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STANDING COMMITTEE ON PETROLEUM & NATURAL GAS (2024-25)

(EIGHTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

[Action Taken by the Government on the recommendations contained in the First Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on the subject 'Demands for Grants (2024-25) of the Ministry of Petroleum and Natural Gas']

THIRD REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

…… August, 2025/…….Shravana, 1947 (Saka)

CP&NG NO.

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[Action Taken by the Government on the recommendations contained in the First Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on the subject 'Demands for Grants (2024-25) of the Ministry of Petroleum and Natural Gas']

Presented to Lok Sabha on 12.08.2025
Laid in Rajya Sabha on 12.08.2025

LOK SABHA SECRETARIAT
NEW DELHI

August, 2025/Shravan, 1947 (Saka)

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Shri Sunil Dattatrey Tatkare – Chairperson

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	LOK SABHA
2	**Shri Gurjeet Singh Aujla**
3	**Shri Benny Behanan**
4	**Shri Maddila Gurumoorthy**
5	**Shri Dileshwar Kamait**
6	**Shri Putta Mahesh Kumar**
7	**Shri Vinod Lakhamshi Chavda**
8	**Smt. Joba Majhi**
9	**Smt. Pratima Mondal**
10	**Shri Laxmikant Pappu Nishad**
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12	**Shri Dilip Saikia**
13	**Smt. Kamaljeet Sehrawat**
14	**Shri Janardan Singh Sigriwal**
15	**Dr. Amar Singh**
16	**Shri Vivek Thakur**
17	**Shri Ve Vaithilingam**
18	**Shri Balashowry Vallabhaneni**
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21	**Shri Dharmendra Yadav**
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22	**Shri Chunnilal Garasiya**
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29	**Shri K.R.N. Rajeshkumar**
30	**Dr. V. Sivadasan**
31	**Shri Ravi Chandra Vaddiraju**

SECRETARIAT

1	**Shri Rajesh Ranjan Kumar**	**Joint Secretary**
2	**Shri Sujay Kumar**	**Deputy Secretary**
3	**Shri Gurpreet Singh**	**Committee Officer**

INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Action Taken by the Government on the recommendations contained in the First Report (Eighteenth Lok Sabha) of the Committee on the subject 'Demands for Grants (2024-25) of the Ministry of Petroleum and Natural Gas'.

2. The First Report of the Standing Committee on Petroleum & Natural Gas was presented to Lok Sabha/ laid on the table of Rajya Sabha on 12.12.2024 and 13.12.2024 respectively. The Action Taken Replies of the Government to all the recommendations contained in the First Report were received on 10.03.2025.

3. The Standing Committee on Petroleum & Natural Gas (2024-25) considered and adopted the Report at their sitting held on 07.08.2025.

4. An analysis of the action taken by the Government on the recommendations contained in the First Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum & Natural Gas is given in *Annexure-II*.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

6. The Committee place on record their appreciation for the valuable assistance rendered to them by the officers of the Lok Sabha Secretariat attached to the Committee.

New Delhi;
***07 August*, 2025**
16 Shravan,1947 (Saka)

Sunil Dattatrey Tatkare,
Chairperson,
Standing Committee on
Petroleum & Natural Gas

REPORT

CHAPTER I

This Report of the Standing Committee on Petroleum and Natural Gas deals with the action taken by the Government on the recommendations contained in the First Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on "Demands for Grants (2024-25) of the Ministry of Petroleum and Natural Gas", which was presented to Lok Sabha on 12.12.2024 and laid in Rajya Sabha on 13.12.2024.

2. Action Taken Notes have been received from the Ministry on 10.03.2025 in respect of all the 18 recommendations/observations contained in the report. These have been categorized as per the following:

(i) Recommendations/Observations that have been accepted by the Government: - Reco. Nos. 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 18 (Total – 14)

(Chapter- II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies: - Nil

(Chapter- III)

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee: - Recos. No. 5 and 16 (Total - 2)

(Chapter- IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited: - Recos. No. 14 and 17 (Total - 2)

(Chapter- V)

3. The Committee desire that the Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report and Final Replies in respect of the recommendations for which interim replies have been furnished by the Government should be furnished expeditiously.

4. The Committee will now deal with the action taken by the Government on some of their recommendations.

Recommendation No. 1

Need to streamline budget making process

5. The Committee note that the total allocation of the Ministry of Petroleum and Natural Gas in BE 2024-25 is Rs 15930.26 cr. as against Rs 41007.72 cr. in BE 2023-24. Out of the budgeted amount, Rs 14801.29 cr. has been allocated towards revenue expenditure and Rs 1128.97 cr. has been allocated towards capital expenditure. In FY 2021-22, the BE of the Ministry was Rs 15943.78 crore which was reduced to Rs 8846.13 crore at the RE Stage. The Actual Expenditure in that year was only Rs 5753.63 crore. In FY 2022-23, the BE of the Ministry was Rs 8939.86 crore which was increased to Rs 33883.55 crore at the RE Stage. The Actual Expenditure in the year was Rs 30912.71 crore. In FY 2023-24, the BE of the Ministry was Rs 41007.72 crore which was reduced to Rs 14757.01 crore at the stage of RE. The Actual Expenditure in the year was Rs 14330.21 crore. The Committee note that there have been wide variations in Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure of the last three financial years of the Ministry. The Committee, however, understand that the financial estimates of the Ministry of Petroleum and Natural Gas are closely linked with changes taking place in international market prices of crude oil and gas. It may, therefore, not always be possible for the Government to accurately anticipate the international price movements of petroleum products as price movement is dependent on external or international factors. Hence such wide variations in BE, RE and Actual Expenditure of the Ministry. The Committee, however, underline that such wide variation2 in BE and RE and actuals hinders the cause of prudent planning and management of financial resources of the Government. The Committee, accordingly, recommend that every effort must be made by the Ministry to ensure that such huge variations in estimates are avoided by way of effective financial and economic planning.

6. In this regard, the Ministry has submitted the following reply:

"Reasons for variations in BE/RE vis-à-vis actual expenditure for the FY 2022-23, 2023-24 and 2024-25

(figures in Crores of rupees)

BE 2022-23	RE 2022-23	Variance in RE from BE 2022-23	Major reasons for Variance	RE 2022-23	Actuals 2022-23	Variance in Actuals 2022-23 from RE 2022-23	Major reasons for variance
8939.86	33883.55	24943.69	(i) Rs. 22,000 Crores were additionally allocated in a **New Scheme** viz. One time grant to PSU OMCs for under recoveries in Domestic LPG in pursuance to the Cabinet Meeting dated 12.10.2022. (ii) Rs. 7210 Crores additional funds were allocated viz. PMUY due to Rs. 200 subsidy to PMUY consumers. (iii) Rs. 245.00 Crores were additionally allocated in a **New Scheme** viz. Numaligarh Refinery Expansion Project. (iv) Rs. 215.62 Crores were additionally allocated in a New Scheme viz. Flagging of merchantship	33883.55	30912.71	-2970.84	(i) Rs. 2346.63 Crores surrendered in Scheme viz. PMUY due to Oil Marketing Companies bills are lower than projections and bills of March, 2023 were not received before the end of FY 2023-24. (ii) Rs. 269.74 Crores surrendered in Scheme viz. Indradhanush Gas Grid Litd. (IGGL), due to lower CAPEX during FY 2022-23 for the reasons such as delay in land acquisition in Assam/Tripura, delay in receipt of environment and statutory clearances. (iii) Rs. 131.58 Crores surrendered in Scheme viz Flagging of merchantship due to lesser bills expected from OMCs.
BE 2023-24	**RE 2023-24**	**Variance in RE from BE 2023-24**	**Major reasons for Variance**	**RE 2023-24**	**Actuals 2023-24**	**Variance in Actuals 2023-24 from RE 2023-24**	**Major reasons for variance**

