India's gas consumption fell 7.5% in Jan-Oct

SHUBHANGI MATHUR
New Delhi, 10 December

India's natural gas consumption fell 7.5 per cent in the first 10 months (January to October) of the calendar year 2025, despite the government's efforts to boost demand to increase the fuel's share in the total energy mix.

The country's gas demand was 56,760 million metric standard cubic metre (Mmscm) during January to October 2025, significantly lower than the 61,368 Mmscm in the same period last year, according to Petroleum Planning & Analysis Cell (PPAC) data.

According to experts, the decline in gas demand stands in stark contrast to the 13 per cent increase in natural gas usage in 2024 and is mainly attributed to the prolonged monsoon season, which affected power demand, and lower prices of alternative fuel options such as liquefied petroleum gas (LPG) and crude oil. "Monsoon was very consistent this year, which lowered gas demand in the power sector, coupled with refinery and fertiliser plants' shutdowns," said Prashant Vasisht, senior vice-president & co-group head, Corporate Ratings, Icra.

THE DECLINE IN GAS CONSUMPTION IN 2025 IS MAINLY ATTRIBUTED TO A PROLONGED MONSOON SEASON WHICH AFFECTED POWER DEMAND, AND LOWER PRICES OF ALTERNATIVE FUEL OPTIONS

Indian consumers are highly sensitive to energy prices and prefer the cheapest source available in the market, which further dragged gas demand in the year.

"LPG prices have particularly come down this year. Customers who have an option of using either gas or some other fuel switch to the cheaper fuel," said Gajendra Singh, former marketing director at Gail (India) and former member of Petroleum and Natural Gas Regulatory Body (PNGRB).

Meanwhile, the country's domestic natural gas production declined over 3 per cent to 28,957 Mmscm in the January to October period as upstream companies struggle to boost output. Experts believe that the overall gas demand in the country is likely to remain muted in the coming year, too, due to the absence of major new gas projects.

"The overall gas demand is expected to remain low as no new fertiliser plants are coming up. The City Gas Distribution (CGD) sector will see higher demand. Other sectors which can support demand are refineries and industrial customers, but the issue is that they can switch to cheaper fuel available, like propane. For 2026, we are expecting 0-2 per cent growth (in gas demand)," said Vasisht.

The city gas distribution (CGD) sector, however, can boost gas consumption in the country, registering double-digit growth in the coming year. "The geographical areas which were authorised earlier have reached maturity level, which means the required infrastructure has been laid. More compressed natural gas (CNG) stations are being set up, and a pipeline is being built for piped natural gas (PNG), which will boost consumption," said Singh.

As India aims to achieve a net-zero emissions target by 2070, the government has set a target to increase the share of natural gas to 15 per cent by 2030 in total energy mix from the current six per cent.

Financial Express, Delhi, 11/12/2025
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CPSE dividends reach 60% of FY26 target

PRASANTA SAHU
New Delhi, December 10

GOVT FINANCES BOOSTER

- The receipts are trailing the previous year's figure
- Petro, natural gas firms lead dividend payouts

THE CENTRE'S DIVIDEND receipts from the Central Public Sector Enterprises (CPSEs) have fetched ₹41,378 crore so far in the current financial year or 60% of the annual target of ₹69,000 crore.

However, the dividend receipts are trailing the previous year's achievement during the corresponding period. CPSE dividend receipts were ₹47,338 crore in the year-ago period or 84% of the FY25 Budget estimate of ₹56,260 crore. As against the BE, the achievement was ₹74,129 crore in FY25.

While there is no doubt that the government will comfortably meet the FY26 target, additional receipts on this count have offset the shortfall in disinvestment receipts in the past few years, giving comfort to the government's finances. This year, it is even more important as the Centre's tax revenues are expected to see a substantial shortfall vis-à-vis the Budget target due to tax cuts.

Petroleum and natural gas firms emerged as the top dividend payers to the government with ₹11,340 crore so far in FY26, driven by strong dividend payouts from major oil and gas companies, including ONGC, IOCL, BPCL and GAIL. Coal followed with ₹8,282 crore, reflecting Coal India's robust performance and substantial contribution. Power sector firms contributed ₹7,814 crore, supported by high remittances from power sector PSUs such as NTPC, Power Grid Corporation, and Power Finance Corporation.

