

## **PRESS RELEASE**



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### **LOK SABHA SECRETARIAT PARLIAMENT HOUSE NEW DELHI**

#### **TWENTY-FIRST REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2025-26) OF 18<sup>th</sup> LOK SABHA ON “REVIEW OF PERFORMANCE OF PETROLEUM AND NATURAL GAS SECTOR CPSUs”**

**11 December, 2025**  
**20 Agrahayana, 1947(S)**

Shri Baijayant Panda, M.P. and the Chairperson, Committee on Public Undertakings (2025-26) has presented the Twentieth Report of the Committee (18<sup>th</sup> Lok Sabha) on the subject “Review Of Performance Of Petroleum And Natural Gas Sector CPSUs”.

Some of the important Observations/Recommendations of the Committee contained in the Report are as follows:

1.	<b><i>Aligning Capital Investment (Capex) with Output and Energy Transition Goals</i></b>	<p>Observing that despite higher CAPEX, crude oil production declined and gas output grew only marginally due to ageing fields, long gestation periods and operational disruptions, the Committee recommended for stronger linkage of CAPEX with measurable production gains through faster development of new fields, wider use of Enhanced Oil Recovery (EOR) and better maintenance of existing assets. The Committee also emphasised a balanced, time-bound approach that strengthens conventional production while advancing energy transition efforts such as renewable energy integration, gas flaring reduction and electrification to ensure energy security and sustainability.</p> <p>(Recommendation Para No. 03)</p>
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2.	<b><i>Strengthening Natural Gas Grid Implementation and Pipeline Safety</i></b>	<p>While appreciating the progress in expanding the National Gas Grid but noting persistent challenges due to delays, cost overruns and land acquisition issues, the Committee recommended for stronger coordination with Central and State authorities, adoption of standardised compensation mechanisms and greater use of advanced technologies. The Committee also emphasised for accelerated deployment of Supervisory Control and Data Acquisition (SCADA) systems, AI-based predictive maintenance and renewable energy at pumping stations to enhance safety, efficiency and timely completion of pipeline project.</p> <p>(Recommendation Para No. 06)</p>
3.	<b><i>Enhancing Financial Resilience and Operational Efficiency of CPSUs</i></b>	<p>Noting the variations in revenues and profitability among Ministry of Petroleum &amp; Natural Gas (MoPNG) CPSUs due to crude price volatility, rising costs and moderate margins in which upstream companies posted strong profits, downstream companies remained vulnerable with modest returns and higher overheads, the Committee recommended for stronger risk management through improved hedging, revenue diversification and operational efficiency, along with cost optimisation via digital transformation, energy efficiency and overhead rationalisation. They further urged for policy support and regular monitoring to ensure long-term financial stability and sustainability of the CPSUs.</p> <p>(Recommendation Para No. 08)</p>
4.	<b><i>Mitigating Geopolitical Risks to Strengthen India's Energy Security</i></b>	<p>Noting India's high dependence on crude oil imports and the resulting vulnerability to geopolitical conflicts, sanctions and supply route disruptions, the Committee recommended for diversification of crude sourcing, strengthening of strategic petroleum reserves, development of alternative import routes and institutionalisation of risk management practices such as hedging and flexible contracts. The Committee further urged for closer coordination between MoPNG, Ministry of External Affairs (MEA)</p>

		<p>and other agencies to address regulatory and taxation challenges abroad, while recommending adoption of digital and enterprise risk management frameworks by CPSUs to enhance long-term energy resilience.</p> <p>(Recommendation Para Nos. 11 &amp; 12)</p>
5.	<b><i>Accelerating Environmental Sustainability and Net-Zero Transition</i></b>	<p>While noting that despite ongoing initiatives, P&amp;NG CPSUs continue to face major environmental challenges, the Committee recommended for setting clear, time-bound emission reduction targets, strengthening monitoring systems, and investing in advanced carbon capture technologies, alongside robust water conservation and biodiversity protection measures. The Committee further urged for preparation of a coordinated Net Zero roadmap aligned with India's 2070 climate goal, with interim milestones, accelerated renewable deployment, development of indigenous clean technologies and stronger public-private partnerships to ensure a sustainable and cost-effective energy transition.</p> <p>(Recommendation Para Nos. 13 &amp; 14)</p>
6.	<b><i>Accelerating Green Hydrogen Development and Innovation</i></b>	<p>Recognising green hydrogen as a critical pillar for de-carbonisation and noting the progress made by CPSUs under the National Green Hydrogen Mission, the Committee recommended for time-bound implementation of projects, establishment of a strong regulatory framework, and incentives for large-scale electrolyser manufacturing to reduce costs. The Committee urged for scaling up R&amp;D through coordinated collaboration among CPSUs, ministries, academia and private sector, along with expanded pilot projects, international partnerships and clear performance benchmarks, to position India as a global leader in green hydrogen technologies.</p> <p>(Recommendation Para Nos. 15 &amp; 16)</p>
7.	<b><i>Strengthening Safety Standards and Worker Protection in Oil and Gas</i></b>	<p>The Committee noted that safety remains a critical concern in hazardous oil and gas operations despite improved Health, Safety &amp;</p>

	<b><i>Operations</i></b>	<p>Environment (HSE) management systems and training initiatives. They recommended uniform implementation of MB Lal Committee recommendations across all CPSUs, stronger independent safety audits and mandatory use of digital monitoring tools such as AI and IoT-based systems. The Committee further stressed regular training for employees and contract workers, improved community safety awareness and closer coordination with local authorities to ensure high safety standards and protect workers, assets and surrounding communities.</p> <p>(Recommendation Para No. 20)</p>
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