FIPI

Federation of Indian Petroleum Industry

MAY

2025

POLICY & ECONOMIC REPORT

OIL & GAS MARKET

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Executive Summary

Gross domestic product in the Organization for Economic Cooperation and Development (OECD) region rose by 0.1% in the first quarter of 2025, significantly down from an 0.5% rise in the previous quarter, according to provisional estimates released by OECD. The overall GDP growth rate also slowed for the G7 in Q1 2025, from 0.4% to 0.1%, reflecting a mixed picture among G7 countries. GDP contracted in Japan and the United States, from 0.6% in both countries to -0.2% and -0.1%, respectively.

In case of India, according to the mid-year update of UN's World Economic Situation and Prospects, India's growth is projected at 6.3 per cent in the current fiscal year, the highest among large economies. This momentum is expected to continue into 2026, with growth estimated at 6.4 per cent. According to the report, India's growth is being driven by strong domestic demand and consistent government spending. These factors have supported stable employment and helped contain inflation, which is expected to fall within the Reserve Bank of India's target range. Manufacturing activity is picking up, helped by favorable policies and resilient external demand. Exports, especially in strategic areas like defense production, are expanding steadily. Together, these indicators show that India's economy is not only holding firm but also making headway in an uncertain global environment.

Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of April, 2025 over April, 2024 is 3.16% (Provisional). There is decline of 18 basis points in headline inflation of April, 2025 in comparison to March, 2025. It is the lowest year-on-year inflation after July, 2019.

Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of April, 2025 over April, 2024 is 1.78% (Provisional). Corresponding inflation rate for rural and urban are 1.85% and 1.64%, respectively. A sharp decline of 91 basis point is observed in food inflation in April, 2025 in comparison to March, 2025. The food inflation in April, 2025 is the lowest after October, 2021.

The HSBC Flash India Composite Output Index – a seasonally adjusted index that measures the month on-month change in the combined output of India's manufacturing and service sectors registered 61.2 in May 2025, up from 59.7 in April. This marks the strongest month-on-month growth since April 2024, driven largely by gains in the services sector. The Services PMI Business Activity Index climbed to 61.2 in May from 58.7 in April, indicating the fastest pace of growth in 14 months. Strong domestic and international demand, along with technology investments and capacity expansion, are attributed as the key drivers.

On the external front, India's total foreign exchange (forex) reserves dropped to $685.7 billion as of 16 May 2025. This drop comes after the forex reserves hit a 7-month high in the first week of May 2025.

As far as oil and gas industry is concerned, oil prices resumed their downward trajectory in late April and early May, as trade tensions weighed on financial and commodity markets, and OPEC+ agreed to further

unwind production cuts. Bearish sentiment eased somewhat after the United States reached a trade deal with the United Kingdom followed by a 90-day accord with China.

Against the backdrop of a weaker global economic outlook and declining oil demand, OPEC+ surprised the market in early May by announcing a second consecutive monthly production increase of 411 kb/d for June. This move effectively advances the group's production schedule to levels previously planned for October 2025. However, the actual output gain is expected to be lower than the nominal figure, as several countries including Kazakhstan, the UAE, Iraq, and Russia continue to produce above their targets, while others face capacity constraints or are required to make compensatory cuts for prior overproduction.

Selling pressure from hedge funds and other money managers further exacerbated the decline. Spot prices fell less than futures prices, reflecting supportive physical market fundamentals, particularly for prompt-loading volumes. This was evident in the widening of the North Sea Dated–ICE Brent spread during the first three weeks of April, which reached nearly $3/b, largely offsetting the narrowing seen later in the month.

Spot prices fell less than futures prices, reflecting supportive physical market fundamentals, particularly for prompt-loading volumes. This was evident in the widening of the North Sea Dated–ICE Brent spread during the first three weeks of April, which reached nearly $3/b, largely offsetting the narrowing seen later in the month.

Natural gas spot prices at the US Henry Hub benchmark averaged $3.42 per million British thermal units (MMBtu) in April 2025. Henry Hub's natural gas prices declined for a second consecutive month in April, falling by ~17%, m-o-m. Higher domestic production contributed to the sharp drop in prices while demand remained relatively modest amid the injection season. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 10.5%, m-o-m, in the same period. Prices were further pressured by the prospect of additional capacity in the near term as a new wave of LNG projects nears commissioning. Prices were up by more than 100%, y-o-y.

Economy in Focus

1. A snapshot of the global economy

Global economic growth

- Gross domestic product in the Organization for Economic Cooperation and Development (OECD) region rose by 0.1% in the first quarter of 2025, significantly down from an 0.5% rise in the previous quarter, according to provisional estimates released by OECD.

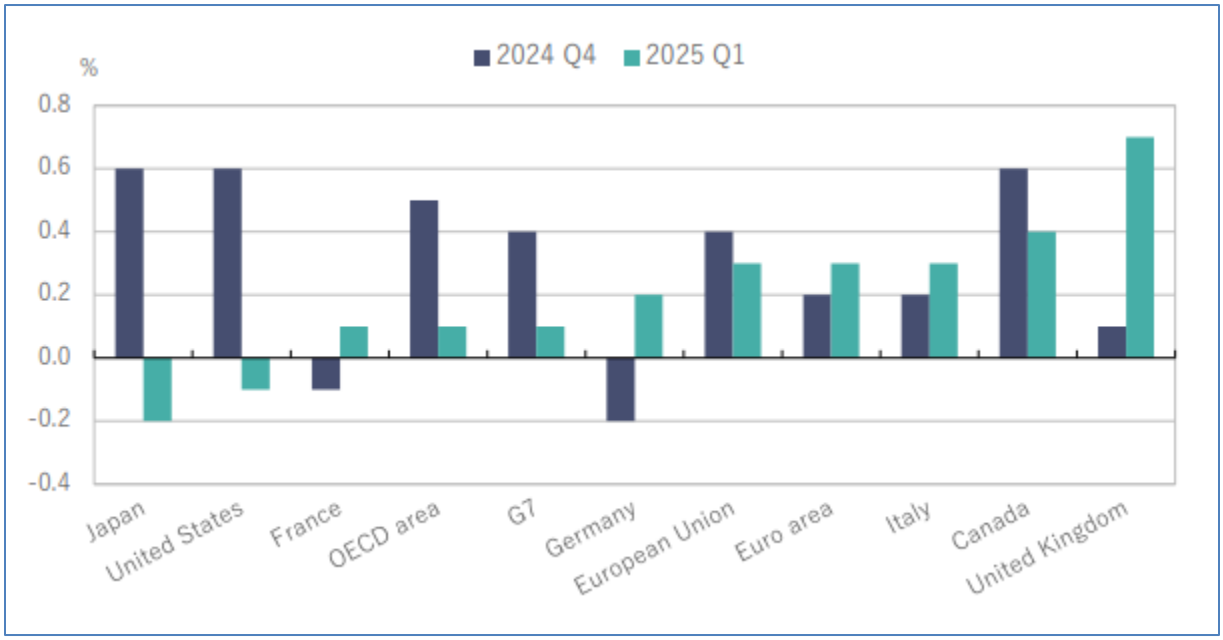
- The overall GDP growth rate also slowed for the G7 in Q1 2025, from 0.4% to 0.1%, reflecting a mixed picture among G7 countries. GDP contracted in Japan and the United States, from 0.6% in both countries to -0.2% and -0.1%, respectively.

    - In Japan, imports of goods increased by 2.4% in Q1 2025, compared with a contraction of 1.6% in Q4 2024. In the United States, imports of goods increased sharply by 10.8% in Q1, compared with a contraction of 1.3% in Q4.

    - The rise in US imports of goods, likely influenced by anticipated changes to trade tariffs, was the main drag on growth. Growth also slowed in Canada, from 0.6% to 0.4%.

- By contrast, growth accelerated significantly in the United Kingdom, from 0.1% to 0.7%, mainly driven by increases in investment (2.9% in Q1, after a contraction of 0.6% in Q4) and exports of goods (5.6% in Q1, after a contraction of 7.3% in Q4).

Figure 1: GDP (quarter on quarter change in %)



Source- OECD -Statistics News release- May 2025

- Growth increased marginally in Italy (from 0.2% to 0.3%), and it turned positive in Germany (0.2%) and France (0.1%).

- Among other OECD economies, 17 countries experienced slowdowns in growth in Q1 2025 compared with Q4 2024, resulting in negative growth in four countries. Slovenia recorded the largest fall in GDP in Q1 (-0.8%), followed by Portugal (-0.5%). Ireland recorded the highest quarter-on-quarter growth rate in Q1 (3.2%).

- Year-on-year, GDP growth in the OECD was 1.6% in Q1 2025, down from 1.9% in Q4 2024. Among G7 economies, Canada recorded the highest growth over the last four quarters (2.3%), followed by the United States (2.0%), while Germany recorded the largest fall (-0.2%).

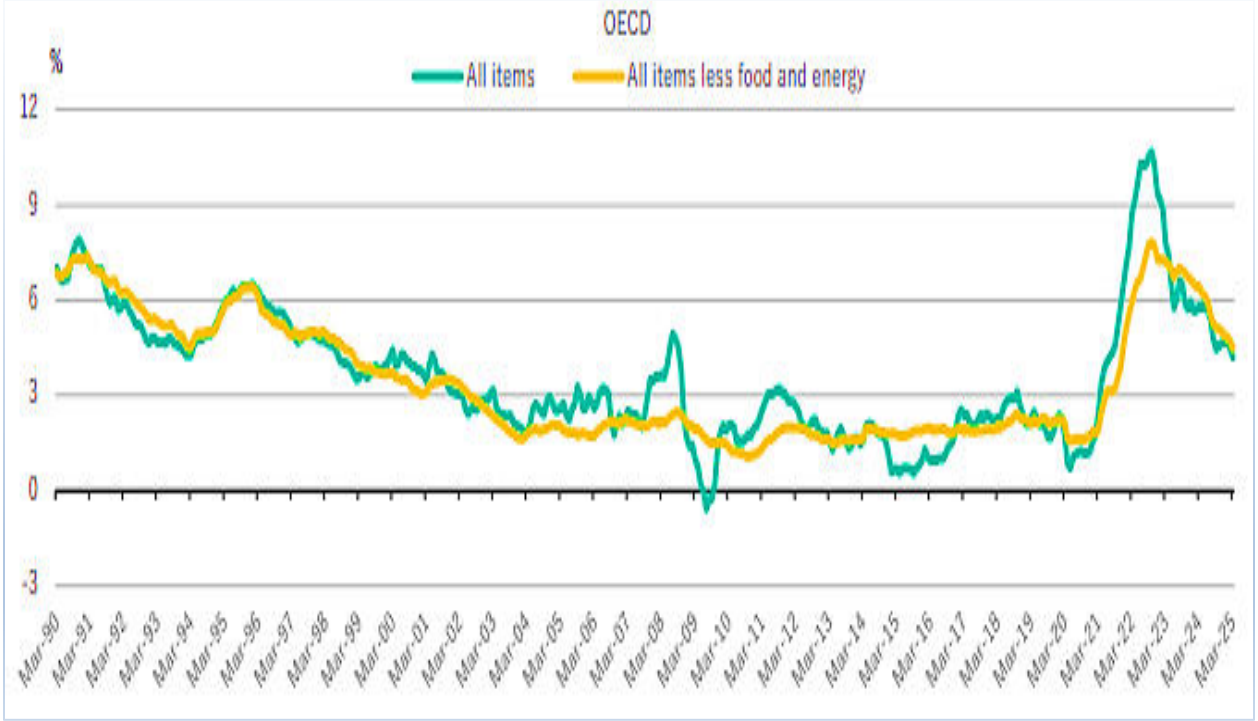
Global inflation

- Year-on-year inflation in the OECD as measured by the Consumer Price Index (CPI) decreased to 4.2% in March 2025 from 4.5% in February, reaching its lowest level since July 2021. It declined in 18 of 38 OECD countries, with the largest falls in Estonia, Hungary, Norway, and Türkiye.

- Year-on-year OECD food inflation rose to 4.8% in March from 4.4% in February, with increases in more than two-thirds of OECD countries, including Chile, Greece, the Netherlands, and Türkiye. This was outweighed by a fall in OECD energy inflation to 3.0% in March from 3.8% in February, with decreases in 28 OECD countries, and a small decline in OECD core inflation (inflation less food and energy) to 4.5% in March from 4.7% in February, reaching its lowest level since November 2021.

- Year-on-year inflation in the G7 fell to 2.4% in March from 2.7% in February. Headline inflation rose only in Italy driven primarily by increasing prices of non-regulated energy products. While energy and core inflation declined, G7 food inflation accelerated again year-on-year, with increases in Canada, Germany, France, and the United States.

Figure 2: Inflation: All items and all items less than food & energy, OECD (%)



Source- OECD

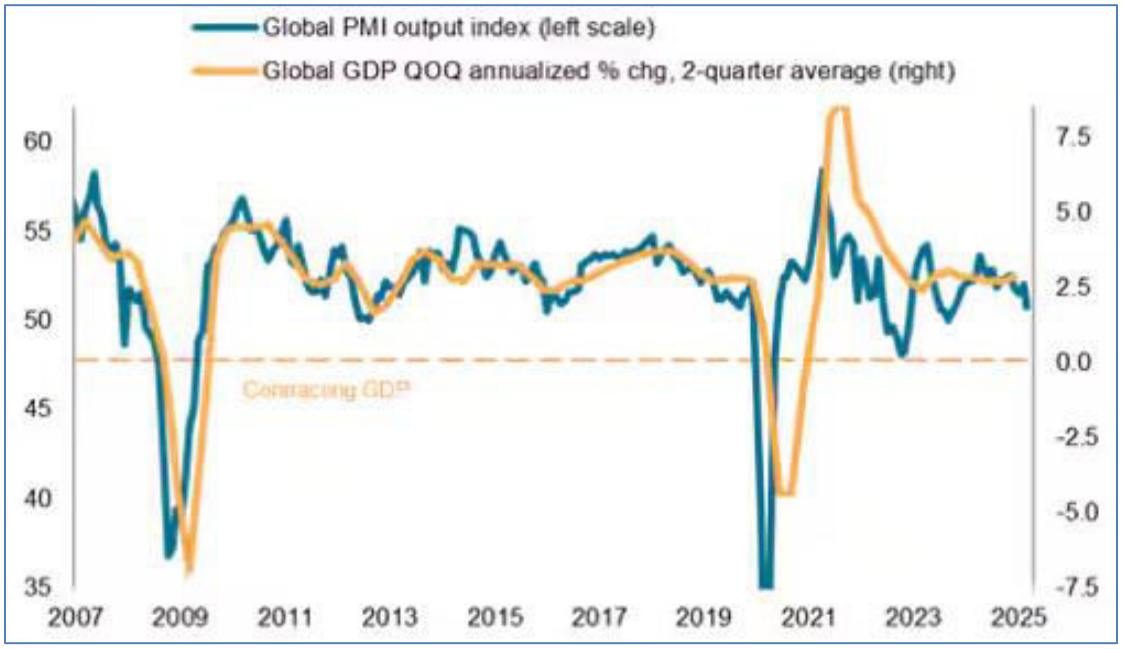
Global PMI

Although an expansion of global output was sustained in April, exports and optimism declined while employment stalled following the announcement of additional US tariffs. This was while prices charged for goods and services rose at an accelerated rate.

The J.P.Morgan Global PMI Composite Output Index- produced by S&P Global -posted 50.8 in April, down from 52.0 in March. This signalled an extension of the global economic expansion that commenced in February 2023, though at the softest pace in nearly one-and-a-half years.

The modest rise in manufacturing production seen during the month was part driven by the front-loading of goods orders ahead of higher tariffs, while services activity growth decelerated to the slowest since November 2023, altogether reflecting the impact of recent changes in trade policies. Business optimism meanwhile slumped to its lowest since the pandemic, contributing to the stalling of employment growth.