41007.72	14757.01	-26250.71	(i) Rs. 29,999.99 Crores were surrendered due to reduction of funds by Ministry of Finance in the Scheme viz. Capital Support to OMCs. (ii) Rs. 4,999.99 Crores were surrendered in the Scheme viz. Payment to ISPRL for Crude Oil Reserves due to deferment of the proposal by DoE, MoF on 14.11.2023. (iii) Additional funds of Rs. 8499.99 Crores were allocated viz. PMUY due to Rs. 100 per connection increase in subsidy and due to 25 lakh new connections. (iv) Additional fund of Rs. 1280 Crores is required in DBTL Schemes, due to the previous pending payments of Rs. 342 Crore upto March, 2023. Further, quantity of LPG for 2023-24 and 2024-25 has been estimated at a growth of 1.73% over previous year volume. A bill of Rs. 443.86 Crore upto July, 2023 was pending with the Ministry. (v) Rs. 468 Crores were surrendered due to non-finalization of land purchase in ISPRL Phase-II (vi) Rs. 500 Crores were surrendered in IGGL Scheme	14757.01	14330.21	-426.80	(i) Rs. 256.62 Crores surrendered in Scheme viz. Indradhanush Gas Grid Litd. (IGGL), due to lower CAPEX during FY 2023-24. (ii) Rs. 76.24 Crores surrendered in Scheme viz. PM JI-VAN Yojana, due to less bills received from HPCL and IOCL due to non-achievement of 2nd and 3rd Milestones of disbursement conditions. (iii) Rs. 42.25 Crores surrendered in Scheme viz. Scheme for flagging of Merchant Ships due to receipt of less bills from the Oil Marketing Companies concerned.

			due to RoU issues and monsoon, construction activities have been slowed down.				

BE 2024-25	**RE 2024-25**	**Variance in RE from BE 2024-25**	**Major reasons for Variance**	**RE 2024-25**	**Actuals 2024-25**	**Variance in Actuals 2024-25 from RE 2024-25**	**Major reasons for variance**
15930.26	17367.70	1437.44	(i) Additional funds of Rs. 437.44 Crores were provided as additional cash in PMUY scheme to meet the additionality of Rs 3606 Crores in the scheme. (ii) Rs 1000 Crore provided in OID Fund in the month of January, 2025. The funds are parked funds for utilization in FY 2025-26.	17367.70	7247.63 (as on 07.02.2025)	10120.07	Actual variance will be ascertained once the financial year has ended.

In view of the table above it may be seen that major variation in the BE RE AE due to Demands of Funds in the new schemes as well as due to fresh decision in the flagship schemes of the Ministry.

The suggestion of the Standing Committee has been noted & will be taken care in future”.

Comments of the Committee

7. The Committee in their original Report had recommended the Ministry to streamline its budget making process to ensure that huge variations in budget estimates are avoided by way of effective financial and economic planning. The Ministry in their action taken reply have furnished reasons for variance in budget utilisation viz 2346.63 crores w.r.t PMUY due to lower projections of OMCs; Rs. 269.74 crores w.r.t IGGL due to delay in land acquisition and obtaining statutory clearances; Rs. 256 crores surrendered in financial year 2023-24 due to low capital expenditure w.r.t IGGL, Rs. 76.24 crores surrendered w.r.t PM-JI-VAN Yojana Scheme, etc.

While accepting the reply of the Ministry the Committee express their concern over the reduction in capital expenditure by the Ministry/Oil PSUs which resulted into surrender of considerable amount of allocated budgetary funds during the financial year 2024-25 w.r.t implementation of various major schemes. The Committee, therefore, reiterate their previous recommendation and urge the Ministry to undertake prudent planning and management of financial resources of the Government so that the allocations are made in accordance with actual requirements. The Committee also urge the Government to make all out efforts to remove hinderances coming in the way of implementation of its major schemes by Oil PSUs.

Recommendation No. 3

Transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas

8. The Committee note that petrochemical industry is a fast growing industrial sector in the country. The demand of petrochemical products in the country has been increasing at a CAGR of about 8 per cent in the last few years. The Committee also note that Oil Marketing Companies (OMCs) of the country have become large, diversified and integrated. They have also large presence in the petrochemicals sector and actively engaged in increasing their Petrochemicals intensity index. IOCL has plans to increase its petrochemicals intensity index from current 5 per cent to 15 per cent by 2030.

In view of the growing importance of the petrochemicals in the Petroleum sector, the Committee recall their recommendation included in their 18th Report (17th Lok Sabha) on Demands for Grants (2023-24) in which they had suggested the Ministry of Petroleum & Natural Gas to examine the expediency of transfer of petrochemicals division from the Ministry of Chemicals & Fertilizers to the Ministry of Petroleum & Natural Gas and to take up the issue with the Cabinet Secretariat for amendment of Allocation of Business Rules of the Government of India, if needed. In this regard, the representative of the Ministry of Petroleum and Natural Gas deposed before the Committee during evidence that the decision would not be taken by the Ministry of Petroleum and Natural Gas alone. There were multiple stake holders in this and all of them had their own views.

The Committee are of the opinion that the petroleum and petrochemicals industries are inter- related. The feedstock for petrochemicals industry is provided by petroleum industry. Therefore, better synergy between them will help both the industries and contribute to their mutual faster growth. The Committee also view that the transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas will help in better policy formulation for both the sectors and facilitate ease of doing business. Accordingly, the Committee recommend the Ministry of Petroleum & Natural Gas to take up the matter with the Cabinet Secretariat for initiating a dialogue process involving all the stake holders for transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas.

9. In this regard, the Ministry has submitted the following reply:

"The Ministry of Petroleum and Natural Gas (MoPNG) has taken note of the committee's recommendation. The significance of collaboration between the petrochemical and petroleum industries is recognized by MoPNG.

The decision regarding the transfer of the petrochemicals division from the Ministry of Chemicals & Fertilizers to the MoPNG requires detailed consultations among all stakeholders. Since multiple Ministries/ Departments and entities are involved, discussions with relevant stakeholders are necessary before sending proposal to the Cabinet Secretariat for taking further action regarding amendment of the Allocation of Business Rules, 1962".

Comments of the Committee

10. The Committee in their original Report had recommended the Ministry to take up the issue of transfer of Petrochemicals Division from the Ministry of

Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas to ensure better synergy and policy formulation for both the sectors and also to facilitate ease of doing business. The Ministry, in their action taken reply, have submitted that for decision regarding the transfer of the petrochemicals division from the Ministry of Chemicals & Fertilizers to the MoPNG, discussions with relevant stakeholders are necessary before sending proposal to the Cabinet Secretariat for taking further action regarding amendment of the Allocation of Business Rules, 1962. The Committee, desire that the Ministry may take up the issue at the highest level for initiating process of involving all the stake holders for transfer of Petrochemicals division from the Ministry of Chemicals and Fertilizers to the MoPNG.

Recommendation No. 4

Need to achieve universal coverage of Pradhan Mantri Ujjwala Yojana (PMUY)

11. The Committee note that the Ministry of Petroleum and Natural Gas has successfully provided 10.33 crore connections as on August, 2024 under PMUY. The Committee acknowledge the achievement of the Ministry and opine that the scheme has certainly helped in empowering women from poor and unprivileged sections of the society and improving their living standards by helping them in getting rid of the smoky and hazardous chullhas. However, based on the findings of Comprehensive Annual Modular (CAM) Survey 2022-23 conducted by the National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation (MoSPI) and replies of the Ministry of Petroleum and Natural Gas, the Committee are of the view that the country has achieved substantial progress in achieving universal coverage of LPG connections which is the core objective of PMUY. The Committee therefore, recommend that the Ministry may further intensify its public awareness campaign for the PMUY and work out new and innovative ways of encouraging people to avail the benefits under PMUY.

