

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO - 1886**  
ANSWERED ON -09/03/2026

**CRUDE OIL IMPORT DEPENDENCE CRISIS**

1886. SMT. MAYA NAROLIYA:

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

- a) whether India's dependence on imported crude oil has increased in 2025, particularly due to the decline in domestic production from mature oil fields; if so, the details thereof;
- b) the steps being taken to address the stagnation in expansion of refining capacity and delays in major refinery projects; and;
- c) whether progress has been made in attracting foreign investment for upstream oil and gas exploration and in expanding the exploration acreage; if so, the details thereof, State-wise?

**ANSWER**

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

(a) to (c) Import dependency in crude oil during FY 2024-25 is 88.2 % and 88.6%. in FY 2025-26 (till Jan'26). There is a natural decline in production year on year from mature fields. To help arrest such natural decline, the Government approved the Policy framework in 2018 to promote and incentivize Enhanced Recovery (ER)/Improved Recovery (IR)/ Unconventional Hydrocarbon (UHC) production methods through fiscal incentives in the form of partial waiver of royalty and cess.

The country's refining capacity has increased from 248.4 MMTPA to 258.1 MMTPA in the last five years. Refinery projects typically are capital intensive, technically complex in nature and have long gestation cycles. Major reasons for refinery project delays include delays in statutory clearances, land acquisitions, technical feasibility studies, contractual issues etc. Government is closely and regularly monitoring the progress of these important projects.

100% FDI through Automatic Route is allowed in Upstream activities of oil and natural gas fields. MoPNG has instituted sweeping reforms to increase India's exploration acreage to 1 million sq. km. by 2030. Towards further strengthening our energy security, India has aggressively pursued domestic exploration and production (E&P) in the last 10 years. Of the total active acreage under E&P today, more than 75% area has been awarded in the last 10 years through Open Acreage Licensing Program (OALP), Coal Bed Methane (CBM) and Discovered Small Fields (DSF) bid rounds. Since 2015, 172 blocks have been awarded and more than 6,000 wells have been drilled.

The Government has taken measures for attracting foreign investment for upstream oil and gas exploration and in expanding the exploration acreage which inter-alia include:

- i. Policy for Relaxations, Extensions and Clarifications 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 (CBM), 2017;
- vi. Policy to Promote/Incentivize Enhanced Recovery Methods of Oil/Gas, 2018;
- vii. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons including CBM, Shale Oil and Gas etc under Existing Contracts and Nomination Fields, 2018;
- viii. Release of about 1 Million Sq. Km. (SKM) “No-Go” area in offshore in 2022 which were earlier blocked for exploration for decades.
- ix. Amendments to Oilfields (Regulation and Development) Act in 2025 to promote ease of doing business, contractual stability and operational efficiency.
- x. The Oilfields (Regulation and Development) Amendment Act, 2025 has expanded the definition of "mineral oils" to include a broader range of hydrocarbons including conventional as well as unconventional form of hydrocarbons allowing the production of these hydrocarbons under a single lease.
- xi. In 2017, a policy framework for Early Monetization of CBM was formulated to provide marketing and pricing freedom for CBM and streamline the operational issues in the existing blocks.
- xii. In 2018, Government notified terms & conditions for grant of exploration and exploitation rights to Coal India Limited (& subsidiaries) from coal bearing areas.
- xiii. Policy guidelines for promotion of exploration and production of shale gas / oil interalia include:
  - a. Allowing E&P operators in India to explore and develop all unconventional hydrocarbons (CBM, shale oil/gas and gas hydrate) under existing production sharing contracts, CBM blocks, and nominated licenses. This allows the exploration and development of shale gas/ oil in existing PML areas.
  - b. Policy framework to promote and incentivize Enhanced Recovery Methods for Oil and Gas under which various fiscal incentives are being provided to the operators for future discoveries of unconventional hydrocarbons (Shale Gas/Oil and Gas Hydrate).

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