

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2303**  
**TO BE ANSWERED ON 13th MARCH, 2025**

**Reduction of India's Dependence on Crude Oil Imports**

†2303 Shri Mukesh Rajput:

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**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) the steps being taken to reduce India's dependence on crude oil imports;
- (b) the manner in which the Government ensures stability in fuel prices amidst fluctuations in global crude oil prices;
- (c) the manner in which the Government is addressing environmental concerns related to oil and gas extraction and refining;
- (d) the role of the petroleum sector in achieving India's net-zero emissions target by 2070; and
- (e) whether any agreement has been signed with any countries on joint exploration of crude oil projects and if so, the details thereof?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

(श्री सुरेश गोपी)

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

- (a) Government have taken various measures to reduce the dependency on imported crude oil and to promote domestic production 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. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017.
  - viii. Policy framework for extension of PSCs for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.
  - ix. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and 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 Gain) 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' area in offshore which were earlier blocked for exploration for decades.
- (b) Various steps have been taken by Government and Public Sector Undertaking (PSUs) Oil Marketing Companies (OMCs) to mitigate the burden on consumers of higher crude prices which, *inter-alia*, include:
- i. Reduction of Central Excise duty by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each, across the country.
  - ii. Insulating common citizens from high international prices by 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.
  - iii. Intra-state freight rationalisation by PSU OMCs which has benefitted consumers located at remote areas within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.
  - iv. Subsidized domestic LPG cylinder made available to more than 10.33 crore PM Ujjwala Yojana beneficiaries, across the country. A few State Governments are also providing some additional subsidy on LPG refills and bearing the additional cost from their respective budgets.
- (c) to (d) Oil and Gas PSUs have already announced their target dates for Net Zero status and developed plans for the same. To address environmental concerns and achieving country's net-zero emissions target they are adopting several methods to decarbonize their operations and value chain which, *inter alia*, include introduction of cleaner / alternate fuels; such as leapfrogging from Bharat Stage (BS) IV to BS VI fuel norms; adoption of Biofuels e.g. Ethanol Blending, Compressed Bio Gas (CBG) and Biodiesel, promotion of cleaner production processes; promoting gas based economy, promoting energy efficiency and conservation practices, production and utilisation of Green Hydrogen, installation of Electric Vehicle (EV) charging infrastructure, etc. Over the last 10 years, Ethanol blending in Petrol by public sector OMCs has helped reduce approximately 578 lakh metric tonne of CO<sub>2</sub>

emissions. Government has also notified the “Pradhan Mantri JI-VAN (Jaiv Indhan – Vatavaran Anukool Fasal Awashesh Nivaran) Yojana”, to provide financial support for integrated bio-ethanol projects aimed at setting up advanced Biofuel projects in the country using lignocellulosic biomass and other renewable feedstock.

(e) Government has permitted 100% FDI in E&P Sector through automatic route. The blocks/fields for exploration and production activities are offered through international competitive bidding process where domestic entities have to compete on equal terms and conditions with foreign bidders. Indian Oil & Gas PSUs have been actively pursuing opportunities to acquire high-quality oil and gas assets overseas to strengthen the country’s energy security. Oil and gas PSUs hold Participating Interest (PI) in 45 blocks in 21 countries.

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