12. In this regard, the Ministry has submitted the following reply:

"As of 01.01.2025, there are 32.87 Cr active LPG consumers in the country including 10.33 Cr PMUY consumers. This reflects in near saturation LPG coverage in the country. To further build on the success of PMUY, OMCs are carrying out various public awareness campaigns through a multi-pronged approach, including the following:

1. **Targeted Outreach Campaigns:** OMCs are conducting Pradhan Mantri LPG Panchayat (PMLP) to educate people about advantages of using LPG over other

conventional fuels as well as safe usage of LPG. As on closing of Nov'24, OMCs have conducted 3.17 lakh LPG Panchayats since Apr'18.

2. **Innovative Engagement methods:** Partnering with local influencers, women's self-help groups, and community leaders to encourage adoption and safe usage of LPG.
3. **Digital and Traditional Media Integration:** Leveraging social media platforms, Hoardings at prominent places, Theatres etc. to enhance the reach and impact of awareness initiatives.
4. **Community Involvement:** Creating Interactive platform through conducting cooking competition in various districts to promote safe LPG usage and showcase cost-saving practices".

Comments of the Committee

13. The Committee had recommended the Ministry to intensify its public awareness campaign for the PMUY and work out new and innovative ways of encouraging people to avail the benefits under PMUY. The Ministry in their action taken reply have submitted that as of 01.01.2025, there are 32.87 Cr active LPG consumers in the country including 10.33 Cr PMUY consumers which reflects near saturation of LPG coverage in the country. Besides, to further build on the success of PMUY, OMCs are stated to be carrying out various public awareness campaigns through a multi-pronged approach. The Committee are concerned to note that the Ministry has not provided the details regarding specific efforts made towards identification of new beneficiaries belonging to poor households living in urban areas under PMUY. The Committee, therefore, reiterate its recommendation and urge the Ministry to ensure universal coverage of the scheme for the targeted beneficiaries. Further, the Committee also desire the Ministry to put in place a mechanism to provide LPG connections under PMUY as and when applied for by all the eligible persons.

Recommendation No. 5

Need to increase subsidy on LPG gas cylinders issued under PMUY

14. The Committee note that the current refill rate of LPG cylinders issued under PMUY is 3.95 per year. This is much less than the refill rate of non-PMUY LPG cylinder which is about 6.5. The Committee further note that the provision of subsidy on refilling of LPG cylinders issued under PMUY, currently being Rs. 300 per cylinder, has

contributed towards increase in refill rate of LPG cylinders issued under the Yojana from 3.01 in 2019-20 to 3.95 in 2023-24. Thus, there is direct causal relationship between increase in amount of subsidy on LPG cylinders issued under the PMUY and increase in refill rate of such cylinders over the years. The Committee further note that the current refill rate of LPG cylinders issued under PMUY is much below the stated policy of Government of India to issue 12 subsidized LPG cylinders per year to the beneficiaries of PMUY.

The Committee appreciate that the PMUY has brought positive changes in the living standards and life style of all women specially rural women. However, the Committee feel that the low refill rate of LPG cylinders issued under PMUY is indicative of the fact that the target consumers are not able to take full benefit of the scheme. The Committee, therefore, urge the Ministry to find out the reasons there for and work out suitable remedies. Increasing the subsidy amount on refilling of LPG cylinders may be a solution. The Committee, therefore, recommend that the Ministry may increase the subsidy to such an extent that makes the price of LPG refill cylinders affordable to the poor beneficiaries. This will not only increase the refill rate of cylinders but also help in widening the coverage of beneficiaries.

15. In this regard, the Ministry has submitted the following reply:

"Per capita consumption of LPG amongst PMUY families has increased from 3.01 in 2019-20 to 3.95 in 2023-24 which has further increased to 4.4 in the current FY 2024-25 (Prorated based on the consumption during Apr-Dec'24). This gradual increase is a testament to the fact that LPG refills are becoming affordable to PMUY beneficiaries.

After getting connections, sustained usage of LPG by Ujjwala beneficiaries needs a behavioural change to happen. Creating behavioural change in a predominantly rural and traditional society takes significant time and continuous efforts. Traditional cooking methods, preferences around taste and flavours, absolutely free and unlimited availability of firewood in hilly, rural and forest areas and orthodox beliefs connected to existing ways of cooking are issues beyond affordability and sometimes more important decision-making factors. Therefore, while price plays an important role in refill purchase decision by poor families, it is not the only factor. Further, an increase in subsidy beyond current levels may also escalate the financial burden on the government finances.

Careful calibration of approach is hence required to balance affordability for consumers, financial sustainability for OMCs, and the government's fiscal responsibilities while ensuring sustained growth in LPG adoption".

Comments of the Committee

16. The Committee had emphasized upon the Ministry to increase the subsidy on LPG gas cylinders issued under PMUY so that LPG refills become affordable

for the poor beneficiaries under PMUY. The Ministry in its reply have submitted that per capita consumption of LPG amongst PMUY families has increased from 3.01 in 2019-20 to 3.95 in 2023-24 which has further increased to 4.4 in the current FY 2024-25 (Prorated based on the consumption during Apr-Dec'24). Further, the Ministry have stated in their reply that after getting connections, sustained usage of LPG by Ujjwala beneficiaries needs a behavioral change to happen and that increase in subsidy beyond current levels may also escalate the financial burden on the government finances.

The Committee feel that reasons put forth by the Ministry for not considering to increase the subsidy on LPG gas cylinder under PMUY are not very convincing. While managing financial burden on Government finances is very important, at the same time, increasing coverage of PMUY with goal of achieving universal coverage is essential for achieving the objective of PMUY. Moreover, sizeable financial gains from within the scheme are possible by plugging loopholes like identification and blocking of ghost LPG connections under PMUY. The Committee, therefore, reiterate their recommendation for achieving universal coverage of PMUY by all possible means on the part of the Government.

Recommendation No. 8

Indian Strategic Petroleum Reserves- Need to expedite Construction of Phase - II

17. The Committee note that an amount of Rs. 408 crore has been allocated in the BE 2024-25 of the Ministry of Petroleum and Natural Gas for construction of underground caverns in Phase–II of Indian Strategic Petroleum Reserves. The Committee further note from the reply of the Ministry that the construction of phase – II of Indian Strategic Petroleum Reserves has not started yet. It was informed that even the land for the project has not been acquired so far. In view of the strategic importance of the project, the Committee recommend the Ministry to vigorously pursue the authorities concerned including the respective State Governments, expedite the whole process and ensure full utilization of the budget earmarked for the project in the current financial year so as to accelerate the pace of the work of Phase-II of the project and to ensure that the intended purpose is served.

18. In this regard, the Ministry has submitted the following reply:

“In July 2021, Government approved the establishment of two additional commercial-cum-strategic petroleum reserve facilities with total storage capacity of 6.5 MMT at Chandikhol (4 MMT) in Odisha and Padur (2.5 MMT) in Karnataka, on a Public Private Partnership mode.

The process and discussions with the respective State Government for expeditious completion of land acquisition at Chandikhol is going on. For Padur-II, the request for proposal (RFP) has been floated, and the land acquisition process is in advance stage”.

Comments of the Committee

19. The Committee had recommended the Ministry to ensure full utilization of the budget earmarked for the project in the current financial year and also to vigorously pursue with the concerned authorities including State Governments to expedite the process of completing construction of Phase II project of ISPRL. The Ministry, in their action taken reply, have submitted that the process and discussions with the respective State Governments for expeditious completion of land acquisition w.r.t Chandikhol and Padur-II is under way. The Committee urge the Ministry to closely monitor the progress of the project and make all out efforts to resolve land acquisition related issues in consultation with all the stakeholders.