Figure 3: Global economic growth and the PMI



Source- S&P Global

2. Global economic outlook worsens amid trade conflict and policy uncertainty- United Nations Report

According to the World Economic Situation and Prospects as of mid-2025, the global economic growth is uncertain, marked by heightened trade tensions and elevated policy uncertainty. The recent surge in tariffs—driving the effective U.S. tariff rate up steeply—threatens to raise production costs, disrupt global supply chains and amplify financial turbulence.

Uncertainty over trade and economic policies, combined with a volatile geopolitical landscape, is prompting businesses to delay or scale back critical investment decisions. These developments are compounding existing challenges, including high debt levels and sluggish productivity growth, further undermining global growth prospects. Global GDP growth is now forecast at just 2.4 per cent in 2025, down from 2.9 per cent in 2024 and 0.4 percentage points below the January 2025 projection.

Slower global growth, elevated inflationary pressures and weakening global trade—including a projected halving of trade growth from 3.3 per cent in 2024 to 1.6 per cent in 2025, thus jeopardize progress toward the Sustainable Development Goals.

The slowdown is broad-based, affecting both developed and developing economies. Growth in the United States is projected to decelerate significantly, from 2.8 per cent in 2024 to 1.6 per cent in 2025, with higher tariffs and policy uncertainty expected to weigh on private investment and consumption. In the European Union, GDP growth is forecast at 1.0 per cent in 2025, unchanged from 2024, amid weaker net exports and higher trade barriers.

China's growth is expected to slow to 4.6 per cent this year, reflecting subdued consumer sentiment, disruptions in export-oriented manufacturing and ongoing property sector challenges. Several other major developing economies, including Brazil, Mexico, and South Africa, are also facing growth downgrades due to weakening trade, slowing investment, and falling commodity prices. India, whose 2025 growth forecast has been revised downward to 6.3 per cent, remains one of the fastest growing large economies.

For many developing countries, this bleak economic outlook undermines prospects for creating jobs, reducing poverty, and addressing inequality. For least developed countries—where growth is expected to slow from 4.5 per cent in 2024 to 4.1 per cent in 2025—declining export revenues, tightening financial conditions and reduced official development assistance flows threaten to further erode fiscal space and heighten the risk of debt distress.

According to the World Economic Situation and Prospects, escalating trade frictions are further straining the multilateral trading system, leaving small and vulnerable economies increasingly marginalized in a fragmented global landscape. Strengthening multilateral cooperation is essential to address these challenges. Revitalizing the rules-based trading system and providing targeted support to vulnerable countries will be critical to fostering sustainable and inclusive development.

3. AI needs more abundant power supplies to keep driving economic growth- IMF

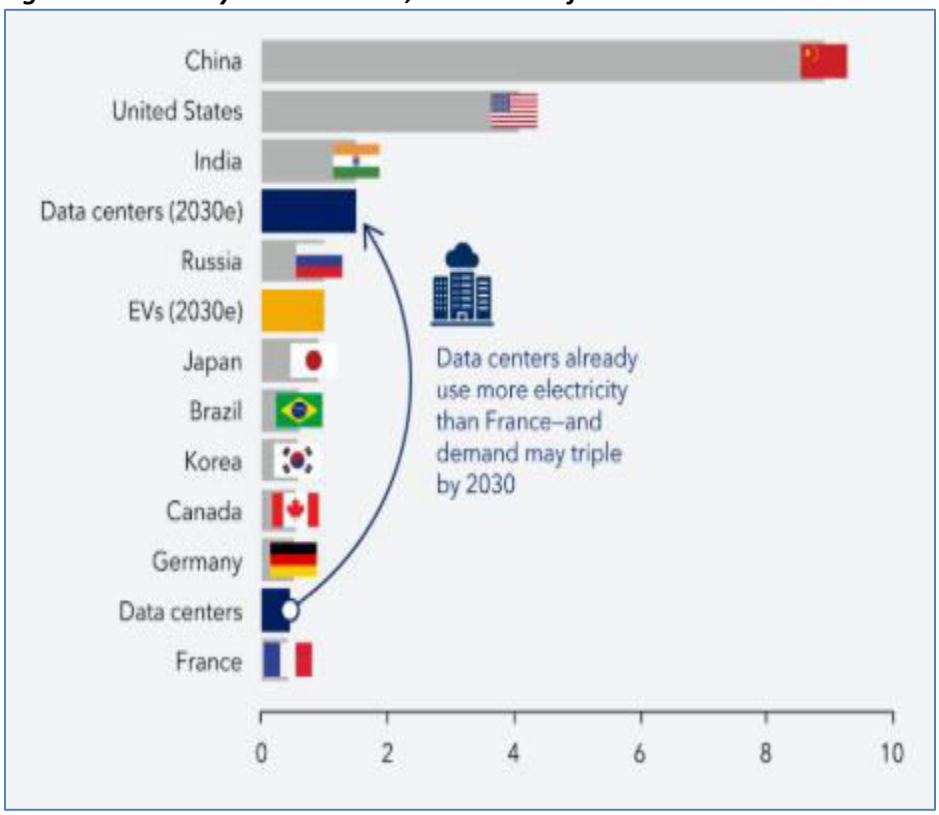
Artificial intelligence is an emerging source of productivity and economic growth that is also reshaping employment and investment. According to IMF, AI has the potential to raise the average pace of annual global economic growth.

AI, however, needs more and more electricity for the data centres that make it possible. The resulting strain on power grids has major implications for global electricity demand.

The world's data centres consumed as much as 500 terawatt-hours of electricity in 2023, according to the most recent full-year estimate by the Organization of the Petroleum Exporting Countries. This could triple to 1,500 terawatt-hours by 2030 for OPEC projects.

According to IMF, electricity used by data centers alone, already as much as that of Germany or France, would by 2030 be comparable to that of India, third world's largest electricity user. This would also leapfrog over the projected consumption by electric vehicles, using 1.5 times as much power than EVs by the decade's end.

Figure 4: Electricity demand 2023; thousands of terawatt - hours



Source- IMF

Data centre energy consumption is growing fastest in the United States, home to the world's largest concentration of centres. Power needed for US server farms is likely to more than triple, exceeding 600 terawatt-hours by 2030, according to a medium-demand scenario projection by McKinsey & Co.

The boom in building new warehouses for data stored in the cloud and answering AI queries underscores the urgency for policymakers, who need effective energy strategies to ensure adequate supplies can meet surging demands.

Under current energy policies, the AI-driven rise in electricity demand could add 1.7 gigatons in global greenhouse gas emissions between 2025 and 2030, about as much as Italy's energy-related emissions over a five-year period.

The net effect on electricity demand is still uncertain, which may delay energy investments, causing higher prices. Policymakers and businesses must work together to ensure AI achieves its full potential, while minimizing costs. Implementing policies that incentivize multiple energy sources can enhance electricity supply, help mitigate price surges and contain emissions.

4. Mapping the size of new US tariffs for developing countries- IMF

The United States has recently embarked on a change in its trade policy, departing from nearly a century of gradually decreasing tariffs that had made US rates among the lowest in the world. Moreover, as a

leading trading nation and a key development partner, the US provided additional preferential schemes for vulnerable economies to support their development aspirations.

The US is substantially increasing its import tariffs for all its trading partners. On 2 April 2025, it announced a universal 10% additional tariff on all imports, effective 5 April, regardless of trade agreements or multilateral commitments under the World Trade Organization (WTO) or unilateral preferential schemes for vulnerable economies.

Many developing and least developed countries could face tariffs exceeding 25%. A new country-specific tariff system aimed at cancelling out US trade deficits implies that trade-weighted average rates would increase from an average of 2.8% to over 25% in July 2025, when the current 90-day "pause" expires. For 22 developing countries – including seven least developed countries and three small island developing states – it would surpass 25%.

Tariffs on certain Chinese imports could exceed 100%. New country-specific US tariffs that were announced for many trading partners were supposed to enter into force on 9 April. But their implementation was postponed for 90 days until 7 July 2025. Meanwhile, the US had already imposed an additional 125% tariff on Chinese imports on top of the existing Section 301 tariffs, as well as illicit drug-related and product-specific duties. These tariffs remained in effect until 13 May 2025. After that date, the US and China have lowered the additional tariffs implemented in April 2025. The additional US tariff on Chinese imports was lowered from 125% to 10%, effective until 13 August, 2025. Subsequently, the average rate dropped from over 100% to 46%.

For Mexico and Canada – the first and second largest US trading partners, respectively – tariffs under the US-Mexico-Canada Agreement (USMCA) continue to apply. However, goods that do not meet USMCA rules of origin are subject to additional 25% tariffs under the International Emergency Economic Powers Act (IEEPA), based on the argument that it will help the US to combat illegal border crossings and fentanyl trafficking. Once drug and migration-related tariffs on Canada and Mexico are lifted, non-USMCA compliant goods would face a 12% tariff.

The US also expanded its national security tariffs on steel, aluminum, and automobiles. A 25% tariff was reinstated on steel, and the tariff on aluminum was raised from 10% to 25% for all countries, including USMCA members.

A new tariff of 25% on automobiles and parts was also announced, citing national security risks under Section 232 of the Trade and Expansion Act of 1962. Automobile and parts that meet the USMCA content rules are exempt from the 25% tariff on their US-made components, provided that the importer certifies the US content and systems are in place to ensure compliance.

Impact on vulnerable LDCs- In relative terms, however, Latin America and the Caribbean have experienced the greatest increase in tariffs. Many of the 20 trade agreements the US has are with developing countries in Latin America, which means they previously benefited from preferential trade terms, with a trade-weighted average tariff of below 0.5%. This has surged to 13%, representing a 42-

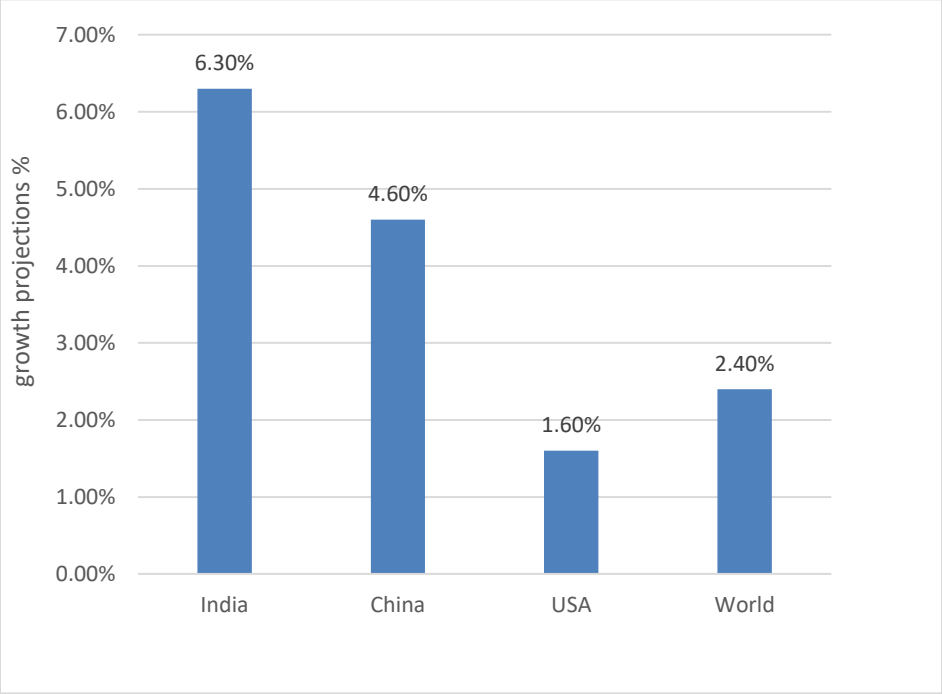
fold increase. For small island developing states – many of which are in the Caribbean – trade-weighted average tariffs have already increased five-fold from 1.7% to 8.5% and could further increase to almost 10%.

5. Indian Economy

India's economic growth

According to the mid-year update of UN's World Economic Situation and Prospects, India's growth is projected at 6.3 per cent in the current fiscal year, the highest among large economies. This momentum is expected to continue into 2026, with growth estimated at 6.4 per cent. In contrast, the global outlook remains subdued amid rising trade tensions, policy uncertainty, and a decline in cross-border investments.

Figure 5: Global economic growth projections for 2025



Source- World Economic Situation & Prospects 2025

According to the report, India's growth is being driven by strong domestic demand and consistent government spending. These factors have supported stable employment and helped contain inflation, which is expected to fall within the Reserve Bank of India's target range. Financial markets are also reflecting this optimism. Stock indices have shown solid gains, backed by sustained investor confidence. Manufacturing activity is picking up, helped by favorable policies and resilient external demand. Exports, especially in strategic areas like defense production, are expanding steadily. Together, these indicators show that India's economy is not only holding firm but also making headway in an uncertain global environment.

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

The combined Index of Eight Core Industries (ICI) increased by 0.5 per cent (provisional) in April, 2025 as compared to the Index in April, 2024. The production of Cement, Coal, Steel, Electricity and Natural Gas recorded growth in April, 2025.

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

The final growth rate of Index of Eight Core Industries for January 2025 was observed at 5.1 per cent. The cumulative growth rate of ICI during April to March, 2024-25 is 4.5 per cent (provisional) as compared to the corresponding period of last year.

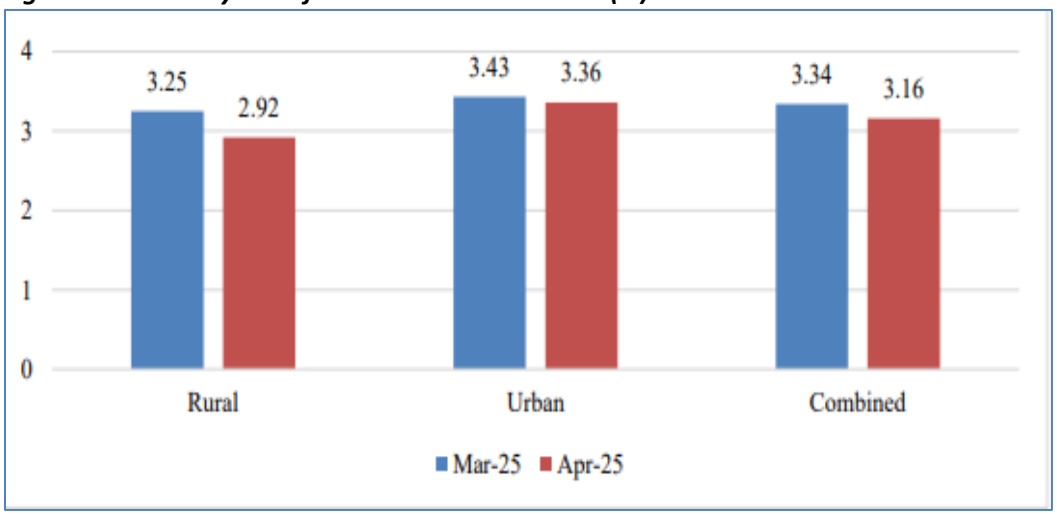
The summary of the Index of Eight Core Industries is given below:

- Coal - Coal production (weight: 10.33 per cent) increased by 3.5 per cent in April, 2025 over April, 2024. Its cumulative index increased by 5.1 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Crude Oil - Crude Oil production (weight: 8.98 per cent) declined by 2.8 per cent in April, 2025 over April, 2024. Its cumulative index declined by 2.2 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Natural Gas - Natural Gas production (weight: 6.88 per cent) increased by 0.4 per cent in April, 2025 over April, 2024. Its cumulative index declined by 1.2 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Petroleum Refinery Products - Petroleum Refinery production (weight: 28.04 per cent) declined by 4.5 per cent in April, 2025 over April, 2024. Its cumulative index increased by 2.8 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Fertilizers - Fertilizer production (weight: 2.63 per cent) declined by 4.2 per cent in April, 2025 over April, 2024. Its cumulative index increased by 2.9 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Steel - Steel production (weight: 17.92 per cent) increased by 3.0 per cent in April, 2025 over April, 2024. Its cumulative index increased by 6.9 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Cement - Cement production (weight: 5.37 per cent) increased by 6.7 per cent in April, 2025 over April, 2024. Its cumulative index increased by 6.3 per cent during April to March, 2024-25 over corresponding period of the previous year.
- Electricity - Electricity generation (weight: 19.85 per cent) increased by 1.0 per cent in April, 2025 over April, 2024. Its cumulative index increased by 5.2 per cent during April to March, 2024-25 over corresponding period of the previous year.

