, according to data released by the Reserve Bank of India (RBI). Most of the decline came from foreign currency assets, which fell by \$9.8 billion during the week. The value of gold reserves also decreased by \$1.6 billion. Foreign currency assets, which form the largest component of India's reserves, are expressed in US dollar terms and reflect the impact of fluctuations in the value of other currencies held by the central bank.

As far as oil and gas industry is concerned, the global oil market is contending with the ramifications of the war in the Middle East. Beyond the direct damage to energy infrastructure in the region, the crisis has led to a near halt in tanker movements through the Strait of Hormuz. With nearly 20 mb/d of crude and product exports currently disrupted and limited alternative options to bypass the world's most critical oil transit chokepoint, producers and consumers globally are feeling the strain. Benchmark crude oil prices have surged by \$20/bbl to \$92/bbl since the outbreak of hostilities on 28 February, with even bigger increases across product markets. With few ships currently able or willing to load cargoes at port, and domestic storage tanks filling up, producers in the region are reducing or shutting in production. While the situation on the ground is fast evolving and at times opaque, we estimate that crude production is currently being curtailed by at least 8 mb/d, with a further 2 mb/d of condensates and NGLs shut in. Major supply reductions are seen in Iraq, Qatar, Kuwait, the UAE and Saudi Arabia.

Disruptions are not limited to upstream production and exports, with several refineries and gas processing facilities shut down due to attacks or for safety concerns. The closure of the Strait is also forcing export-oriented refineries to cut runs or shut completely as product storage tanks top up, with more than 4 mb/d of refining capacity at risk. Gulf producers exported roughly 3.3 mb/d of refined products, and 1.5 mb/d of LPG in 2025. While additional throughputs in other regions are possible, feedstock availability will be a limiting factor. This has prompted some countries to implement product exports restrictions. Diesel and jet fuel markets look to be particularly vulnerable to an extended loss of Middle East production and exports, given limited flexibility elsewhere to increase output.

Hedge funds and other money managers turned increasingly bullish over February, boosting their net long positions, with total net length rising by 46%, m-o-m. The increase was more pronounced in ICE Brent, where net long positions reached their highest level since April 2024. The expansion in net long positions was accompanied by sizeable financial inflows, with money managers being net buyers of an equivalent of 126 mb over the month. For a second consecutive month, money managers reduced a substantial volume of short positions in both ICE Brent and NYMEX WTI, following the build-up of short positions observed in 4Q25. The adjustment in positioning reflected stronger-than-expected physical market fundamentals, supply disruptions, and elevated geopolitical risk perceptions. At the same time, long positions increased sharply, contributing further to an expansion in overall net long positions.

Crude spot prices extended their gains in February, supported by firm physical market fundamentals. Demand remained strong, particularly from Asia-Pacific buyers, while robust buying interest in March-loading programmes lent support to spot prices in Northwest Europe. Higher refining margins in Europe and on the US Gulf Coast (USGC) also contributed to stronger buying interest. Supply disruptions in some regions further tightened spot market conditions, particularly in the Atlantic Basin. A slow recovery in the Caspian region, alongside temporary disruptions in the US and North Africa due to weather conditions, raised concerns over near-term supply availability. In addition, geopolitical developments in several key producing regions contributed to elevated risk premiums. Spot crude prices continued to trade at firm premiums relative to futures in February, although these premiums narrowed, m-o-m, amid still-strong physical market conditions.

Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.62 per million British thermal units (MMBtu) in February 2026. Henry Hub's natural gas prices dropped in February, after five consecutive months of gains, falling by ~53%, m-o-m. Prices experienced a sharp correction as temperatures normalized across the region in February following a cold snap the previous month, leading to a decline in heating. Higher LNG exports, coupled with a decline in storage levels, limited downside pressure. According to data from the US Energy Information Administration (EIA), average weekly natural gas storage decreased by 29.0%, m-o-m, in February. Prices were down by ~14%, y-o-y.

Economy in Focus

1. A snapshot of the global economy

Global economic growth amidst war crisis

The escalating conflict involving the United States, Israel, and Iran has created one of the most significant geopolitical shocks to the global economy in recent years. While the military implications are substantial, the economic impact is already becoming visible. The war is disrupting global trade routes, pushing oil prices higher, and significantly increasing shipping and insurance costs, ultimately influencing global trade data and market stability.

The cascading economic fallout from the conflict in the Middle East is radiating well beyond the Gulf, reshaping markets, and supply chains – potentially for years to come. A prolonged war that keeps energy prices high could drive up inflation and, interest rates. Further, threats to cargo ships could snag supply chains, further raising prices for businesses and consumers.

The severity of the economic consequences depends on how long it lasts. Before the war began, the IMF expected the global economy to grow by 3.3% this year. The fund has not yet changed its outlook, but it has been closely monitoring developments and listed several risks to the global economy, including more trade disruptions, surges in energy prices and volatility in financial markets.

Goldman Sachs Research forecasts global real GDP to increase by 2.9% in 2026. In case of US, the real GDP will expand 2.8% in 2026. The key driver is that the drag from tariff increases should give way to a boost from business and personal tax cuts. Further, real wage gains and rising wealth may also help sustain consumer spending growth, even as new tax incentives, easier financial conditions, and reduced policy uncertainty would boost business investment.

Global trade: A supply shock

As of March 2026, the ongoing war in the Middle East—specifically involving Iran, Israel, and the U.S.—is severely disrupting global trade by choking key maritime route like the Strait of Hormuz. Around a quarter of global seaborne oil passes through the Strait of Hormuz, along with roughly one-fifth of liquefied natural gas (LNG) shipments. The disruption of this single maritime route has immediate global consequences because several major oil-exporting countries—including Saudi Arabia, Kuwait, Iraq, and the United Arab Emirates—rely heavily on the Strait of Hormuz for most of their seaborne energy exports. Any disruption to transit through this narrow chokepoint has immediate consequences for global energy markets such as higher freight charges, soaring shipping insurance costs, and significant delays, while inflating oil and gas prices.

The war has already taken roughly one-third of the world’s helium supply off the market, following a disruption at the massive Ras Laffan energy hub. Helium is essential for semiconductor manufacturing, medical imaging, and other high-tech uses. A prolonged disruption would tighten an already concentrated market and could become a serious constraint for industrial supply chains.

The fertilizer shock is potentially more devastating, as the Gulf is a major artery for urea, ammonia, sulphur and other fertilizer inputs, and conflict-related disruption has already tightened supply. Prices for urea, the most popular synthetic nitrogen fertilizer, have increased by about 30% over the past month, while soybean oil prices hit their highest level in more than two years.

Key impacts include:

- **Supply Chain Disruption:** Major shipping firms have suspended routes in the Middle East, leading to several ships trapped or redirected, causing congestion in Indian Ocean ports.
- **Rising Costs & Inflation:** The conflict is causing a repricing of energy and goods, increasing global inflation risks. Shipping rates from Asia to the Middle East have seen significant increases.
- **Vulnerability of Emerging Markets:** Developing nations are particularly exposed to higher import costs for fertilizers, food, and energy.
- **Regional Economic Impact:** India is facing a widening trade gap and high import bills, while Dubai's luxury goods, gold, and tourism markets are experiencing a slowdown.

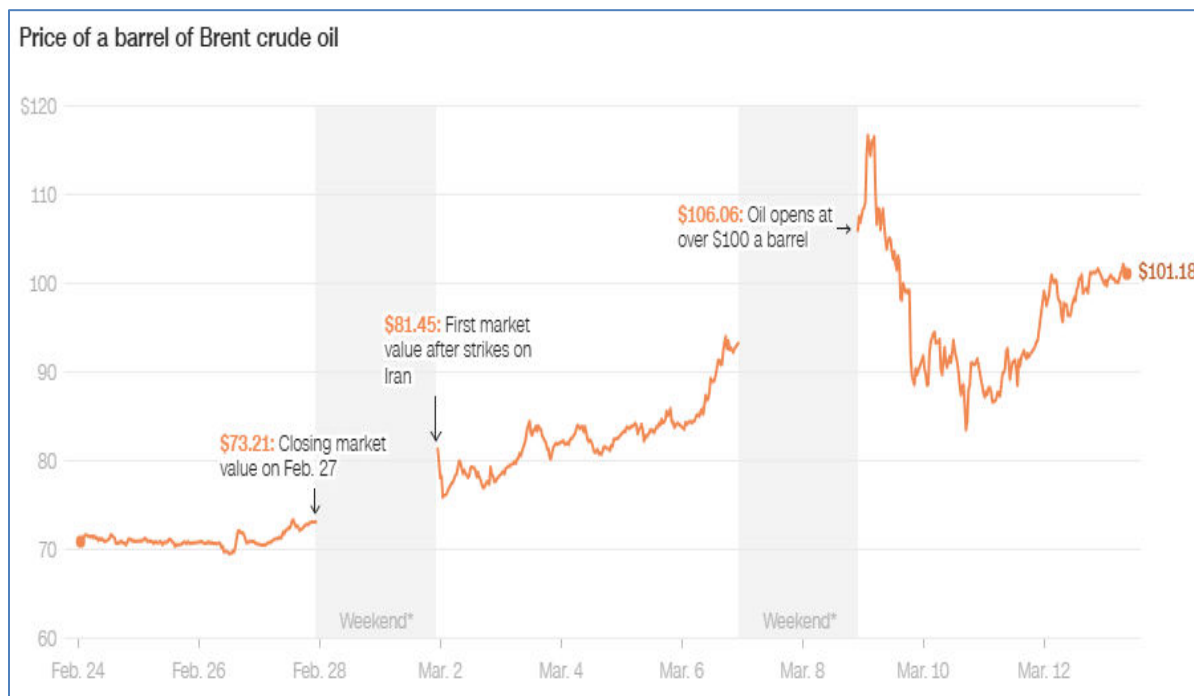
Impact on prices

The Middle East plays an important role in global fuel supply chains. The region accounts for approximately 10% of the world's seaborne diesel supply and nearly 20% of global jet fuel shipments. The major risk here is a prolonged closure of the crucial Strait of Hormuz, which is virtually the only way to ship the Middle East's oil and natural gas to the rest of the world. Any disruption in these supply flows can quickly push transportation and logistics costs higher around the world. As shipping and fuel expenses rise, the increased costs are eventually passed on to businesses and consumers, leading to higher prices for goods and services across global markets.

One of the most immediate economic consequences of the ongoing conflict has been a sharp rise in global oil prices. Brent crude oil prices increased by around 15%, reaching nearly \$105 per barrel, marking the highest level recorded in more than a year. The heightened uncertainty has increased volatility across the entire energy market, affecting not only crude oil prices but also the costs of refined fuels such as diesel and jet fuel, which ultimately impacts transportation and global trade.

European benchmark natural gas futures have also skyrocketed and could more than double from levels seen before the war if shipments through the strait are halted for longer than two months, according to Goldman Sachs. Consumer price inflation in the European Union which stood at 2% in January could rise by more than a percentage point if the conflict drags on for several months. If oil prices stay at their current levels for several months, US consumer price inflation could rise from 2.4% in January to 3% by the end of the year, according to Goldman Sachs.

Figure 1: Oil prices

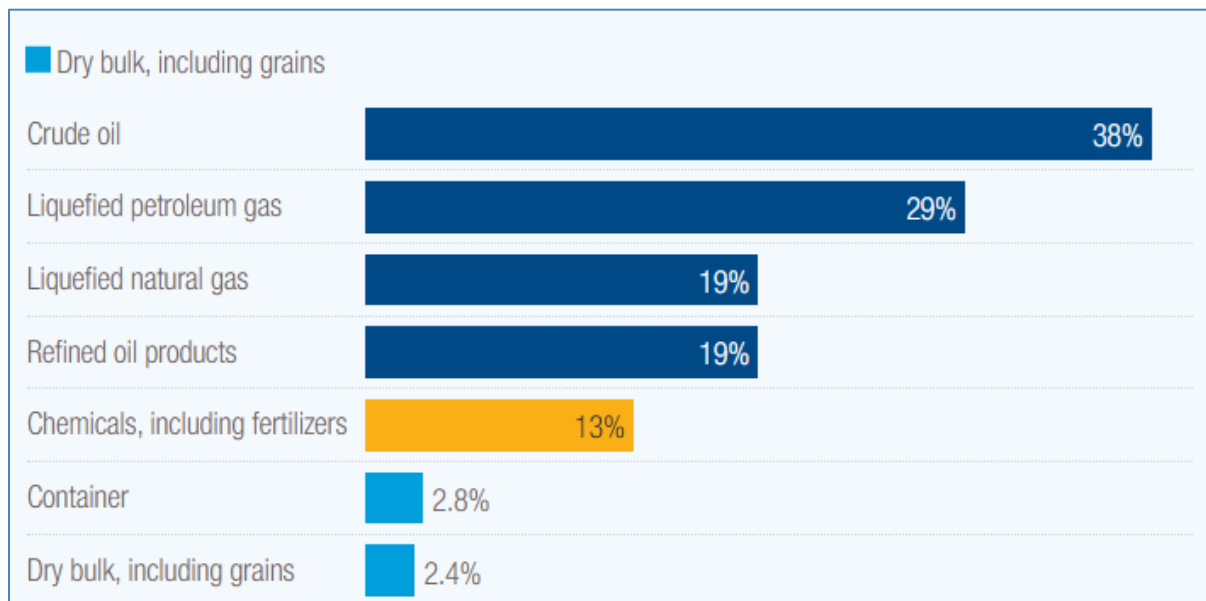


Source - CNN

2. Strait of Hormuz disruptions: Implications for global trade and development- UNCTAD

The Strait of Hormuz is one of the world’s most critical maritime chokepoints, carrying around a quarter of global seaborne oil trade and significant volumes of liquefied natural gas and fertilizers.

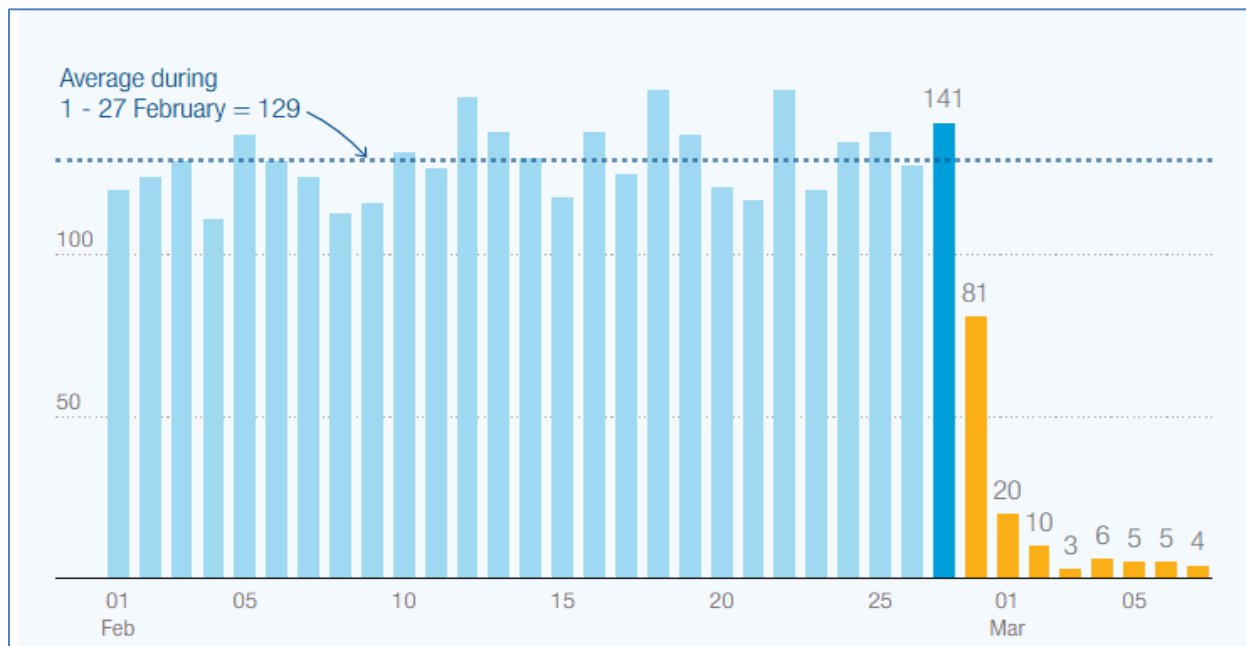
Figure 2: Share of global trade passing through the Strait, based on average flows during the week before the military escalation that began on 28 February



Source - UNCTAD

The ongoing military escalation in the region has disrupted shipping flows through this narrow passage. The resulting ripple effects go far beyond the region, affecting energy markets, maritime transport, and global supply chains.

Figure 3: Total number of daily ship transits through Strait of Hormuz



Source - UNCTAD

These developments raise concerns for global trade and development prospects. Oil markets have reacted quickly, with Brent crude prices now rising above \$90 per barrel.

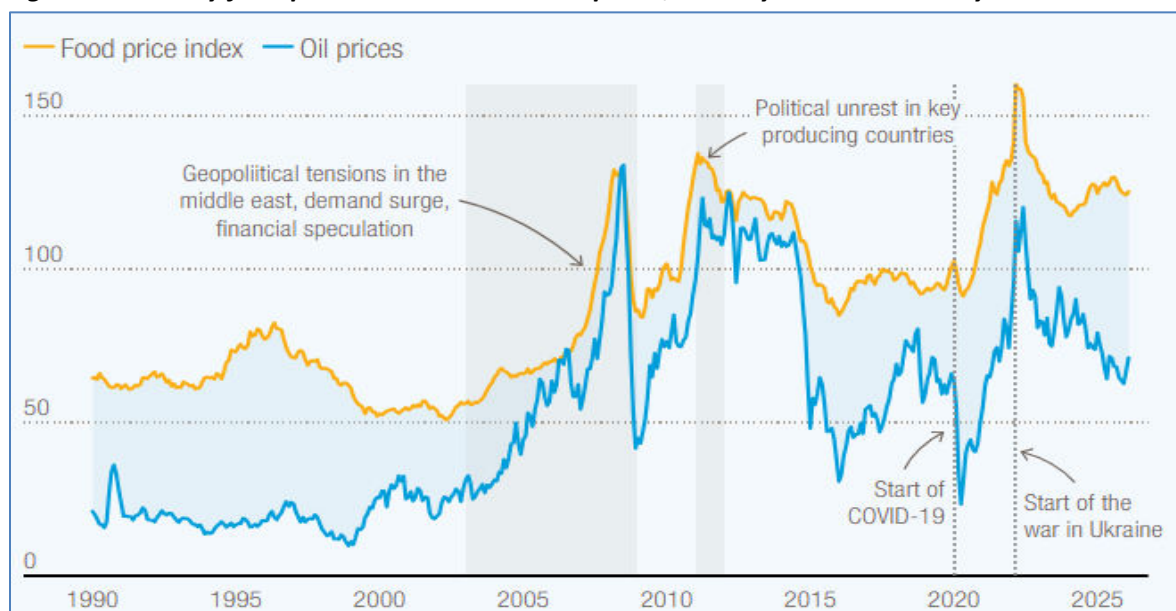
Figure 4: Daily oil and gas prices, 1 January 2024–9 March 2026



Source - UNCTAD

Higher energy, fertilizer, and transport costs – including freight rates, bunker fuel prices and insurance premiums – may increase food costs and intensify cost-of-living pressures, particularly for the most vulnerable.

Figure 5: Monthly food price index and crude oil prices, January 1990 to February 2026



Source - UNCTAD

While the overall global economic impacts will depend on the duration and scale of the disruption, the situation highlights the importance of continued monitoring, particularly implications for vulnerable economies.

Key implications and considerations

- **Disruptions in the Strait of Hormuz** underscore the vulnerability of critical maritime chokepoints to geopolitical tensions and their potential to transmit shocks across supply chains and commodity markets.
- **Reducing risks to global trade and development**, including environmental risks, requires de-escalation and safeguarding maritime transport, ports and seafarers, and other civilian infrastructure.
- **Socio-economic implications for developing economies:** Many developing countries already face high debt service burdens, limited fiscal space and constrained access to finance. In this context, rising energy, transport and food costs could strain public finances and increase pressure on household budgets, potentially heightening economic and social pressures and complicating progress toward sustainable development, particularly in economies heavily dependent on imported energy, fertilizers, and staple foods.

