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One-third of India's strategic petroleum reserves are empty: Why this matters for fuel security

The SPRs — spread across three locations in Andhra Pradesh and Karnataka — are meant to act as a buffer for short-term supply shocks and have been in focus in view of the raging war in West Asia

Written by: [Sukalp Sharma](#), [Anil Sasi](#) 5 min read New Delhi Updated: Mar 23, 2026 08:59 PM IST



The concept of dedicated strategic reserves was first mooted in 1973, after the first oil crisis. (ISPRL photo)

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India's strategic petroleum reserves (SPRs), which have a capacity to store 5.33 million tonnes of crude oil, are currently holding 3.37 million tonnes of oil, or just about two-thirds of their total storage capacity, the Ministry of Petroleum and Natural Gas (MoPNG) said in the Rajya Sabha on Monday (March 23).

The SPRs — spread across three locations in Andhra Pradesh and Karnataka — are meant to act as a buffer for short-term supply shocks and have been in focus in [view of the raging war in West Asia](#), which has disrupted energy flows to India. At full capacity, the three SPRs cover around 9.5 days of India's crude oil supplies.

“Quantity of the crude available in the caverns varies depending on market conditions. Currently, ISPRL (Indian Indian Strategic Petroleum Reserve) has around 3.372 MMT (million tonnes) of crude stock available which is around 64% of the total storage capacity,” of State for Petroleum and Natural Gas Suresh Gopi said in a written reply to a question in the [Rajya Sabha](#). “The actual reserve is a dynamic number depending on the stocks and actual consumption, both of which are not static,” Gopi added.

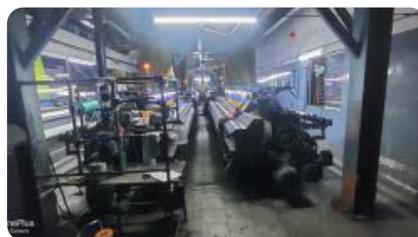
What are strategic petroleum reserves?

The concept of dedicated strategic reserves was first mooted in 1973, after the first oil crisis. Western strategic reserves have been tapped during the first Gulf War (1991), after Hurricane Katrina (2005), and in 2022 after global oil prices surged in the wake of Russia's invasion of Ukraine.

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International Energy Agency (IEA) members have now decided to release 400 million barrels of oil from their emergency in view of the current supply disruption and oil

price surge caused by the West Asia war. Countries like the US, China, and Japan maintain massive strategic petroleum reserves.

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In India, the ISPRL is a special purpose vehicle floated as a wholly-owned subsidiary of the Oil Industry Development Board for building and managing the strategic crude storage. Currently, it has three underground caverns at Visakhapatnam (1.33 million tonnes), Mangaluru (1.5 million tonnes), and Padur (2.5 million tonnes).

In July 2021, the government had approved the establishment of two more commercial-cum-strategic petroleum reserves with a cumulative storage capacity of 6.5 million tonnes to 4 million tonnes in Odisha's Chandikhol and another 2.5 million tonnes in Karnataka's Padur. Besides these, there were plans to have reserves in places like Bikaner and Rajkot, which would have raised the total SPR capacity by another 6 million tonnes. Decisions on these reserves are yet to be taken.

India's total oil and fuel stockpiles

India is the world's third-largest consumer of crude oil and depends on imports to meet over 88% of its requirement. The IEA recommends that countries should hold oil stocks equivalent to at least 90 days of their net oil imports. IEA members are obligated to maintain these levels of reserves; India is not a full member of the grouping but an associate member. This 90-day reserve holding can include strategic reserves, as well as commercial inventories.

According to Gopi, the current total national capacity for storage of crude oil and petroleum products is 74 days, including commercial stocks with refiners; it is still lower than what the IEA recommends. "The actual reserve is a dynamic number depending on the stocks and actual consumption, both of which are not static," he said.

Earlier this month, in view of the disruption in oil supplies from West Asia, a senior government official had said that India had enough crude oil and fuel stocks to meet up to eight weeks of the country's requirement. With oil from non-West Asia regions continuing to come and Indian refiners ramping up imports from alternative sources like Russia, the volumes are expected to have risen further.

Nonetheless, expanding the country's dedicated strategic reserves is something that is long overdue, given India's high dependency on imported oil and its massive consumption levels, according to experts. So far, the country has been able to manage the oil supply situation amid the war in West Asia, which has effectively closed the critical maritime chokepoint of the Strait of Hormuz.

Around 2.5–2.7 million bpd of India's crude imports — accounting for around half of the country's total oil imports — have transited the Strait in recent months; the longer-term average is around 40%. The crisis has underscored the need to build more oil stocks and reserves for dealing with extended supply disruptions.

Besides the energy security, there is a commercial angle to it as well. Even a limited storage option would offer ISPRL the leverage to be a serious player in the international oil markets, with the option of releasing inventory when prices surge and recharging reservoirs whenever the crude is on a downcycle.

Experts point to the option of storage being leased out to West Asian refiners, especially since it reduces their freight costs into Southeast Asian markets. In fact, In July 2021, the government also approved the commercialization of Phase -I SPRs under which an agreement was signed between Abu Dhabi National Oil Company (ADNOC) UAE and ISPRL, permitting ADNOC to use 750,000 tonnes capacity at the Mangaluru SPR.

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