Inflation in India

- Headline inflation-: Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of April, 2025 over April, 2024 is 3.16% (Provisional). There is decline of 18 basis points in headline inflation of April, 2025 in comparison to March, 2025. It is the lowest year-on-year inflation after July, 2019.

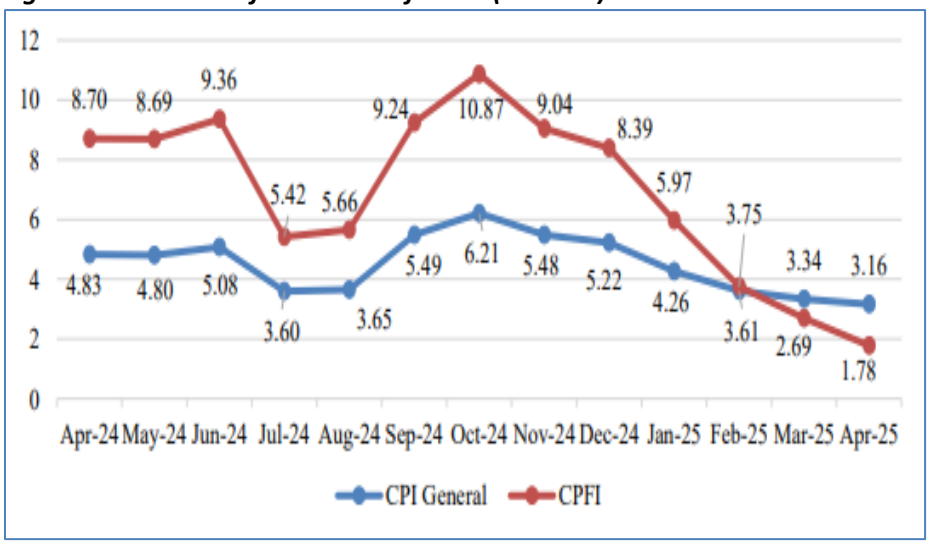
Figure 6: Year on year inflation rate based on CPI (%)



Source- NSO

- Food Inflation: Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of April, 2025 over April, 2024 is 1.78% (Provisional). Corresponding inflation rate for rural and urban are 1.85% and 1.64%, respectively. A sharp decline of 91 basis point is observed in food inflation in April, 2025 in comparison to March, 2025. The food inflation in April, 2025 is the lowest after October, 2021.

Figure 7: All India inflation rates for CPI (General) and CFPI



Source- NSO

- The significant decline in headline inflation and food inflation during the month of April, 2025 is mainly attributed to decline in inflation of Vegetables, Pulses & Products, Fruits, Meat and fish, Personal care and effects and Cereals and Products.

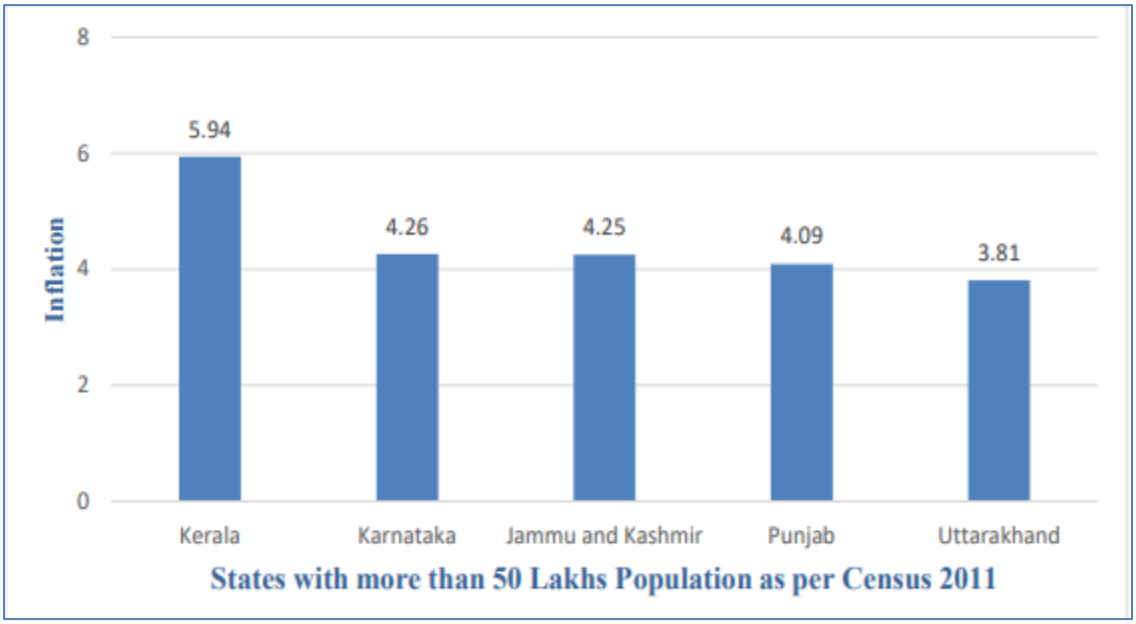
- Rural Inflation: Significant decline in headline and food inflation in rural sector observed in April, 2025. The headline inflation is 2.92% (provisional) in April, 2025 while the same was 3.25% in March, 2025. The CFPI based food inflation in rural sector is observed as 1.85% in April, 2025 in comparison to 2.82% in March, 2025.

- Urban Inflation: Decline from 3.43% in March, 2025 to 3.36% (Provisional) in April, 2025 is observed in headline inflation of urban sector. However, sharp decline is observed in food inflation from 2.48% in March, 2025 to 1.64% in April, 2025.

- Housing Inflation: Year-on-year Housing inflation rate for the month of April, 2025 is 3.00%. Corresponding inflation rate for the month of March, 2025 was 3.03%. The housing index is compiled for urban sector only.

- Fuel & light: Year-on-year Fuel & light inflation rate for the month of April, 2025 is 2.92%. Corresponding inflation rate for the month of March, 2025 was 1.42%. It is combined inflation rate for both rural and urban sector.

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



Source- NSO

Manufacturing PMI – India

- The HSBC Flash India Composite Output Index – a seasonally adjusted index that measures the month on-month change in the combined output of India's manufacturing and service sectors registered 61.2 in May 2025, up from 59.7 in April.
- This marks the strongest month-on-month growth since April 2024, driven largely by gains in the services sector. The Services PMI Business Activity Index climbed to 61.2 in May from 58.7 in April, indicating the fastest pace of growth in 14 months. Strong domestic and international demand, along with technology investments and capacity expansion, are attributed as the key drivers.
- The Manufacturing PMI rose marginally to 58.3 in May from 58.2 in April, suggesting continued strength.
- Firms thus expressed renewed optimism for future sales and activity, particularly in the services segment.

India's external position

India's forex reserves

- India's total foreign exchange (forex) reserves dropped to $685.7 billion as of 16 May 2025. This drop comes after the forex reserves hit a 7-month high in the first week of May 2025.
- The central bank data highlighted that India's foreign currency asset reserves witnessed a $280 million jump to $581.65 billion as per the latest release, compared to the previous $581.37 billion levels.
- India's gold reserves with the Reserve Bank of India (RBI) were at $81.2 billion, a nearly 6 per cent drop of $5.12 billion from their previous level of $86.33 billion in early May 2025.
- India's SDR holdings dropped $42 million to reach their current levels of $18.49 billion, compared to its previous level of $18.53 billion.
- The Reserve position in the IMF also slid $3 million to its level of $4.371 billion, as of the 23 May 2025 data release, compared with $4.374 billion as per the previous RBI data release.

India's foreign trade position

- India's total exports (Merchandise and Services combined) for April 2025 are estimated at USD 73.80 Billion, registering a growth of 12.7 percent vis-à-vis April 2024.

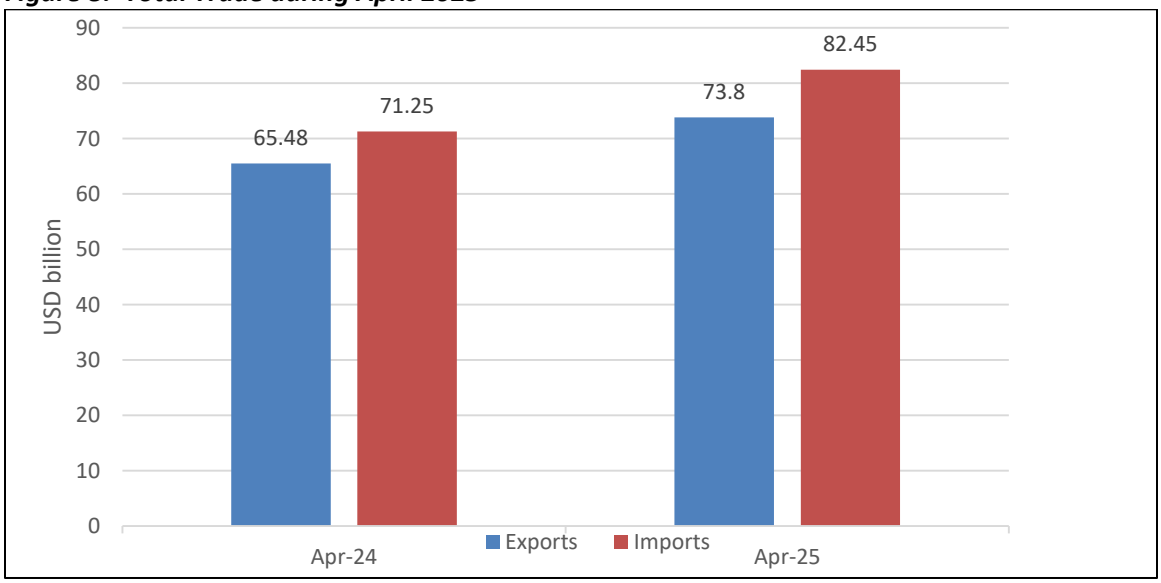
- Total imports (Merchandise and Services combined) for April 2025 are estimated at USD 82.45 Billion, registering a growth of 15.72 percent vis-à-vis April 2024.

Table 1: Trade during April 2025

		April 2025 (USD Billion)	April 2024 (USD Billion)
Merchandise	Exports	38.49	35.30
	Imports	64.91	54.49
Services	Exports	35.31	30.18
	Imports	17.54	16.76
Total Trade (Merchandise + Services)	Exports	73.80	65.48
	Imports	82.45	71.25
	Trade Balance	**-8.65**	**-5.77**

Source- Ministry of Commerce & Industry

Figure 8: Total Trade during April 2025



Source- RBI

- Exports of Tobacco (66.43%), Coffee (47.85%), Electronic Goods (39.51%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (34.43%), Fruits & Vegetables (30.72%), Marine Products (17.81%), Tea (15.93%), Meat, Dairy & Poultry Products (15.85%), Rmg Of All Textiles (14.43%), Rice (13.63%), Engineering Goods (11.28%), Gems & Jewellery (10.74%), Spices (8.38%), Cereal Preparations & Miscellaneous Processed Items (7.71%), Petroleum Products

(4.68%), Jute Mfg. Including Floor Covering (4.58%), Plastic & Linoleum (4.58%), Man-Made Yarn/Fabs./Made-Ups Etc. (4.18%), Leather & Leather Products (3.91%), Carpet (3.32%), Drugs & Pharmaceuticals (2.37%), Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc. (1.71%) and Ceramic Products & Glassware (0.23%) record positive growth during April 2025 over the corresponding month of last year.

- Imports of Pulses (-23.5%), Newsprint (-14.4%), Coal, Coke & Briquettes, etc. (-12.28%), Fruits & Vegetables (-8.97%), Vegetable Oil (-8.09%), Leather & Leather Products (-4.84%) and Transport Equipment (-3.18%) record negative growth during April 2025 over the corresponding month of last year.

- Services exports is estimated to grow by 17.01 percent during April 2025 over April 2024.

- Top 5 export destinations, in terms of change in value, exhibiting growth in April 2025 vis a vis April 2024 are U S A (27.31%), U Arab Emts (33.65%), Australia (74.16%), Tanzania Rep (87.2%) and Kenya (132.44%).

- Top 5 import sources, in terms of change in value, exhibiting growth in April 2025 vis a vis April 2024 are U Arab Emts (88.97%), China P Rp (27.08%), U S A (63.76%), Russia (17.82%) and Ireland (425.65%).

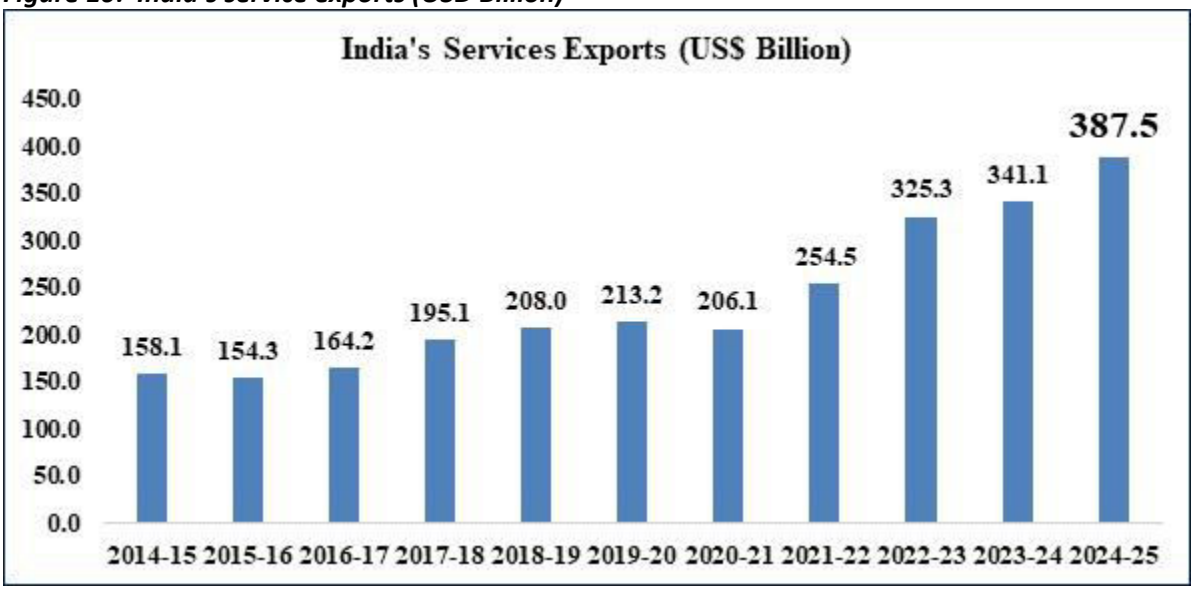
6. **India's total exports grow by 6.01% to reach record $824.9 billion in 2024–25, up from $778.1 billion in 2023–24: RBI Report**
   - India's total exports have touched an all-time high of US$ 824.9 billion in the financial year 2024–25, as per the latest data released by the Reserve Bank of India. This marks a growth of 6.01% over the previous year's export figure of US$778.1 billion, setting a new milestone in the country's trade trajectory.