Recommendation No. 9

Need to expedite implementation of PM-Jivan Yojana

20. The Committee note that during the last 5 years of the operation of the PM Jivan Yojana only an amount of Rs. 265 crore has been spent against total financial outlay of Rs. 1969.50 crore and approved financial assistance of Rs. 908.25 crore. Further, out of 6 commercial and 4 demonstration projects selected by the Ministry of Petroleum and Natural Gas for providing financial assistance under the scheme, only 1 commercial plant located at Panipat, Haryana has been commissioned. The Committee has been informed that in BE 2022-23, a budget of Rs. 314.36 crore had been allocated by the Ministry against which the actual expenditure stood at merely Rs. 37.875 crore.

Similarly, in the year 2023-24, against budget estimate of Rs. 227.26 crore, the actual expenditure was recorded to be as low as Rs. 75.75 crore. The Committee find the expenditure pattern unsatisfactory. Now, in the current Financial Year of 2024-25, the budget estimates for the project has been reduced to Rs. 117.41 crore.

As regards, underutilization of budget for the yojana, the Ministry informed the Committee that the allocated budget for 2023-24 could not be fully utilized as Project Developers faced challenges in achieving the milestones under the PM JI-VAN Yojana. These challenges included the complexity of new technologies, limited vendors for 2G equipment, delays in statutory clearances, issues with biomass supply chain logistics, COVID-related delays, slow finalization of deliverables due to first-time commercialization of technology, and disruptions in material/equipment delivery caused by geo-political situations. The Committee observe that the Ministry had furnished the same explanation to the Committee during examination of Demands for Grants-2023-24. The Committee view that when a new industry is developed by any country, challenges are bound to be encountered. The Committee also view that 2G ethanol plants are vital for securing energy security for the country as India is deficient in hydrocarbon resources especially crude oil and natural gas. Accordingly, the Committee recommend to the Ministry to make more concrete and vigorous efforts to overcome the obstacles being faced by 2G ethanol plants selected for the yojana.

21. In this regard, the Ministry has submitted the following reply:

"The PM JI-VAN Yojana was amended in August 2024 to expand its scope. The key amendments *inter-alia* include:

- Replacement of "2G ethanol" with the broader category of advanced biofuels.
- Inclusion of bolt-on and brownfield projects under the eligibility criteria.
- Extension of the scheme's timeline up to FY 2028-29.

To attract investments in the biofuel sector, a stakeholders' meeting was held in October 2024. This meeting served to inform stakeholders about the revised provisions of the scheme and to gather valuable feedback and suggestions for its successful implementation.

Based on the amendments, CHT, the implementing agency, has prepared the Request for Selection (RFS-V) document for selecting project developers for commercial-scale advanced biofuel projects. The document will be released shortly.

The scheme is being monitored at the highest level in the Ministry, which has facilitated the steady operation of the 2G ethanol plant at Panipat. The expertise gained from this plant is being utilized in the commissioning of new 2G plants at Bathinda (HPCL) and Bargarh (BPCL), as all three plants are based on the same technology.

The 2G plant at Numaligarh (ABRPL), based on bamboo feedstock, has reached a significant milestone with the successful production of diluted ethanol from its fermentation section. The plant is expected to be commissioned shortly.

The stable operation of these plants and advancements in 2G technology will encourage private project developers to adopt 2G technology for biofuel production".

<u>Comments of the Committee</u>

22. The Committee, while noting the sluggish utilisation of earmarked budget outlays, had recommended that the Ministry need to expedite the implementation of PM-Jivan Yojana by making concrete and vigorous efforts to overcome the obstacles being faced by project developers. The Ministry in their action taken reply have *inter-alia* submitted that to attract investments in the biofuel sector, a stakeholders' meeting was held in October 2024 to inform stakeholders about the revised provisions of the scheme and to gather valuable feedback and suggestions for its successful implementation. Further, it has been stated in the reply that based on the amendments, CHT, the implementing agency, has prepared the Request for Selection (RFS-V) document for selecting project developers for commercial-scale advanced biofuel projects which is expected to be released shortly. Besides, the Committee have been informed that the expertise gained from commissioning of 2G ethanol plant at Panipat plant is being utilized in the commissioning of new 2G plants at Bathinda (HPCL) and Bargarh (BPCL), as all three plants are based on the same technology. Similarly, 2G plant at Numaligarh (ABRPL), based on bamboo feedstock is expected to be commissioned shortly.

The Committee welcome the Ministry/Oil PSUs for extending the schemes' timeline by five years i.e. FY 2028-29 and revising some of its provisions. However, they are concerned to point out considerable delay in achieving milestones under the PM-JI-VAN Yojana as only one commercial plant at Panipat has been commissioned as on date. The Committee, therefore, urge the Ministry to make all out efforts to remove challenges faced by the project developers and ensure timebound commissioning of ongoing projects by undertaking regular monitoring of the scheme. The Ministry may apprise the Committee about the action taken in the matter.

Recommendation No. 12

Need to expedite Numaligarh Refinery Expansion Project Work

23. The Committee note that Numaligarh Refinery is implementing a major refinery expansion project to treble its crude oil refining capacity from 3 MMTPA to 9 MMTPA at an estimated capital expenditure of about Rs. 28000 crore. Out of this amount, the Central Government committee Rs. 1020 crore as Viability Gas Funding (VGF). The project was to be completed by 2024. The Committee find that an amount of Rs. 500 crore was earmarked in BE 2023-24 which was reduced at RE stage to Rs. 475.50 crore. This year an amount of Rs. 275 crore has been earmarked as grant-in-aid to NRL for implementing its expansion. However, the Committee have been informed that as on 31.08.2024, the physical and financial progress of the project were 67.6 percent and 59.2 percent respectively. The completion date of the project has been revised upto December, 2025. The Committee are concerned about the apparent delay in completion of the expansion project and recommend the Ministry to closely monitor the project the highest level so as to avoid any further time overrun and consequent cost escalation. The Committee may be appraised to the progress made in the expansion project in due course.

24. In this regard, the Ministry has submitted the following reply:

"As on 31 December, 2024, physical and financial progress of the project is 72.78% and 68.82% respectively. Out of Rs 1020 Crore towards Viability Gap Funding (VGF) for the project, Rs. 803.00 Crore has been released till 31.12.2024. NRL Board has approved the revised completion schedule with Commercial Operation Date (COD) date for the 6 million Metric Tons Per Annum (MMTPA) Refinery in December 2025 and for Paradip-Numaligarh crude oil pipeline in October 2025. The project cost of the project is being pending for approval from Cabinet Committee on Economic Affairs (CCEA). All Project is being monitored at the highest level in the Ministry and all efforts are being made to expedite the project".

Comments of the Committee

25. The Committee while noting the apparent delay in completion of the Numaligarh Refinery expansion project, had in their original Report recommended the Ministry to closely monitor the project the highest level so as to avoid any further time overrun and consequent cost escalation. The Ministry in their action taken reply have submitted that as on 31 December, 2024, physical and financial progress of the project is 72.78% and 68.82% respectively. Out of Rs 1020 Crore towards Viability Gap Funding (VGF) for the project, Rs. 803.00 Crore has been released till 31.12.2024. NRL Board has approved the

revised completion schedule with Commercial Operation Date (COD) for the 6 million Metric Tons Per Annum (MMTPA) Refinery in December 2025 and for Paradip-Numaligarh crude oil pipeline in October 2025. The project cost of the project is being pending for approval from Cabinet Committee on Economic Affairs (CCEA). All Project is being monitored at the highest level in the Ministry and all efforts are being made to expedite the project.

The Committee believe that the Ministry and other concerned implementing agencies need to proactively monitor the progress of the project so as to ensure that the revised timelines for completing the project are achieved. The Committee expressed their apprehension as to whether the revised completion scheduled of the project, which is December 2025, for NRL expansion project and October 2025 for Paradip-Numaligarh crude oil pipeline project would be achieved keeping in view the current pace of implementation of the project. The Committee therefore reiterate their earlier recommendation to monitor the project and highest level and remove the bottlenecks affecting its timely completion. The Committee further desire the Ministry to take up the issue of pending project approval from Cabinet Committee on Economic Affairs (CCEA) at the earliest so that revised completion schedule for the project does not require further time extension.