Energy and mining sector entities continue to dominate the government's dividend inflows. Coal India emerged as the highest dividend contributor so far in FY26 with ₹8,132 crore, reflecting strong performance and steady profitability in the coal sector. Oil & Natural Gas Corporation (ONGC) came second with ₹5,371 crore, followed by National Investment and Infrastructure Fund at ₹3,479 crore, NTPC at ₹3,023 crore, Power Grid at ₹2,642 crore, Bharat Petroleum Corporation at ₹2,873 crore, Indian Oil Corporation at ₹2,182 crore and Power Finance Corporation at ₹1,737 crore.

Economic Times, Delhi, 11/12/2025
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Petronet LNG Secures ₹12k cr Loan for Petrochem Project

Our Bureau

New Delhi: Petronet LNG Ltd has secured a ₹12,000-crore rupee term loan from a consortium comprising State Bank of India and Bank of Baroda to primarily finance its petrochemicals project, the company said in a statement on Wednesday.

The agreement follows a competitive bidding process supported by SBI Capital Markets Ltd, which acted as Petronet's advisor.

The pact was finalised after a competitive bidding process led by SBI Capital Markets, Petronet's transaction advisor

Each bank has sanctioned ₹6,000 crore under the facility, which will also support other capital expenditure requirements.

Petronet, India's largest liquefied natural gas (LNG) importer, is a joint venture of GAIL, ONGC, Indian Oil and Bharat Petroleum Corporation, each holding a 12.5% stake.

With LNG regasification terminals at Dahej in Gujarat and Kochi in Kerala, the company has a total regasification capacity of 22.5 million metric tonnes per annum.

Economic Times, Delhi, 11/12/2025

Page No: 15, Size: 30.24cm × 36.91cm

THREE DIRECTOR POSTS MAY BE CUT

Oilmin Readies Formula for New IOC Board Maths

Move aimed at consolidating responsibilities & trimming leadership layers

Kalpana Pathak

Mumbai: The oil ministry is planning a major restructuring of the board of Indian Oil Corporation Ltd (IOCL), the country's largest oil refiner and retailer, said people familiar with the development. This entails eliminating three director-level positions as part of an organisational revamp, the people said. The positions are director (pipelines), director (research and development), and director (business development).

The 11-member IOCL board currently comprises six whole-time executive directors, two government-nominated directors, and three non-executive independent directors. The oil ministry and IOCL didn't respond to email queries. The President of India holds a 51.5% stake in IOCL with the rest held publicly. A senior industry official familiar with the matter said the oil ministry's aim is to consolidate responsibilities and reduce leadership layers. "The ministry may intend to squeeze these three positions into one," the official said. IOCL is already operating with a significantly rationalised workforce relative to the scale of its operations, said the people cited above. "With around 30,000 employees, the company manages nine refineries, a massive network of more than 40,000 retail outlets, and over 20,000 kilometres of oil and gas pipelines," a second IOCL official said, adding that the company's pipeline operations alone outweighs Gail (India) Ltd, the country's primary gas transmission operator.

IOCL officials said the government's proposed move could impact operations given the size and complexity of the company's asset base. "The position for pipeline director has been vacant since July and the interviews scheduled for the appointment of a new director have been postponed indefinitely," a third official said.

Meanwhile, Public Enterprises Selection Board (PESB), the body responsible for selecting top-level executives in public-sector undertakings, has deferred interviews for the director (pipelines) position at IOCL. The interviews were originally slated for October 8, following an announcement made on September 26. Currently, Arvind Kumar, director (refineries) at IOCL is handling the additional charge of director (pipelines).

The oil ministry's plans come at a time when public-sector enterprises across sectors are under increasing pressure to streamline operations and boost efficiency.

For IOCL, which plays a critical role in India's energy security—from refining capacity and fuel retailing to petrochemicals and pipeline logistics—a reconfiguration of its top leadership could have far-reaching implications on its performance, according to IOCL officials.

IMPACT ON OPS

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