Figure 9: India's total exports value (USD Billion)

Source- Ministry of Commerce & Industry

- Services exports continued to drive the growth momentum, reaching a historic high of US$ 387.5 billion in 2024–25, up 13.6% from US$ 341.1 billion in the previous year. For March 2025, services exports stood at US$35.6 billion, reflecting a year-on-year growth of 18.6% compared to US$30.0 billion in March 2024.

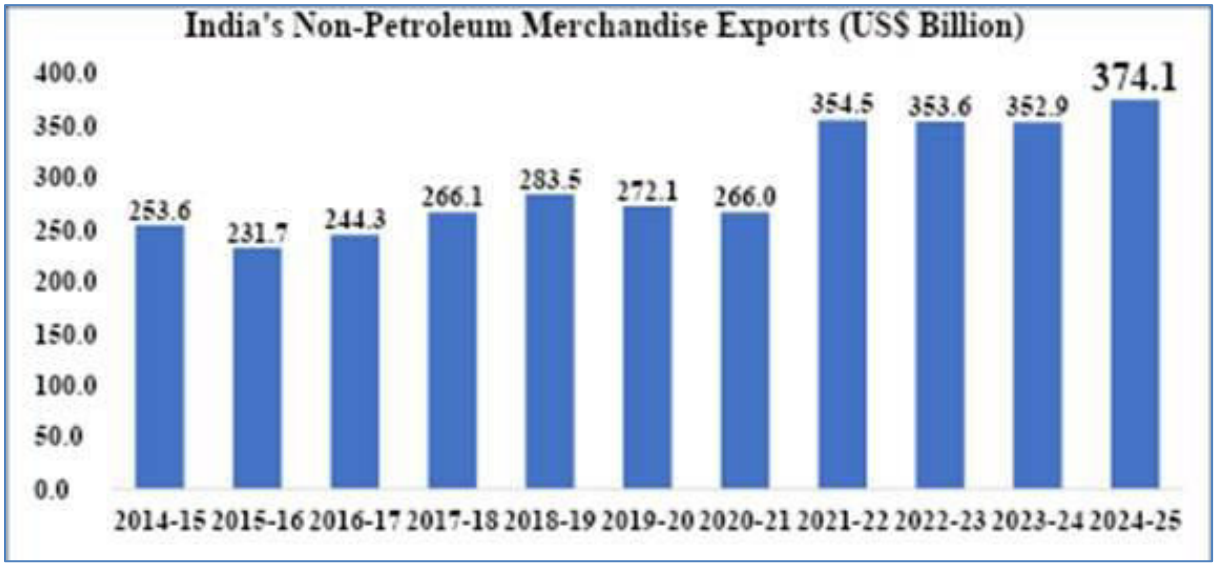
Figure 10: India's service exports (USD Billion)



Source- Ministry of Commerce & Industry

- In 2024–25, merchandise exports excluding petroleum products rose to a record US$374.1 billion, registering a 6.0% increase from US$352.9 billion in 2023–24 — the highest ever annual non-petroleum merchandise exports.

Figure 11: India's non-petroleum merchandise exports (USD Billion)



Source- Ministry of Commerce & Industry

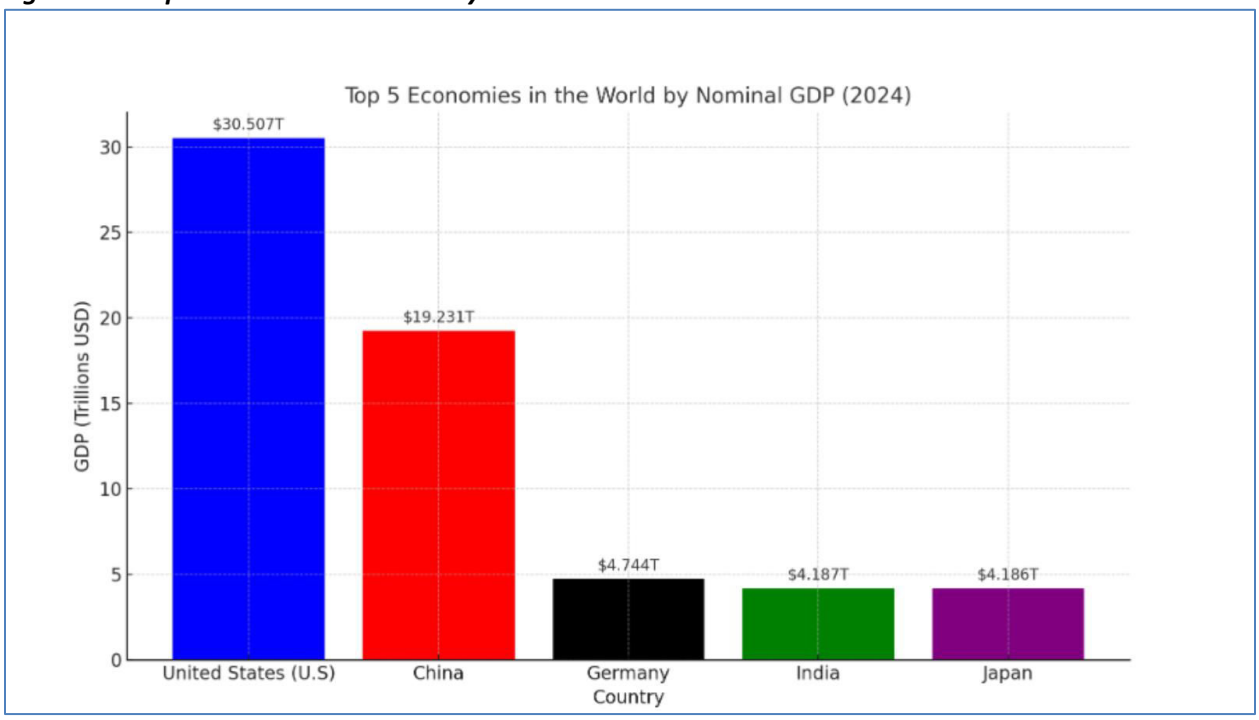
7. India Records USD 81.04 Billion FDI Inflow in FY 2024–25

- The Government has put in place an investor-friendly Foreign Direct Investment (FDI) policy, under which most sectors are open for 100% FDI through the automatic route. This policy is reviewed on an ongoing basis to ensure that India remains an attractive and competitive investment destination. As a result, FDI inflows have seen a steady rise—from USD 36.05 billion in FY 2013–14 to USD 81.04 billion (provisional) in FY 2024–25, marking a 14% increase from USD 71.28 billion in FY 2023–24.
- The services sector emerged as the top recipient of FDI equity in FY 2024–25, attracting 19% of total inflows, followed by computer software and hardware (16%) and trading (8%). FDI into the services sector rose by 40.77% to USD 9.35 billion from USD 6.64 billion in the previous year.
- India is also becoming a hub for manufacturing FDI, which grew by 18% in FY 2024–25, reaching USD 19.04 billion compared to USD 16.12 billion in FY 2023–24.
- Maharashtra accounted for the highest share (39%) of total FDI equity inflows in FY 2024–25, followed by Karnataka (13%) and Delhi (12%). Among source countries, Singapore led with 30% share, followed by Mauritius (17%) and the United States (11%).
- According to Ministry of Commerce & Industry, over the last eleven financial years (2014–25), India attracted FDI worth USD 748.78 billion, reflecting a 143% increase over the previous eleven years (2003–14), which saw USD 308.38 billion in inflows.
- Additionally, the number of source countries for FDI increased from 89 in FY 2013–14 to 112 in FY 2024–25, underscoring India's growing global appeal as an investment destination.
- From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries. In 2025, the Union Budget proposed increasing the FDI limit from 74% to 100% for companies investing their entire premium within India.
- These trends reaffirm India’s position as a preferred global investment hub, enabled by a proactive policy framework, an evolving business ecosystem, and rising international confidence in India’s economic resilience.

8. India becomes 4th largest economy: IMF data

India has surpassed Japan to become the world’s fourth largest economy according to IMF data. According to the IMF, India’s GDP is currently $4.187 trillion, overtaking Japan’s $4.186 trillion. India is now behind only three countries in terms of GDP size: USA ($30.51 trillion), China ($19.23 trillion) and Germany ($4.74 trillion). UK is at the fifth position now with a GDP of $3.38 trillion.

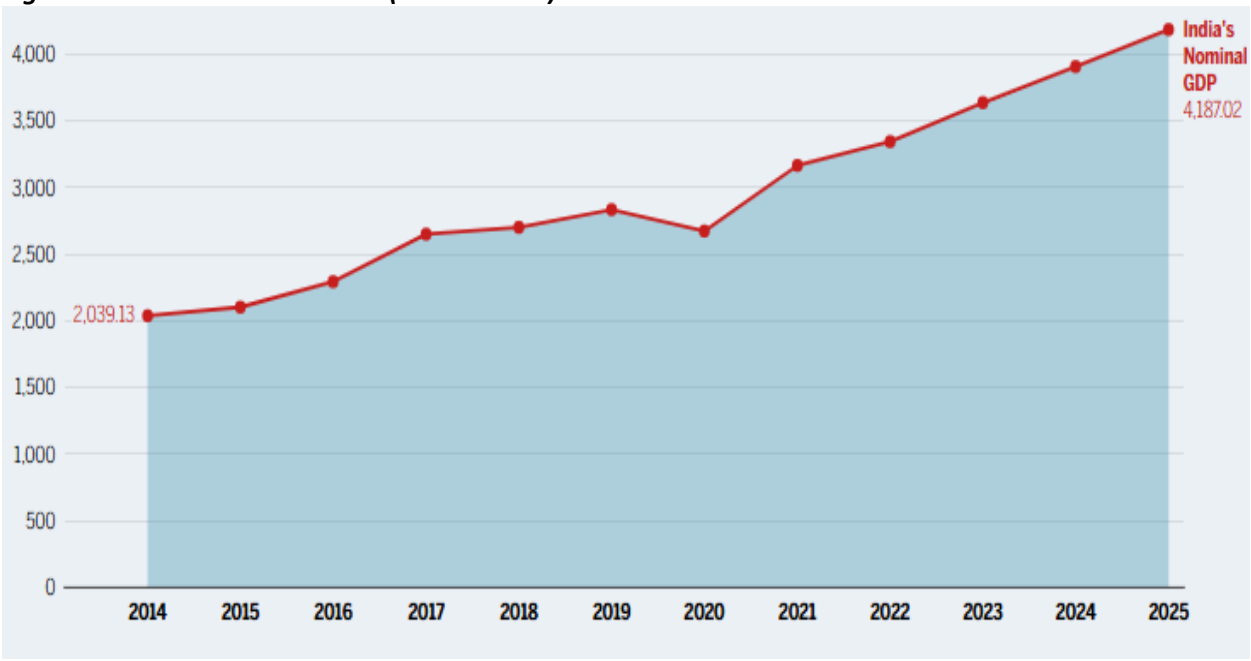
Figure 12: Top 5 economies in world by nominal GDP



Source- IMF

India's nominal GDP has more than doubled from 2014 to 2025 and has experienced a growth of 105% in a decade.

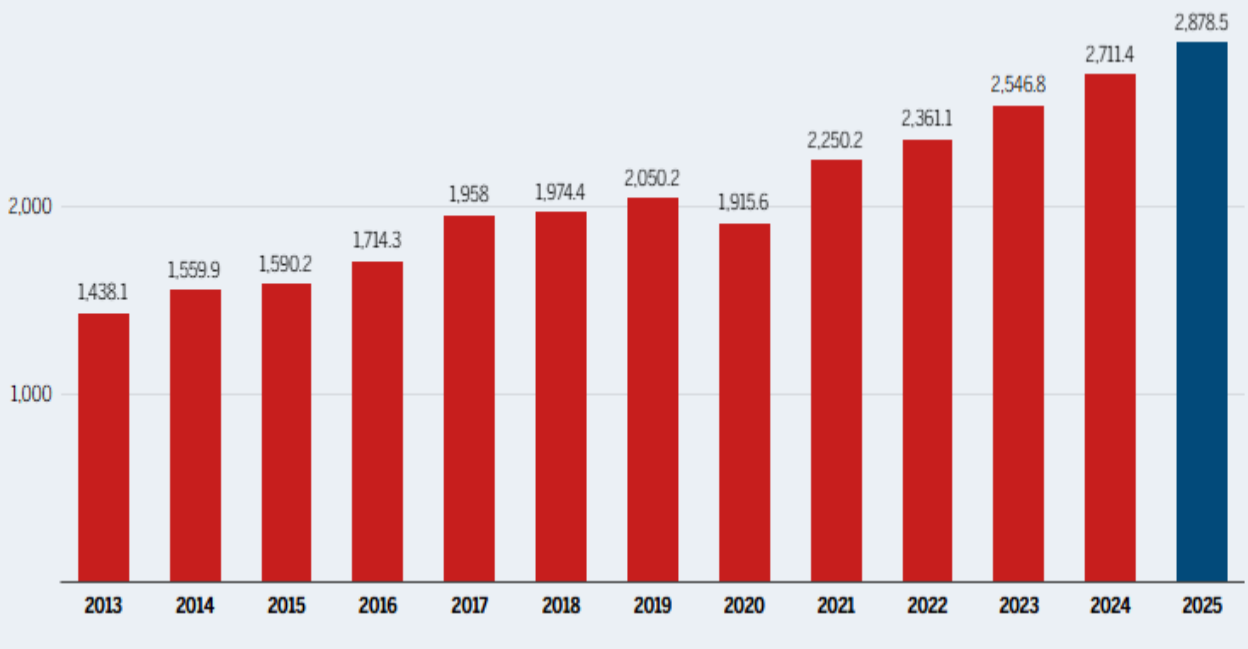
Figure 13: India's nominal GDP (trillions USD) more than doubled in a decade



Source- IMF

Despite India's progress in terms of GDP size (nominal), its per capita ranking is low, at 144th globally in the world. According to IMF, it is $2,850-2,900, which is far less than some of smaller countries. The top three countries in terms of per capita is Luxembourg ($141,080), Switzerland ($111,716) and Ireland ($107,243).

Figure 14: India's per capita GDP (USD) at current prices



Source- IMF

9. India gets upgraded to 'BBB' with a 'Stable' trend in rating by Morningstar DBRS, a global sovereign credit rating agency

- The global sovereign credit rating agency, Morningstar DBRS, upgraded India's Long-Term Foreign and Local Currency – Issuer Ratings from BBB (low) to BBB with a Stable trend.

- India's Short-Term Foreign and Local Currency Issuer Ratings were also upgraded to R-2 (high) from R-2 (middle) with a Stable trend.

- Key drivers for the upgrade include India's structural reforms through infrastructure investments, digitalisation etc., all of which facilitated fiscal consolidation (declining debt and deficit) and sustained high growth (clocking an average GDP growth of 8.2% during FY22-25) with macroeconomic stability (stabilised inflation, range bound exchange rate and sound external balance). A resilient banking system featuring well-capitalised banks with a high capital adequacy ratio and a 13-year low non-performing loans was another significant driver for the upgrade.

- The report also stated that despite the current public debt levels, risks to debt sustainability are limited due to local currency denomination and long maturity structures. Further,

continued reforms and a reduction in the public debt-to-GDP ratio could bring further upgrades.

CREDIT RATING RATIONALE-

- Rising trade tensions are adversely impacting global growth expectations. The IMF recently revised its global growth forecast down from 3.3% to 2.8%. Although heightened external risks due to the imposition of U.S. tariffs could impact growth in the coming quarters, the Indian economy is not particularly reliant on trade. The IMF expects India to growth 6.2% in 2025 and 6.3% in 2026.The Reserve Bank of India is slightly more optimistic with GDP growth forecasts of 6.5% in FY26 and 6.7% for FY27.

- India's favorable demographics, high savings, and potential catch-up in technological capabilities suggest that India's medium-term growth prospects remain strong. Government efforts to improve the investment climate and build out both physical and digital infrastructure reinforce the country's medium-term growth prospects.

