

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO 2688
ANSWERED ON – 16/03/2026

**REVIEW OF DOMESTIC CRUDE OIL PRODUCTION AND FUEL PRICE
STABILITY**

2688 SHRI BABUBHAI JESANGBHAI DESAI:

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

- (a) whether Government has reviewed the current status of domestic crude oil and natural gas production in view of global supply uncertainties;
- (b) the measures taken to enhance exploration under the Hydrocarbon Exploration and Licensing Policy and increase private sector participation;
- (c) whether strategic petroleum reserves are being augmented to safeguard against international price volatility; and
- (d) the steps being taken to ensure stability of retail fuel prices while protecting consumer interests?

ANSWER

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

(a): Government continuously monitors the domestic crude oil and natural gas production and assesses the global threats which can lead to potential supply disruptions.

(b): Hydrocarbon Exploration and Licensing Policy (HELP) was introduced in 2016 to promote exploration and attract private sector investment in the oil and gas sector. The key measures under HELP, 2016 *inter-alia* include Uniform Licensing System for all types of hydrocarbons, Open Acreage Licensing Programme (OALP), Revenue Sharing Model and Pricing and Marketing Freedom.

Since 2016, in IX rounds of OALP, under HELP, 172 exploration blocks have been awarded with a total committed investment of about USD 4.36 billion, of which 66 Blocks have been allocated to private sector companies with a committed investment of about USD 1.32 billion. The recently launched OALP Round-X, offering 25 blocks across 13 sedimentary basins covering about 1.82 lakh sq. km., seeks to enhance exploration by offering incentives

such as reduced royalty rates, no oil cess, early monetization incentives, exploration rights for the full contract life, stability and dispute-resolution safeguards, infrastructure sharing, collaboration between National Oil Companies and private companies for field development and permission for 100% Foreign Direct Investment (FDI) under the automatic route making the regime more attractive for private investors in line with the new Petroleum and Natural Gas Rules, 2025.

(c): Government, through a Special Purpose Vehicle, called Indian Strategic Petroleum Reserves Limited (ISPRL), has established Strategic Petroleum Reserves (SPR) facilities with total capacity of 5.33 Million Metric Tonnes (MMT) of crude oil. Government have also approved two additional commercial-cum-strategic petroleum reserve facilities.

(d): The retail fuel prices are market determined and Public Sector Oil Marketing Companies (OMCs) take decisions on their pricing based on various factors, which include crude oil prices, international product prices, exchange rates, tax structures, inland freight, insurance etc. Government of India takes several other steps to insulate common citizens from high international prices, which include diversifying the crude import basket, windfall taxes on export of petroleum products, calibrating the tax structure applicable for petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc. PSU OMCs have also carried out an intra-state freight rationalisation to benefit consumers located at remote areas. Further, price of LPG in the country is linked to its price in the international market. Globally, Pradhan Mantri Ujjwala Yojana (PMUY) is the biggest program of its kind that provides Domestic LPG at a subsidized price which is available to about 10.33 crore Ujjwala beneficiaries, across the country.