Recommendation No. 13

Oil Industries Development Cess (OID Cess)

26. The Committee note that the levy of OID Cess on domestic production of crude oil mostly impacts public sector upstream oil and gas companies viz. ONGC and OIL. The Committee further note that OID Cess paid by ONGC during last three financial year are Rs.14126, 15951 and 13921 crore respectively. The OID Cess paid by OIL during the last three years are Rs.2011,2513 and 2440 crore respectively.

The Ministry of Petroleum & Natural Gas in a note stated that OID Cess has the effect of reducing the resources available with the NOCs (ONGC/OIL) for exploratory efforts to bring larger area of the country under exploratory coverage. Given 85% import dependent in case of crude oil, it is essential that more resources are made available to NOCs to enhance exploration coverage in the country for energy security reasons. The Ministry further emphasized that the Government may consider allocating a portion of OID Cess collection to NOCs and thereby supplement the internal accruals of NOCs for the exploration activities. The Committee was further informed by the Ministry that they had taken up the matter of creation of an OID Fund and credit of cess to the Fund with the Ministry of Finance. The Committee acknowledged the efforts made by the Ministry of Petroleum & Natural Gas and expect that they will vigorously pursue the matter with the Ministry of Finance so that the sum provided through OID Fund may be utilized by the upstream oil and gas sector towards enhancement of exploration coverage in the larger interest of energy security of the country.

27. In this regard, the Ministry has submitted the following reply:

"As per section 16 of Oil Industry (Development) Act 1974, the proceeds of the duties of excise levied are first credited to the Consolidated Fund of India. The Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think it for being utilized exclusively for the purposes of this Act.

The cess allocated to OIDB together with internal generation are being utilized as per the mandate defined in the Oil Industry (Development) Act, 1974.

As regards, the recommendation regarding vigorously pursuing the matter with the Ministry of Finance so that the fund is provided through OID Fund for utilization by the upstream Oil and Gas sector towards enhancement of exploration coverage in the larger interest of energy security of the country, it is stated that OIDB has requested the Ministry to provide fund from OID Cess for the development of oil and gas sector.

Ministry of Finance, Department of Economic Affairs has initiated action for constitution of the Oil Industry Development Fund (OID Fund) with Ministry of Petroleum and Natural Gas being the Nodal Ministry to take up the matter of accounting procedure for constitution of the OID Fund with the office of Controller General of Accounts in consultation with the Budget Division".

Comments of the Committee

28. The Committee had recommended the Ministry to vigorously pursue the issue of constitution of Oil Industry Development Fund with the Ministry of Finance so that the sum provided through OID Fund might be utilized for the development of oil and gas sector in the country. The Ministry in their action taken reply have *inter-alia* submitted that the cess allocated to OIDB together with internal generation are being utilized as per the mandate defined in the Oil Industry (Development) Act, 1974. The Committee have also apprised that the

Ministry of Finance, Department of Economic Affairs has initiated action for constitution of the Oil Industry Development Fund (OID Fund) with the Ministry of Petroleum and Natural Gas being made the nodal Ministry.

The Committee express their satisfaction regarding the efforts made towards constitution of OIDB Fund with MoPNG. However, the Committee desire the Ministry to ensure proactive engagement with the Ministry of Finance to ensure that the sums are released timely from the OID Fund for the development and growth of the oil industry in the larger interest of energy security of the country.

Recommendation No. 14

Need for higher allocation for R&D projects in Petroleum Sector and better synchronization between stakeholders.

29. The Committee note that research and development activities in petroleum sector is of paramount importance especially as the sector is of crucial importance for the national economy. Moreover, petroleum sector is already undergoing rapid changes in view of higher emphases on energy transition nationally as well as globally. R&D will have an important role in this. The Committee also note that OIDB has committee Rs.2 crore in last three years for R&D Projects. This amount appears to be inadequate, oil and gas sector being a technology intensive sector. The Committee, however, also understand that bulk of expenditure in R&D projects in the sector is being undertaken in the OMCs.

Accordingly, the Committee recommend that the Ministry may look into the issue of greater budgetary support for R&D projects of national importance. Moreover, the Committee also recommend that the Ministry may take steps to ensure better synchronization in R&D activities between OMCs and other public sector institutions having R&D activities in the sector to achieve better outcomes.

30. In this regard, the Ministry has submitted the following reply:

"During the last three years, OIDB had released R&D grant of Rs.55.37 crore to Indian Oil Corporation Ltd. (R&D) and Rs.60 lakh to Indian Institute of Technology, Indian School of Mines, Dhanbad.

In addition to the above, Centre for High Technology (CHT) fully funded by OIDB grant had also released R&D grants amounting to Rs.1.93 crore during the last three years.

In terms of OID Board's approval, Directorate General of Hydrocarbons (DGH), being the expert body for Upstream Sector, the funding of the Upstream Sector R&D

Projects are being done by DGH and the Downstream R&D Projects are being executed and funded by CHT. Both the Organisations are the grantee institutions of OIDB. DGH and CHT are also monitoring the progress and utility of the Upstream Sector and Downstream related R&D Projects respectively".

Comments of the Committee

31. The Committee in their original Report had recommended the Ministry to look into the issue of greater budgetary support for R&D projects of national importance and take steps to ensure better synchronization in R&D activities between OMCs and other public sector institutions having R&D activities in the sector to achieve better outcomes. The Ministry in their action taken reply have *inter-alia* submitted that during the last three years, OIDB had released R&D grant of Rs.55.37 crore to Indian Oil Corporation Ltd. (R&D) and Rs.60 lakh to Indian Institute of Technology, Indian School of Mines, Dhanbad. DGH and CHT are also monitoring the progress and utility of the Upstream Sector and Downstream related R&D Projects respectively.

The Committee are not fully satisfied with the reply of the Ministry as the aspect related to greater budgetary support for R&D projects in petroleum sector and also for better synergy between OMCs and other public sector R&D institutes have not been touched upon in the reply. The Committee, therefore, reiterate its recommendation and urge the Ministry to augment fund allocation for R&D projects and put in place a mechanism for better synchronization among stakeholders in R&D sector. The Committee call upon the Ministry to furnish information relating to the abovementioned recommendation along with OMC wise details of expenditure made on R&D activities and details of fund allocation by the Ministry for R&D.

Recommendation No. 15

Need to expedite completion of North-East Gas Grid (NEGG) Project

32. The Committee note that the current physical progress of the North-East Gas Grid (NEGG) Project is 83.24 percent and the project is expected to be completed by 31.03.2025. In this regard, the Committee recall that the Ministry had informed the Committee during examination of Demands for Grants (2023-24) that project would be operational by 2024. However, considering the current physical progress of the project, there is an apparent delay in completion of the project. Accordingly, the Committee recommend the Ministry to make vigorous efforts to complete the project by revised deadline and ensure that no further delay takes place.

33. In this regard, the Ministry has submitted the following reply:

"The North East Gas Grid (NEGG) project, a 1670 Km and 4.75 MMSCMD capacity natural gas pipeline network, is being implemented by Indradhanush Gas Grid Limited (IGGL) to connect the eight North eastern states and the regional gas sources to the National Gas Grid.

Present Status: Construction activities of the NEGG project are in progress with the achievement of a physical progress of 84.06%.

Original Timeline: March 2024

Revised Timeline: July 2025.

Cost Outlay: Rs 9265 Crore with Viability Gap Funding of Rs 5559 Crore.

VGF released as on 12.02.2024: Rs 3601.91 Crore. (VGF request of Rs. 400 crore by IGGLis being processing for the FY 2024-25.)