- The government has ramped up the country's physical infrastructure capacity in recent years, focusing on the construction of roads, railways, airports, and seaports. Due to these initiatives, over the course of the last 8 years the length of national highways has increased 1.5 times, from 91,287 km in FY15 to 146,195 km as of December 2024. Similarly, the length of electrified rail route has more than doubled from 22,224 km to 67,723 km as of February 2025. In this same period, the number of airports has also more than doubled, from 74 to 159, and cargo handled at ports grew from 581 million tons to 819 million tons in FY24.

- Furthermore, India's rapidly evolving public digital infrastructure is facilitating innovation, productivity improvements, and access to services. The Jan Dhan—Aadhar--Mobile (JAM) trinity, which links bank accounts, Aadhaar IDs, and mobile numbers, has increased financial inclusion to 80% in 2024. This coupled with the Unified Payments Interface (UPI), a public platform for digitalizing retail payments, has exponentially increased the volume of digital payments.

The continuation of these trends could strengthen India's fiscal accounts and help sustain the country's relatively strong growth outlook.

Lessons from Economics

Supply shock

Supply shocks occur when there is a sudden change in the supply of a good or commodity that suddenly affects the price of that good or commodity. Depending on how the supply is affected, supply shocks can be positive or negative. Supply shocks occur for a variety of reasons, such as natural disasters, monetary policy, or war.

Positive and Negative Supply Shocks

One positive supply shock that can have negative consequences for production is monetary inflation. A large increase in the supply of money creates immediate, real benefits for the individuals or institutions who receive the additional liquidity first as prices have not had time to adjust in the short run.

Their benefit, however, comes at the expense of all other members of the economy, whose money loses purchasing power as fewer goods are available to them. Real demand drops, causing economic stagnation.

Negative supply shocks have many potential causes. Any increase in input cost expenses can cause the aggregate supply curve to shift to the left, which tends to raise prices and reduce output. A natural disaster, such as a hurricane or earthquake, can temporarily create negative supply shocks.

Further, increases in taxes or labor wages can force output to slow as well since profit margins decline and less efficient producers are forced out of business. War can also cause supply shocks. The supply of most consumer goods dropped dramatically during World War II as many resources were tied up in the war effort and many more factories, supply sites, and transportation routes were destroyed

Supply Shocks Causes Inflation: -

Generally, inflation occurs when all prices go up, whereas supply shocks generally impact one or a few products, so would not generally cause inflation. However, there are special cases when supply shocks could cause inflation, such as the supply-chain issue after the Covid pandemic, which disrupted supply globally across many products and led to inflation.

Real example of oil shock- The most famous supply shock occurred in the oil markets during the 1970s when the country experienced a period of strong stagflation. The Organization of Arab Petroleum Exporting Countries (OAPEC) placed an oil embargo on several Western nations, including the United States. The nominal supply of oil did not actually change; production processes were unaffected, but the effective supply of oil in the U.S. dropped significantly and prices rose.

In response to the price increase, the government placed price controls on oil and gas products. This effort backfired, making it unprofitable for the remaining suppliers to produce oil. The Federal Reserve attempted to stimulate the economy through monetary easing, but real production could not increase while government constraints remained in place. Here, several negative supply shocks occurred in a short period of time.

Oil Market

Crude oil price – Monthly Review

Oil prices resumed their downward trajectory in late April and early May, as trade tensions weighed on financial and commodity markets, and OPEC+ agreed to further unwind production cuts. Bearish sentiment eased somewhat after the United States reached a trade deal with the United Kingdom followed by a 90-day accord with China. Nonetheless, heightened trade uncertainty is expected to exert pressure on the global economy and, consequently, oil demand. Brent crude oil futures fell by $14/bbl in April, reaching a four-year low of just above $60/bbl by early May.

Against the backdrop of a weaker global economic outlook and declining oil demand, OPEC+ surprised the market in early May by announcing a second consecutive monthly production increase of 411 kb/d for June. This move effectively advances the group's production schedule to levels previously planned for October 2025. However, the actual output gain is expected to be lower than the nominal figure, as several countries including Kazakhstan, the UAE, Iraq, and Russia continue to produce above their targets, while others face capacity constraints or are required to make compensatory cuts for prior overproduction. Considering the new supply targets through June, OPEC+ is now set to add an additional 310 kb/d in 2025 and 150 kb/d in 2026. Tighter sanctions enforcement on Venezuela, Iran, and Russia could potentially offset some of this increase.

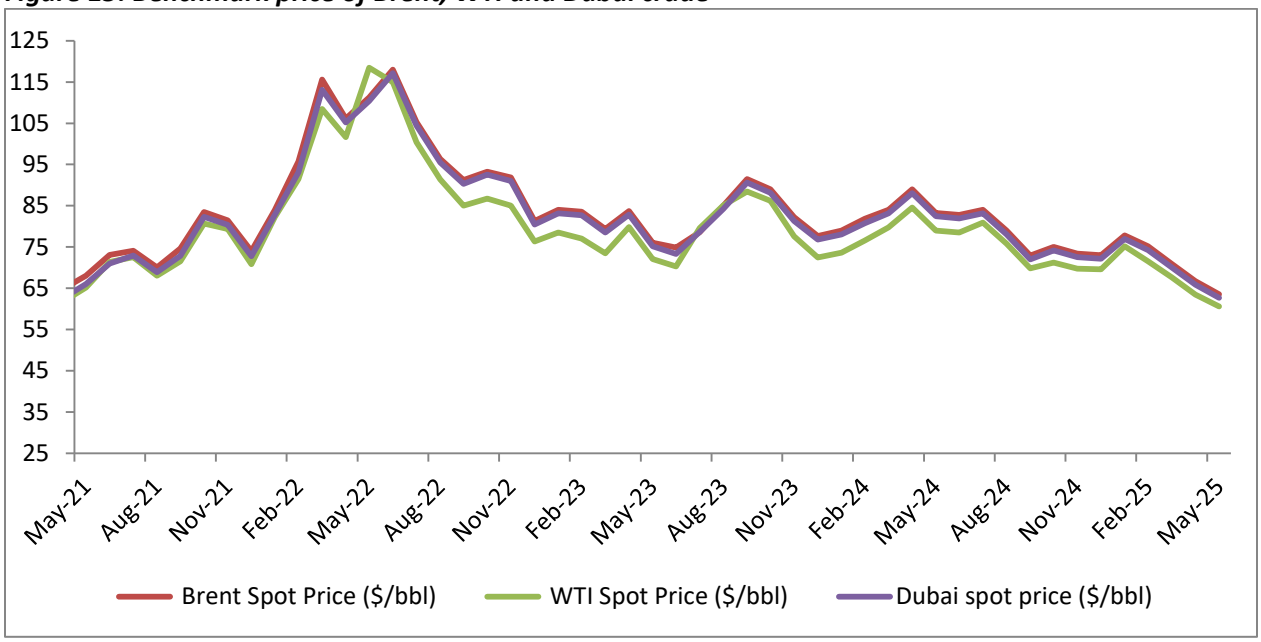
Meanwhile, one of the most immediate effects of the recent slump in oil prices is anticipated to be on U.S. shale output. In their latest earnings calls, independent producers indicated plans to reduce rig counts and trim 2025 capital expenditure guidance by up to 9%.

Crude spot prices averaged lower in April, extending losses from the previous month. This decline was primarily driven by falling futures prices and weaker market sentiment stemming from escalating trade tensions, particularly between the U.S. and China. Selling pressure from hedge funds and other money managers further exacerbated the decline. Spot prices fell less than futures prices, reflecting supportive physical market fundamentals, particularly for prompt-loading volumes. This was evident in the widening of the North Sea Dated–ICE Brent spread during the first three weeks of April, which reached nearly $3/b, largely offsetting the narrowing seen later in the month. On a monthly average, the spread increased slightly by 1¢ in April, settling at a premium of $1.08/b.

In April, the OPEC Reference Basket (ORB) value declined by $5.02, or 6.8% month-on-month, to $68.98/b, as all component values fell in line with their respective crude oil benchmarks. Lower official selling prices across most components in the three main markets also contributed to the decline. On a year-to-date basis, the ORB value was down by $8.85, or 10.6%, compared to the previous year, averaging $74.82/b.

Brent crude ranged an average to $63.67 a barrel and WTI ranged to $60.77 per barrel in the month of May 2025.

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



Source- World Bank

- Brent crude price averaged $63.67 per bbl in May 2025, down by 4.6% on a month on month (MoM) and by 23.5% on year on year (YoY) basis, respectively.
- WTI crude price averaged $60.77 per bbl in May 2025, down by 4.2% on a month on month (MoM) and by 23.0% on year on year (YoY) basis, respectively.
- Dubai crude price averaged $62.84 per bbl in May 2025, down by 4.6% on a month on month (MoM) and by 23.8% on year on year (YoY) basis, respectively.

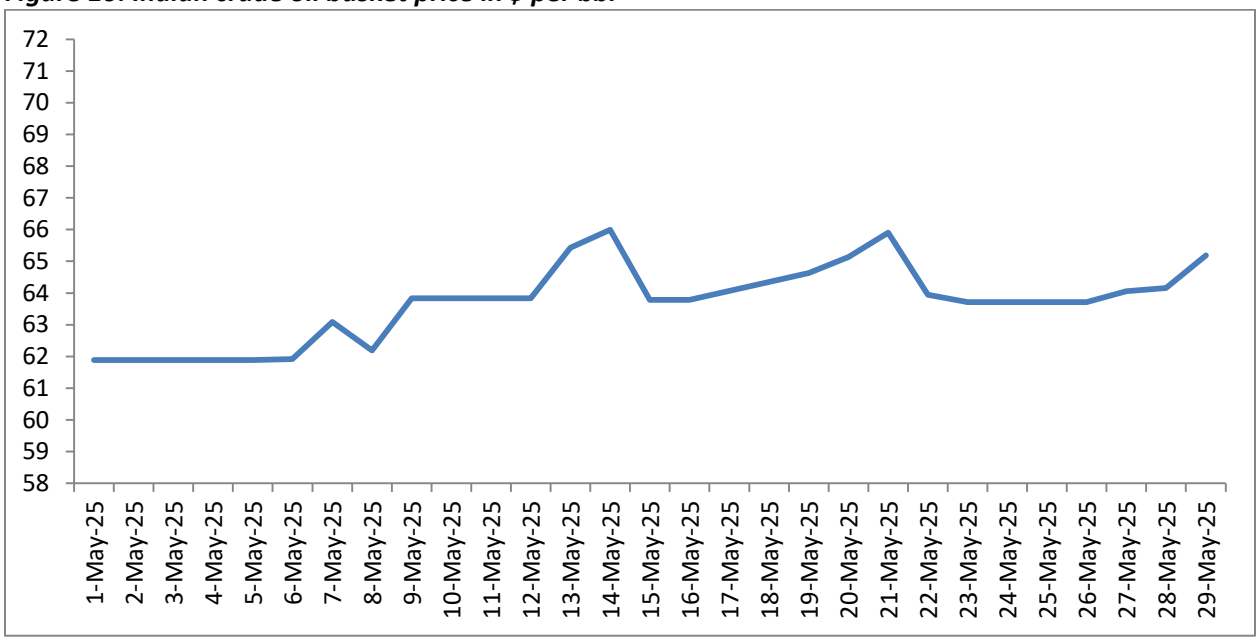
Table 2: Crude oil price in May, 2025

Crude oil	Price ($/bbl)	MoM (%) change	YoY (%) change
Brent	63.67	-4.6%	-23.5%
WTI	60.77	-4.2%	-23.0%
Dubai	62.84	-4.6%	-23.8%

Source- World Bank

Indian Basket Crude oil price

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



Source- PPAC

- Indian crude basket price averaged $64.05 per barrel in May 2025, down by 5.8% on Month on Month (M-o-M) and by 23.5% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

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

- The main growth drivers are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids supply growth forecast in 2026 is also revised down by about 0.1 mb/d to reach 0.8 mb/d, with the US, Brazil, Canada, and Argentina as the key drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, to average 8.4 mb/d, followed by an increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.5 mb/d. Crude oil production by countries participating in the DoC decreased by 106 tb/d in April, m-o-m, averaging about 40.92 mb/d, as reported by available secondary sources.

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

Non-OPEC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025
Americas	27.71	27.90	28.18	28.22	28.36	28.17
of which US	*21.76*	*21.68*	*22.27*	*22.22*	*22.21*	*22.10*
Europe	3.53	3.58	3.57	3.55	3.63	3.58
Asia Pacific	0.44	0.40	0.43	0.43	0.43	0.42
Total OECD	**31.68**	**31.89**	**32.18**	**32.20**	**32.43**	**32.18**
China	4.56	4.69	4.61	4.52	4.53	4.59
India	0.80	0.83	0.82	0.82	0.80	0.82
Other Asia	1.61	1.64	1.58	1.56	1.57	1.59
Latin America	7.22	7.39	7.38	7.49	7.64	7.48
Middle East	1.99	2.01	2.00	2.00	1.99	2.00
Africa	2.33	2.33	2.33	2.33	2.32	2.33
Other Eurasia	0.37	0.36	0.37	0.37	0.37	0.37
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10
Total Non-OECD	**19.00**	**19.34**	**19.18**	**19.18**	**19.33**	**19.26**
Total Non-DoC production	50.68	51.23	51.36	51.38	51.75	51.43
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	**53.20**	**53.80**	**53.93**	**53.95**	**54.32**	**54.00**

Source- OPEC monthly report, May 2025

- From the above table, it can be inferred, that the total non-DoC liquids production is expected to reach 54.00 mb/d by 2025.
- The non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.8 mb/d, y-o-y in 2025.

Oil demand situation

- Global oil demand in 2025 is expected to grow by 1.3 mb/d, y-o-y, unchanged from last month's assessment. Some minor adjustments were made in 1Q25, mainly due to the receipt of actual data. In the OECD, oil demand is expected to expand by about 0.1 mb/d, while non-OECD demand is forecast to increase by about 1.2 mb/d in 2025.
- In 2026, world oil demand is projected to rise by 1.3 mb/d, y-o-y, also unchanged from last month's assessment. The OECD is anticipated to grow by around 0.1 mb/d, y-o-y, in 2026, while demand in the non-OECD is expected to increase by about 1.2 mb/d, y-o-y.

