

OIL AND GAS



World's fastest-growing energy market

India is the 3rd largest energy and oil consumer in the world after China and the US. Oil and gas occupied approximately 35% share in India's energy consumption.

India is the fourth largest importer of liquefied natural gas (LNG) after Japan, South Korea, and China, accounting for 7.4% of the total global trade.

Import of crude oil during April-November 2017 stood at 144.7 MMT valued at approximately \$ 51.1 bn, marking an increase of 9.31% in quantity terms and 15.3% in value terms compared to the same period of last year. While, imports of petroleum products during April-November 2017 were 23.76 MMT valued at approximately \$ 7.9 bn, which shows a decrease of 4.91% in quantity terms but an increase of 21% in value terms compared to the corresponding period of previous year.

The demand for petroleum products is estimated to reach 244,960 MT by 2021-22

India aims to reduce oil and gas imports dependence from 77 % to 67% by 2022

Gas production will likely touch 90 bn cubic meters by 2040

100% FDI allowed in exploration activities of oil and natural gas fields under automatic route

49% FDI allowed in petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs under automatic route

For further details, please refer FDI Policy

Contribution in Indian Economy

India's share
in LNG
imports-
7.4%

Oil
consumption
CAGR
(2008-17)-
3.3%

Gas
consumption
CAGR
(2007-16)

LPG sales
growth-
(2016-17)

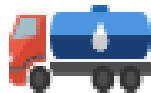
Highlights



Largest exporter of petroleum products in Asia



Second largest refiner in Asia



Third largest consumer of crude oil and petroleum products in the world

Industry Scenario

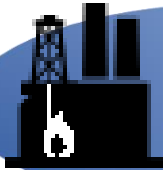
India has emerged as a refinery hub.

India's current refining capacity stands at 247.5 MMPTA, comprising of 23 refineries—18 under public sector, 3 under private sector and 2 in a joint venture. Indian Oil Corporation (IOC) is the largest domestic refiner with a capacity of 69.2 MMTPA. Top three companies – IOC, Bharat Petroleum Corporation (BPCL) and Reliance Industries (RIL) - contribute around 65.5% of India's total refining capacity.

India has witnessed a steady increase in production as well as consumption of petroleum products over the years. The production of petroleum products stood at 231.9 MMT during 2015-16, 243.6 MMT during 2016-17 and is expected to reach 254.4 during 2017-18. While, consumption of petroleum products stood at 184.7 MMT in 2015-16, 194.6 MMT in 2016-17 and is expected to be 204.9 MMT in 2017-18.

The production of crude oil stood at 36.9 MMT during 2015-16, 36 MMT during 2016-17 and is expected to be 37.4 in 2017-18.

Industry Trends



Shale

Recoverable shale gas resources of nearly 96 tn cub in feet

Underground coal gasification

One of the end uses under the government 's captive mining policy



Pipeline transportation

35% of product movement over pipelines

The refining sector

Refining hub with 23 refineries with expansions planned in export- oriented infra



E & P services and equipment companies

48% of the country 's sedimentary area is yet to be explored

Growth Drivers

- **International energy outlook 2016**

By 2040, India and China to account for half of the global energy demand

- **Government promotes clean cooking fuel**

100 mn new LPG connections to be added between 2017 and 2018

- **Robust domestic market**

Oil consumption expected to rise by 42.5% during 2010-20

- **Abundant raw material**

Oil reserves = 600MMT & reserves of natural gas = 1.2 tcm in 2016

- **Favorable policies**

NELP, HELP, CBM & OALP to promote investments



Recent Investments

May 13, 2018

UAE state oil giant **ADNOC** plans to invest **\$ 45 bn** in a downstream expansion

May 11, 2018

RIKA Biofuels to invest **\$ 100-150 mn** to build Bio CNG plants in Punjab

Oct 26, 2017

India is likely to **attract investments worth over \$ 40 bn** in the **next five years** in the oil and gas sector alone as several global oil companies like Saudi Aramco, BP Plc., Vedanta Resources and Total of France have shown interest in investing in world's fastest growing market

Policies & Schemes

[Coalbed Methane \(CBM\) Policy](#)

[Natural Gas Final](#)

[Hydrocarbon Exploration & Licensing](#)

[New Exploration Licensing Policy \(NELP\)](#)

MAJOR INVESTOR



Refineries



Disclaimer: The data is taken from sites investindia.gov.in, rbi.org.in, etc. Please note that this is not a legal report and we do not accept any responsibility arising out of any action taken by any person on the basis of above report, unless expressly agreed by us in writing