3. FAO Food Price Index rises in February for first time in five months

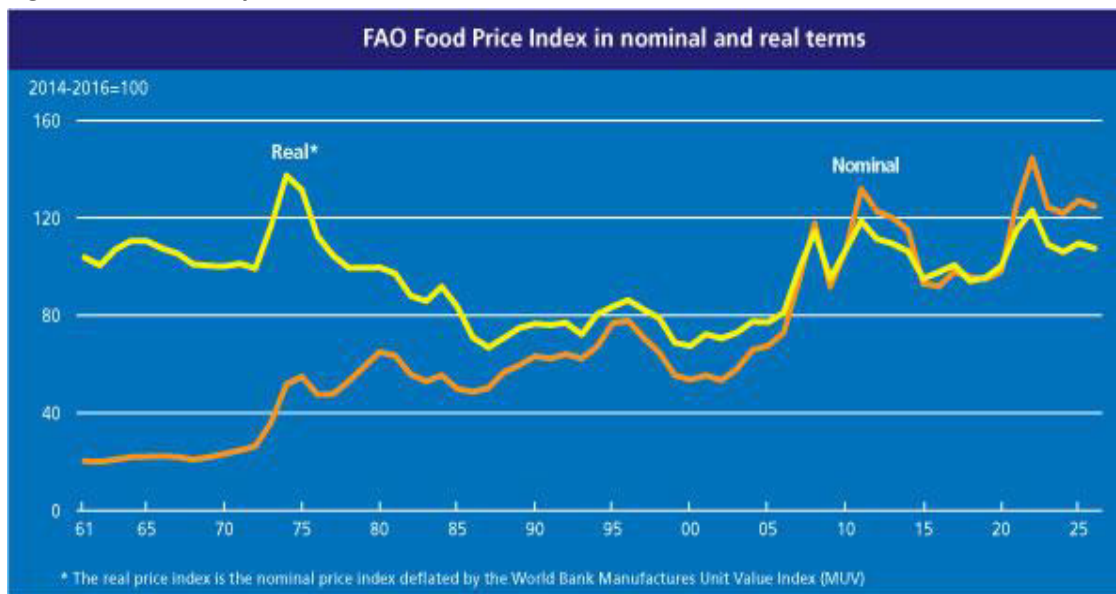
The benchmark measure for world food commodity prices rose in February, ending a five-month downward trend, as higher quotations for wheat, most vegetable oils and several meat types outweighed declines in cheese and sugar prices, according to the new update released today by the Food and Agriculture Organization of the United Nations (FAO).

The FAO Food Price Index, which tracks monthly changes in the international prices of a basket of globally-traded food commodities, averaged 125.3 points in February, up 0.9 percent from its revised January level while still 1.0 percent below its level a year earlier.

The FAO Cereal Price Index increased by 1.1 percent from January, driven primarily by higher world wheat prices reflecting reports of frosts in parts of Europe and the United States of America as well as ongoing logistical disruptions within the Russian Federation and the wider Black Sea region. International coarse grain prices also posted a modest increase, while the FAO All Rice Price Index edged up by 0.4 percent from the previous month, supported by sustained demand for basmati and Japonica varieties.

The FAO Vegetable Oil Price Index increased by 3.3 percent in February, reaching its highest level since June 2022. International palm oil prices rose amid firm global import demand and seasonally lower outputs in Southeast Asia, while world soya oil prices increased on expectations of supportive biofuel policy measures in the United States of America.

Figure 6: FAO Food price index



Source - FAO, UN

FAO also released new wheat production forecasts for 2026, with preliminary outlooks pointing to a likely global decline of around 3 percent to 810 million tonnes, albeit remaining above the past five-year average. Farmers in the European Union, the Russian Federation and the United States of America are expected to reduce the area sown to winter wheat in response to softer crop prices. The production

outlook in India, however, is generally favourable, supported by record sowings encouraged by government incentives. Prospects are also positive for Pakistan and broadly favourable in China.

The FAO brief also revised upwards its estimate for 2025 global cereal production to a record 3 029 million tonnes, a 5.6 percent increase from the previous year. The forecast for world cereal utilization in 2025-26 has also been revised upwards, to a record 2 943 million tonnes, with gains expected for wheat, coarse grains, and rice. The new estimates point to world cereal stocks likely rising to 940.5 million tonnes by the close of seasons, resulting in a comfortable global cereals stocks-to-use ratio of 31.9 percent.

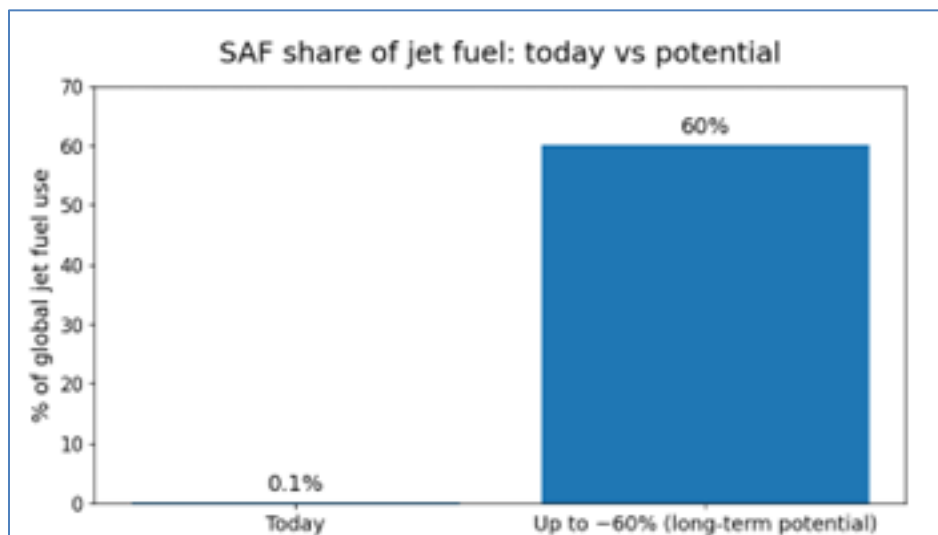
FAO estimates that 41 countries globally, most of them in Africa, require external assistance for food, due mostly to conflict and insecurity and in some cases to weather-related shocks, according to a separate report also released today by FAO’s Global Information and Early Warning System (GIEWS). Among the 44 Low-Income Food Deficit Countries, aggregate cereal output is expected to decline by 1.0 percent in the 2025-26 season, while utilization is likely to grow by 1.5 percent, pushing up import needs marginally year-on-year to 55.7 million tonnes.

4. Project Facilitation: The way to enhance Sustainable Aviation Fuel projects bankability

Aviation and freight play a vital role in the global transport sector, connecting people and moving traded goods from and to different places in the world. The sector accounts for around 2% to 3% of global carbon dioxide emissions, according to the International Civil Aviation Organization’s (ICAO) overview on aviation and climate change, and emissions could rise further as air traffic continues to grow.

Liquid aviation fuels produced from renewables or waste-based feedstock referred to as Sustainable Aviation Fuel (SAF) can be used in existing aircraft and infrastructure. SAF is widely recognized as a key pathway for reducing aviation emissions, particularly for long-haul flights, delivering lower lifecycle greenhouse gas emissions—up to 80% compared to conventional jet fuel.

Figure 7: SAF share of jet fuel



Source - IEA

Despite this potential, SAF deployment remains limited. Its high initial set-up and production costs, as well as supply constraints, pose challenges to financing. While policy ambition and technical understanding of SAF are progressing, financing implementation and scaling-up remains a key bottleneck. Compared to conventional renewable energy projects, SAF projects face additional hurdles such as first-of-a-kind risks, certification requirements, and long-term offtake uncertainty. For many SAF projects, these challenges can translate into financing and investment-readiness constraints.

Addressing the financing gap

As a response to these financing challenges, the International Renewable Energy Agency (IRENA) in cooperation with ICAO established the Finvest@ETAF. This initiative applies the project facilitation approach of the already-existing Energy Transition Accelerator Financing (ETAF) platform to SAF projects.

Finvest@ETAF provides a structured entry point for translating SAF ambitions into investment-ready projects by connecting developers with financing and de-risking support under the ETAF platform.

ETAF itself has brought together 14 partners and more than USD 4.15 billion in pledged capital to support clean energy projects. It provides the foundation on which Finvest@ETAF facilitates SAF financing through bankability analysis, advisory and technical assistance, as well as access to financing solutions made available via ETAF partners.

The following instruments are intended to help address key risks that can limit investment in early-stage SAF projects:

- **Blended finance** combines public and private funding to help lower project costs and mitigate financial risks, improving SAF project bankability and investor interest.
- **Equity investments** provide early-stage capital to address the high upfront costs of SAF facilities, reducing reliance on debt and supporting project scalability.
- **Guarantees and insurance** protect against risks related to revenue uncertainty, technology performance, and supply chains, including political, credit, feedstock, and EPC or operations risks.
- **Technical advisory services** support project proponents in improving proposal quality, strengthening financial and commercial structures, and addressing key readiness gaps.

5. Indian Economy

India's economic growth

New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23

The Ministry of Statistics and Programme Implementation (MoSPI) is releasing the New Series of Annual and Quarterly National Accounts Estimates with base year 2022–23, which replaces the previous series

with base year of 2011–12. The Financial Year (FY) 2022–23 has been selected as base year, as it represents a recent normal year (after COVID), with availability of robust and comprehensive data across sectors of the economy, making it an appropriate benchmark for the new series of Annual and Quarterly National Accounts Estimates.

GDP base year has been revised to FY 2022-23 due to the following reasons: -

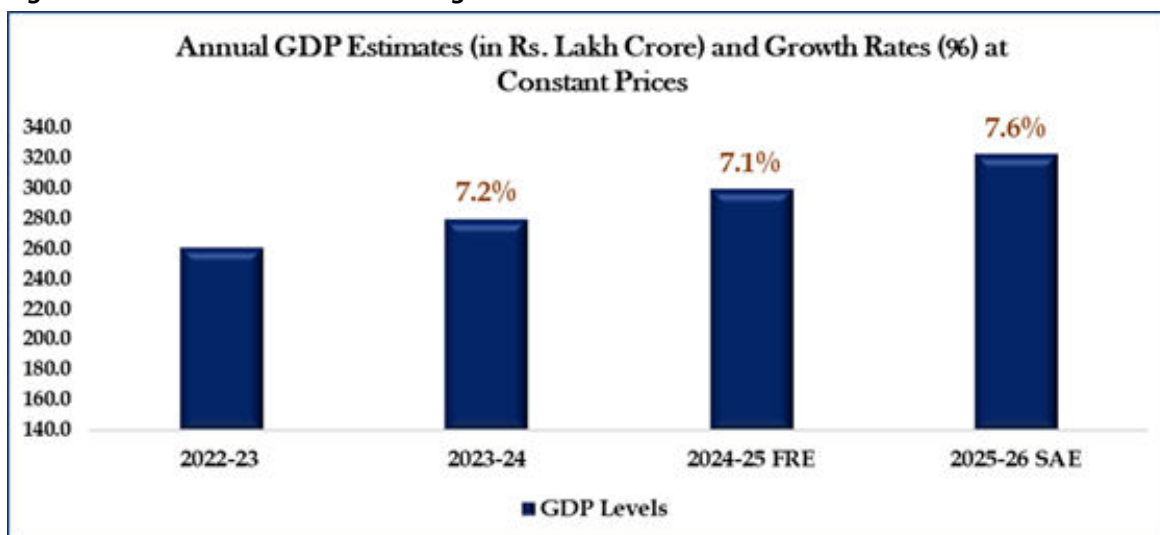
- Over the past decade, India’s economy has evolved considerably, with the expansion of renewable energy and digital services, alongside changes in consumption patterns and investment behaviour. Rebasings enables GDP and related indices to better capture the contribution of emerging sectors, shifts in relative prices, and advances in technology and productivity.
- At the same time, rapid digitisation has expanded the availability of high-frequency data, strengthening the precision of national accounts. Real-time systems such as e-Vahan (vehicle registrations), the Public Financial Management System (PFMS), and the GST network now provide granular economic insights that enhance the robustness of GDP estimates.
- Besides, periodic revisions also support alignment with international best practices recommended by the UN Statistical Commission, ensuring that India’s statistical framework remains methodologically sound and globally comparable, particularly in areas such as digital economy measurement and supply-use tables.

KEY HIGHLIGHTS OF NEW GDP SERIES (BASE YEAR 2022-23)

- Real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).
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- Secondary and Tertiary sectors have boosted the performance of the economy by registering above 9.0% growth rate in FY 2025-26.

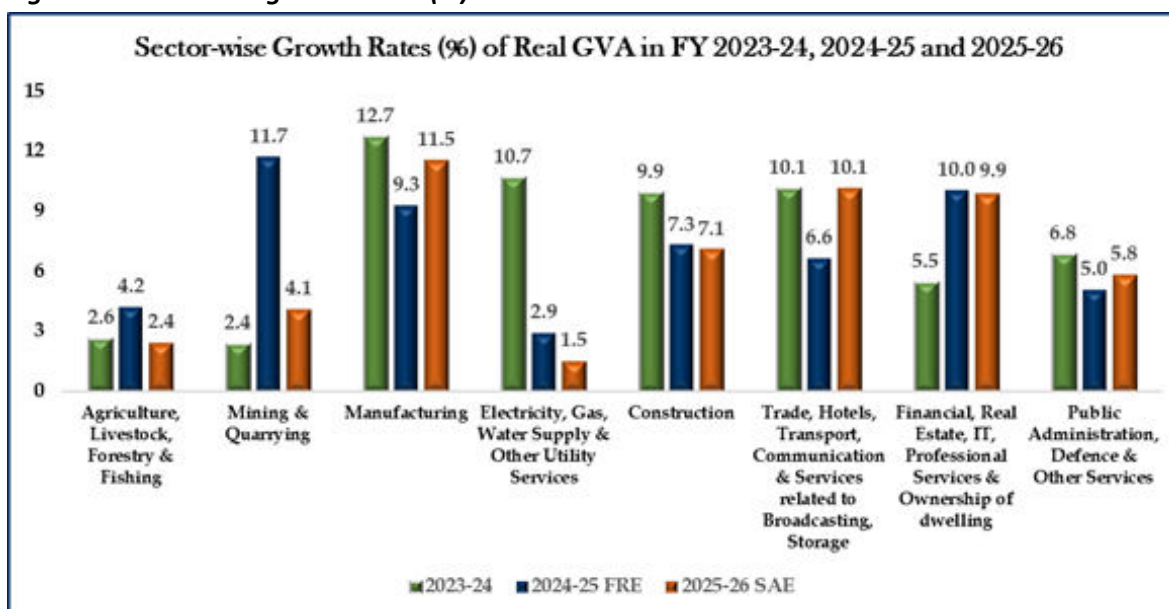
- Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting, Storage sector has attained a growth rate of 10.1% at Constant Prices in FY 2025-26.
- On the consumption side, both the Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) have exhibited more than 7.0% growth rate in FY 2025-26.

Figure 8: Annual GDP Estimates along with Y-o-Y Growth Rates at Constant Prices



Source - PIB

Figure 9: Sector-wise growth rates (%)



Source - PIB

Quarterly Estimates and Growth Rates

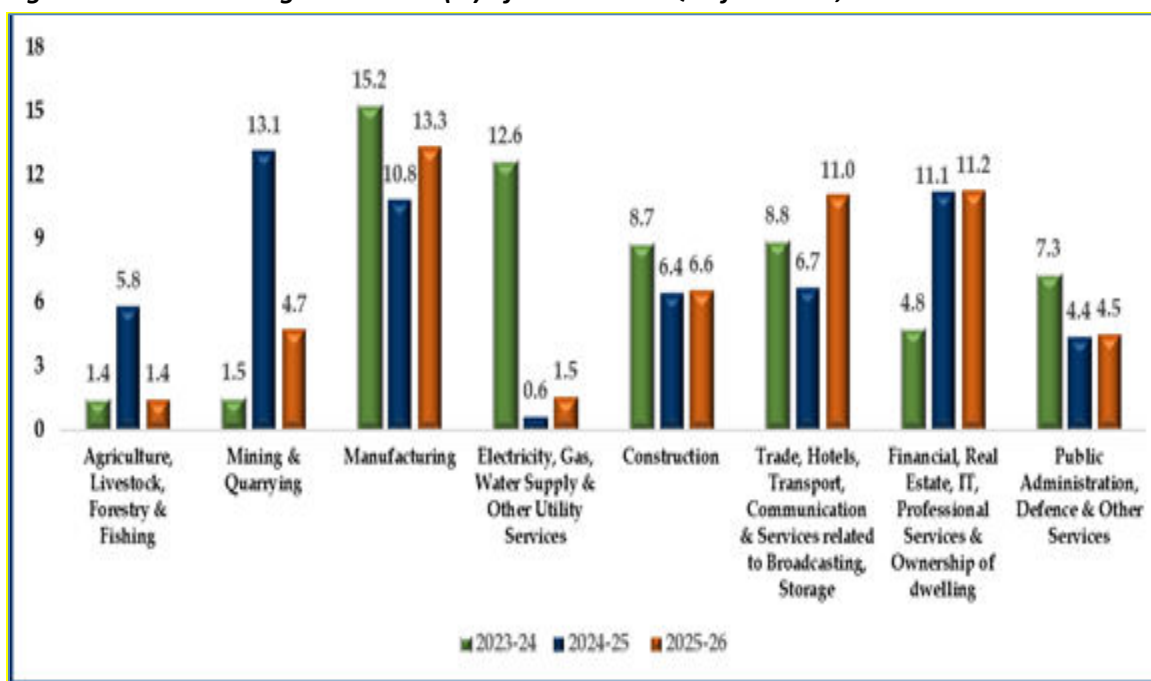
Real GDP or GDP at Constant Prices in Q3 of FY 2025-26 is estimated at ₹84.54 lakh crore, against ₹78.41 lakh crore in Q3 of FY 2024-25, showing a growth rate of 7.8%. Nominal GDP or GDP at Current Prices in Q3 of FY 2025-26 is estimated at ₹90.91 lakh crore, against ₹83.46 lakh crore in Q3 of FY 2024-25, showing a growth rate of 8.9%.

Figure 10: Quarterly real GDP estimates (in Lakh crore) and y-o-y growth rates (%)



Source - PIB

Figure 11: Sector-wise growth rates (%) of real GVA in Q3 of 2023-24, 2024-25 and 2025-26



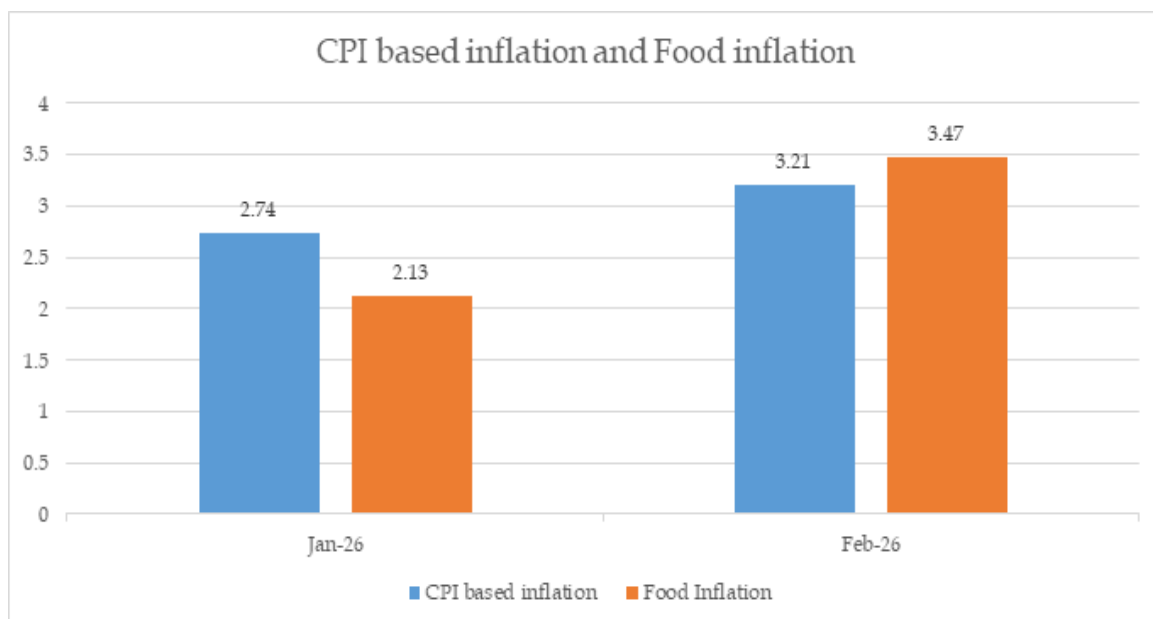
Source - PIB

Inflation in India

In a significant methodological reform in the measurement of retail inflation, the base year has been revised from 2012 to 2024 (Base: 2024=100).