Table 4: World Oil demand, mb/d

	2024	1Q25	2Q25	3Q25	4Q25	2025	Growth	%
Total OECD	**45.66**	**45.16**	**45.48**	**46.31**	**46.08**	**45.76**	**0.10**	**0.23**
~ of which US	*20.42*	*20.23*	*20.40*	*20.67*	*20.72*	*20.51*	*0.09*	*0.43*
Total Non-OECD	**58.05**	**58.98**	**58.77**	**59.08**	**60.10**	**59.24**	**1.19**	**2.05**
~ of which India#	*5.55*	*5.70*	*5.84*	*5.50*	*5.91*	*5.74*	*0.19*	*3.39*
~ of which China	16.65	16.86	16.68	17.03	17.04	16.90	0.25	1.50
Total world	**103.70**	**104.14**	**104.26**	**105.39**	**106.19**	**105.00**	**1.30**	**1.25**

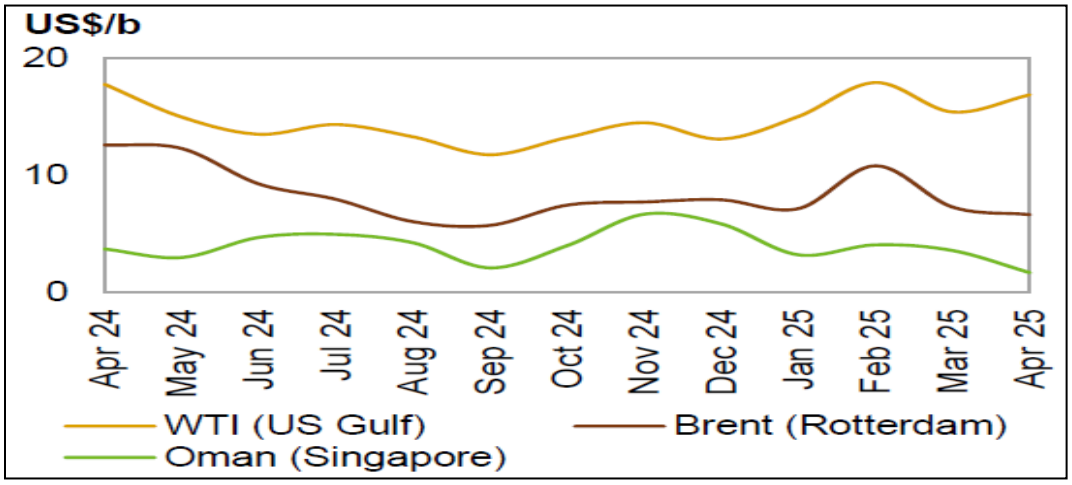
Source- OPEC monthly report, May 2025

Global petroleum product prices

USGC refining margins against WTI in April rebounded from the previous month's decline yet settled below the level registered in February. Most of the improvement was attributed to gasoline as the crack spreads for the same product showed solid gains for the fourth consecutive month in April. The monthly rise in April was the largest m-o-m change recorded since January, reflecting the recent maintenance-related declines in gasoline production. Additionally, the summer-grade gasoline specification switch further contributed to a slight price rise for the same product in April, while all other products showed a decline on the back of lower product prices, driving US gasoline margins higher. Moreover, additional support stemmed from strengthening demand-side factors amid the spring break and ahead of the peak US driving season.

Refinery margins in Rotterdam against Brent eased further, pressured by a lengthening naphtha balance as secondary units in Europe underwent maintenance. Moreover, reportedly subdued naphtha-derived gasoline blending component demand further contributed to the downside. Gasoil was the second strongest negative performer in Northwest Europe, following naphtha. According to Argus, regional diesel demand softened due to lower y-o-y diesel car usage and weaker manufacturing activity in most of the European Union's major economies, particularly in Germany and Italy.

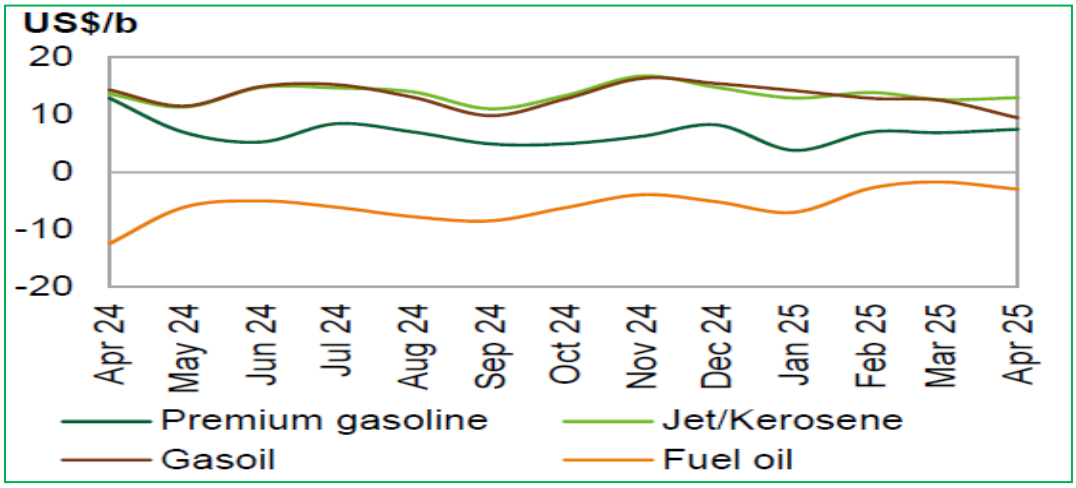
Figure 17: Refining Margins ($/bbl)



Source- Argus and OPEC

The Southeast Asia gasoline 92 crack spread against Dubai rose as a pick-up in refinery maintenance activities in the region and lower gasoline exports from China led to tighter supplies. The reduction in refinery runs unlocked gasoline import requirements from several countries in the region, particularly from Japan. Moreover, a surge in gasoline exports from Singapore to Mexico provided additional support. The product's margin averaged $7.52/b in April, up 60¢, m-o-m, but down $5.43, y-o-y.

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



Source- Argus and OPEC

The Singapore gasoil crack spread showed notable loss and represented the strongest negative performer compared to all other key products across the barrel. This was the result of challenging arbitrage openings, with some export volumes reportedly backlogged in cross-regional ports waiting to be discharged. According to secondary sources, diesel exports from India plunged in April as refinery turnarounds at domestic refineries limited diesel output. This likely prevented a steeper downturn in Asian gasoil markets as barrels beyond the domestic requirements faced difficulties finding destinations outside the region. The Singapore gasoil crack spread against Dubai averaged $9.51/b, down $3.04, m-o-m, and $4.87, y-o-y.

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

Singapore product prices	Price ($/b)	MoM change (%)	YoY change (%)
Naphtha	62.16	-10.8%	-17.8%
Premium gasoline (unleaded 95)	76.66	-5.4%	-27.9%
Regular gasoline (unleaded 92)	75.31	-5.3%	-26.2%
Jet/Kerosene	80.77	-5.3%	-21.4%
Gasoil/Diesel (50 ppm)	81.45	-5.3%	-21.9%
Fuel oil (180 cst 2.0% S)	80.15	-5.6%	-20.9%
Fuel oil (380 cst 3.5% S)	64.82	-8.6%	-15.5%

Source- OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in April 2025 with a volume of 20.13 MMT registered de-growth of 0.17% on volume of 20.16 MMT in April 2024.
- MS (Petrol) consumption during the month of April 2025 with a volume of 3.45 MMT recorded a growth of 5.02% on volume of 3.29 MMT in April 2024.
- HSD (Diesel) consumption during the month of April 2025 with a volume of 8.28 MMT recorded growth of 4.43% on volume of 7.93 MMT in the month of April 2024.
- LPG consumption during the month of April 2025 with a volume of 2.52 MMT registered a growth of 6.18% over the volume of 2.37 MMT in the month of April 2024.
- ATF consumption during April 2025 with a volume of 0.771 MMT registered a growth of 3.91% over the volume of 0.742 MMT in April 2024.
- Bitumen consumption during April 2025 with a volume of 0.796 MMT registered de-growth of 4.69% over volume of 0.835 MMT in the month of April 2024.
- Kerosene consumption registered de-growth of 3.65% during the month of April 2025 as compared to April 2024.

Table 6: Petroleum products consumption in India, April 2025

	Monthly		
Consumption of Petroleum Products (P)	**Consumption in '000 MT**	**MoM (%) change**	**YoY (%) change**
LPG	2,520	-7.4%	6.2%
Naphtha	932	-13.6%	-23.4%
MS	3,449	-1.8%	5.0%
ATF	771	-3.7%	3.9%
SKO	26	-21.6%	-3.7%
HSD	8,276	2.5%	4.4%
LDO	86	-6.3%	67.8%
Lubricants & Greases	323	-29.4%	-13.8%
FO & LSHS	480	-0.6%	-8.8%
Bitumen	796	-19.3%	-4.7%
Petroleum coke	1,738	-7.9%	-3.7%
Others	732	-6.5%	-26.9%
TOTAL	**20,129**	**-3.7%**	**-0.2%**

Source- PPAC

Natural Gas Market

Natural Gas Price – Monthly Review

- Natural gas spot prices at the US Henry Hub benchmark averaged $3.42 per million British thermal units (MMBtu) in April 2025. Henry Hub's natural gas prices declined for a second consecutive month in April, falling by ~17%, m-o-m. Higher domestic production contributed to the sharp drop in prices while demand remained relatively modest amid the injection season. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 10.5%, m-o-m, in the same period. Prices were further pressured by the prospect of additional capacity in the near term as a new wave of LNG projects nears commissioning. Prices were up by more than 100%, y-o-y.

- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of $11.59 per MMBtu. The average Title Transfer Facility (TTF) experienced a consecutive monthly decline in April, falling by ~12.5%, m-o-m, to its lowest level since July 2024. Higher LNG imports coupled with lower seasonal demand continued to ease pressure on storage levels and dimmish supply risk concerns. According to data from Gas Infrastructure Europe, EU storage levels rose to 39.5% as of the end of April, up from 33.8% the previous month, a 5.7 pp increase. Prices were up by ~27.5%, y-o-y.

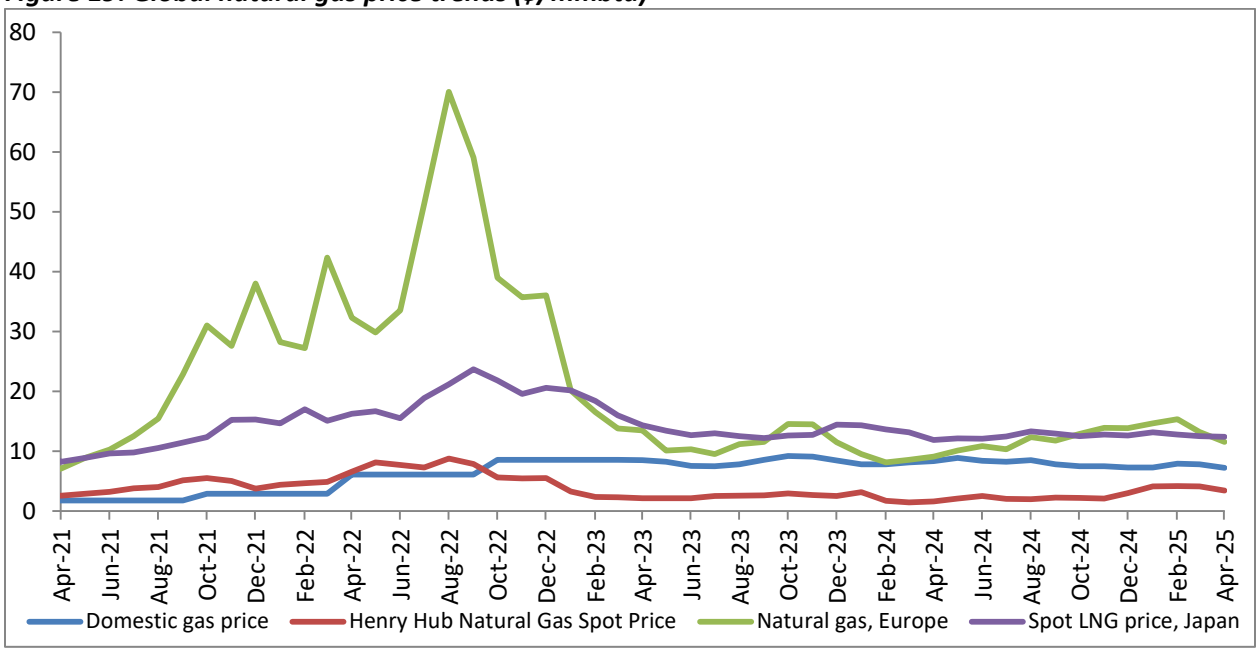
- Japan Liquefied Natural Gas Import Price averaged at $12.43 per MMBtu for April 2025. There is a change of -1.0% from last month and 4.6% from one year ago.

- The Union Cabinet has approved a new formula for pricing of natural gas and imposed cap or ceiling price on the same. Natural gas produced from legacy or old fields, known as APM gas, will now be indexed to crude oil prices. From April 1 2023, APM gas will be priced at 10% of the price of basket of crude oil that India imports. The rate such arrived at however will be capped at US$ 6.50 per MMBTU. The price such arrived at will also have a floor of US$4 per MMBTU. As per notification dated 31st March 2025, the APM gas price has been raised to US$ 6.75 per MMBTU, up from US$ 6.50 per MMBTU.

- Further, in accordance with MoP&NG, Govt. of India, pricing freedom for gas being produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, the gas price ceiling for the period 1st April, 2023 - 30th September, 2023 was notified as US$ 12.12/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March, 2023. As per notification dated 30th September 2023, Gas price ceiling was further revised for the period 1st October, 2023 – 31st March, 2024 was notified as US$9.96/MMBTU on Gross Calorific Value (GCV) basis. Prices were further revised for the period 1st April, 2024 – 30th September, 2024 was notified as US$9.87/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March 2024. Accordingly, for the period 1st October, 2024 – 31st March, 2025 gas price ceiling was further revised as US$10.16/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 30th September 2024. Now, as per notification dated 31st March 2025, Gas

price ceiling was further revised for the period 1st April, 2025 – 30th September, 2025 was notified as US$10.04/MMBTU on Gross Calorific Value (GCV) basis.

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



Source- EIA, World Bank

Table 7: Gas price, April 2025

Natural Gas	Price ($/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (May'25)	6.93	-4.55%	-22.13%
India, Gas price ceiling – difficult areas (Apr-Sep'25)	10.04	-1.18%	1.72%
GIXI (Gas index of India) price*	12.04	-13%	40%
Henry Hub	3.42	-17.0%	113.8%
Natural Gas, Europe	11.59	-12.5%	27.5%
Liquefied Natural Gas, Japan	12.43	-1.0%	4.6%

Source- EIA, PPAC, World Bank, IGX

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

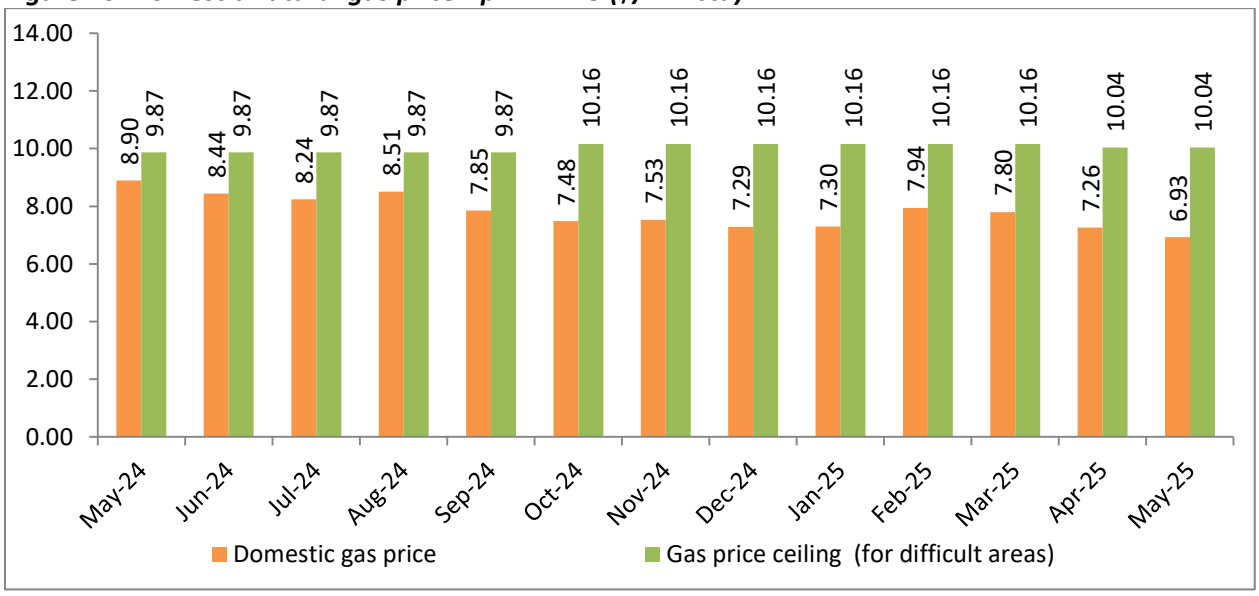
Table 8: Gas price, GCV Basis

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

Period	Domestic Gas calculated price in US$/MMBTU	Gas price ceiling – difficult areas price in US$/MMBTU
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