The progress of the project has been affected due to various hindrances. The Phase-II sections are delayed due to various hindrances viz. slow progress in ROU compensation disbursement by the Competent Authorities on account of non-availability of land documents with affected landowners in Cachar & Karimganj districts in Assam and several districts in the state of Tripura, delay in allotment of permanent land by the respective State Governments in Meghalaya and Mizoram for establishing stations/ terminals.

Further, Phase-III sections are delayed due to the non-availability of working permissions from NHIDCL in the states of Nagaland, Manipur, West Bengal, and Sikkim, owing to ongoing national highway widening works. Besides this, a lot of difficulties are being faced in getting administrative clearance from State Government of Nagaland and there is also delay in allotment of permanent lands in Nagaland and Manipur.

Regular review of the project status is taken by Ministry of Petroleum and Natural Gas, Cabinet Secretariat, PMO etc on the progress status along with status of the mitigating measure taken for removal of the hindrances".

Comments of the Committee

34. The Committee had recommended the Ministry to make vigorous efforts to complete the North-East Gas Grid (NEGG) project by revised deadline and ensure that no further delay takes place. The Ministry, in their action taken reply, have *inter-alia* stated that Phase-II sections are delayed due to various hindrances viz, slow progress in ROU compensation disbursement by the competent authorities on account of non-availability of land documents with affected landowners in

Cachar & Karimganj districts in Assam and several districts in the state of Tripura and delay in allotment of permanent land by the respective State Governments in Meghalaya and Mizoram for establishing stations/ terminals. Further, Phase-III sections are delayed due to the non-availability of working permissions from NHIDCL in the states of Nagaland, Manipur, West Bengal, and Sikkim, owing to ongoing national highway widening works. Besides this, a lot of difficulties are being faced in getting administrative clearance from State Government of Nagaland and there is also delay in allotment of permanent lands in Nagaland and Manipur.

The Committee, in view of the reasons put forward by the Ministry, feel that intensive efforts and engagement with all stakeholders are required in order to ensure that revised timeline of completing the project by July 2025 is achieved. The Committee, therefore, urge the Ministry to take proactive steps for addressing the challenges being faced in obtaining statutory clearances from various Center and State level authorities and try earnestly to complete the project as per revised schedule. The Committee may be apprised about the action taken in the matter.

Recommendation Serial No.16

Rajiv Gandhi Institute of Petroleum Technology (RGIPT)

35. The Committee note that the RGIPT is an Institute of National Importance mandated to conduct high quality R&D work and award Bachelors, Masters, Doctoral and PG Diploma Degrees in different streams related to Petroleum Science and Technology including Management. The Committee further note that The Institute has two Centres i.e. Assam Energy Institute (AEI) Sivasagar & Energy Institute Bengaluru (EIB) in addition to the main campus at Jais, Amethi, Uttar Pradesh.

The Committee have been informed that RGIPT, Jais, Amethi is currently offering 14 B.Tech., 2 M.Tech, 2 MBA and Phd in Engineering, Sciences, Management Studies and Humanity Subjects. Thereis a sanctioned strength of 706 seats for B.Tech., 20 for M. Tech. and 60 seats for MBA. Moreover, 234 nos, of Phd Scholars are enrolled at RGIPT Jais Campus.

As regards, Assam Energy Institute (AEI), Sivasagar, the Committee was informed that the Institute is offering Diploma courses in various streams. It has increased the number of Diploma seats from 260 to 400 in 2023-24. After the recommendation of the Committee on P&NG, it has also started offering 6-year Integrated Dual Degree (IDD) programme from Academic Session 2024-25 with a provision to award Diploma after completion of 3-year course and B.Tech. degree after completion of 6-year course.

The Committee are of the opinion that the prime objective behind setting up of RGIPT is to provide high quality education, training and research to generate efficient human resources to meet growing human resources requirement in Petroleum and Energy Sector.

The Committee desire that Ministry may look into the feasibility of opening new centres in different parts of the country covering wide rang of undergraduate and post graduate courses so that the requirement of skilled professionals for the rapidly growing Petroleum Industries is fulfilled.

36. In this regard, the Ministry has submitted the following reply:

"Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi, was established as an Institution of National Importance through an act of Parliament in 2007 under the aegis of the Ministry of Petroleum & Natural Gas, Government of India. Further, the Institute has established two centers in Assam and Karnataka, namely Assam Energy Institute (AEI), Sivasagar, and Energy Institute, Bengaluru (EIB). Requirement of human resources depends on the dynamics of the market. New courses are started in these Institutes considering the demand supply gap and newer developments in rapidly changing energy domain.
Another domain specific institute namely Indian Institute of Petroleum and Energy (IIPE), Visakhapatnam has also been setup by this Ministry. Apart from these domain specific institutes, many other educational institutes also run various courses including degree in Petroleum Engineering, Geophysics etc which are required in petroleum sector".

<u>Comments of the Committee</u>

37. The Committee in their original Report had desired the Ministry to look into the feasibility of opening new centers on the lines of RGIPT in different parts of the country offer wide range of undergraduate and post graduate courses so that the requirement of skilled professionals for the rapidly growing Petroleum Industries is met and to ensure that people living in different parts of the country get an opportunity to receive professional education in the sectors. The Committee feel that the Ministry have not mentioned any specific steps taken towards establishing new centers on the lines of RGIPT. While appreciating the establishment of Centers such as Assam Energy Institute (AEI), Sibasagar, Assam and Energy Institute, Bengaluru (EIB), Karnataka and Indian Institute of Petroleum and Energy (IIPE), Visakhapatnam, the Committee feel that more such Centers need to be located in all parts of the country in order to benefit people living in different parts of the country. The Committee, therefore, reiterate their recommendation and urge the Ministry to augment the infrastructure at existing

centers of petroleum energy as well as set up new centers of excellence in different parts of the country.

<u>Recommendation No.17</u>

<u>Indian Institute of Petroleum and Energy (IIPE)- Progress in construction work</u>

38. The committee was informed that the land for construction of the permanent campus of IIPE was handed over in March, 2023 and the institute entrusted the construction work to the CPWD. The Committee have also been informed that the physical progress of the construction work is 37 percent and financial progress is merely 30 percent. Moreover, the scrutiny of the budget figures submitted by the Ministry of Petroleum & Natural gas reveals that the actual expenditure during the last three years were as low as 25 percent, 19.5 percent and 53.5 percent to the BE in 2021-22, 2022-23 and 2023-24 respectively. During 2023-24, Only Rs. 90 crore could be utilized against the BE of Rs. 168 crore even after handing over of the land in March, 2023. This shows the slow progress of work for constructing permanent campus of the institute. The Committee recommend the Ministry of Petroleum& Natural Gas to monitor and get the pace of work expedited so that the institute may start operating from their own permanent campus as early as possible.

39. In this regard, the Ministry has submitted the following reply:

"IIPE entrusted the construction work for permanent campus of IIPE to CPWD. The CPWD awarded the contract on 03.10.2023 for construction of the buildings. As on 31.12.2024, the physical and financial progress of the construction of the permanent campus of the Institute is 44% and 34% respectively. The CPWD conveyed that the essential buildings required for the commencement of academic activities at the permanent campus will be handed over by May, 2025 and the remaining buildings of the project by October, 2025 except that of Central Administrative Building which is likely to be completed by July, 2026.
The construction of the compound wall around the alienated land is already completed by the Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC).
The Institute is continuously coordinating with the authorities of the CPWD and regularly monitoring the work progress".

<u>Comments of the Committee</u>

40. The Committee had recommended the Ministry to monitor the ongoing construction work at Indian Institute of Petroleum and Energy (IIPE) at Visakhapatnam and get the pace of work expedited so that the institute might start operating from its own permanent campus as early as possible. The Ministry, in their action taken reply have *inter-alia* stated as on 31.12.2024, the

physical and financial progress of the construction of the permanent campus of the Institute is 44% and 34% respectively. The CPWD conveyed that the essential buildings required for the commencement of academic activities at the permanent campus will be handed over by May, 2025 and the remaining buildings of the project by October, 2025 except that of Central Administrative Building which is likely to be completed by July, 2026.