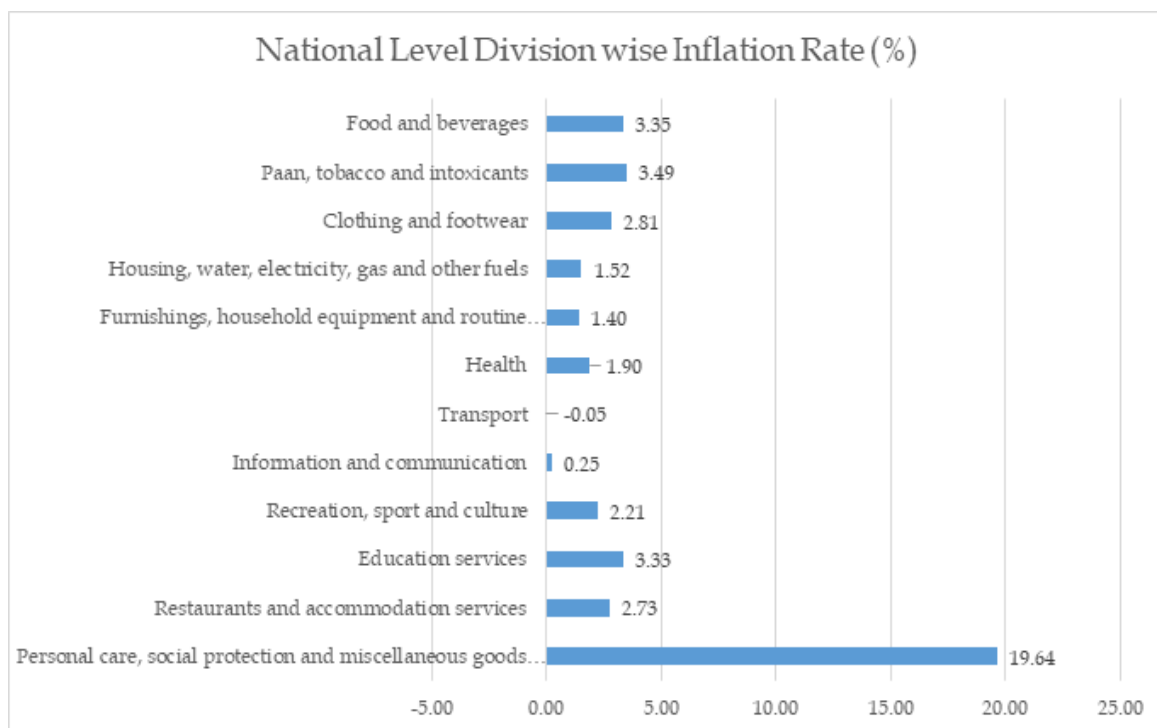
The new CPI 2024 series is built using the latest Household Consumption Expenditure Survey (HCES) 2023–24, along with inputs from the Periodic Labor Force Survey (PLFS) and Annual Survey of Unincorporated Sector Enterprises (ASUSE). This ensures that the index reflects current consumption behavior, emerging spending patterns, and structural changes in the economy. The revision enhances relevance, improves statistical accuracy, strengthens international comparability, and aligns India’s inflation framework with global best practices.

- a. Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of February, 2026 over February, 2025 is 3.21%(Provisional). Corresponding inflation rates for rural and urban are 3.37% and 3.02%, respectively.
- b. **Food Inflation:** - Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of February, 2026 over February, 2025 is 3.47% (Provisional). Corresponding inflation rates for rural and urban are 3.46% and 3.48%, respectively.



Source - PIB

- c. **Housing Inflation:** - Year-on-year Housing inflation rate for the month of February, 2026 is 2.12% (Provisional) and the corresponding inflation rates for rural and urban are 2.43% and 2.00%, respectively.
- d. At National level, division wise inflation for the month of February, 2026 in the Combined sector may be seen from the graph below: -



Source- PIB

India PMI

HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 56.9 in February from January's 55.4. A PMI above 50 signals expansion. India's factory activity expanded at its fastest pace in four months in February as strong domestic demand drove new orders and production. However, growth in new export orders continued its slowing trend that began in mid-2025, restricting employment creation in the manufacturing sector. New export orders grew at the slowest pace in 17 months, suggesting U.S. tariff uncertainty remains despite a recent trade deal with India.

Input cost inflation remained moderate and unchanged from January but manufacturers raised their selling prices at the fastest rate in four months as strong demand allowed them to pass on increased costs. Employment increased to a four-month high but only marginally. Just 4% of firms reported hiring while most made no staffing changes.

India's external position

India's forex reserves

India's foreign exchange reserves declined sharply in the week ended March 6, dropping to \$716.81 billion from \$728.49 billion the previous week, according to data released by the Reserve Bank of India (RBI).

Most of the decline came from foreign currency assets, which fell by \$9.8 billion during the week. The value of gold reserves also decreased by \$1.6 billion. Foreign currency assets, which form the largest component of India's reserves, are expressed in US dollar terms and reflect the impact of fluctuations in

the value of other currencies held by the central bank. India’s foreign exchange reserves also include the country’s Special Drawing Rights (SDRs) and its Reserve Tranche Position with the International Monetary Fund.

As per RBI data, foreign currency assets stood at \$563.25 billion during the week ended March 6, while gold reserves were valued at \$130.02 billion. SDRs were recorded at \$18.72 billion, and the Reserve Tranche Position at \$4.83 billion, bringing the total reserves to \$716.81 billion. The previous week’s figures showed foreign currency assets at \$573.13 billion, gold reserves at \$131.63 billion, SDRs at \$18.87 billion, and the Reserve Tranche Position at \$4.87 billion, with total reserves at \$728.49 billion.

India’s foreign trade position

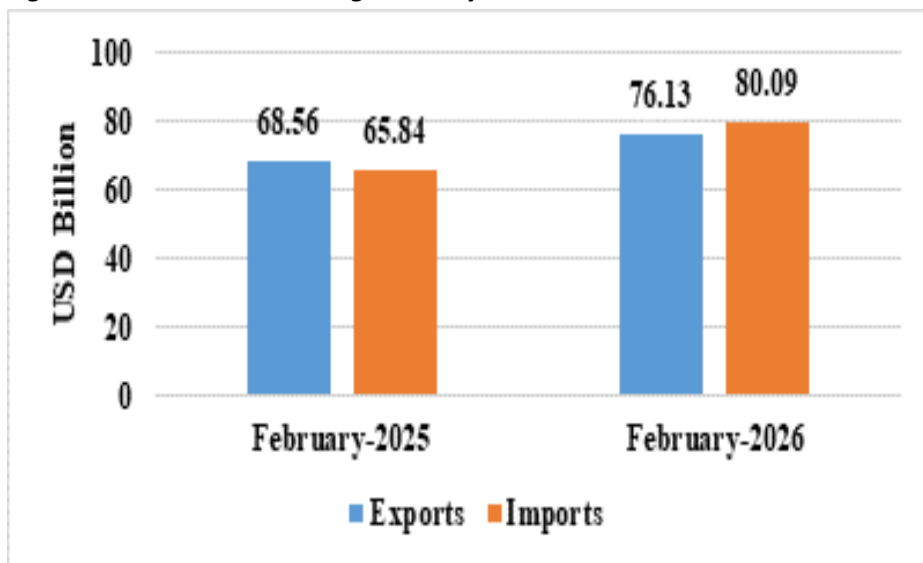
- India’s total exports (Merchandise and Services combined) for February 2026 is estimated at US\$ 76.13 Billion, registering a growth of 11.05 percent vis-à-vis February 2025.
- Total imports (Merchandise and Services combined) for February 2026 is estimated at US\$ 80.09 Billion, registering a growth of 21.64 percent vis-à-vis February 2025.

Table 1: Trade during February 2026

		February 2026 (USD Billion)	February 2025 (USD Billion)
Merchandise	Exports	36.61	36.91
	Imports	63.71	51.33
Services	Exports	39.53	31.65
	Imports	16.38	14.51
Total Trade (Merchandise + Services)	Exports	76.13	68.56
	Imports	80.09	65.84
	Trade Balance	-3.96	2.72

Source - Ministry of Commerce & Industry

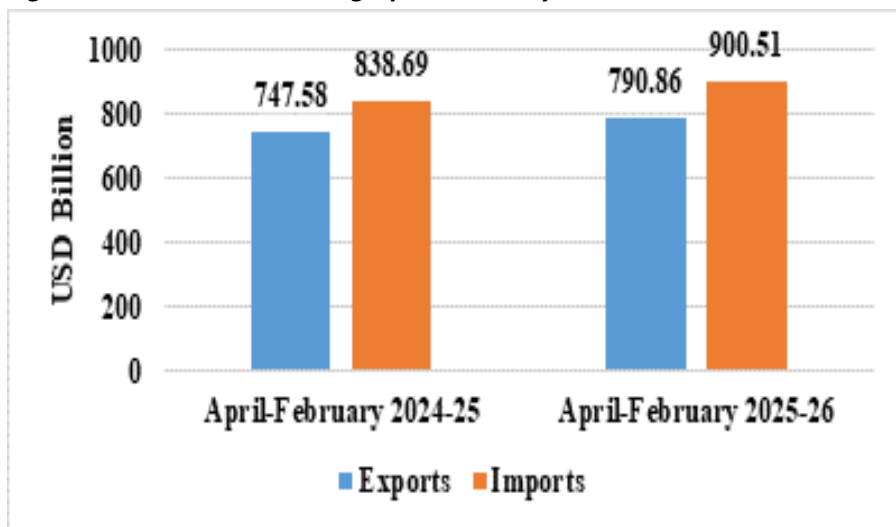
Figure 12: Total Trade during February 2026



Source - Ministry of Commerce & Industry

India's total exports during April-February 2025-26* is estimated at US\$ 790.86 Billion registering a growth of 5.79 percent. Total imports during April-February 2025-26* is estimated at US\$ 900.51 Billion registering a growth of 7.37 percent.

Figure 13: Total Trade during April- February 2025-26



Source - Ministry of Commerce & Industry

- Exports of Other Cereals (170.14%), Coffee (31.92%), Meat, Dairy & Poultry Products (22.66%), Marine Products (13.27%), Engineering Goods (12.9%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (10.51%), Electronic Goods (10.37%), Handicrafts Excl. Hand Made Carpet (10.25%), Organic & Inorganic Chemicals (6.85%), Ceramic Products & Glassware (6.36%), Gems & Jewellery (4.08%), Fruits & Vegetables (3.95%), Drugs & Pharmaceuticals (3.4%), Cereal

Preparations & Miscellaneous Processed Items (3.25%) and Rice (0.7%) record positive growth during February 2026 over the corresponding month of last year.

- Imports of Project Goods (-81.31%), Cotton Raw & Waste (-59.44%), Pulses (-38.49%), Newsprint (-34.12%), Transport Equipment (-23.64%), Chemical Material & Products (-13.08%), Pulp and Waste Paper (-9.24%) and Wood & Wood Products (-1.59%) record negative growth during February 2026 over the corresponding month of last year.
- Services exports is estimated to grow by 10.23 percent during April-February 2025-26 over April-February 2024-25.
- Top 5 export destinations, in terms of change in value, exhibiting growth in February 2026 vis a vis February 2025 are China P Rp (32.37%), Hong Kong (32.14%), Vietnam Soc Rep (49.46%), Togo (110.96%) and Sri Lanka Dsr (57.3%).
- Top 5 export destinations, in terms of change in value, exhibiting growth in April-February 2025-26 vis a vis April-February 2024-25 are China P Rp (37.66%), U S A (3.84%), U Arab Emts (8.52%), Spain (45.31%) and Hong Kong (30.91%).
- Top 5 import sources, in terms of change in value, exhibiting growth in February 2026 vis a vis February 2025 are China P Rp (30.49%), Switzerland (719.3%), U K (202.59%), U S A (36.53%) and Peru (377.65%).
- Top 5 import sources, in terms of change in value, exhibiting growth in April-February 2025-26 vis a vis April-February 2024-25 are China P Rp (15.21%), U S A (15.65%), U Arab Emts (10%), Hong Kong (25.01%) and Peru (67%).

6. India remains as the world's largest recipient of remittances, with inflows reaching USD 135.4 billion in FY25

India's external sector remains strong, with deepening global integration driven by robust exports, resilient services trade, and expanding trade networks. This reflects increased competitiveness, diversification, and adaptability to global demand.

Current Account

India's current account structure reflects a merchandise trade deficit offset by strong net inflows of invisibles, led by rising surpluses in services and private transfers. In H1 FY26, the Current Account Deficit (CAD) moderated to USD 15 billion (0.8 per cent of GDP) from USD 25.3 billion (1.3 per cent of GDP) in H1 FY25. India is better positioned than its high-deficit peers, such as New Zealand, Brazil, Australia the UK and Canada in Q2 FY26.

Economic Survey notes that India remained the world's largest recipient of remittances, with inflows reaching USD 135.4 billion in FY25, supporting stability in the external account. The share of remittances from advanced economies increased, reflecting a growing contribution from skilled and professional workers.

Capital Account

India has consistently attracted sizeable gross investment inflows, amounting to 18.5 per cent of GDP in FY25, even amid tightening global financial conditions. According to UNCTAD data, India remained the largest recipient of gross FDI inflows in South Asia and surpassed major Asian peers such as Indonesia and Vietnam.

India ranked fourth globally in Greenfield investment announcements in 2024, with over 1,000 projects and emerged as the largest destination for Greenfield digital investments between 2020-24, attracting USD 114 billion. In April-November 2025, gross FDI inflows strengthened to USD 64.7 billion, compared with USD 55.8 billion in April-November 2024. These highlights sustained investor confidence despite a subdued global environment and reflects the underlying strength of India's digital economy.

Exchange Rate

Indian rupee (INR) depreciated by approximately 5.4 per cent against the US dollar between 1 April 2025 and 15 January 2026. Economic Survey notes that currency performance is determined by the economy's ability to generate domestic savings, sustain external balance, attract stable FDI, and build export competitiveness rooted in innovation, productivity, and quality.

External Debt

India's external debt stood at USD 746 billion at end-September 2025, up from USD 736.3 billion at end-March 2025 while the External Debt to GDP ratio stood at 19.2 percent at the end of September 2025. Further, the external debt constitutes less than 5 per cent of the India's total debt, which mitigates the external sector risks.

7. India's achievements in Free Trade Agreements for the year 2025-26

In last one decade, India has emerged decisive and confident: redrawing and redefining the map of global trade and charting modern, future-ready, new generation of Free Trade Agreements (FTAs).

India has steadily expanded its network of free trade agreements over the past few years reaching nine FTAs spanning 38 countries. Starting with India–Mauritius in 2021, the India–UAE Comprehensive Economic partnership agreement followed in May 2022. India–Australia Economic and Trade Agreement was implemented in December 2022. India then signed the EFTA TEPA on 10th March 2024, which entered into force on 1st October 2025. The India–UK CETA was signed in July 2025 and India–Oman CEPA in December 2025. The India–New Zealand FTA was announced on 22nd December 2025, followed by the India–EU FTA on 27th January 2026. With United States, India has delivered framework for an interim agreement on 7th February 2026 and cemented our global trade footprint.

These Agreements are for farmers whose products now have access to the developed world. They are for entrepreneurs, women-led MSMEs exporting garments, leather, and handicrafts with new competitiveness. They are for talent - young Indians, our students, IT professionals, chefs, yoga instructors who now have choices and clear mobility pathways to work, to study and to build futures supported by post-study work visas, mobility, and social security relief. They are for organic products

and traditional wellness systems of AYUSH. They are for Digital Services, powering the worlds' AI. They are for catalysing investments and making FTA partners, as India's stakeholders.

India has negotiated FTAs with openness, balance, and national priority of an Atmanirbhar Bharat. The interests of all sensitive sectors—dairy, agriculture, farmers, and domestic industry—have been protected, and market access has been safeguarded.

8. Indian states in Fiscal Health Index 2026- NITI Aayog

At a time of rising global debt levels and mounting pressures on public finances, Indian states account for nearly one-third of the country's general government debt, according to NITI Aayog's latest Fiscal Health Index (FHI) 2026.

Given that state governments play a crucial role in the country's fiscal architecture, the FHI 2026, evaluated the fiscal performance of Indian states across five key pillars: *Quality of expenditure, revenue mobilisation, fiscal prudence, debt index, and debt sustainability.*

- Evaluating the fiscal trends for FY 2023-24, Odisha maintains its status as an 'Achiever', securing the top position with an FHI 2026 score of 73.1. Prudent fiscal management, stable revenues, and effective deficit control drive Odisha's strong debt profile, according to the report.
- Goa and Jharkhand followed in second and third positions, respectively, rising from their previous year's status as 'Front Runners.'
- Chhattisgarh, which ranked second as an 'Achiever' last year, slipped to sixth in the 'Front Runners' category due to weaker fiscal conditions.
- Gujarat, Maharashtra and Telangana showcased stable and moderate fiscal strength, driven by resilient own-revenue bases and prudent debt levels.
- Haryana also moved up in the rankings from 14 last year to 11 this year, indicating fiscal stability through disciplined expenditure management.
- Bihar, ranked 12, achieved marginal recovery through improved quality of expenditure and revenue surplus.
- In contrast, Punjab, Andhra Pradesh, West Bengal, and Kerala sit at the bottom of the rankings with 'Aspirational' status, facing ongoing financial strain because of widening, sustained deficits, and average revenue growth.

9. India's data center capacity rises fourfold to 1,500 MW since 2020: Ministry of Electronics, Government

- India's data centre capacity has expanded significantly in recent years, rising from about 375 MW in 2020 to around 1,500 MW by 2025, according to the Ministry of Electronics & IT.
- The focus is on facilitating the establishment of data centres in the country, which will help strengthen digital infrastructure and improve delivery of digital services across various sectors.
- Data centres are spread across the country, and as per industry sources, major capacity is in cities like Mumbai, Chennai, Bengaluru, Hyderabad, and Delhi-NCR/Noida.
- In Mumbai, the operational capacity is 790 MW, which is the largest in the country.
- Chennai is ranked second in terms of operational capacity of data centres with 305 MW.

- Bengaluru, Hyderabad, and Delhi-NCR/Noida have operational capacities of 182 MW, 152 MW, and 76 MW, respectively.
- Four submarine cable systems are currently under being commissioned at various Cable Landing Stations (CLS). Further, three submarine cable systems are under planning by various Telecom Service Providers (TSP) for which applications have been submitted to DoT.

The policies of the Government of India are aimed at ensuring a safe, trusted and accountable cyberspace with sufficient data storage capacity within the country. Recently, the Union Budget 2026-27 also included major policy initiatives to strengthen India's position as a global hub for digital infrastructure. A tax holiday till 2047 was proposed for eligible foreign cloud providers using India-based data centres for global operations in the budget.

