

INDIAN UPSTREAM OIL & GAS INDUSTRY

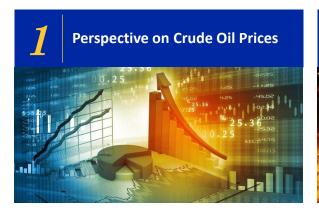
Rising supply and falling demand – a double whammy for oil prices

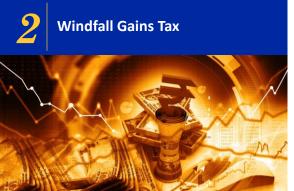
MARCH 2025



Agenda















Agenda











Highlights

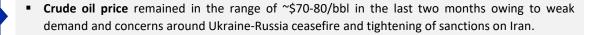




Click to see full report

Oil prices have remained in the range of \$70-78/bbl in the last few months, following weak demand, despite the ongoing geopolitical scenario. Given these prices, the Windfall Tax on crude in India has been scrapped. The profitability of upstream companies is likely to remain healthy with capex plans remaining intact.







■ Domestic crude oil production has been steadily declining owing to maturing oilfields with the trend continuing in 10M FY2025. This has resulted in increasing import dependence, to the extent of 88.2% during 10M FY2025. Oil production is expected to remain in the range of 29-31 million tonnes in the medium term, while gas production is likely to witness growth.



■ Special Additional Excise Duty (SAED) scrapped. The GoI imposed a SAED of ~\$40 per barrel on crude oil production w.e.f. July 1, 2022. Since then, there have been multiple revisions with changes in international crude oil prices. The SAED, which was nil as per the latest revision w.e.f. September 18, 2024, has now been scrapped w.e.f. December 02, 2024.



■ **Domestic gas prices** from nominated fields are estimated to remain at the ceiling in the near term amid firm crude oil prices, as it is pegged at a 10% slope to the monthly average of the India crude basket, with a floor and ceiling of \$4.0/mmbtu and \$6.5/mmbtu respectively



 Despite some moderation, crude oil prices are likely to remain remunerative for upstream companies, which would incentivise capex. Moreover, domestic gas prices remain remunerative since production costs for the nomination fields are low.



• Industry debt levels are likely to remain stable in FY2025 and, accordingly, the leverage and debt coverage metrics are also expected to be stable and healthy.



Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President and Group Head	girishkumar@icraindia.com	022- 6114 3441
Prashant Vasisht	Senior Vice-President and Co-Group Head	prashant.vasisht@icraindia.com	0124 – 4545 322
Ankit Jain	Sector Head and Vice President	ankit.jain@icraindia.com	0124 – 4545 865
Himani Sanghvi	Analyst	himani.sanghvi@icraindia.com	079 – 6923 3048

















ICRA Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector – West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860



















© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



Thank You!