Source- PPAC

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



Source- PPAC

Indian Gas Market

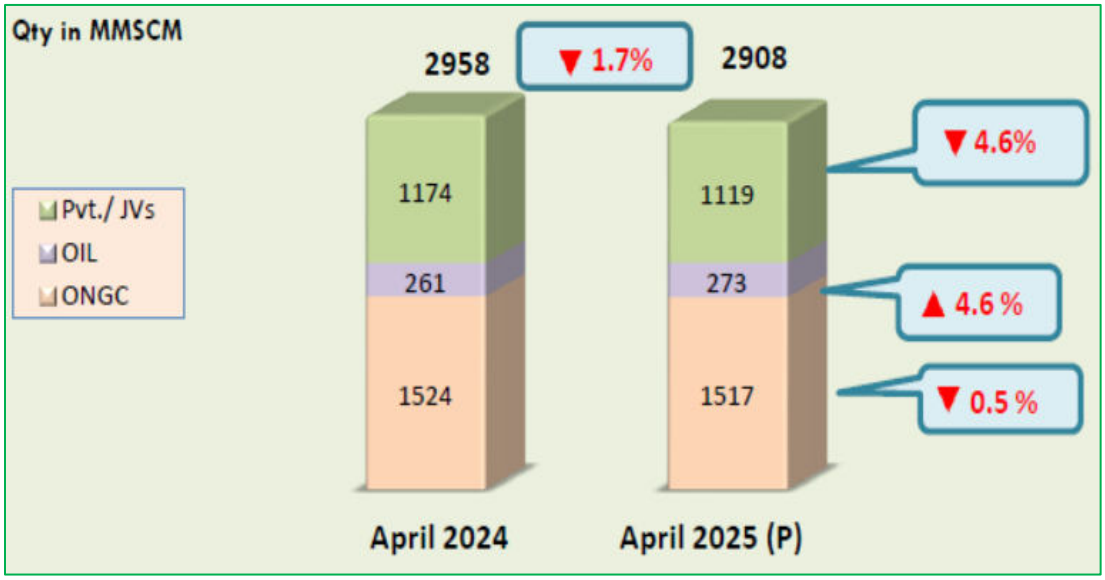
- Gross production of natural gas for the month of April 2025 (P) was 2908 MMSCM which was lower by 1.7% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of April 2025 (P) was 2977 MMSCM (higher by 19.1% over the corresponding month of the previous year).
- Natural Gas available for Sale during April 2025 (P) was 5416 MMSCM (P) (increase of 9.7% over the corresponding month of the previous year).
- Total Gas Consumption Availability during April 2025 (P) was 5847 MMSCM (Provisional). Major consumers were Fertilizer (26%), City Gas Distribution (CGD) (23%), Power (15%), Refinery (7%) and Petrochemicals (5%).

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

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of April 2025 was 2908 MMSCM (decrease of 1.7% over the corresponding month of the previous year).

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

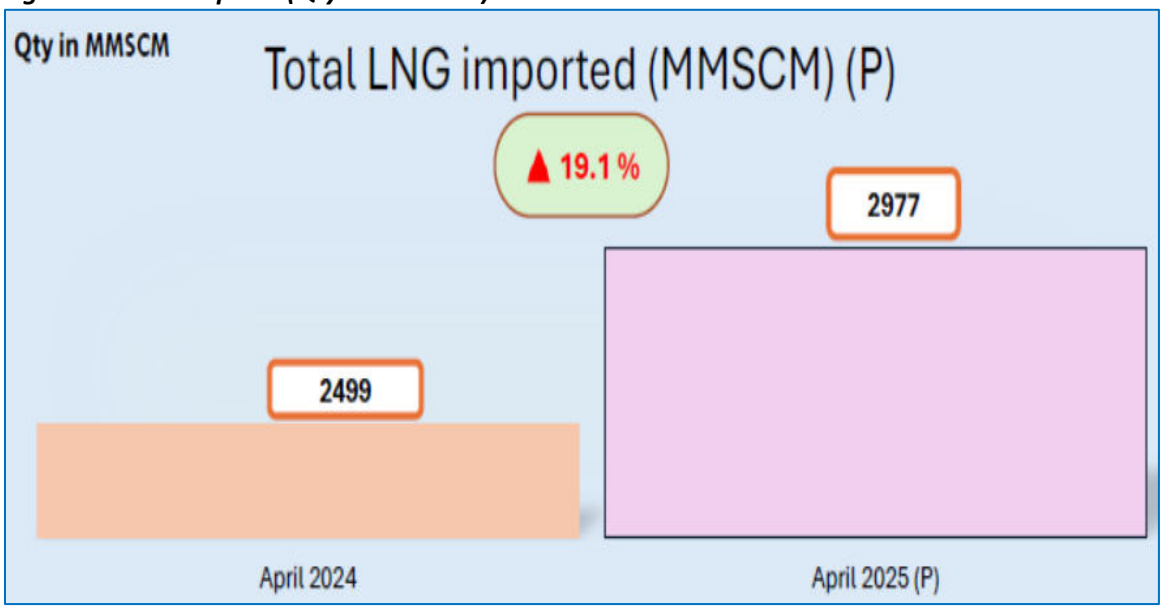


Source- PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of April 2025 was 2977 MMSCM (P) (higher by 19.1% over the corresponding month of the previous year).

Figure 22: LNG imports (Qty in MMSCM)

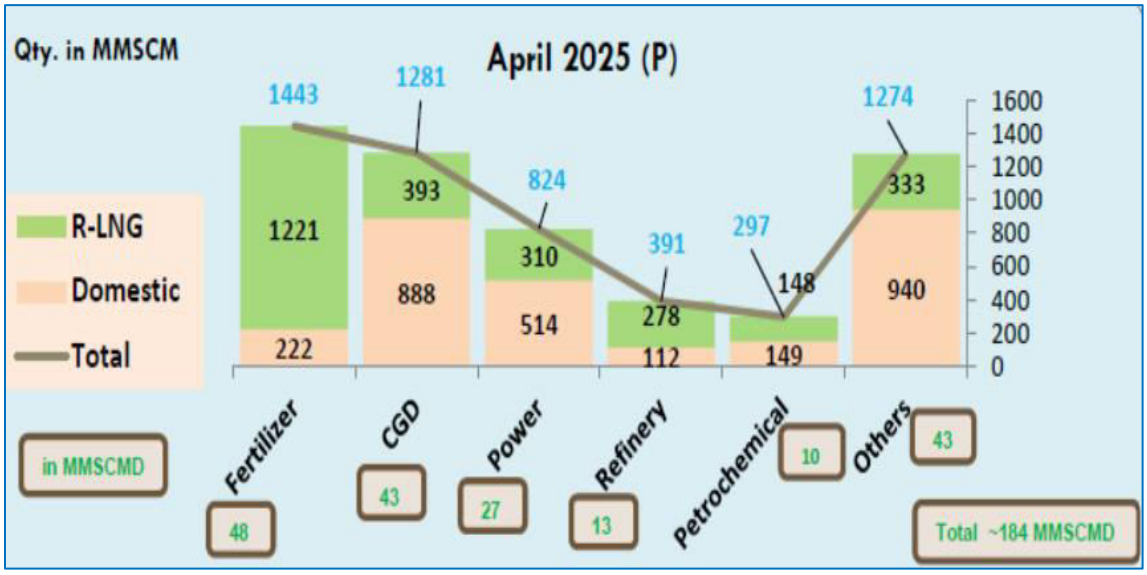


Source- PPAC

3. Sectoral Consumption of Natural Gas:

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

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



Source- PPAC

Key developments in Oil & Gas sector

Monthly Production Report for April, 2025

1. Production of Crude Oil

Indigenous crude oil and condensate production during April 2025 was 2.3 MMT. OIL registered a production of 0.3 MMT, ONGC registered a production of 1.5 MMT whereas PSC/RSC registered production of 0.5 MMT during April 2025. There is a de-growth of 3.1% in crude oil and condensate production during April 2025 as compared with the corresponding period of the previous year.

2. Production of Natural Gas

Gross production of natural gas for the month of April 2025 (P) was 2908 MMSCM which was lower by 1.7% compared with the corresponding month of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during April 2025 was 21.5 MMT which is -0.6% lower than April 2024, where PSU/JV refiners processed 15.2 MMT and private refiners processed 6.3 MMT of crude oil. Total indigenous crude oil processed was 1.9 MMT and total Imported crude oil processed was 19.6 by all Indian refineries (PSU+JV+PVT).

4. Production of Petroleum Products

Production of petroleum products was 22.4 MMT during April 2025 which is -4.2% lower than April 2024. Out of 22.4 MMT, 22.1 MMT was from refinery production & 0.3 MMT was from fractionator. There was a de-growth of -4.2% in production of petroleum products in April 2025 as compared to April 2024. Out of total POL production, in April 2025, share of major products including HSD is 42.2%, MS 17.5%, Naphtha 6.5%, ATF 6.4%, Pet Coke 5.0%, LPG 4.4%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

Minister Hardeep S Puri chairs Consultative Committee Meeting on Petroleum & Natural Gas

Union Minister for Petroleum & Natural Gas, Shri Hardeep Singh Puri, while chairing the Consultative Committee meeting of the Ministry of Petroleum and Natural Gas in Manesar, Haryana, highlighted India's remarkable progress in energy affordability, access, and infrastructure development. He underscored the government's proactive measures in stabilizing fuel prices, expanding LPG coverage, and boosting refining and distribution capacity across the country. Shri Puri reaffirmed the Ministry's commitment to inclusive and consumer-focused energy policies.

Minister of State for Petroleum & Natural Gas, Shri Suresh Gopi also attended the meeting, which witnessed robust participation from 27 Members of Parliament. The MPs shared insightful suggestions and feedback on key issues including fuel affordability, LPG access, regional infrastructure disparities, and energy resilience.

The Minister Hardeep Singh Puri elaborated on how under the visionary leadership of Prime Minister Shri Narendra Modi, India was able to successfully navigate geopolitical adversities to ensure affordability and availability of energy for citizens without any shortage. He noted, when the fuel prices were skyrocketing all over the world, India was the only country where the prices came down. Notably, the Government reduced excise duties twice—on 4 Nov 2021 and 22 May 2022—slashing petrol by Rs 13/litre and diesel by Rs 16/litre. A recent hike in April 2025 was absorbed by Oil Marketing Companies, protecting consumers from additional burden.

Highlighting LPG reforms, the Minister detailed the transformational impact of the Pradhan Mantri Ujjwala Yojana (PMUY). Since its inception, LPG coverage has soared from 55% in 2014 to nearly universal access today. LPG consumption rose significantly, with daily deliveries exceeding 56 lakh cylinders. Over 25,000 LPG distributors now operate across the country, 86% in rural areas, ensuring deep last-mile reach.

Shri Hardeep Singh Puri informed that LPG prices in India are among the lowest globally. Despite a steep 58% increase in international LPG prices, PMUY consumers now pay only Rs 553 for a 14.2 kg cylinder.

Oil companies have incurred a loss of Rs 40,000 crore last year to keep LPG prices affordable. A cylinder costing approximately Rs 1,058 is being provided to PMUY beneficiaries at just Rs 553. For regular consumers, the price is Rs 853. As a result, the per-day cooking cost comes to around Rs 6.8 for PMUY households and Rs 14.7 for non-PMUY users.

Shri Puri informed that LPG prices in India are among the lowest globally. Despite a steep 58% increase in international LPG prices, PMUY consumers now pay Rs 553 for a 14.2 kg cylinder—39% less than the Rs 903 they paid in July 2023. Oil companies have incurred Rs 40,000 crore loss last year in order to keep LPG prices low. Cylinder of approximately Rs 1058 cost is being sold at Rs 553 to Ujjwala consumers.

For regular consumers, the price is Rs 853. The per-day cooking cost is now around Rs 6.8 for PMUY households and Rs 14.7 for non-PMUY users.

Marketing infrastructure has seen robust growth: India now operates over 24,000 km of product pipelines, 314 oil terminals/depots, and nearly 96,000 retail outlets. These advancements, along with strategic reserves and LPG caverns, have bolstered energy resilience.

MPs lauded the Government's balanced approach, blending consumer welfare, fiscal discipline, and global diplomatic agility. The meeting reflected the increasing depth of parliamentary dialogue on energy, with active participation shaping future policy directions.

Their engagement underscored the importance of parliamentary dialogue in shaping inclusive energy policies. The Government welcomed the inputs and reaffirmed its commitment to incorporating them into future planning. The participating MPs acknowledged the Ministry's achievements, shared their views and expressed support for expanding outreach and improving implementation at the grassroots level.

India and Denmark signed renewed Memorandum of Understanding (MoU)

India and Denmark have reinforced their long-standing energy cooperation by signing a renewed Memorandum of Understanding (MoU).

The MoU was signed by Shri Pankaj Agarwal, Secretary, Ministry of Power, Government of India, and H.E. Mr. Rasmus Abildgaard Kristensen, Ambassador of Denmark to India, in the presence of Shri Manohar Lal, Hon'ble Minister of Power and Housing & Urban Affairs. This agreement reflects both countries' continued commitment to accelerating clean energy transitions.

The renewed MoU supports India's ambitious target of achieving net-zero emissions by 2070. It aims to foster knowledge exchange and technological collaboration between the two countries, particularly in the area of clean and sustainable energy solutions. This agreement follows five years of successful collaboration under the original MoU, signed on June 5, 2020, and initially set to expire on June 5, 2025. The proactive renewal ensures continuity in dialogue and cooperation, allowing for a seamless extension of joint efforts in energy sector development.

The renewed agreement broadens the partnership to cover advanced areas such as power system modeling, integration of variable renewable energy, cross-border electricity trading, and development of EV charging infrastructure. It also emphasizes increased knowledge exchange through expert interactions, joint training sessions, and study tours. Shri Manohar Lal, Hon'ble Minister of Power and Housing & Urban Affairs said that the renewed energy cooperation expresses the mutual commitment of India and Denmark to foster sustainable development.

India Leads Call for Inclusive Energy Governance at BRICS Energy Ministers' Meet in Brazil

Shri Manohar Lal, Union Minister for Power and Housing and Urban Affairs led the Indian Delegation for the BRICS Energy Ministers' Meeting hosted in Brasília on 19 May 2025 under Brazil's Presidency.

The Union Minister highlighted energy security as one of the most pressing current challenges and emphasized the need to strengthen BRICS cooperation to ensure economic stability and sustainability, as well as to promote equitable access to energy resources globally.

He reaffirmed India's unwavering commitment to building a sustainable and inclusive energy future and lauded Brazil's leadership under the theme, 'Strengthening Global South Cooperation for More Inclusive and Sustainable Governance.' He further emphasized the critical role of energy security, access, and affordability in advancing global development goals.

Sh. Manohar Lal showcased India's rapid progress in clean energy highlighting some of the key achievements given below:

- A 90% increase in electricity capacity over the past decade, reaching 475 GW in 2025 and targeting 900 GW by 2032.
- Becoming the world's third-largest producer of solar and wind energy.
- Marching fast towards achieving Nationally Determined Contributions (NDCs)
- Achieving a 20% ethanol blending milestone, advancing biofuel adoption and emissions reduction.
- Investing in smart grids, advanced metering infrastructure, and an expanded transmission network, including the Green Energy Corridor.
- Setting ambitious goals for green hydrogen and nuclear energy, including a 100 GW nuclear capacity target by 2047.
- Launching a domestic Carbon Credit Market, inviting global collaboration.

He also emphasized the role of the Global Biofuels Alliance in advancing cooperation in the biofuels sector and underscored India's commitment to energy efficiency through innovative programs such as the Energy Conservation Sustainable Buildings Code, rooftop solar initiatives, and efficient appliance standards.