Globally, data centres have emerged as a major driver of investment and economic activity. According to the United Nations Conference on Trade and Development (UNCTAD), data centres accounted for more than one-fifth of global greenfield project values in 2025, with announced investments exceeding USD 270 billion. Rapid growth in AI compute demand and data-intensive digital services is intensifying international competition to attract such infrastructure.

In this context, India's long-term tax framework aims to provide investment certainty, anchor high-value digital infrastructure within the country, and strengthen India's role in global digital value chains in line with the vision of Viksit Bharat by 2047.

10. India's FY26 GDP Growth Forecast to 7.5% on Strong Domestic Demand- FITCH Ratings

Global credit rating agency Fitch Ratings has increased India's GDP growth forecast for the financial year 2025–26 (FY26) to 7.5%, citing strong domestic demand as the main driver of economic expansion. The revised projection reflects confidence in India's economic resilience despite global uncertainties.

Earlier, Fitch had estimated India's growth at 7.4%, but the latest outlook has slightly raised the forecast due to improved consumption and investment activity within the country.

For next fiscal (2026-27), Fitch has revised upwards its growth estimate to 6.7 per cent, from 6.4 per cent projected in December 2025. In its Global Economic Outlook — March 2026, Fitch projected world GDP growth at 2.6 per cent in 2026 on the assumption that the Iran war does not result in a larger or an enduring spike in energy prices that pushes the annual 2026 oil price forecast above \$70/barrel.

About India, Fitch said there are tentative signs that real activity is slowing in January and February, but the economy remains resilient, and credit growth is still in double digits. Fitch expects growth to slow in first half of FY 2026-27; with rising inflation constraining real incomes and limiting consumer spending growth.

Lessons from Economics

Energy Transition Index (ETI)

The World Economic Forum (WEF) developed the comprehensive Energy Transition Index in 2018 to measure national energy transition progress. The Index benchmarks 115 countries based on their current energy system performance and preparedness for the ongoing transition. This is quantified by 39 indicators used to score countries on a scale of 0 to 100, with the indicators split into two categories: system performance imperatives and transition readiness.

System Performance Imperatives

The “System Performance Imperatives” review how well a country’s current energy system is performing across three main—equally weighted categories. An effective energy transition, and energy system, is balanced between the three categories.

1. The ability to support economic development and growth
2. Universal access to a secure and reliable energy supply
3. Environmental sustainability across the energy value chain

Transition Readiness for Mature Energy Systems

“Transition Readiness” looks at the environment in the country and if it is promoting and ready for renewable energy systems. As a result, this often takes the form of a stable business environment, favorable policy, or incentives for innovation. It consists of six categories:

1. Capital and investment
2. Regulation and political commitment
3. Institutions and governance
4. Infrastructure and innovative business environment
5. Human capital and consumer participation
6. Energy system structure

The ETI aims to balance the "energy triangle" of security, equity, and sustainability. As of 2025, the index showed that clean energy investment has grown (over \$2 trillion in 2024), but that progress is uneven, with advanced economies continuing to lead in readiness and sustainability

- **Top Performers:** Nordic countries consistently dominate the top positions, with Sweden often ranked 1st, followed by Finland, Denmark, and Norway.
- **India's Position:** In the 2025 report, India ranked 71st out of 118 countries, with a score of 53.3. India has made progress in lowering energy intensity and CH₄ emissions, favourable energy regulations and increasing clean energy investments. India needs improvement in grid reliability, energy access for rural areas and further reducing dependence on imported energy.

This requires further investment in infrastructure, renewables, labour force development, and financing to boost the country's energy transition.

- **Global Trends:** While overall energy transition momentum is regaining speed (increasing 1.1% in 2025), energy security remains a challenge due to volatile global conditions and high demand.

As per WEF, the top five largest economies- China, the US, EU, Japan, and India- will 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.

Oil Market

Crude oil price – Monthly Review

The global oil market is contending with the ramifications of the war in the Middle East. Beyond the direct damage to energy infrastructure in the region, the crisis has led to a near halt in tanker movements through the Strait of Hormuz. With nearly 20 mb/d of crude and product exports currently disrupted and limited alternative options to bypass the world's most critical oil transit chokepoint, producers and consumers globally are feeling the strain. Benchmark crude oil prices have surged by \$20/bbl to \$92/bbl since the outbreak of hostilities on 28 February, with even bigger increases across product markets. With few ships currently able or willing to load cargoes at port, and domestic storage tanks filling up, producers in the region are reducing or shutting in production. While the situation on the ground is fast evolving and at times opaque, we estimate that crude production is currently being curtailed by at least 8 mb/d, with a further 2 mb/d of condensates and NGLs shut in. Major supply reductions are seen in Iraq, Qatar, Kuwait, the UAE and Saudi Arabia.

Disruptions are not limited to upstream production and exports, with several refineries and gas processing facilities shut down due to attacks or for safety concerns. The closure of the Strait is also forcing export-oriented refineries to cut runs or shut completely as product storage tanks top up, with more than 4 mb/d of refining capacity at risk. Gulf producers exported roughly 3.3 mb/d of refined products, and 1.5 mb/d of LPG in 2025. While additional throughputs in other regions are possible, feedstock availability will be a limiting factor. This has prompted some countries to implement product exports restrictions. Diesel and jet fuel markets look to be particularly vulnerable to an extended loss of Middle East production and exports, given limited flexibility elsewhere to increase output.

Meanwhile, the suspension of flights at major airports in the Middle East, with a knock-on effect on hubs elsewhere, has materially reduced global jet fuel demand. Plunging LPG and naphtha supplies are already forcing petrochemical plants to curb their production of polymers, aggravating the loss of Gulf petrochemical flows. LPG use in cooking and heating, especially in India and East Africa, is also at risk. More broadly, higher oil prices and a deteriorating economic outlook have begun to erode demand across the product spectrum. In this context, we have reduced the forecast for global oil demand growth in March and April by more than 1 mb/d on average – and for 2026 as a whole by 210 kb/d to 640 kb/d.

Consumer countries have significant amounts of oil in storage to bridge temporary supply losses. Global observed inventories of crude and products are currently assessed at more than 8.2 billion barrels, the highest level since February 2021. Roughly half of these are held in OECD countries, of which 1.25 billion barrels by governments for emergency purposes, with a further 600 million barrels of industry stocks held under government obligation. The co-ordinated emergency stock release provides a significant and welcome buffer, but in the absence of a swift resolution to the conflict, it remains a stop-gap measure. The ultimate impact on oil and gas markets and the broader economy from the conflict will depend not only on the intensity of military attacks and any damage to energy assets, but also, crucially, on the duration of disruptions to shipping through the Strait of Hormuz. Adequate insurance mechanisms and physical protection for shipping are key to the resumption of flows, which is of paramount importance for the oil market.

Hedge funds and other money managers turned increasingly bullish over February, boosting their net long positions, with total net length rising by 46%, m-o-m. The increase was more pronounced in ICE Brent, where net long positions reached their highest level since April 2024. The expansion in net long

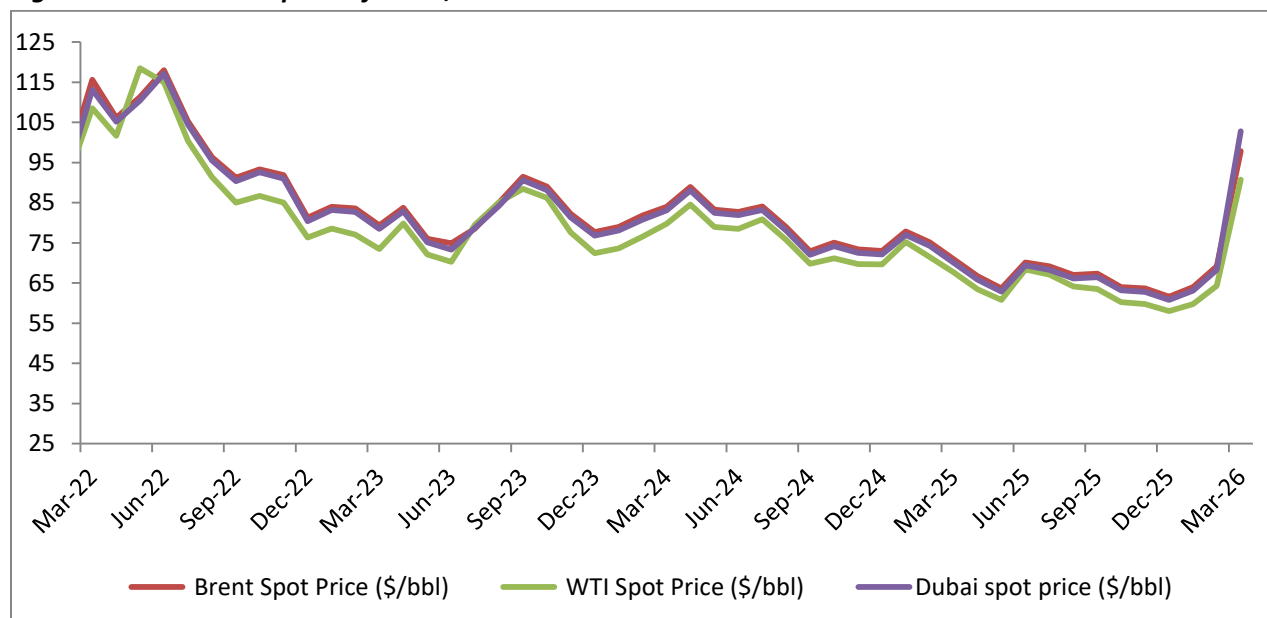
positions was accompanied by sizeable financial inflows, with money managers being net buyers of an equivalent of 126 mb over the month. For a second consecutive month, money managers reduced a substantial volume of short positions in both ICE Brent and NYMEX WTI, following the build-up of short positions observed in 4Q25. The adjustment in positioning reflected stronger-than-expected physical market fundamentals, supply disruptions, and elevated geopolitical risk perceptions. At the same time, long positions increased sharply, contributing further to an expansion in overall net long positions.

Crude spot prices extended their gains in February, supported by firm physical market fundamentals. Demand remained strong, particularly from Asia-Pacific buyers, while robust buying interest in March-loading programmes lent support to spot prices in Northwest Europe. Higher refining margins in Europe and on the US Gulf Coast (USGC) also contributed to stronger buying interest. Supply disruptions in some regions further tightened spot market conditions, particularly in the Atlantic Basin. A slow recovery in the Caspian region, alongside temporary disruptions in the US and North Africa due to weather conditions, raised concerns over near-term supply availability. In addition, geopolitical developments in several key producing regions contributed to elevated risk premiums. Spot crude prices continued to trade at firm premiums relative to futures in February, although these premiums narrowed, m-o-m, amid still-strong physical market conditions. The North Sea Dated premium to the ICE Brent front-month contract declined by \$1.27/b, m-o-m, to \$2.67/b.

In February, the ORB value increased by \$5.59/b, m-o-m, to average \$67.90/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro increased by an average of \$4.15/b, m-o-m, to \$69.89/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy, and Kuwait Export, rose on average by \$5.67/b, m-o-m, to \$67.09/b. Murban crude rose on average by \$5.46/b, m-o-m, to \$69.45/b, and the Merey component increased by \$9.10/b, m-o-m, to settle at \$52.31/b.

Brent crude ranged an average to \$97.86 a barrel and WTI ranged to \$90.76 per barrel in the month of March 2026.

Figure 14: Benchmark price of Brent, WTI and Dubai crude



Source - World Bank

- Brent crude price averaged \$97.86 per bbl in March 2026, up by 41.5% on a month on month (MoM) and by 38.0% on year on year (YoY) basis, respectively.
- WTI crude price averaged \$90.76 per bbl in March 2026, up by 41.1% on a month on month (MoM) and by 34.2% on year on year (YoY) basis, respectively.
- Dubai crude price averaged \$102.82 per bbl in March 2026, up by 50.6% on a month on month (MoM) and by 46.8% on year on year (YoY) basis, respectively.

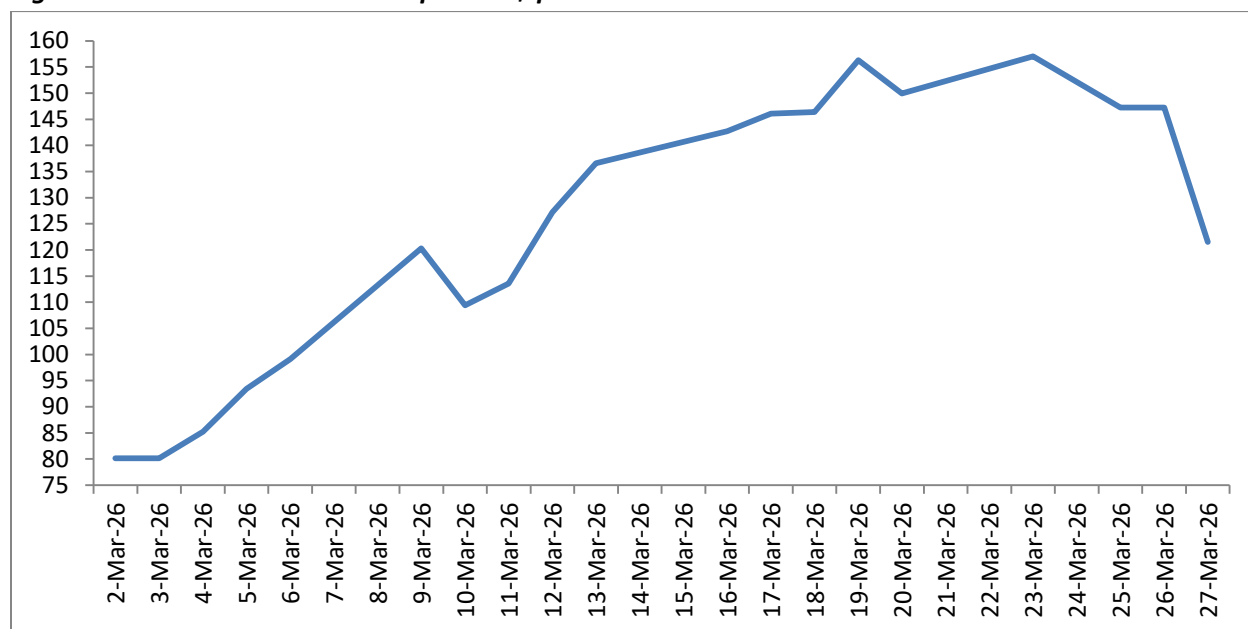
Table 2: Crude oil price in March, 2026

Crude oil	Price (\$/bbl)	MoM (%) change	YoY (%) change
Brent	97.86	41.5%	38.0%
WTI	90.76	41.1%	34.2%
Dubai	102.82	50.6%	46.8%

Source - World Bank

Indian Basket Crude oil price

Figure 15: Indian crude oil basket price in \$ per bbl



Source - PPAC

- Indian crude basket price averaged \$112.39 per barrel in March 2026, up by 62.9% on Month on Month (M-o-M) and by 55.1% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

- Non-DoC liquids production (i.e. liquids production from countries not participating in the DoC) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026. The main drivers of liquids production growth are expected to be the US, Brazil, Canada, and Argentina.
- In 2027, non-DoC liquids production is also forecast to grow by about 0.6 mb/d, unchanged from last month's assessment, mainly driven by Brazil, Canada, Qatar, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2026, to average about 8.8 mb/d, followed by similar growth in 2027 of about 0.1 mb/d, y-o-y, to average about 8.9 mb/d. In February, crude oil production by countries participating in the DoC increased by 445 tb/d, m-o-m, to average about 42.72 mb/d, according to available secondary sources.

Table 3: Non-DoC liquids production in 2026, mb/d

Non-OPEC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026
Americas	28.29	27.95	28.41	28.72	28.94	28.51
<i>of which US</i>	22.22	21.78	22.40	22.50	22.59	22.32
Europe	3.63	3.63	3.54	3.52	3.63	3.58
Asia Pacific	0.41	0.41	0.38	0.39	0.38	0.39
Total OECD	32.32	31.99	32.34	32.62	32.95	32.48
China	4.62	4.67	4.67	4.57	4.57	4.62
India	0.82	0.83	0.82	0.82	0.83	0.82
Other Asia	1.64	1.64	1.62	1.60	1.61	1.62
Latin America	7.55	7.90	7.92	7.98	8.11	7.98
Middle East	1.99	2.01	2.03	2.04	2.05	2.03
Africa	2.27	2.25	2.23	2.24	2.31	2.26
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09
Total Non-OECD	19.34	19.76	19.73	19.71	19.92	19.78
Total Non-DoC production	51.66	51.75	52.08	52.33	52.87	52.26
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	54.20	54.32	54.65	54.90	55.44	54.83

Source - OPEC monthly report, March 2026

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

Oil demand situation

- The global oil demand growth forecast for 2026 remains at a healthy 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.15 mb/d, while the non-OECD is forecast to grow by about 1.2 mb/d.
- In 2027, global oil demand is forecast to grow by about 1.3 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.1 mb/d next year, while the non-OECD is forecast to grow by around 1.2 mb/d, y-o-y.

Table 4: World Oil demand, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	Growth	%
Total OECD	45.94	45.33	45.79	46.70	46.49	46.08	0.15	0.30
<i>~ of which US</i>	20.75	20.45	20.74	21.31	20.94	20.86	0.11	0.53
Total Non-OECD	59.21	60.26	59.78	60.32	61.41	60.44	1.23	2.08
<i>~ of which India</i>	5.65	5.89	5.92	5.60	6.10	5.88	0.22	4.07
<i>~ of which China</i>	16.88	17.00	16.73	17.30	17.29	17.08	0.20	1.18
Total world	101.15	105.59	105.57	107.02	107.90	106.53	1.38	5.32

Source - OPEC monthly report, March 2026

Global petroleum product prices

USGC refining margins against WTI rose to a three-month high in February but remained below the level registered at the same time a year earlier. The gains were primarily driven by gasoline, and additional upside came from the middle of the barrel. EIA data up to 20 February shows a significant three-week consecutive decline in total motor gasoline stocks in the USGC. Gasoil stocks in the USGC declined slightly as the cold snap in the northern hemisphere boosted heating oil requirements. However, despite the gasoil stock draw registered in February, gasoil stock levels in the USGC remained elevated amid the impact of robust gasoil stock builds in previous months.

The severe winter weather witnessed in late January prompted several refineries in the Midwest and Gulf Coast to transition to planned maintenance shutdowns in early February.

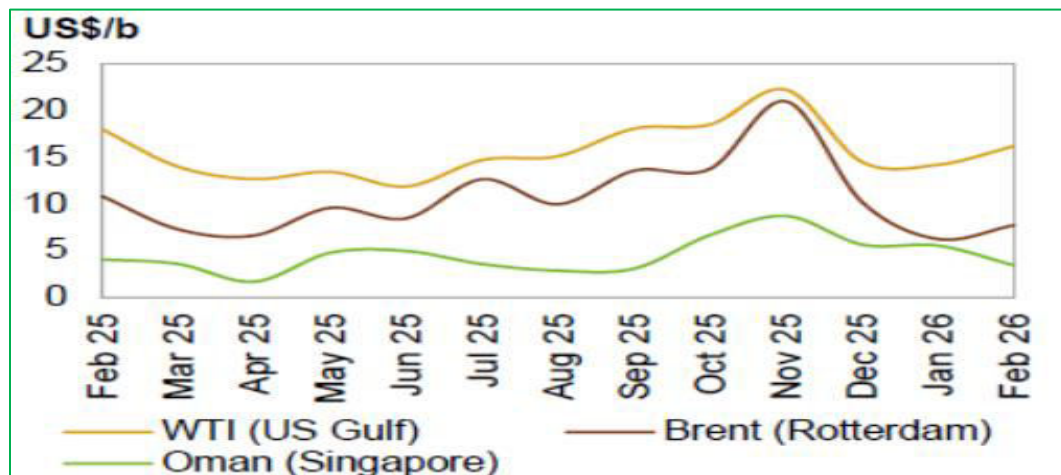
This contributed to a notable decline in refinery processing rates and product output, exerting upward pressure on USGC refining economics. According to preliminary data, refinery intake in the USGC decreased by 650 tb/d, m-o-m, to average 16.16 mb/d in February. USGC margins against WTI averaged \$16.14/b, up \$1.99, m-o-m, but down \$1.79, y-o-y.