The Committee while acknowledging the progress of construction work at IIPE at Visakhapatnam, feel that at present rate of progress, it is unlikely that the timeline for completion of the project will be met. The Committee, therefore, reiterate their earlier recommendation to expedite the construction work by undertaking proper coordination with CPWD which is the implementing agency. The Committee also desire to know whether essential buildings required for commencement of academic activities at permanent campus which were scheduled to be completed by May 2025 have been handed over to the institute. The Committee may be apprised about the action taken in the matter.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1

Need to streamline budget making process

The Committee note that the total allocation of the Ministry of Petroleum and Natural Gas in BE 2024-25 is Rs 15930.26 cr. as against Rs 41007.72 cr. in BE 2023-24. Out of the budgeted amount, Rs 14801.29 cr. has been allocated towards revenue expenditure and Rs 1128.97 cr. has been allocated towards capital expenditure. In FY 2021-22, the BE of the Ministry was Rs 15943.78 crore which was reduced to Rs 8846.13 crore at the RE Stage. The Actual Expenditure in that year was only Rs 5753.63 crore. In FY 2022-23, the BE of the Ministry was Rs 8939.86 crore which was increased to Rs 33883.55 crore at the RE Stage. The Actual Expenditure in the year was Rs 30912.71 crore. In FY 2023-24, the BE of the Ministry was Rs 41007.72 crore which was reduced to Rs 14757.01 crore at the stage of RE. The Actual Expenditure in the year was Rs 14330.21 crore. The Committee note that there have been wide variations in Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure of the last three financial years of the Ministry. The Committee, however, understand that the financial estimates of the Ministry of Petroleum and Natural Gas are closely linked with changes taking place in international market prices of crude oil and g25as. It may, therefore, not always be possible for the Government to accurately anticipate the international price movements of petroleum products as price movement is dependent on external or international factors. Hence such wide variations in BE, RE and Actual Expenditure of the Ministry. The Committee, however, underline that such wide variation25 in BE and RE and actuals hinders the cause of prudent planning and management of financial resources of the Government. The Committee, accordingly, recommend that every effort must be made by the Ministry to ensure that such huge variations in estimates are avoided by way of effective financial and economic planning.

Reply of the Government

Reasons for variations in BE/RE vis-à-vis actual expenditure for the FY 2022-23, 2023-24 and 2024-25

(figures in Crores of rupees)

BE 2022-23	RE 2022-23	Variance in RE from BE 2022-23	Major reasons for Variance	RE 2022-23	Actuals 2022-23	Variance in Actuals 2022-23 from RE 2022-23	Major reasons for variance
8939.86	33883.55	24943.69	(i) Rs. 22,000 Crores were additionally allocated in a **New Scheme** viz. One time grant to PSU OMCs for under recoveries in Domestic LPG in pursuance to the Cabinet Meeting dated 12.10.2022. (ii) Rs. 7210 Crores additional funds were allocated viz. PMUY due to Rs. 200 subsidy to PMUY consumers. (iii) Rs. 245.00 Crores were additionally allocated in a **New Scheme** viz. Numaligarh Refinery Expansion Project. (iv) Rs. 215.62 Crores were additionally allocated in a New Scheme viz. Flagging of merchantship	33883.55	30912.71	-2970.84	(i) Rs. 2346.63 Crores surrendered in Scheme viz. PMUY due to Oil Marketing Companies bills are lower than projections and bills of March, 2023 were not received before the end of FY 2023-24. (ii) Rs. 269.74 Crores surrendered in Scheme viz. Indradhanush Gas Grid Litd. (IGGL), due to lower CAPEX during FY 2022-23 for the reasons such as delay in land acquisition in Assam/Tripura, delay in receipt of environment and statutory clearances. (iii) Rs. 131.58 Crores surrendered in Scheme viz Flagging of merchantship due to lesser bills expected from OMCs.
BE 2023-24	**RE 2023-24**	**Variance in RE from BE 2023-24**	**Major reasons for Variance**	**RE 2023-24**	**Actuals 2023-24**	**Variance in Actuals 2023-24 from RE 2023-24**	**Major reasons for variance**

41007.72	14757.01	-26250.71	(i) Rs. 29,999.99 Crores were surrendered due to reduction of funds by Ministry of Finance in the Scheme viz. Capital Support to OMCs. (ii) Rs. 4,999.99 Crores were surrendered in the Scheme viz. Payment to ISPRL for Crude Oil Reserves due to deferment of the proposal by DoE, MoF on 14.11.2023. (iii) Additional funds of Rs. 8499.99 Crores were allocated viz. PMUY due to Rs. 100 per connection increase in subsidy and due to 25 lakh new connections. (iv) Additional fund of Rs. 1280 Crores is required in DBTL Schems, due to the previous pending payments of Rs. 342 Crore upto March, 2023. Further, quanity of LPG for 2023-24 and 2024-25 has been estimated at a growth of 1.73% over previous year volume. A bill of Rs. 443.86 Crore upto July, 2023 was pending with the Ministry. (v) Rs. 468 Crores were surrendered due to non-finalization of land purchase in ISPRL Phase-II (vi) Rs. 500 Crores were surrendered in IGGL Scheme	14757.01	14330.21	-426.80	(i) Rs. 256.62 Crores surrendered in Scheme viz. Indradhanush Gas Grid Litd. (IGGL), due to lower CAPEX during FY 2023-24. (ii) Rs. 76.24 Crores surrendered in Scheme viz. PM JI-VAN Yojana, due to less bills received from HPCL and IOCL due to non-achievement of 2nd and 3rd Milestones of disbursement conditions. (iii) Rs. 42.25 Crores surrendered in Scheme viz. Scheme for flagging of Merchant Ships due to receipt of less bills from the Oil Marketing Companies concerned.

			due to RoU issues and monsoon, construction activities have been slowed down.				

BE 2024-25	RE 2024-25	Variance in RE from BE 2024-25	Major reasons for Variance	RE 2024-25	Actuals 2024-25	Variance in Actuals 2024-25 from RE 2024-25	Major reasons for variance
15930.26	17367.70	1437.44	(i) Additional funds of Rs. 437.44 Crores were provided as additional cash in PMUY scheme to meet the additionality of Rs 3606 Crores in the scheme. (ii) Rs 1000 Crore provided in OID Fund in the month of January, 2025. The funds are parked funds for utilization in FY 2025-26.	17367.70	7247.63 (as on 07.02.2025)	10120.07	Actual variance will be ascertained once the financial year has ended.

In view of the table above it may be seen that major variation in the BE RE AE due to Demands of Funds in the new schemes as well as due to fresh decision in the flagship schemes of the Ministry.

The suggestion of the Standing Committee has been noted & will be taken care in future.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

COMMENTS OF THE COMMITTEE

Refer Para 7 of the Chapter I of this Report

Recommendation No. 3

Transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas

The Committee note that petrochemical industry is a fast growing industrial sector in the country. The demand of petrochemical products in the country has been increasing at a CAGR of about 8 per cent in the last few years. The Committee also note that Oil Marketing Companies (OMCs) of the country have become large, diversified and integrated. They have also large presence in the petrochemicals sector and actively engaged in increasing their Petrochemicals intensity index. IOCL has plans to increase its petrochemicals intensity index from current 5 per cent to 15 per cent by 2030.

