

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 944
ANSWERED ON –08/12/2025

CRUDE OIL IMPORT DEPENDENCY

944 SMT. RAJANI ASHOKRAO PATIL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the percentage of the country's crude-oil import dependence in the current year and the steps taken to reduce it via domestic production or alternate energy sources;
- (b) the percentage of refinery-capacity utilisation in the country currently and any major projects underway to expand capacity or upgrade to petro-chemical feed-stock;
- (c) Government's roadmap for transitioning to cleaner fuels (e.g., bio-fuels, hydrogen, electric mobility) in the next decade and the expected timelines; and
- (d) the manner in which Government monitors the end-use consumption of petroleum products in key sectors (transport, industry, agriculture) and addresses issues of pricing volatility, smuggling or cross-border leakage?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

- (a) to (c) The percentage of the country's crude-oil import dependence in the current financial year 2025-26 (till Oct'25) is 88.5%. Government has taken various policy decisions and steps to boost domestic crude oil and natural gas production and reduce dependency on import of oil and gas which, inter alia, include:
- i. Policy under Production Sharing Contract (PSC) regime for early monetization of Hydrocarbon discoveries, 2014;
 - ii. Discovered Small Field Policy, 2015;
 - iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016
 - iv. Policy for Extension of PSCs, 2016 and 2017;
 - v. Policy for early monetization of Coal Bed Methane, 2017;
 - vi. Setting up of National Data Repository, 2017;
 - vii. Approval of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017;
 - viii. Policy frameworks for extension of Production Sharing Contracts (PSCs) for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP) 2016 & 2017;
 - ix. Policy to Promote/Incentivize Enhanced Recovery Methods of Oil/Gas 2018;

- x. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018;
- xi. Natural Gas Marketing Reforms, 2020;
- xii. Lower Royalty Rates, Zero Revenue Share (till Windfall Gains) and no drilling commitment in Phase-I in OALP Blocks under Category II and III basins to attract bidders;
- xiii. Release of about 1 Million Sq. Km. (SKM) “No-Go” areas in offshore which were earlier blocked for exploration for decades;
- xiv. Amendments to the Oilfields (Regulation and Development) Act, 1948 to promote ease of doing business, contractual stability, operational efficiency and faster dispute resolution

The percentage of refinery-capacity utilisation in the country in the current financial year 2025-26 (till Oct’25) is 104%. Oil and Gas CPSEs have taken up various projects to expand capacity or to upgrade petro-chemical feed-stock.

India's strong commitment to clean energy is being propelled by Ethanol Blending Petrol Programme, Pradhan Mantri JI-VAN scheme, Compressed Bio Gas (CBG) ecosystem, National Hydrogen Mission, etc. As a green fuel, Ethanol supports the environmental sustainability efforts of the Government. Government have been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme to reduce import dependence on crude oil while saving foreign exchange and promote domestic agriculture sector. National Policy on Biofuels – 2018, as amended in 2022, inter-alia, advanced the target of 20% blending of ethanol in petrol to ESY 2025-26 from 2030. India has already achieved blending of more than 19% during the ESY 2024-25.

In 2019, the Government notified the Pradhan Mantri JI-VAN (Jaiv Indhan – Vata-varan Anukool fasal awashesh Nivaran) Yojana 2019, amended in 2024, to provide financial support for setting up Advanced Biofuels projects in the country using lignocellulosic biomass and other renewable feedstock. Further, towards decarbonizing of the aviation sector, Government has approved 1% Sustainable Aviation Fuel (SAF) indicative blending target in 2027 (initially for International flights).

To promote CBG, Government have initiated various schemes like Sustainable Alternative Towards Affordable Transportation (SATAT), financial assistance for procurement of Biomass Aggregation Machinery (BAM) and scheme for the development of pipeline infrastructure (DPI) for transportation of CBG into the City Gas Distribution (CGD) network

Government have promoted the use of LPG and Piped Natural Gas (PNG) for clean domestic cooking fuel. To promote LPG as a clean cooking fuel, Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May 2016, to provide deposit free LPG connection to adult women from poor households. With an aim to further create environmentally sustainable cooking solutions, OMCs are also working on innovative solutions and encouraging start ups to provide new age solutions like Ethanol and Solar cook stoves

Government is implementing the National Green Hydrogen Mission with an objective to make India a global hub of production, usage and export of green hydrogen and its derivatives. Strategic Interventions for Green Hydrogen Transition is a key component of the Mission which provides financial incentives for production of green hydrogen and electrolyser manufacturing.

(d) The consumption of petroleum products data is collected from all oil and gas marketing companies and is available to monitor end-use consumption on an Industry basis. Government remains committed to a balanced and pragmatic approach anchored in market principles, consumer interest, and long-term energy transition goals.

Pricing of petrol and diesel in the country is market-determined and OMCs take appropriate decision on pricing of petrol and diesel. However, the Government remains sensitive to the impact of global oil price fluctuations. Calibrated interventions have been undertaken - such as reductions in central excise duties.

PSU Oil Marketing Companies recently carried out an intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in the form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

Government also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.