Rotterdam refinery margins against Brent increased, reaching a double-digit level and an eleven-week high at the end of February. This upside reflected the geopolitical situation and disruptions to product flows. Furthermore, the seasonal decline in refinery processing rates during the heavy turnaround season further strengthened European product markets. Refinery outages in Europe rose by 750 tb/d, m-o-m, to nearly 1.8 mb/d in February, with significant offline volumes in Germany, France, Italy, Spain and Greece. This led to upside pressure on all key product crack spreads, except LSFO. According to S&P

Global, Indian product delivery remained subdued through January and February, reflecting typical seasonal weakness. Meanwhile, total product inventory in the Amsterdam-Rotterdam-Antwerp storage hub declined 3.5%, m-o-m, and 3.6%, y-o-y, according to S&P Global data published on 26 February.

According to preliminary data, February refinery runs in EU-14, Norway and the UK decreased by 380 tb/d to an average of 9.30 mb/d. Refinery margins against Brent in Europe averaged \$7.70/b in February, which was \$1.47 higher, m-o-m, but \$3.09 lower, y-o-y.

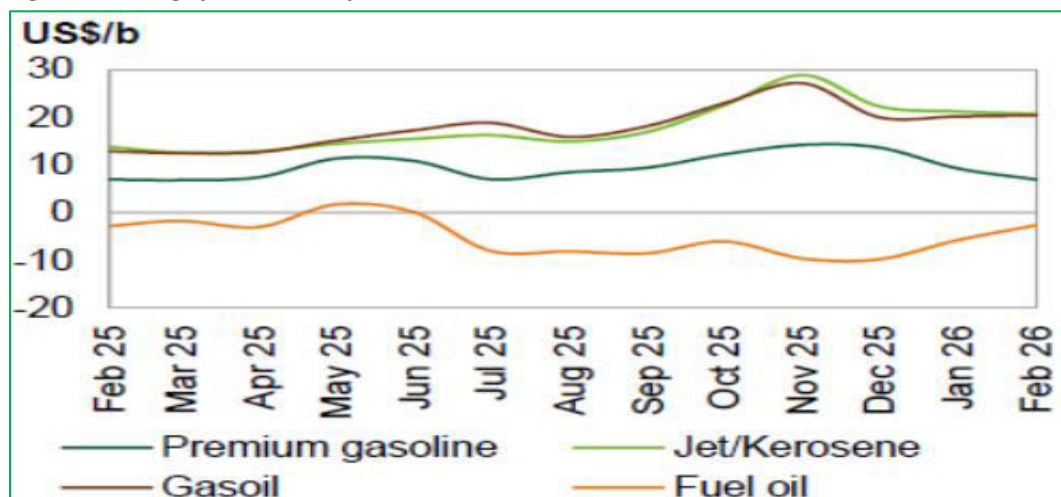
Figure 16: Refining Margins (\$/bbl)



Source - Argus and OPEC

The Southeast Asia gasoline 92 crack spread against Dubai fell, as the region remains well supplied amid elevated regional supply, particularly from India, and strong refinery runs. Going forward, gasoline fundamentals in the region are expected to firm up amid the heavy turnaround season in the Atlantic Basin; however, geopolitical trade transit constraints could limit this upside. The margin averaged \$7.03/b in February, down \$2.32/b, m-o-m, and marginally down \$0.01/b, y-o-y.

Figure 17: Singapore crack Spreads vs. Dubai (\$/bbl)



Source - Argus and OPEC

The Singapore gasoil crack spread widened, supported by declining gasoil arrivals from the Middle East and India. However, in the near term, gasoil markets in Asia could come under pressure as expectations of higher exports from China in the coming month could expand gasoil balances in the region. The Singapore gasoil crack spread against Dubai averaged \$20.47/b, up \$0.22/b, m-o-m, and up \$7.55/b, y-o-y.

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

Singapore product prices	Price (\$/b)	MoM (%) change	YoY (%) change
Naphtha	66.07	10.9%	-8.8%
Premium gasoline (unleaded 95)	77.34	6.0%	-10.4%
Regular gasoline (unleaded 92)	75.29	5.4%	-11.2%
Jet/Kerosene	89.03	6.8%	-2.8%
Gasoil/Diesel (50 ppm)	89.46	8.6%	-2.1%
Fuel oil (180 cst 2.0% S)	88.16	7.5%	-2.5%
Fuel oil (380 cst 3.5% S)	65.65	16.6%	-12.5%

Source - OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in February 2026 with a volume of 20.24 MMT registered a growth of 5.76% on volume of 19.14 MMT in February 2025.
- MS (Petrol) consumption during the month of February 2026 with a volume of 3.37 MMT recorded a growth of 6.14% on volume of 3.17 MMT in February 2025.
- HSD (Diesel) consumption during the month of February 2026 with a volume of 7.66 MMT recorded growth of 4.33% on volume of 7.34 MMT in the month of February 2025.
- LPG consumption during the month of February 2026 with a volume of 2.82 MMT registered a growth of 9.68% over the volume of 2.57 MMT in the month of February 2025.
- ATF consumption during February 2026 with a volume of 0.764 MMT registered a growth of 4.01% over the volume of 0.735 MMT in February 2025.
- Bitumen consumption during February 2026 with a volume of 0.922 MMT registered growth of 10.74% over volume of 0.833 MMT in the month of February 2025.
- Kerosene consumption registered growth of 19.21% during the month of February 2026 as compared to February 2025.

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

Consumption of Petroleum Products (P)	Monthly			Year till Date	
	Consumption in '000 MT	MoM (%) change	YoY (%) change	Consumption in '000 MT	YoY (%) change
LPG	2,822	-7.0%	9.7%	30,855	7.89%
Naphtha	1,007	-1.7%	6.6%	10,760	-10.96%
MS	3,369	-4.0%	6.1%	38,807	6.34%
ATF	764	-7.6%	4.0%	8,355	2.09%
SKO	38	0.7%	19.2%	416	10.86%
HSD	7,661	-4.1%	4.3%	85,985	3.19%
LDO	82	-1.1%	32.7%	914	22.38%
Lubricants & Greases	413	0.6%	16.6%	4,470	8.00%
FO & LSHS	531	-6.1%	11.5%	5,766	-3.50%
Bitumen	922	15.7%	10.7%	7,798	6.14%
Petroleum coke	1,771	-1.5%	-4.5%	18,553	-7.97%
Others	858	-10.4%	13.6%	9,615	-11.18%
TOTAL	20,239	-3.8%	5.8%	2,22,294	1.85%

Source - PPAC

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

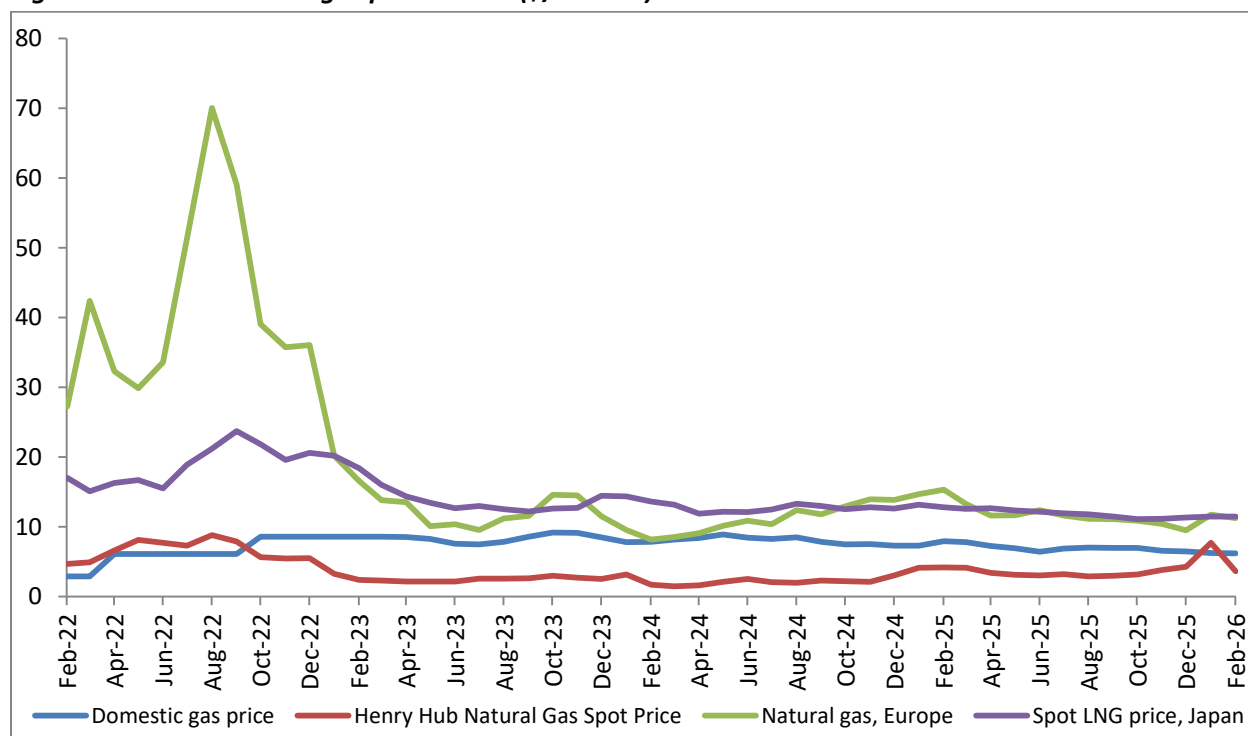
Natural Gas Market

Natural Gas Price – Monthly Review

- Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.62 per million British thermal units (MMBtu) in February 2026. Henry Hub's natural gas prices dropped in February, after five consecutive months of gains, falling by ~53%, m-o-m. Prices experienced a sharp correction as temperatures normalized across the region in February following a cold snap the previous month, leading to a decline in heating. Higher LNG exports, coupled with a decline in storage levels, limited downside pressure. According to data from the US Energy Information Administration (EIA), average weekly natural gas storage decreased by 29.0%, m-o-m, in February. Prices were down by ~14%, y-o-y.
- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of \$11.24 per MMBtu. The average Title Transfer Facility (TTF) price receded in February, falling by 4.4%, m-o-m. US LNG imports improved in the month ahead of the beginning of the storage refill season, which reduced the supply risk premium, despite a decline in current storage levels. According to data from Gas Infrastructure Europe, EU storage levels fell to 30% as of the end of February, down from 41% the previous month, representing an 11-percentage point decrease, m-o-m. Moderate coal burns in the region also contributed to easing pressure on gas prices in the period. Prices were down by 26.7%, y-o-y.
- Japan Liquefied Natural Gas Import Price averaged at \$11.47 per MMBtu for February 2026. There is a change of -0.2% from last month and -10.3% 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. Prices were further revised for the period 1st October, 2025 – 31st March, 2026 was notified as US\$9.72/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 30th September 2025.

Figure 18: Global natural gas price trends (\$/mmbtu)



Source - EIA, World Bank

Table 7: Gas price, February 2026

Natural Gas	Price (\$/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (Mar'26)	6.81	9.66%	-12.69%
India, Gas price ceiling – difficult areas (Oct'25-Mar'26)	9.72	-3.19%	-4.33%
GIXI (Gas index of India) price*	10.9	3%	-11%
Henry Hub	3.62	-53.1%	-13.6%
Natural Gas, Europe	11.24	-4.4%	-26.7%
Liquefied Natural Gas, Japan	11.47	-0.2%	-10.3%

Source - EIA, PPAC, World Bank, IGX

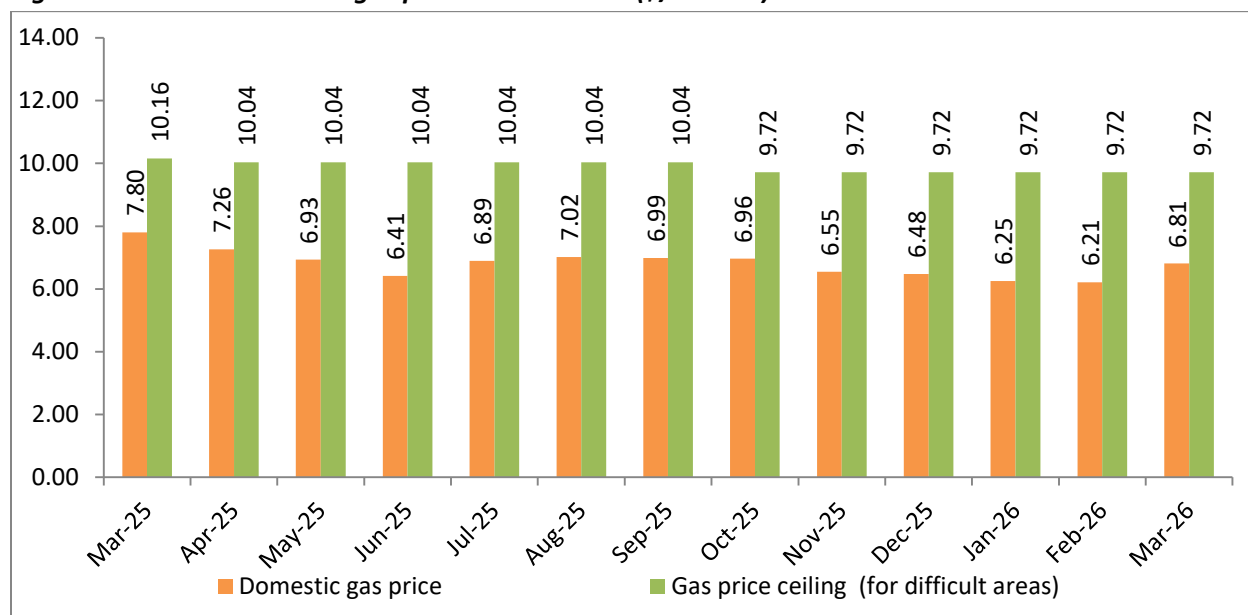
*Prices are weighted average prices (excluding ceiling price gas)

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
1-31 July 2025	6.89	10.04
1-31 August 2025	7.02	10.04
1-30 September 2025	6.99	10.04
1-31 October 2025	6.96	9.72
1-30 November 2025	6.55	9.72
1-31 December 2025	6.48	9.72
1-31 January 2026	6.25	9.72
1-28 February 2026	6.21	9.72
1-31 March 2026	6.81	9.72

Source – PPAC

Figure 19: Domestic natural gas price March'25–26 (\$/mmbtu)



Source - PPAC

Indian Gas Market

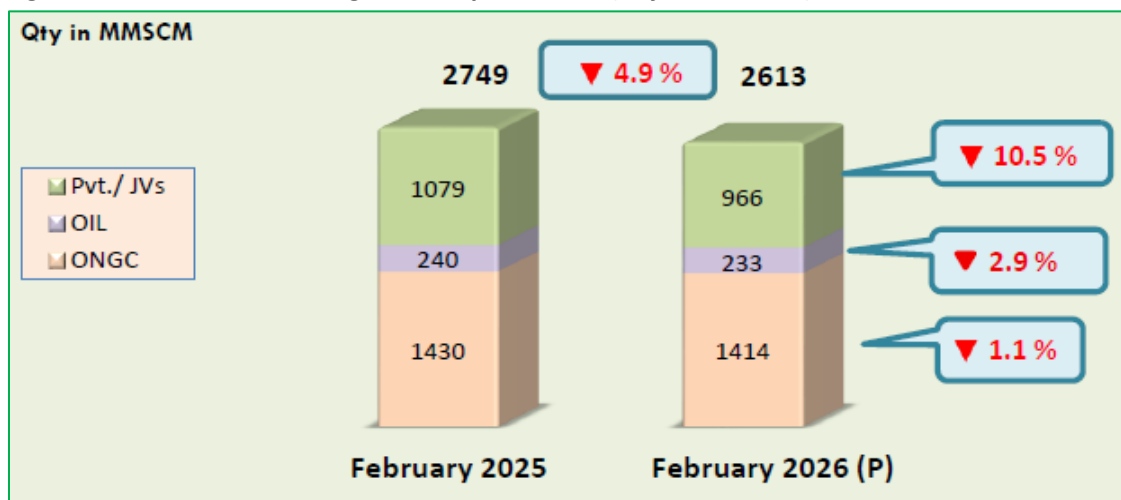
- Gross production of natural gas for the month of February 2026 (P) was 2613 MMSCM which was lower by 4.9% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of February 2026 (P) was 2889 MMSCM (higher by 6.5% over the corresponding month of the previous year).
- Natural Gas available for sale during February 2026 (P) was 5058 MMSCM (P) (increase of 1% over the corresponding month of the previous year).
- Total Gas Consumption Availability during February 2026 (P) was 5468 MMSCM (Provisional). Major consumers were Fertilizer (29%), City Gas Distribution (CGD) (25%), Power (10%), Refinery (9%) and Petrochemicals (6%).

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

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of February 2026 was 2613 MMSCM (decrease of 4.9% over the corresponding month of the previous year).

Figure 20: Domestic natural gas Gross production (Qty in MMSCM)

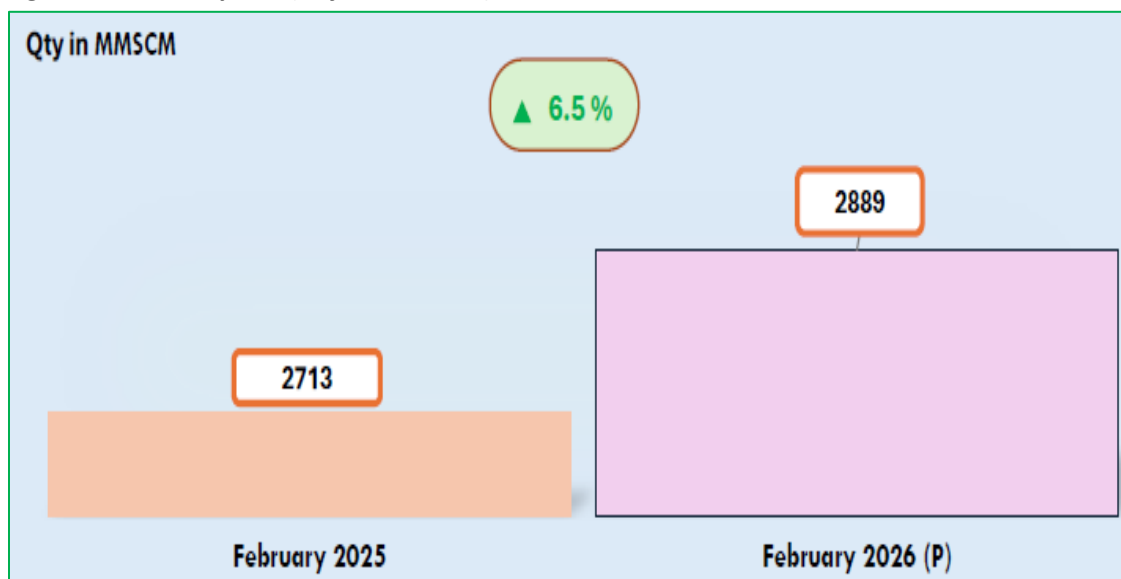


Source - PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of February 2026 was 2889 MMSCM (P) (higher by 6.5% over the corresponding month of the previous year).