He underscored the vital role of fossil fuels in the global energy mix—especially for developing countries—and urged greater cooperation to promote their cleaner and efficient use through technologies such as coal gasification, carbon capture and storage, and green chemical innovations.

In conclusion, Sh. Manohar Lal extended an invitation to the BRICS nations to participate in the next BRICS Energy Gathering, scheduled for 2026 in India, reaffirming the country's commitment to leading the energy agenda for the Global South.

Some of the key outcomes from the Energy Ministerial Communiqué jointly adopted by the BRICS Energy Ministers:

The BRICS Energy Ministers reaffirmed their commitment to strengthening energy security and advancing UN Sustainable Development Goal 7 (SDG 7), focusing on universal electricity access, clean cooking, and tackling energy poverty. They emphasized the need for just, inclusive, and balanced energy transitions in response to climate change.

While acknowledging the continued role of fossil fuels—particularly in developing countries—they stressed the importance of reducing greenhouse gas emissions in alignment with SDG 7 and global climate targets guided by technological neutrality and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC).

The Ministers called for stronger partnerships, supported open, fair, and non-discriminatory international energy markets, and encouraged the use of local currencies in energy trade.

They recognized the fundamental role of the BRICS Energy Research Cooperation Platform and welcomed the updated BRICS Roadmap for Energy Cooperation (2025–2030) as key to deeper collaboration.

Affirming each country's right to determine its own energy transition path and pace, the Ministers advocated efficient use of all energy sources and called for increased concessional and low-cost financing from developed to developing nations. They highlighted the role of the New Development Bank (NDB) in promoting sustainable energy infrastructure, especially through local currency financing.

The Ministers advocated for adoption of fair, transparent, and consistent guidelines for assessing carbon intensity, energy classification, and mutual recognition of taxonomies and certifications.

Underscoring energy security as vital for socio-economic development, they highlighted the importance of market stability, resilient infrastructure, diversified energy sources, and critical minerals for clean technologies.

They reaffirmed the goal to double energy efficiency by 2030 and emphasized enhanced cooperation and knowledge sharing among BRICS nations. Lastly, they committed to elevating BRICS' global energy role and advancing shared priorities under India’s Chairship in 2026.

Ministry of New & Renewable Energy participated in World Hydrogen Summit 2025, highlights India’s vision and capabilities in Renewable Energy and Green Hydrogen

Secretary, Ministry of New & Renewable Energy, Government of India, Shri Santosh Kumar Sarangi addressed the World Hydrogen Summit 2025 in Rotterdam, highlighting India's strategic vision and capabilities in the domain of renewable energy and green hydrogen production.

The Secretary underscored India’s transformative potential of Green Hydrogen to become a global leader in this space. This ambition largely relies on India’s strength in the renewable energy domain.

The Secretary highlighted that India has already installed over 223 GW of renewable energy—that includes 108 GW from solar and 51 GW from wind—placing India among the fastest-growing renewable

energy markets globally. He reiterated India's vision to achieve energy independence by 2047 and reach Net Zero emissions by 2070.

To drive this transition, the National Green Hydrogen Mission was launched by the Government in 2023, with an initial allocation of USD 2.4 billion. It lays out a comprehensive roadmap to:

- Identify and Create demand in potential sectors
- Provide production incentives for setting up domestic capacity
- Achieve 5 million metric tonnes of green hydrogen production by 2030,
- Averting nearly 50 MMT of CO_2 emissions annually.
- Attract investments of about USD 100 billion.
- Generate over 600,000 jobs.

The Secretary further mentioned that India has made remarkable strides in green hydrogen development. The country has allocated 862,000 TPA production capacity annually to 19 companies, and awarded 3,000 MW annual electrolyzer manufacturing capacity to 15 firms, and we have launched pilot projects in steel, mobility, and shipping sectors.

Green Hydrogen Certification Scheme of India has been launched recently. The Mission is working on a Whole of Government approach and major policy provisions have been made to support the nascent but fast growing domestic Green Hydrogen industry. Green Hydrogen and Green Ammonia plants have been exempted from Environmental Clearance by the Ministry of Environment, Forest and Climate Change. To push this forward three major ports namely Kandla, Paradip and Tuticorin ports have been identified by Ministry of Ports, Shipping and Waterways (MoPSW) to be developed as Green Hydrogen hubs. Furthermore, 15 states have announced policies to support green hydrogen. These effective actions firmly establish India to be a global leader in green hydrogen sphere, but challenges ahead such as high production costs, lack of standardized frameworks, and infrastructure limitations; pose hindrance to scaling up hydrogen economy.

The Secretary invited Delegates attending the Green Hydrogen Summit 2025 to visit India's Pavilion during the next two days and interact with Indian industries to explore partnerships.

The Secretary's keynote address showcased that India's vision to not only meet its domestic demand but also become a major global exporter of green hydrogen by 2030—contributing meaningfully to decarbonization action.

The National Green Hydrogen Mission is a flagship initiative of the Government of India, aimed at fostering the development and adoption of green hydrogen technologies in India. With a target of establishing 5 million tonnes of annual green hydrogen production capacity by 2030, the mission represents a significant step towards realizing India's ambitions in the hydrogen economy. The Government has made substantial progress in this regard, having awarded tenders for incentives to

support green hydrogen production of a total of 862,000 tonnes per annum. Additionally, tenders have been awarded for the establishment of electrolyser manufacturing capacity amounting to 3,000 MW per annum, further bolstering India's capacity to produce green hydrogen at scale.

Renewable Energy to Power Growth Vision for the North East: Shri Pralhad Joshi

Union Minister for New and Renewable Energy, Shri Pralhad Joshi said that the renewable energy sector will play a pivotal role in powering the growth vision for the North East Region. North East is witnessing tremendous development under the leadership of Prime Minister Shri Narendra Modi in the last eleven years. The Minister made these remarks at 'Ministerial Session on '*Green Northeast: Advancing Renewable Energy for Sashakt Bharat'* at the Rising North East Investors Summit 2025.

India's Ashtalakshmi of Green Power

The Minister noted that the North East possesses vast untapped renewable energy resources, including over 129 GW potential from large hydro projects and more than 18 GW from pumped storage plants. These natural advantages, coupled with rising energy demand and strategic cross-border positioning, make the region central to India's green growth plans.

Describing the Northeast as India's Ashtalakshmi, he stated, "By turning the North East's natural resources into wealth through green power, we are in effect making each state a Lakshmi of clean energy contributing to India's prosperity." He also said that North East will play a key role in ensuring India's grid stability in the near future under 'One Nation, One Grid'.

Major Investment Commitments and Industrial Interest

Shri Joshi informed that during recent investor engagements, major Indian conglomerates expressed significant interest in the region's renewable energy potential. A total of 115 Memoranda of Understanding (MoUs) worth ₹38,856 crore has been signed between state governments and private investors in RE sector. The Minister also highlighted various recent investments from private players which will bring massive employment and development in North East.

Special Initiatives for North East

To promote clean energy development in the region, the Ministry of New and Renewable Energy (MNRE) has earmarked 10% of its annual scheme budget exclusively for the North Eastern Region. In addition to this dedicated allocation, the Ministry is extending enhanced financial assistance to further encourage investment. This includes a 10% higher Central Financial Assistance (CFA) under the PM Surya Ghar Muft Bijli Yojana, as well as a 20% higher CFA for Components B and C of the PM-KUSUM scheme.

Shri Joshi shared that a 20 MW solar park has been successfully commissioned in Champhai district of Mizoram, showcasing the region's project-readiness. He also mentioned that a 25 MW green hydrogen plant is under development in Assam, which also hosts India's first pure green hydrogen plant. The Minister also shared that more than 2000 individuals in the region have been trained under various programmes such as Suryamitra, Varunmitra and Jal Urjamitra.

Northeast as India's Gateway to Clean Energy Exports

Positioning the region as a future energy export hub, the Minister emphasized the Northeast's proximity to Myanmar, Bangladesh, and Bhutan, making it ideal for cross-border electricity trade. He also noted the growing global movement toward carbon neutrality and green certification, stating that investments in renewable energy will equip the region and the nation to meet emerging international standards such as the EU's Carbon Border Adjustment Mechanism.

Concluding his address, Shri Joshi urged industry leaders and innovators to look east and participate in the transformation of the North East and utilise its potential. He assured investors of comprehensive government support through single-window clearances, capital subsidies, and dedicated solar park development. "The time to invest is now. Not just for returns, but for impact, for a cleaner tomorrow and a self-reliant India," the Minister said.

Coal Production in the Country Grows 3.63% in April, 2025 Compared to Last Year

India's coal production and dispatch witnessed steady growth in April 2025, compared to the same period last year. This reflects the continued efforts of the Ministry of Coal and its subsidiaries to ensure consistent supply and operational stability in the sector.

The overall coal production in India during April 2025 reached 81.57 MT (Provisional), marking an increase over the 78.71 MT produced in the corresponding period of the previous year. Production from Captive/Other entities mines during April 2025 in FY 2025-26 stood at 14.51 MT (Provisional), registering a significant rise from 11.46 MT recorded during the same period last year. This surge highlights the growing contribution of captive mining to India's overall coal output.

India's total coal dispatch during April 2025 reached 86.64 MT (Provisional), demonstrating a steady increase from 85.11 MT recorded during April 2024 in FY 2025-26.

As on 30.04.2025, the coal stock held by coal companies witnessed a notable surge, reaching 125.76 MT in FY 2025-26, as compared to 102.41 MT during the corresponding period of the previous year. At Coal India Limited (CIL) alone, the total coal stock stood at 105 MT in FY 2025-26, marking a 22.10% growth over the 86.60 MT recorded during the same period last year. This surge reflects an impressive annual growth rate of 22.8% underscoring the robust performance and efficiency of the coal sector.

The Ministry of Coal remains committed to achieving sustainable growth, improving coal availability, and reducing dependence on imports. With the positive momentum, the coal sector continues to play a pivotal role in powering India's growth story.

Revised SHAKTI Policy for Coal Allocation to Power Sector

The Cabinet Committee on Economic Affairs (CCEA) in the meeting held on 07.05.2025, chaired by the Prime Minister Shri Narendra Modi, has accorded its approval for the Revised SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) Policy for Coal Allocation to Power Sector. The Revised SHAKTI Policy adds to the series of coal sector reforms being undertaken by the Government.

With the introduction of SHAKTI Policy in 2017, there was a paradigm shift of coal allocation mechanism from a nomination-based regime to a more transparent way of allocation of coal linkages through auction / tariff-based bidding. Now, the multiple paras of the SHAKTI Policy, for coal linkage, have been mapped to only two Windows in the Revised SHAKTI Policy, aligning with the spirit of ease of doing business, encouraging competition, efficiency, better use of capacity, seamless pit head thermal capacity addition and affordable power to the country.

The current revision with innovative features will further enhance the scope and impact of the SHAKTI policy and support the power sector through

- Greater flexibility
- Wider eligibility and
- Better accessibility to coal

The new policy will ensure coal linkage to all power producers leading to generation of more power, cheaper tariffs and an overall positive impact on the economy, thereby leading to increased employment generation potential. The reliable and affordable power supply to various sectors would catalyze economic activities and support the Atmanirbhar Bharat Initiative. The increased availability of domestic coal, in a simplified manner would also facilitate the revival of remaining stressed power assets. The linkage coal can now be used for generating power from Un-requisitioned Surplus (URS) capacity, for sale in power markets, which will not only deepen power markets by increasing availability of power in power exchanges but will also ensure optimum utilization of generating stations.

Further, the new linkages offered to the power sector would increase the coal availability for the power sector and increase the mining activities in the coal bearing regions resulting in generation of higher revenue to the State Governments which can be utilized for development of these regions and local population in general. The policy would encourage pit head thermal capacity addition and facilitate imported coal substitution in the Imported Coal Based (ICB) plants that can secure domestic coal thereby reducing their import coal dependency.

Following are the provisions of the Revised SHAKTI Policy.

For grant of fresh coal linkages to Thermal Power Plants of Central Sector/State Sector/ Independent Power Producers (IPPs), following two windows have been approved under the Revised SHAKTI policy:

A. Coal Linkage to Central Gencos/ States at Notified price: **Window–I**

B. Coal Linkage to all Gencos at a Premium above Notified price: **Window–II**

<u>Window-I (coal at notified price):</u>

i. Existing mechanism for grant of coal linkage to Central Sector Thermal Power Projects (TPPs) including Joint Ventures (JVs) & their subsidiaries would continue.

ii. Coal linkages to be earmarked to States and to an agency authorized by group of States as per existing mechanism, on the recommendation of Ministry of Power. Coal linkage earmarked to States may be utilized by States in its own Genco, IPPs to be identified through TBCB or existing IPPs having PPA under Section 62 of the Electricity Act, 2003 for setting up of a new expansion unit having PPA under Section 62.

Window-II (premium over notified price):

Any domestic coal-based power producer having PPA or untied and also Imported coal-based power plants (if they so require) can secure coal on auction basis for a period upto 12 months or for the period of more than 12 months upto 25 years by paying premium above the notified price and providing the power plants the flexibility to sell the electricity as per their choice.

This Revised SHAKTI Policy would maximize domestic coal utilization, ensure seamless thermal capacity addition, reduce dependence for coal on global markets, reinforce nation's energy independence aligning with Government's push for Energy Security for All.

NIRL and MAHAPREIT Join Hands to Establish a Green Energy

In a significant move towards accelerating India's renewable energy ambitions, NLC India Renewables Limited (NIRL), a wholly owned subsidiary of NLC India Limited, signed a Joint Venture Agreement (JVA) with Mahatma Phule Renewable Energy and Infrastructure Technology Limited (MAHAPREIT) at Mumbai. The signing took place in the august presence of Shri. Vikram Dev Dutt, Secretary, Ministry of Coal, Shri. Prasanna Kumar Motupalli, Chairman & Managing Director, NLC India Limited, Shri. Bipin Shirmali, Managing Director, MAHAPREIT, Shri. Vijaykumar Kalam Patil, Director Operations and senior officials from NIRL & MAHAPREIT. This is in continuation to the Memorandum of Understanding (MoU) signed between NIRL and MAHAPREIT on 16th April 2025.

This collaboration marks a major milestone in NIRL's strategic expansion and foray into the State of Maharashtra's thriving renewable energy sector. The Joint Venture Company (JVC) to be formed under this agreement will be instrumental in developing up to 2000 MW of renewable energy projects including solar, wind, hybrid, floating solar, BESS, pumped storage and solar parks, with an initial focus on 500 MW in Phase I, eventually scaling to 5000 MW in Maharashtra. The JVC will have an equity structure of 74% held by NIRL and 26% by MAHAPREIT.

Under this Agreement, MAHAPREIT, will facilitate in identification & allotment of land for the projects in addition to support development of Power Evacuation System to the Grid. NIRL on the other hand will help in preparing the detailed project reports, arranging finance and Development of RE projects.

The JVC will undertake power sales through competitive and regulated routes under Section 62 or Section 63 of the Electricity Act, targeting a mix of DISCOMs, government entities, and commercial & industrial consumers.

Secretary, Ministry of Coal Shri Vikram Dev Dutt said that the signing of this Joint Venture Agreement between NIRL and MAHAPREIT is a demonstration of the Government's commitment to fostering

collaborative partnerships that accelerate the country's transition to green energy. He added that Maharashtra's renewable potential is immense, and with the proven expertise of NIRL in project execution and the regional strength of MAHAPREIT, this joint venture will serve as a catalyst for sustainable growth and energy security. The coal sector is actively supporting the decarbonization journey, and such partnerships embody the synergy needed to achieve our national targets for renewable energy deployment and climate resilience, said the secretary.

This Joint Venture Agreement stands as a testament to the credibility of NLC India Limited, its renewable arm NIRL, and the growing trust in its technological and operational prowess in delivering world-class green energy solutions across India.

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