Figure 21: LNG imports (Qty in MMSCM)

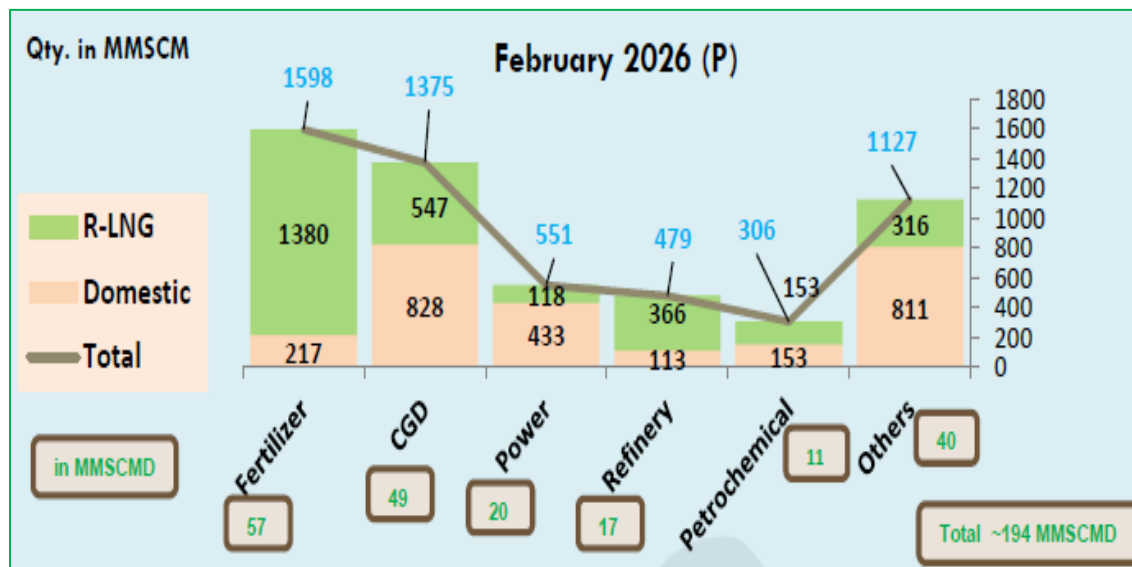


Source - PPAC

3. Sectoral Consumption of Natural Gas:

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

Figure 22: Sectoral Consumption of Natural Gas (Qty in MMSCM) in February 2026



Source - PPAC

Key developments in Oil & Gas sector

Monthly Production Report for February 2026

1. Production of Crude Oil

Indigenous crude oil and oil equivalent gas production during February 2026 was 4.7 MTOE with a de-growth of 4.8%. Compared with the corresponding period of the previous year cumulatively crude oil and oil equivalent gas production recorded was 57.5 MTOE with a de-growth of 3.1%.

2. Production of Natural Gas

Gross production of natural gas for the month of February 2026 (P) was 2613 MMSCM which was lower by 4.9% compared with the corresponding month of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during February 2026 was 21.9 MMT which is 0.9% higher than February 2025, out of which PSU/JV refiners processed 15.1 MMT and private refiners processed 6.8 MMT of crude oil. Total indigenous crude oil processed was 2 MMT and total Imported crude oil processed was 19.9 by all Indian refineries (PSU+JV+PVT). There was a growth of 1.6% in total crude oil processed in April-February current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 22.5 MMT during February 2026, which is -0.4% lower than February 2025. Out of 22.5 MMT, 22.2 MMT was from refinery production & 0.3 MMT was from fractionator. There was a growth of 0.3% in production of petroleum products in April-February FY 2025 – 26 as compared to same period of FY 2024 – 25. Out of total POL production, in February 2026, share of major products including HSD is 42.5%, MS 17.1%, Naphtha 6.3%, ATF 5.3%, Pet Coke 5.4%, LPG 4.7%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

India Fully Prepared Amid Evolving Situation in the Middle East – Energy Supplies Robust

Following the outbreak of hostilities in the Middle East and the evolving global energy situation, Shri Hardeep Singh Puri, Minister of Petroleum & Natural Gas, briefed the media on the country's preparedness in the current circumstances.

It was informed that India is the third largest importer, fourth largest refiner, and fifth largest exporter of petroleum products globally. The country is well stocked with crude oil and inventories of key petroleum products including petrol, diesel and ATF to deal with short-term disruptions arising from the Middle East.

It was further apprised that in the last few years, India has ensured both availability and affordability of energy for its population by diversifying its sources. Indian energy companies now have access to energy supplies that are not routed through the Strait of Hormuz. Such cargoes will remain available and help mitigate supplies that may be temporarily affected enroute through the Strait of Hormuz.

The Ministry has established a 24x7 Control Room to continuously monitor the supply and stock position of petroleum products across the country. At present, the Government is reasonably comfortable in terms of stocks. Safeguarding the interests of Indian consumers remains the highest priority. Based on continuous monitoring, the Government is cautiously optimistic that phased measures can be taken, if required, to further mitigate the situation.

Measures Taken to Address Global Energy Supply Disruptions Arising from the Conflict in West Asia- Union Minister for Petroleum and Natural Gas Shri Hardeep Singh Puri in Parliament

Union Minister for Petroleum and Natural Gas Shri Hardeep Singh Puri made a statement in the Lok Sabha informing the House about the steps taken by the Ministry of Petroleum and Natural Gas in response to the disruption to global energy supply arising from the ongoing conflict in West Asia. The Minister apprised the House of the measures being undertaken to ensure the continued availability of petroleum products and to safeguard India's energy security in the evolving global situation.

1. The world has not faced a moment like this in modern energy history. Today is the 13th day since the passage through the Strait of Hormuz, through which 20% of world's crude, 20% of world's natural gas and 20% of the world's LPG flows, was disrupted following the military operation between Iran, Israel, and the US. For the first time in recorded history, the Strait of Hormuz has been effectively closed to commercial shipping. Despite India having no role in causing the conflict, like many countries, India has to navigate through its consequences.

2. The contrast with how other nations are managing this crisis places India's response in its sharpest relief. A country in our neighbourhood has shut all schools for two weeks, moved government offices to a four-day work week, ordered 50 per cent of public employees to work from home, cut fuel allowances for official vehicles by half, and taken 60 per cent of government vehicles off the road. This country has experienced the largest single fuel price increase in its history, with petrol up approximately 20 per cent

in a week. Another neighbour has closed universities early and brought forward the Eid-al-Fitr holiday to save fuel. Countries in SE Asia also have had to take energy rationing and conservation measures.

CRUDE and PETROL, DIESEL:

3. India's crude supply position is secure, and volumes secured exceed what Hormuz would have delivered. Before this crisis, approximately 45 per cent of India's crude imports transited the Hormuz route. Thanks to Hon'ble PM's outstanding diplomatic outreach and goodwill, India has secured crude volumes that exceed what the disrupted Strait route would have delivered in the same period. Non-Hormuz sourcing has risen to approximately 70 per cent of crude imports, up from 55 per cent before the conflict began. India sources crude from 40 countries, against 27 in 2006-07; this structural diversification, built through sustained policy over successive years, has given us options that other nations now find themselves without. Refineries are operating at high capacity utilisation; in several cases, they are exceeding 100 per cent.

4. There is no shortage of petrol, diesel, kerosene, ATF or fuel oil. The availability of petrol, diesel, aviation turbine fuel, kerosene, and fuel oil is fully assured. Retail outlets across the country are stocked and supply chains for these products are functioning normally. Additional allocation of PDS Kerosene has been issued to all the States.

NATURAL GAS:

5. Natural gas supply has been managed through prioritised allocation, and the position is stable well beyond immediate need. India produces approximately 90 MMSCMD (Million Metric Standard Cubic Metres per Day) of natural gas domestically. A further 30 MMSCMD was previously imported through Gulf sources now affected by the force majeure declaration from a major Qatari processing facility. The Natural Gas Control Order issued on 9 March 2026 under the Essential Commodities Act established an immediate priority sequence. Domestic piped gas to homes and CNG for vehicles receive 100 per cent supply with no cuts. Industrial and manufacturing consumers will receive upto 80 per cent of their previous six-month average. Fertiliser plants will receive upto 70 per cent, protecting the agricultural input chain ahead of the sowing season. Refineries and petrochemical units absorb a managed reduction, with that gas redirected to higher-priority sectors. I am pleased to inform the House that the shortfall has been substantially offset through alternative procurement. Large LNG cargoes are arriving on an almost daily basis through alternative supply routes, and India has sufficient gas production and supply arrangements to sustain this position even in the event of a prolonged conflict. Power generation for every household and for industry is fully protected.

LPG:

6. It should be noted that India was previously importing approximately 60 per cent of its LPG requirements from Gulf countries such as Qatar, UAE, Saudi Arabia, and Kuwait and 40 per cent is produced domestically. Procurement has now been actively diversified, with cargoes being secured from the United States, Norway, Canada, Algeria, and Russia, in addition to available Gulf sources.

The LPG Control Order issued on 8 March 2026 directed all refineries to maximise LPG yields and channel the entire output of C3 and C4 hydrocarbon streams, comprising propane, butane, propylene, and butenes, exclusively to the three Oil Marketing Companies for domestic cooking gas. Hence, in the last 5 days, LPG production has been increased by 28 per cent through refinery directives, and further procurement is actively underway.

7. Commercial LPG has been regulated to prevent black marketing, not to penalise the hospitality sector. Commercial LPG is sold in a completely deregulated, over-the-counter market at market price, without any government subsidy. There is no registration system, no booking requirement, no digital authentication, and no delivery confirmation mechanism. Any business or individual can purchase cylinders in any quantity at the point of sale, with no government control in normal times. In a supply-constrained environment where public anxiety is elevated, this deregulated structure creates a direct and uncontrolled pathway for hoarding, diversion, and resale at inflated prices. Had commercial supply been left entirely unrestricted, cylinders purchased over the counter could have been diverted to the grey market at the expense of genuine commercial consumers and domestic households alike. The government has therefore taken the responsible course: to regulate this channel with clear priorities and a transparent allocation mechanism. A three-member committee comprising Executive Directors from IOCL, HPCL, and BPCL was constituted on 9 March 2026. Extensive meetings have been held with state civil supply departments and restaurant associations across the country and are continuing. The committee has assessed genuine need by geography and sector to ensure available commercial volume reaches genuine users first. In a major decision, 20% of the average monthly Commercial LPG requirement will be allocated from today by OMCs, in coordination with the State Governments so that there is no hoarding or black marketing.

8. Alternate fuel options are being activated to ease pressure on LPG and gas channels. Kerosene is being made available through retail outlets and PDS channels, and fuel oil is being made available for industrial and commercial consumers. The MoEFCC has advised State Pollution Control Boards to permit, for the duration of this crisis period, the use of biomass, RDF pellets, and Kerosene/coal as alternate fuels for the hospitality and restaurant segment for 1 month, which would enable a wider range of establishments to switch and free up LPG for priority consumers.

9. Consumer prices have been shielded from global market conditions. Despite the Saudi Contract Price rising 41 per cent between July 2023 and March 2026, the PMUY beneficiary price has fallen 32 per cent in the same period and stands at Rs 613 per 14.2 kg cylinder in Delhi. The non-subsidised consumer price stands at Rs 913 following the recent Rs 60 adjustment, against a market-determined price of approximately Rs 987. Of the Rs 134 per cylinder adjustment required by prevailing global market conditions, the government absorbed Rs 74. The effective additional cost for a PMUY household is under 80 paise per day. Equivalent LPG prices in the neighbourhood stand at Rs 1,046 in Pakistan, Rs 1,242 in Sri Lanka, and Rs 1,208 in Nepal. OMC compensation of Rs 30,000 crore has been approved against losses of approximately Rs 40,000 crore in 2024-25.

10. State governments have responded with full cooperation and active coordination. On 11 March 2026, senior OMC officials met with state administrations across every major state: Maharashtra,

Madhya Pradesh, Chhattisgarh, Gujarat, Goa, Odisha, West Bengal, Bihar, Jharkhand, Punjab, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Uttar Pradesh, Delhi, Haryana, Uttarakhand, Karnataka, Tamil Nadu, Kerala, Telangana, and Andhra Pradesh. Chief Secretaries and senior officials have been briefed on the supply position, the priority sequence, and the enforcement framework. District-level monitoring committees are being established. Anti-diversion raids have been conducted and cases registered in multiple states. This is cooperative federalism responding to a national challenge with the coordination it demands.

11. This is not the moment for rumour-mongering or fake narratives. India is navigating the most severe global energy disruption in recorded history. Crude supply is flowing. Gas is prioritised for homes and farms. LPG production has been stepped up by 28 per cent. Consumer prices are held far below what markets and regional comparators would dictate. Schools are open. Petrol is on the forecourt. Every citizen, regardless of political affiliation, has a stake in that. India must stand united behind its energy warriors, behind the institutions managing this crisis, and behind the national interest. The record of preparation and the record of response speak for themselves.

Government Notifies Landmark Order to Strengthen Natural Gas Infrastructure and Improve Ease of Doing Business

The Government of India, through the Ministry of Petroleum and Natural Gas, has notified the Natural Gas and Petroleum Products Distribution (Through Laying, Building, Operation and Expansion of Pipelines and Other Facilities) Order, 2026 under the Essential Commodities Act, 1955. The Order provides a streamlined and time-bound framework for laying and expanding pipelines across the country, addressing delays in approvals and access to land, and enabling faster development of natural gas infrastructure, including in residential areas.

Published in the Extraordinary Gazette of India, the Order comes into immediate effect and establishes a comprehensive, transparent, and investor-friendly framework for efficient gas distribution, rapid infrastructure expansion, and equitable access to cleaner energy.

The Order aims to facilitate the expansion of piped natural gas (PNG) networks, improve last-mile connectivity, and promote a shift towards cleaner fuels for cooking, transport and industrial purposes, thereby strengthening energy security and supporting India's transition to a gas-based economy.

Policy Rationale

India's growing energy demand and evolving global energy landscape necessitate a resilient, diversified, and efficient energy system. This Order addresses longstanding challenges in infrastructure development, regulatory uncertainty, and delays in approvals, while positioning natural gas as a key transition fuel.

At its core, the reform is designed to significantly improve ease of doing business by simplifying procedures, reducing regulatory bottlenecks, and creating a predictable and transparent operating environment for stakeholders.

Key Features of the Reform

1. **Transparent and Predictable Regulatory Framework**
 - Establishes a clear, uniform framework for laying, building, operating, and expanding pipeline infrastructure.
 - Introduces standardized processes and timelines, reducing ambiguity and administrative discretion.
2. **Major Boost to Ease of Doing Business**
 - Time-bound approvals with deemed approval provisions to eliminate procedural delays.
 - Single, harmonized framework across jurisdictions to reduce fragmentation in permissions.
 - Elimination of arbitrary levies and charges, ensuring transparency and cost predictability.
 - Defined compensation and restoration mechanisms (“dig and restore” / “dig and pay”) to avoid disputes with local authorities.
 - Reduced compliance burden through simplified procedures and clear documentation requirements.
3. **Accelerated Pipeline Infrastructure Development**
 - Facilitates seamless access for authorized entities to lay and expand pipelines.
 - Ensures faster rollout of City Gas Distribution (CGD) networks and trunk pipelines.
 - Supports last-mile connectivity and rapid scaling of piped natural gas (PNG).
4. **Operational Flexibility and Certainty**
 - Provides clarity in handling operational issues, including disruptions and access constraints.
 - Introduces safeguards such as bank guarantees to ensure accountability without imposing excessive financial burden.
5. **Consumer-Centric Service Delivery**
 - Enables time-bound provision of PNG connections, improving service delivery standards.
 - Facilitates a gradual transition from LPG to PNG in areas where pipeline infrastructure exists.
 - Provides flexibility where connectivity is not technically feasible.
6. **Safeguarding Public Interest**
 - Prevents unreasonable denial of access for pipeline development by local bodies or private entities.
 - Establishes a transparent dispute resolution mechanism through designated authorities.
 - Balances consumer convenience with national priorities of energy security and clean energy transition.

Expected Impact

- a. **Enhanced Energy Security:** Strengthens and diversifies the gas distribution network, reducing dependence on single fuels.
- b. **Improved Ease of Doing Business:** Faster approvals and regulatory certainty will boost investor confidence.
- c. **Infrastructure Expansion:** Accelerated rollout of pipeline networks across urban and semi-urban areas.

- d. **Cleaner Environment:** Increased adoption of natural gas for cooking, transport as well as industrial purposes will contribute to improved air quality and lower emissions.
- e. **Economic Growth:** Reliable and affordable energy supply will support industrial and commercial activity.

Government's Commitment

The Government remains committed to expanding the role of natural gas in India's energy mix and fostering a policy environment that promotes investment, innovation, and sustainability.

This Order marks an important step towards building a gas-based economy, supported by efficient infrastructure, ease of doing business, and wider access to clean energy.

Government Slashes Excise Duty on Petrol and Diesel to Shield Consumers and OMCs from Global Oil Shock

The Government of India has reduced excise duty by Rs 10 per litre on both petrol and diesel with immediate effect. This decision has been taken in response to the steep and rapid rise in international crude oil prices, which have surged from approximately USD 70 per barrel to around USD 122 per barrel over the past month — an increase of nearly 75 per cent in under four weeks, driven by the ongoing conflict in West Asia and associated disruptions to global energy supply chains.

Retail pump prices of petrol and diesel will not change. The excise reduction is not being passed on as a price cut at the pump. Instead, it directly reduces the under-recoveries being absorbed by public sector oil marketing companies (OMCs) — Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation — who have continued to supply fuel to Indian consumers at prices well below their cost of supply. At current international crude prices, under-recoveries stand at approximately Rs 26 per litre on petrol and Rs 81.90 per litre on diesel. The combined daily under-recovery being absorbed by OMCs is approximately Rs 2,400 crore. The excise reduction offsets Rs 10 per litre of these losses, ensuring OMCs can continue to supply fuel without disruption while keeping retail prices unchanged.

The contrast with global fuel markets is instructive. Fuel prices have risen by 30 to 50 per cent across South and South-East Asian countries, 30 per cent in North America, and 20 per cent in Europe since the onset of the current crisis. India has held the line. That stability carries a fiscal cost, and the Government has chosen to bear it.

The Minister for Petroleum and Natural Gas, Shri Hardeep Singh Puri, stated:

“The Government had two choices: either increase prices drastically for citizens of Bharat as all other nations have done, or bear the brunt on its finances so that the Indian citizen is insulated from international volatility. Honourable Prime Minister Shri Narendra Modi Ji decided to take a hit on Government finances to safeguard the Indian citizen. The Government has taken a substantial impact on its taxation revenues to reduce the high losses being faced by oil marketing companies at this time of sky-high international prices.”

Alongside the excise reduction, the Government has simultaneously introduced an export levy on diesel. At a time when international diesel prices have surged sharply, the levy is designed to disincentivise exports and ensure that refinery output is directed first towards meeting domestic demand. Keeping Indian pumps fully supplied takes precedence over export opportunities, however commercially attractive those may be at current global prices.

This decision is consistent with the approach adopted since the Russia-Ukraine conflict of 2022, when OMCs absorbed sustained losses and the Government cut central taxes to shield households and businesses from global price volatility. The same principle governs today's intervention: India's citizens and industry should not bear the cost of disruptions they did not cause. The Government will continue to monitor the evolving global energy situation and take all measures necessary to maintain supply stability and price protection for Indian consumers.

India reimposes windfall tax on diesel, ATF exports; sets rates at Rs 21.5/litre and Rs 29.5/litre

India has reintroduced windfall taxes on fuel exports, setting a levy of Rs 21.5 per litre on diesel and Rs 29.5 per litre on aviation turbine fuel (ATF), according to a government order issued.

The move marks a reversal of the government's earlier decision to scrap such taxes, as authorities seek to recalibrate revenue from the energy sector amid heightened volatility in global oil markets.

The latest notification specifies that the windfall tax will apply to the export of diesel and ATF, key refined products that account for a significant share of India's outbound petroleum shipments.

India had abolished the windfall tax regime in 2024, removing levies on crude oil production as well as exports of petrol, diesel and aviation turbine fuel. The reimposition indicates a renewed policy shift as global crude prices remain sensitive to geopolitical tensions, particularly in the Middle East.

The development comes alongside a broader set of changes to the country's fuel taxation framework, including revisions to excise duties on petrol and diesel notified separately.

Govt offers 21 oil, gas blocks for exploration in OALP bid

The Centre has launched the eleventh round of the open acreage licensing policy (OALP-XI), offering 21 oil and gas exploration blocks spread across 80,228 square kilometres.

Of the total blocks on offer, 12 are on-land blocks, four are shallow-water blocks, one is a deep-water block and four are ultra-deep water blocks.

The announcement comes at a time when India is struggling to secure energy supplies amid the ongoing conflict in West Asia, due to its high reliance on imports of crude oil and gas. India is dependent on crude and natural gas for roughly 90 per cent and 50 per cent, respectively, of its total domestic requirements.

Hardeep Singh Puri, Union minister of petroleum and natural gas, said the OALP-XI is a step towards fast-tracking bidding, expanding acreage, and strengthening India's energy security.

“With OALP Round-XI now live, we unlock vast frontiers beneath our land and seas—powering growth, resilience, and self-reliance. Round-X (25 blocks; 182,589 sq km) and Round-XI (80,228 sq km) are now on offer - together unlocking 262,817 sq km for exploration,” Puri said in a post on X.

Government amends Electricity Rules to strengthen captive power framework and support industrial competitiveness

Government of India has notified the Electricity (Amendment) Rules, 2026, amending Rule 3 of the Electricity Rules, 2005 relating to Captive Generating Plants (CGPs). The amendments aim to remove interpretational ambiguities, improve ease of doing business for industry, and align the captive generation framework with India’s energy transition and industrial growth objectives.

Captive power generation has been a key enabling provision under the Electricity Act, 2003. The National Electricity Policy, 2005 recognised captive generation as an important mechanism for ensuring reliable and cost-effective electricity supply to industry. Captive power has supported industrial growth by enabling industries to mitigate supply constraints and manage electricity cost volatility.

Indian industries are increasingly adopting non-fossil fuel based energy to meet sustainability commitments and reduce costs. In this context, enabling a clear, predictable and implementable framework for captive power generation is critical for enhancing industrial competitiveness and supporting India’s long-term economic growth.

Encouraging generation closer to the point of consumption also helps reduce transmission losses, improve system efficiency and strengthen grid resilience. The amendments therefore seek to provide clarity in the implementation of captive generation provisions while maintaining the statutory safeguards relating to ownership and consumption.

The Electricity (Amendment) Rules, 2026 have been introduced to provide greater clarity and flexibility in the framework governing captive power plants so that industries can more easily generate electricity for their own consumption. The amendments seek to align the captive generation regime with modern corporate structures and evolving industrial energy needs, particularly as companies increasingly invest in non-fossil fuel based captive power projects. By clarifying ownership provisions, simplifying rules for group captive arrangements, and establishing a clear verification mechanism, the amendments aim to reduce regulatory ambiguity and disputes. Many provisions in the Rules have been simplified for ease of compliance. New provision has been added to avoid imposition of charges on the captive consumers by the Distribution licensees pending verification of the captive status. Overall, the amendments are expected to promote ease of doing business, enable industries to access reliable and cost-competitive electricity through captive generation, reduce regulatory ambiguities and disputes, and encourage greater investment in captive and non-fossil fuel based energy projects.

The amendments have been finalised after extensive stakeholder consultations.

Key features of the amendments

1. Clearly Defined Ownership Requirements

The definition of ownership has been clarified to include subsidiaries, holding companies and other subsidiaries of the holding company of the entity that establishes the captive generating plant. This clarification recognises modern corporate structures where power assets are often developed through group entities or special purpose vehicles. The amendment ensures that legitimate captive investments by corporate groups are not denied captive status merely due to organisational structuring.

2. Uniform Verification Period

Verification of captive status will be undertaken for the entire financial year, ensuring clarity and uniformity in implementation. In cases involving the first or last year of ownership of a captive generating plant, verification may be undertaken for the relevant part of the financial year.

3. Captive Plants established by Association of Persons (AoP)

The amendments provide greater flexibility in operation of group captive projects established through an Association of Persons (AoP). Captive users will be able to draw power based on their operational requirements, subject to overall compliance with the statutory ownership and consumption conditions.

Consumption exceeding the proportionate entitlement of an individual user will not result in disqualification of captive status for the plant. However, such excess consumption will not qualify as individual captive consumption but will still count towards the collective captive consumption qualifying requirement of the group.

Where a member of the AoP holds 26 percent or more ownership, the proportionate consumption requirement will not apply to that entity and its entire consumption will be treated as captive consumption.

For the purpose of proportionate consumption calculation, a captive user together with its subsidiaries, holding company and other subsidiaries of the holding company will be treated as a single person.

4. Nodal Agencies for Captive Status Verification

With effect from 1st April, 2026 the State or Union Territory Governments may designate a nodal agency for verification of captive status in cases of intra-state captive consumption. For inter-state captive consumption, verification will be undertaken by the National Load Despatch Centre (NLDC).

A Grievance Redressal Committee will be constituted by the Appropriate Government to address disputes arising from such verification decisions.

5. Treatment of Cross-Subsidy Surcharge and Additional Surcharge

Pending verification of captive status, Cross-Subsidy Surcharge (CSS) and Additional Surcharge (AS) will not be levied if the captive users submit the prescribed declaration in accordance with the procedures issued by the NLDC (for inter-state cases) or the State nodal agency (for intra-state cases).

If a generating plant subsequently fails to qualify as a captive generating plant upon verification, the applicable CSS and AS will become payable along with carrying cost. The carrying cost will be calculated at the base rate of the Late Payment Surcharge under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022.

6. Applicability of the Amendments

To facilitate smooth implementation, certain provisions relating to proportionate consumption in AoP structures, the verification framework, and the treatment of CSS and AS will come into effect from 1st April 2026. Other amendments will take effect immediately.

Reform for Supporting industrial growth and clean energy transition

By enabling industries to access reliable and cost-competitive electricity through captive generation, the reforms will strengthen industrial competitiveness and support India's transition towards a sustainable energy future. The reforms also align with the Government's broader vision of energy self-reliance, while supporting India's vision of achieving Viksit Bharat @ 2047.

Union Power Minister Inaugurated Prakriti 2026 & Launched Indian Carbon Market Portal, Reinforces India's Climate Commitments

The International Conference on Carbon Markets- *Prakriti 2026*, the flagship event of the Government of India, organized by the Bureau of Energy Efficiency under the patronage of the Ministry of Power and Ministry of Environment, Forest and Climate Change, commenced in New Delhi. The conference, organised as part of Bharat Electricity Summit 2026, provides a high-level platform for national and international experts, policymakers, industry leaders, researchers, and practitioners to deliberate on the evolving dynamics of carbon markets, their role in climate action, and opportunities for India's green growth. This year's theme - "*Unlocking Carbon Finance for NDC Implementation through Global Partnerships and Digital Pathways*" reflects India's focus on mobilizing finance, strengthening cooperation, and leveraging digital innovation to accelerate climate action. During the event, the Indian Carbon Market Portal (www.indiancarbonmarket.gov.in) - a central platform for implementing and administering the Indian Carbon Market was launched by Shri Manohar Lal the Union Minister for Power & Housing and Urban Affairs, Shri Shripad Naik Minister of State for Power, and other dignitaries.

Inaugurating the portal, Shri Manohar Lal, highlighted India's leadership in advancing climate commitments under the visionary guidance of the Prime Minister. He stated, India has demonstrated that climate responsibility and economic development can go hand in hand. Through initiatives such as the Carbon Credit Trading Scheme (CCTS), renewable energy expansion, and energy efficiency

programmes, India is building a transparent and credible carbon market framework that will serve as a long-term national asset.

He further noted that India has already established a transparent Carbon Credit Trading Scheme with nine notified methodologies and over 40 registered entities submitting projects in biogas, hydrogen, and forestry. On the compliance side, GEI targets for nearly 490 obligated entities across seven energy-intensive sectors have been notified, ensuring emission reductions are verifiable and credible.

He urged businesses to view carbon markets not merely as a compliance requirement but as a strategic opportunity for innovation, investment, sustainable growth, and entrepreneurship, adding that they will serve as an economic platform to facilitate the same."

The Minister of State for Power, Shri Shripad Naik, underscored the three pillars or three Cs essential for robust carbon markets- *credibility* through digital MRV for verifiable emission reductions, *capital* to channel trillions into clean technologies like renewables and green hydrogen, and *collaboration* via Paris Agreement Article 6. He highlighted India's rapid rise as a global renewable energy leader, alongside energy efficiency gains and the operational Carbon Credit Trading Scheme (CCTS) 2023 with expanding methodologies across sectors. He emphasized that these advancements show how guarded climate action and economic growth are complementary, with carbon markets poised to drive high-integrity ambition, empower MSMEs and farmers, and shape transparent global pathways.

The two-day conference will feature sessions on global carbon markets under the Paris Agreement Crediting Mechanism (PACM), compliance frameworks, digital MRV technologies, carbon border policies, integration of buildings and cooling into India's CCTS, empowering farmers, unlocking finance for clean technologies, and corporate climate action. Together, these sessions underscored India's proactive approach to shaping credible, inclusive, and globally aligned carbon markets.

Prakriti 2026 reaffirms India's emergence as a global leader in climate action. By building a carbon market anchored in transparency, credibility, and innovation, India is not only accelerating its domestic green transition but also shaping international pathways for sustainable growth. The conference marks a decisive step in positioning India as a trusted hub for climate solutions and a driving force in the global momentum towards a low-carbon future.

Bharat Electricity Summit 2026 Concludes with Strong Global Participation, Actionable Outcomes, and Roadmap for a Resilient, Future-ready Power Sector

The maiden edition of the Bharat Electricity Summit (BES) concluded successfully, bringing together policymakers, global experts, industry leaders, investors, and innovators to deliberate on the future of the power sector and accelerate the global clean energy transition. The Summit witnessed wide-ranging discussions, high-level bilateral engagements, and significant business interactions, reinforcing India's leadership in the global energy ecosystem.

The Summit witnessed an exceptional response, with over 35,000 exhibition attendees, 28 States / Union Territories, 200+ exhibiting companies including 80+ Start-ups, 6,000+ delegates, 300+ speakers, and 100+ conference sessions, reflecting its scale and global significance.

Key Highlights of the Summit

India's power sector continues to demonstrate unprecedented growth and transformation:

- Installed capacity has reached over 520 GW, with one of the fastest expansions globally.
- Transmission network has expanded to over 5 lakh circuit kilometres
- Renewable energy capacity has grown significantly, with solar capacity increasing from 2.8 GW in 2014 to over 143 GW today.
- Electricity demand is projected to grow by over 30% by 2030, driven by emerging sectors such as AI-enabled data centres and electric mobility.

The Minister of Power emphasised that while thermal power remains critical for grid stability, renewable energy will drive long-term sustainability, supported by storage, grid modernisation, and policy reforms.

Ministerial Meeting with States/UTs

A high-level Ministerial meeting chaired by the Union Minister of Power resulted in the following priority action areas:

- Strengthening financial viability of DISCOMs through structural and operational reforms
- Ensuring cost-reflective tariffs with targeted subsidies
- Accelerating smart metering rollout nationwide
- Securing adequate generation capacity tie-ups for future demand
- Fast-tracking nuclear power development to meet long-term energy security goals

Strategic Sessions – Key Takeaways

Several strategic sessions explored critical themes shaping the future power landscape:

- Centre-State Coordination: Emphasis on policy alignment and faster project execution
- Green Hydrogen & Emerging Fuels: Positioning India as a global hub for green industrial fuels
- AI-driven Power Systems: Enhancing grid intelligence, cybersecurity, and operational efficiency
- Nuclear Energy: Scaling reliable, clean baseload capacity
- Electrification & Power Markets: Enabling low-carbon growth through efficient trading systems
- Financing Sectoral Growth: Mobilising trillions in investments through bankable frameworks
- Energy Storage: Addressing rapid growth in storage requirements (expected to increase 5x by 2031–32)
- Make in India for the World: Strengthening domestic manufacturing for global clean energy supply chains

Discussions highlighted that India's long-term energy transition may require investments exceeding USD 22 trillion by 2070, with significant opportunities in generation, transmission, storage, and digital infrastructure.

Infrastructure, Storage and Market Developments

- India needs to add over 1.37 lakh circuit km of transmission lines by 2030, with investments of around ₹9 lakh crore
- Energy storage requirements are expected to rise sharply, with pumped storage potential of over 200 GW
- Battery Energy Storage Systems (BESS) are emerging as a key solution for peak demand management
- Renewable energy tariffs and market mechanisms continue to evolve, improving long-term price discovery and investor confidence
- The Indian Carbon Market Portal was launched, with trading expected to begin shortly, marking a major step in climate finance

Digital Transformation

Digital transformation emerged as a defining force, with the power sector increasingly leveraging Artificial Intelligence, Machine Learning, and digital twins to move towards predictive and intelligent grid operations. The concept of “India Energy Stack,” inspired by the success of digital public infrastructure, aims to create seamless, interoperable energy systems. Initiatives such as smart metering and rooftop solar adoption are empowering consumers to become “prosumers,” actively participating in the energy ecosystem.

State-Level Leadership and Initiatives

States showcased ambitious roadmaps:

- Gujarat: Renewable capacity target of 190 GW by 2047
- Andhra Pradesh: Integrated clean energy hub with investments exceeding ₹6 lakh crore
- Maharashtra: Demand projected to reach 280 TWh by 2030, with large-scale capacity expansion
- Bihar: Advancing storage and grid infrastructure with structured investment pipelines
- Delhi: Transitioning towards a high-renewable, storage-integrated urban power system

Global Cooperation and Bilateral Engagements

The Summit facilitated multiple high-level bilateral meetings with countries including Malawi, Tajikistan, Mauritius, Kyrgyzstan, and Russia, as well as industry stakeholders such as Africa50 and international delegations.

These engagements focused on:

- Cross-border electricity trade
- Renewable energy collaboration
- Transmission infrastructure development
- Capacity building and technology transfer

The India-Africa Strategic Meet further strengthened partnerships, with focus on expanding renewable energy, grid modernisation, and last-mile connectivity across the continent.

Strengthening transmission infrastructure for integration of renewable energy

The Government has adopted planning and implementation approach that prioritises grid readiness, transmission expansion, and energy storage deployment as integral components of development of Renewable Energy (RE) sources in the country. The steps required for integration of RE into the grid, while expanding the renewable capacity, have been undertaken to achieve the goal of energy security along with energy transition. To support this, several measures have been initiated, including strengthening the transmission infrastructure and grid operation, deploying smart grid technologies, and expanding energy storage systems to address supply intermittency and enable round-the-clock power delivery. These measures are outlined below:

(i) Strengthening of transmission infrastructure and grid operation:

- a. Development of Inter-State Transmission System (ISTS) and Intra-State Transmission Systems (InSTS) for evacuation of renewable energy. Transmission system has been planned for integration of over 500 GW RE capacity by the year 2030.
- b. As per the National Electricity Plan (Volume-II Transmission), the transmission network is planned to expand from about 5.04 lakh circuit km (as on February 2026) to 6.48 lakh circuit km by 2032, and transformation capacity from about 1429 GVA to 2345 GVA. Inter-regional transmission capacity is also planned to increase from 120 GW (as on February 2026) to 143 GW by 2027 and further to 168 GW by 2032.
- c. MNRE is implementing Green Energy Corridor (GEC) as Intra-State Transmission projects scheme in ten States namely Rajasthan, Karnataka, Andhra Pradesh, Himachal Pradesh, Madhya Pradesh, Kerala, Gujarat, Uttar Pradesh, Maharashtra and Tamil Nadu in two phases, i.e. GEC-I and GEC-II for evacuation of 44 GW of RE.
- d. Dedicated High Voltage Direct Current (HVDC) transmission links with bi-directional power flow capability are envisaged to enable efficient long-distance bulk transfer of renewable power and improve grid controllability.
- e. Central Electricity Regulatory Commission through the Connectivity and General Network Access to the Inter-State Transmission System (Third Amendment) Regulations, 2025 has introduced solar-hour and non-solar-hour connectivity, enabling optimal use of transmission infrastructure and promoting hybrid renewable projects combining solar, wind and BESS.
- f. Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations have been notified to prescribe the minimum technical requirements for the RE generating plants to ensure the safe, secure and reliable operation of the grid.
- g. Flexibilization of thermal generation is mandated to address the variability of RE generation.

- h. Government has set up thirteen Renewable Energy Management Centres (REMCs) for better forecasting and real time monitoring of RE generation. The National Centre for Medium Range Weather Forecasting (NCMRWF), in coordination with the Indian Space Research Organisation (ISRO), provides advanced meteorological inputs to system operators and other stakeholders, which are utilized for renewable generation and demand forecasting, thereby supporting effective management of variability in RE generation.
- i. Hybrid RE power plants, Energy Storage Systems such as BESS (Battery Energy Storage System) and PSP (Pump Storage Project) are being promoted for mitigating variability in RE generation and provide adequate frequency support to the grid.

(ii) Deployment of Smart Grid Technologies:

- a. Advanced grid support technologies such as Static Synchronous Compensators (STATCOMS), Synchronous Condensers (SynCONs) and other Flexible AC Transmission System (FACTS) devices are planned to enhance voltage stability, improve system strength, and support reliable integration of renewable energy.
- b. Automatic Generation Control (AGC) and Ancillary Services (SRAS/TRAS) have been implemented for frequency regulation and balancing.
- c. Under the Revamped Distribution Sector Scheme (RDSS), Supervisory Control and Data Acquisition (SCADA) works have been sanctioned for distribution system covering 455 towns.

(iii) Development of Energy Storage Systems (ESS):

- a. ESS, as part of the power system, is defined under clause (50) of Section 2 of the Electricity Act, 2003.
- b. Implementation of two Viability Gap Funding (VGF) schemes for the development of approximately 43.8 GWh of Battery Energy Storage Systems.
- c. For incentivizing the ESS, 100% waiver of Inter-State Transmission System (ISTS) charges has been extended for co-located BESS projects commissioned till June, 2028 and hydro Pumped Storage Plants (PSPs) where construction work is awarded up to June, 2028.
- d. Ministry of Power has issued Tariff Based Competitive Bidding (TBCB) Guidelines for procurement of storage capacity and stored energy from Hydro PSP, Battery Energy Storage Systems and Firm and Dispatchable RE (FDRE) to facilitate standardized and transparent bidding process.
- e. Ministry of Heavy Industries is implementing a Production-Linked Incentive (PLI) Scheme with an outlay of ₹18,100 crore for establishing 50 GWh of Advanced Chemistry Cell manufacturing capacity, of which 10 GWh is earmarked for grid-scale storage.

- f. Off-stream closed-loop pumped storage schemes, irrespective of the quantum of capital expenditure have been exempted from the requirement of concurrence by the CEA.
- g. CEA in November, 2025, has issued revised guidelines for formulation of Detailed Project Reports for Pumped Storage Schemes wherein it has been stipulated that Clearance of Inter-state Aspects is not required for PSPs.

Government announced standards of Green Ammonia and Green Methanol for India to accelerate trade of Green Hydrogen derivatives

In a significant move for the advancement of the National Green Hydrogen Mission, the Government of India notified the Green Ammonia and Green Methanol Standards for India. The standards issued by the Ministry of New and Renewable Energy (MNRE), outlines the emission thresholds and eligibility conditions that must be compiled for ammonia & methanol produced to be classified as 'Green', i.e., produced using Green Hydrogen derived from renewable sources.

Green Ammonia Standard for India - Green Ammonia shall have a total non-biogenic greenhouse gas emission, arising from Green Hydrogen production, ammonia synthesis, purification, compression, and on-site storage, of not more than 0.38 kg CO₂ equivalent per kg of ammonia (kg CO₂ eq/kg NH₃), calculated as an average over the preceding 12-month period.

Green Methanol standard for India - Green Methanol shall have a total non-biogenic greenhouse gas emission, arising from Green Hydrogen production, methanol synthesis, purification, and on-site storage, of not more than 0.44 kg CO₂ equivalent per kg of methanol (kg CO₂ eq/kg CH₃OH), calculated as an average over the preceding 12-month period.

The notification further provides that carbon dioxide for Green Methanol production may be sourced from biogenic sources, Direct Air Capture (DAC), or existing industrial sources. The Ministry may revise the eligible sources of carbon dioxide from time to time, with such revisions applying prospectively along with appropriate grandfathering provisions.

In the process of Green Ammonia & Green Methanol production, renewable energy also includes electricity generated from renewable sources which is stored in an energy storage system or banked with the grid in accordance with applicable regulations.

The notification specifies that a detailed methodologies for measurement, reporting, monitoring, on-site verification, and certification of Green Ammonia & Green Methanol shall be issued separately by the Ministry of New & Renewable Energy.

Any tender, bid process, or solicitation issued prior to the date of notifications may continue to be governed by the terms and conditions applicable at the time of its issuance; however, the procuring entity may, where feasible and with mutual consent of the parties, align such tender with the provisions of notifications.

Government Extends ALMM Framework to Solar Ingots and Wafers; To Come into Effect from 1 June 2028

MNRE has expanded the ALMM Order to introduce ALMM List-III for Ingots and Wafers, which will take effect from 1 June 2028. Suitable grandfathering provisions have been built in to protect projects already in the pipeline. The current order of MNRE, extends mandatory sourcing requirements from ALMM lists, already in place for modules and cells, one step further up the solar supply chain to include the ingots and wafers, which currently remains heavily import-dependent

Union Minister for New and Renewable Energy, Shri Pralhad Joshi, said that it is a decisive step towards strengthening India's solar manufacturing ecosystem. The Minister said that the move will boost domestic production, enhance supply chain resilience, reduce import dependence, and ensure higher quality standards across the solar value chain.

Key Provisions

- Effective Date: 1st June 2028 - the date from which ALL projects must use ALMM-listed wafers including Net metering/ open access projects.
- Cut-Off Date: 7 days after the initial list of ALMM List-III for wafers, is published. Bids submitted under Sec 63 route, after this date must mandatorily specify use of ALMM List III compliant wafers.
- Threshold for issuing the initial list: At least 3 independent manufacturing units (not under common ownership or control) with a combined capacity of 15 GW, ensuring the list is issued only when this minimum domestic supply is available.
- Mandatory ingot capacity: Manufacturers seeking enlistment in ALMM List-III for wafers, must also have equivalent ingot manufacturing capacity, promoting upstream integration for ingots.
- Module list integrity: Effective Date onwards, ALMM List-I (Solar PV modules) will include only such modules which are manufactured using ALMM-listed cells and wafers. Separate lists will be maintained for grandfathered projects to avoid disruption.
- DCR provisions: This Order does not dilute or override any Domestic Content Requirement (DCR) provisions under the existing MNRE schemes.

Expected Benefits

Wafers are the critical intermediate stage between polysilicon and solar cells. India currently has limited domestic wafer manufacturing capacity and relies substantially on imports.

The introduction of ALMM List-III is expected to:

- Drive investment into ingot and wafer manufacturing facilities in India;
- Improve supply chain security and reduce vulnerability to import disruptions;
- Ensure quality and traceability of solar components all the way from wafer to module;
- Create skilled employment in upstream solar manufacturing;

This expansion of ALMM represents an important step towards Atmanirbhar Bharat and the country's commitment to achieving 500 GW of non-fossil fuel capacity by 2030.

**Exchange of Green Ammonia Agreements Under NGHM Mark Key Step for India's Energy Security:
Union Minister Pralhad Joshi**

Union Minister of New and Renewable Energy, Pralhad Joshi, said that the exchange of Green Ammonia Purchase Agreements and Green Ammonia Supply Agreements marks an important step in strengthening India's energy security, especially at a time when the world is facing uncertainty. He was addressing the Exchange of Green Ammonia Agreements for the fertiliser sector under the National Green Hydrogen Mission at Atal Akshay Urja Bhawan in presence of Union Minister of Health & Family Welfare and Chemicals & Fertilisers Shri J P Nadda.

Union Minister Joshi highlighted that under the leadership of the Prime Minister Shri Narendra Modi, India has demonstrated that economic growth and climate action can move together at scale and at speed. He noted that India is today one of the fastest growing renewable energy markets in the world and is on track to achieve 500 GW of non-fossil fuel capacity by 2030.

The exchange of agreements between industry, SECI and fertilizer companies, with a tenure of 10 years, marks a key milestone towards operationalising these projects, the Minister said. The long-term agreements provide demand certainty, enable financial closure and support large-scale investments in green ammonia production.

The Minister emphasised that energy security is closely linked to national security and highlighted the importance of reducing import dependence in critical sectors. He stated that replacing imported grey ammonia with green ammonia will strengthen domestic capability and build resilient supply chains. The initiative is expected to result in foreign exchange savings of approximately \$2.5 billion over a period of 10 years through substitution of imported grey ammonia in non-urea based fertilizer units.

The Minister further noted that the next phase of India's energy transition will focus on hard-to-abate sectors such as fertilizers, refineries, steel and transport, where green hydrogen and its derivatives will play a critical role. He added that green ammonia will not only serve as a clean feedstock but also help build a new industrial ecosystem, generate jobs and attract investments.

Union Minister Shri J. P. Nadda, described the initiative as a historic and forward-looking step towards building a robust green ammonia ecosystem in the country. He said that the agreements mark the operationalisation of green ammonia in India and reflect the Government's strong commitment to promoting sustainable and affordable solutions in the fertilizer sector.

Highlighting India's development model, he noted that the country has demonstrated that growth and sustainability can go hand in hand under the leadership of Prime Minister Modi. He emphasised that the initiative will reduce dependence on imports, improve affordability, and strengthen self-reliance in the fertilizer sector, ensuring that farmers have nothing to worry about. He further stated that with the allocation of about 7.24 lakh tonnes per annum of green ammonia, the country is moving decisively

towards an Aatmanirbhar Bharat, while also creating new opportunities for growth and investment in the sector.

Union Minister of State for Power & New and Renewable Energy, Shri Shripad Yesso Naik, Shri Rajat Kumar Mishra, Secretary, Department of Fertilizers (DoF) and Shri Santosh Kumar Sarangi, Secretary, Ministry of New and Renewable Energy (MNRE) also attended the event along with other senior officials from DoF, MNRE, and SECI.

Cabinet approves scheme on ‘Small Hydro Power (SHP) Development Scheme for the period FY 2026-27 to FY 2030-31’

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the ‘Small Hydro Power (SHP) Development Scheme for the period FY 2026-27 to FY 2030-31’ with an outlay of Rs.2584.60 crore for installation of Small Hydro Power (SHP) Projects of an approximate capacity of 1500 MW.

The scheme will support small hydro projects (between 1-25 MW capacity) to come up in different states and will especially benefit hilly and North Eastern states with high potential for such projects. In North Eastern States and in districts with international border, central financial assistance to the tune of Rs.3.6 crore per MW or 30% of the project cost, whichever is lower with an upper limit of Rs.30 crore per project will be available. In other states Rs.2.4 crore per MW or 20% of project cost, whichever is lower with a cap of Rs.20 crore per project would be available. This will help in tapping the small hydro potential in remote and difficult to reach locations. An amount of Rs. 2,532 crore has been earmarked for such projects. This is likely to bring in Rs. 15,000 crore of investment in the small hydro sector giving a boost to the clean energy initiative, investment in remote and rural areas and creating significant employment opportunities. The investment will also leverage 100% of the plant and machinery from indigenous sources fulfilling the objective of Atmanirbhar Bharat.

The scheme will also incentivise the states to prepare the detailed project report for about 200 projects to create a pipeline of small hydro projects in future. An amount of Rs.30 crore has been kept to support state and central government agencies to prepare such DPR.

The scheme will support 51 lakh person days of employment during the project construction and will also enable employment in maintenance and operation of these SHPs which will come up in largely rural and remote locations. SHP projects being decentralized in nature, the requirement of long transmission line is minimal, which also reduces the transmission losses.

Government Drives Green Hydrogen Expansion and Strengthens Clean Energy Transition

The Government of India is implementing the National Green Hydrogen Mission (NGHM), with an objective to make India a global hub of production, usage and export of Green Hydrogen and its derivatives.

The details of projects under NGHM are given below:

- i. incentives scheme for Electrolyser Manufacturing:
- ii. 3000 MW per annum electrolyser manufacturing capacity has been awarded to 15 companies.
- iii. Incentive schemes for Green Hydrogen production:
 - a. 8,62,000 Metric Tonnes per Annum (MTPA) of green hydrogen production capacity, has been awarded to 18 companies.
- iv. Demand aggregation for green ammonia:
 - a. Prices have been discovered by Solar Energy Corporation of India (SECI) for the production and supply of 7,24,000 Metric Tonnes per Annum (MTPA) of Green Ammonia (a derivative of Green Hydrogen) to 13 fertilizer units across India.
- v. Demand aggregation of green hydrogen in refinery sector:

20,000 tonnes per annum of green hydrogen production and supply capacity has been awarded for supply to the refineries of Indian Oil Corporation Ltd., Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited. Additionally, price has been discovered for production and supply of 10,000 tonnes per annum of green hydrogen to Numaligarh Refinery Limited, Assam.

1. Pilot projects:

- Five pilot projects have been sanctioned for the use of hydrogen in the steel sector.
- V. O. Chidambaranar Port Authority has awarded a project for development of a bunkering and refuelling facility for green methanol at the port.
- Five pilot projects have been sanctioned for deployment of 37 hydrogen - fuelled vehicles with 9 Hydrogen Refuelling Stations (HRS) along 10 different routes across India.

The investment commitments have not been made available by the project developers.

Government have taken various steps to increase adoption and expansion of city gas distribution (CGD) network across the country which, inter-alia, includes

- i. Allocating domestic gas on priority basis to Compressed Natural Gas (CNG)/ Piped Natural Gas (PNG);
- ii. Diverting domestic gas from non-priority sectors to meet the requirement for CNG/ PNG sector
- iii. Expansion of CGD network, grant of Public Utility Status to CGD project
- iv. Grant of Public Utility Status to CGD projects;
- v. Notification for supply of domestic gas through available mode (including cascade mode) for CNG/PNG purpose, allocating domestic natural gas for CNG and PNG segments on a two-quarter advance basis, expansion of National Gas Grid Pipeline;
- vi. Setting up of Liquefied Natural Gas (LNG) Terminals;
- vii. Sustainable Alternative Towards Affordable Transportation (SATAT) initiatives to promote Bio-CNG, etc.
- viii. The government has also notified that gas produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, in any situation which may require

proportionate distribution of the gas offered under the bidding process, the contractor shall offer gas to bidders belonging to the CNG/ PNG sector on priority.

Coal Gasification Key to India’s Energy Security and Industrial Growth: Union Minister G.Kishan Reddy

Union Minister for Coal and Mines, G. Kishan Reddy, highlighted that coal gasification will be pivotal in strengthening India’s energy security, reducing import dependence, and supporting industrial growth, while addressing the Bharat Electricity Summit 2026.

Addressing industry leaders, experts, start-ups, researchers, students, and policymakers, the Minister said India’s rapidly expanding economy requires a balanced energy approach that aligns development with sustainability. He noted that under the leadership of Prime Minister Narendra Modi, the country is experiencing strong growth across manufacturing, infrastructure, digital connectivity, and innovation.

The Minister underlined India’s robust coal reserves, estimating nearly 400 billion tonnes among the largest globally—where coal accounts for about 55% of the energy mix and nearly 74% of electricity generation. With annual coal demand currently around one billion tonnes and expected to rise significantly by 2047, he emphasized the continued importance of coal. Even as India remains committed to achieving Net Zero emissions by 2070.

Describing coal gasification as a key transformative technology, he explained that it converts coal into syngas, which can be further used to produce cleaner fuels, chemicals, fertilizers, and hydrogen. This approach enables more efficient and sustainable use of domestic resources while enhancing economic resilience. He also pointed out India’s dependence on imports—approximately 83% of crude oil, 50% of natural gas, and over 90% of methanol and fertilizers—making energy security a strategic priority.

To promote adoption, the Government has launched the National Coal Gasification Mission with a target of 100 million tonnes of gasification by 2030. An incentive framework of ₹8,500 crore has been introduced to support public and private sector projects, with several large-scale initiatives already underway and investments exceeding ₹64,000 crore in the pipeline. Advanced technologies such as Underground Coal Gasification (UCG) were also highlighted for their potential to tap previously inaccessible reserves while reducing environmental impact.

The Minister called for a collaborative ecosystem involving industry, academia, start-ups, and research institutions, noting that coal gasification spans multiple sectors including power, oil & gas, and fertilizers. He reaffirmed the Government’s commitment to streamlined approvals, supportive policies, and incentives to encourage early participation and investment.

He expressed confidence that with innovation, indigenous technology development, and coordinated efforts, India can emerge as a global leader in clean coal technologies while advancing energy security, sustainability, and self-reliance.

Promotion of green highway initiatives

Green Highway initiatives have promoted environmentally sustainable road construction by encouraging plantation along National Highways, the use of environmental friendly construction materials, proper management of water resources, and measures to reduce carbon emissions during construction and maintenance activities. These initiatives aim to improve ecological balance and enhance the environmental sustainability of highway development.

The use of recycled materials in infrastructure development is increasing day by day due to various policy reforms and initiatives taken by the Government. The policy framework encourages sustainable construction practices and promotes the use of recycled and waste-derived materials in projects wherever technically feasible. Continuous efforts through guidelines, advisories, and technological advancements have created an enabling environment for wider adoption, thereby enhancing the potential and acceptance of recycled materials in construction activities.

Tree plantation and carbon offsetting measures have been integrated into National Highway projects as part of environmentally sustainable development under the Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015 and Indian Roads Congress (IRC): SP:21 guidelines.

Under this framework, plantation is undertaken along the median, avenue, and other available Right of Way (RoW) of National Highways. Additionally, wherever tree felling is necessary for highway development, compensatory afforestation and tree transplantation are undertaken.

Technological innovations are increasingly being adopted in road construction to ensure environmental compliance and promote sustainable development. The use of recycled and waste materials such as fly ash, plastic waste, reclaimed asphalt pavement (RAP), and construction and demolition waste in highway projects is encouraged.

PM Surya Ghar Yojana Delivers Scale with 26 Lakh Installations and ₹17,967 Crore Support

The Ministry of New and Renewable Energy (MNRE) is implementing PM Surya Ghar Muft Bijli Yojana (PMSG: MBY) since February 2024 with an aim to achieve rooftop solar (RTS) installations in one crore households in the residential sector by FY 2026-27.

The PMSG: MBY is a demand driven scheme wherein all residential consumers in the country, having grid connected electricity connection of the local DISCOM can avail the benefits of the scheme, for installation of RTS systems, by applying on the National Portal of the scheme.

Under the scheme, since its launch in February 2024, a total of 26,19,879 RTS systems have been installed across the country, as on 19.03.2026. Under the PMSG: MBY, since its launch in February 2024, an amount of 17,967.53 crore has been disbursed as Central Financial Assistance (CFA) to the beneficiaries of the scheme, as on 19.03.2026.

Impact on EV due to policy changes in China pertaining to lithium

As per information received from Society of Indian Automobile Manufacturers (SIAM), India currently has a high import dependence on critical minerals such as lithium, which are essential for lithium-ion batteries used in electric vehicles (EVs). The entire current demand is met through imports, making the sector sensitive to external shocks. Recent policy developments in China, specifically the decision to impose export controls and licensing requirements on high-performance Lithium-ion batteries (≥ 300 Wh/kg), cathode materials, artificial-graphite anodes, and associated manufacturing technology, could tighten near-term global supply conditions. This creates potential supply-chain vulnerability for Indian EV manufacturers who rely on Chinese midstream processing

Lithium and other battery raw materials are globally traded commodities, and their prices are influenced by international demand-supply conditions. Any global policy changes or supply disruptions may lead to price fluctuations in lithium, cobalt, and nickel. The export controls announced by China have the potential to elevate global component prices in the near term, directly influencing the cost structure for Indian EV companies. However, the overall impact on battery prices is also influenced by technology improvements, economies of scale, and the localization of manufacturing.

The Government has taken various steps to reduce import dependence for critical minerals. The Union Cabinet has approved the National Critical Mineral Mission (NCMM) on 29th January, 2025 to secure a long-term sustainable supply of critical minerals (including lithium) and strengthen India's critical mineral value chain encompassing all stages from mineral exploration and mining to beneficiation, processing, and recovery from end-of life products. Additionally, the following initiatives have, inter-alia, been taken to strengthen the critical mineral sector in the country: -

- i. The Union Cabinet approved the National Critical Mineral Mission (NCMM) on 29.01.2025 with the objectives of securing India's critical mineral supply chain and strengthening the critical mineral value chains.
- ii. Since the amendment to the MMDR Act in 2023, Central Government has successfully auctioned 46 blocks of Critical and Strategic Minerals. In addition, 7 blocks have been auctioned under the Exploration Licence regime, out of which 3 are critical mineral blocks.
- iii. The Union Cabinet has approved a Rs.1,500 crore Incentive Scheme to promote critical mineral recycling. The Scheme Guidelines were issued, and the Scheme was launched on 02.10.2025.
- iv. Guidelines for funding pilot projects for the recovery of critical minerals from overburden/ tailings/ fly ash/ red mud, etc. were issued on 14.11.2025.
- v. The Government has recognized nine premier institutes as Centres of Excellence (CoEs) under the NCMM to carry out Research & Development (R&D) for strengthening domestic capabilities in the critical mineral value chain.
- vi. KhanijBidesh India Limited (KABIL), under Ministry of Mines, has signed an Exploration and Development Agreement with CAMYEN, a state-owned enterprise of Catamarca province of

Argentina, for exploration and mining of five Lithium Brine Blocks in Argentina covering an area of 15703 Ha.

GST Rationalisation to Accelerate India's Green Transition

India's commitment to sustainability and climate action has been reinforced through recent GST rationalization, strategically reducing tax rates on waste management services, biodegradable products and green transportation.

Under the visionary leadership of Prime Minister Shri Narendra Modi, these reforms are designed to accelerate the adoption of eco-friendly manufacturing, strengthen waste treatment infrastructure and promote sustainable mobility solutions. Aligned with national initiatives like 'Viksit Bharat 2047' and the LiFE (Lifestyle for Environment) movement, these changes support India's Net Zero 2070 ambition and fulfil commitments under the Paris Agreement.

Strengthening Waste Management: Common Effluent Treatment Plants (CETPs)

The reduction in GST from 12% to 5% on services provided by CETPs is a significant move for environmental sustainability.

- **Cost Savings for MSMEs:** Lowering the tax burden makes collective waste treatment more attractive to small and medium enterprises, which often struggle with individual management costs.
- **Scale of Impact:** With 222 operational CETPs treating 2212 MLD of industrial wastewater across 21 states, the tax reduction is estimated to save industries approximately ₹13.27 Cr/day.
- **Circular Economy:** This reform supports the 53 CETPs already implementing Zero Liquid Discharge (ZLD) systems, promoting the reuse of treated wastewater and reducing freshwater dependency.

Combating Plastic Pollution

Biodegradable alternatives to reinforce the national ban on identified single-use plastics, GST on biodegradable bags has been slashed from 18% to 5%.

- **Enhanced Affordability:** The sale price of compostable carry bags is expected to drop by approximately 11% (from ₹200/kg to ₹178/kg), making eco-friendly alternatives competitive with conventional plastic.
- **Protecting Marine Ecosystems:** This measure directly supports Ministry-led beach cleaning drives, such as those conducted on International Coastal Clean-Up Day, by reducing plastic leakage into rivers and oceans.
- **Industry Growth:** The reform encourages over 200 certified compostable manufacturers to scale up production of starch-based and compostable materials.

Green Mobility

Modernizing India's Fleet The reduction of GST from 28% to 18% for buses and commercial goods vehicles aims to clean the air in Indian cities.

- **Phasing Out Pollutants:** Lower upfront costs encourage operators to replace older, polluting vehicles with new BS-VI compliant models, which are up to 10 times cleaner than BS-IV standards.
- **Public Transport Boost:** Reduced costs allow the government and private operators to deploy more buses, enhancing last-mile and intercity connectivity.
- **Logistics Efficiency:** Lower tax on goods vehicles reduces transportation costs, helping expand market access while lowering the carbon footprint of the logistics sector.

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