In view of the growing importance of the petrochemicals in the Petroleum sector, the Committee recall their recommendation included in their 18th Report (17th Lok Sabha) on Demands for Grants (2023-24) in which they had suggested the Ministry of Petroleum & Natural Gas to examine the expediency of transfer of petrochemicals division from the Ministry of Chemicals & Fertilizers to the Ministry of Petroleum & Natural Gas and to take up the issue with the Cabinet Secretariat for amendment of Allocation of Business Rules of the Government of India, if needed. In this regard, the representative of the Ministry of Petroleum and Natural Gas deposed before the Committee during evidence that the decision would not be taken by the Ministry of Petroleum and Natural Gas alone. There were multiple stake holders in this and all of them had their own views.

The Committee are of the opinion that the petroleum and petrochemicals industries are inter- related. The feedstock for petrochemicals industry is provided by petroleum industry. Therefore, better synergy between them will help both the industries and contribute to their mutual faster growth. The Committee also view that the transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas will help in better policy formulation for both the sectors and facilitate ease of doing business. Accordingly, the Committee recommend the Ministry of Petroleum & Natural Gas to take up the matter with the Cabinet Secretariat for initiating a dialogue process involving all the stake holders for transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas.

Reply of the Government

The Ministry of Petroleum and Natural Gas (MoPNG)has taken note of the committee's recommendation. The significance of collaboration between the petrochemical and petroleum industries is recognized by MoPNG.

The decision regarding the transfer of the petrochemicals division from the Ministry of Chemicals & Fertilizers to the MoPNG requires detailed consultations among all stakeholders. Since multiple Ministries/ Departments and entities are involved, discussions with relevant stakeholders are necessary before sending proposal to the Cabinet Secretariat for taking further action regarding amendment of the Allocation of Business Rules, 1962.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

COMMENTS OF THE COMMITTEE

Refer Para 10 of the Chapter I of this Report

Recommendation No. 4

Need to achieve universal coverage of Pradhan Mantri Ujjwala Yojana (PMUY)

The Committee note that the Ministry of Petroleum and Natural Gas has successfully provided 10.33 crore connections as on August, 2024 under PMUY. The Committee acknowledge the achievement of the Ministry and opine that the scheme has certainly helped in empowering women from poor and unprivileged sections of the society and improving their living standards by helping them in getting rid of the smoky and hazardous chullhas. However, based on the findings of Comprehensive Annual Modular (CAM) Survey 2022-23 conducted by the National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation (MoSPI) and replies of the Ministry of Petroleum and Natural Gas, the Committee are of the view that the country has achieved substantial progress in achieving universal coverage of LPG connections which is the core objective of PMUY. The Committee therefore, recommend that the Ministry may further intensify its public awareness campaign for the PMUY and work out new and innovative ways of encouraging people to avail the benefits under PMUY.

Reply of the Government

As of 01.01.2025, there are 32.87 Cr active LPG consumers in the country including 10.33 Cr PMUY consumers. This reflects in near saturation LPG coverage in the country. To further build on the success of PMUY, OMCs are carrying out various public awareness campaigns through a multi-pronged approach, including the following:

5. **Targeted Outreach Campaigns:** OMCs are conducting Pradhan Mantri LPG Panchayat (PMLP) to educate people about advantages of using LPG over other conventional fuels as well as safe usage of LPG. As on closing of Nov'24, OMCs have conducted 3.17 lakh LPG Panchayats since Apr'18.
6. **Innovative Engagement methods:** Partnering with local influencers, women's self-help groups, and community leaders to encourage adoption and safe usage of LPG.
7. **Digital and Traditional Media Integration:** Leveraging social media platforms, Hoardings at prominent places, Theatres etc. to enhance the reach and impact of awareness initiatives.
8. **Community Involvement:** Creating Interactive platform through conducting cooking competition in various districts to promote safe LPG usage and showcase cost-saving practices.

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Recommendation No. 8

Indian Strategic Petroleum Reserves- Need to expedite Construction of Phase - II

The Committee note that an amount of Rs. 408 crore has been allocated in the BE 2024-25 of the Ministry of Petroleum and Natural Gas for construction of underground caverns in Phase – II of Indian Strategic Petroleum Reserves. The Committee further note from the reply of the Ministry that the construction of phase – II of Indian Strategic Petroleum Reserves has not started yet. It was informed that even the land for the project has not been acquired so far. In view of the strategic importance of the project, the

Committee recommend the Ministry to vigorously pursue the authorities concerned including the respective State Governments, expedite the whole process and ensure full utilization of the budget earmarked for the project in the current financial year so as to accelerate the pace of the work of Phase-II of the project and to ensure that the intended purpose is served.

Reply of the Government

In July 2021, Government approved the establishment of two additional commercial-cum-strategic petroleum reserve facilities with total storage capacity of 6.5 MMT at Chandikhol (4 MMT) in Odisha and Padur (2.5 MMT) in Karnataka, on a Public Private Partnership mode.

The process and discussions with the respective State Government for expeditious completion of land acquisition at Chandikhol is going on. For Padur-II, the request for proposal (RFP) has been floated, and the land acquisition process is in advance stage.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation No. 9

Need to expedite implementation of PM-Jivan Yojana

The Committee note that during the last 5 years of the operation of the PM Jivan Yojana only an amount of Rs. 265 crore has been spent against total financial outlay of Rs. 1969.50 crore and approved financial assistance of Rs. 908.25 crore. Further, out of 6 commercial and 4 demonstration projects selected by the Ministry of Petroleum and Natural Gas for providing financial assistance under the scheme, only 1 commercial plant located at Panipat, Haryana has been commissioned. The Committee has been informed that in BE 2022-23, a budget of Rs. 314.36 crore had been allocated by the Ministry against which the actual expenditure stood at merely Rs. 37.875 crore.

Similarly, in the year 2023-24, against budget estimate of Rs. 227.26 crore, the actual expenditure was recorded to be as low as Rs. 75.75 crore. The Committee find the expenditure pattern unsatisfactory. Now, in the current Financial Year of 2024-25, the budget estimates for the project has been reduced to Rs. 117.41 crore.

As regards, under utilization of budget for the yojana, the Ministry informed the Committee that the allocated budget for 2023-24 could not be fully utilized as Project Developers faced challenges in achieving the milestones under the PM JI-VAN Yojana. These challenges included the complexity of new technologies, limited vendors for 2G equipment, delays in statutory clearances, issues with biomass supply chain logistics, COVID-related delays, slow finalization of deliverables due to first-time commercialization of technology, and disruptions in material/equipment delivery caused by geo-political situations. The Committee observe that the Ministry had furnished the same explanation to the Committee during examination of Demands for Grants-2023-24. The Committee view that when a new industry is developed by any country, challenges are bound to be encountered. The Committee also view that 2G ethanol plants are vital for securing energy security for the country as India is deficient in hydrocarbon resources especially crude oil and natural gas. Accordingly, the Committee recommend to the Ministry to make more concrete and vigorous efforts to overcome the obstacles being faced by 2G ethanol plants selected for the yojana.

Reply of the Government

The PM JI-VAN Yojana was amended in August 2024 to expand its scope. The key amendments *inter-alia* include:

- Replacement of "2G ethanol" with the broader category of advanced biofuels.
- Inclusion of bolt-on and brownfield projects under the eligibility criteria.
- Extension of the scheme's timeline up to FY 2028-29.

To attract investments in the biofuel sector, a stakeholders' meeting was held in October 2024. This meeting served to inform stakeholders about the revised provisions of the scheme and to gather valuable feedback and suggestions for its successful implementation.

Based on the amendments, CHT, the implementing agency, has prepared the Request for Selection (RFS-V) document for selecting project developers for commercial-scale advanced biofuel projects. The document will be released shortly.

The scheme is being monitored at the highest level in the Ministry, which has facilitated the steady operation of the 2G ethanol plant at Panipat. The expertise gained from this plant is being utilized in the commissioning of new 2G plants at Bathinda (HPCL) and Bargarh (BPCL), as all three plants are based on the same technology.

The 2G plant at Numaligarh (ABRPL), based on bamboo feedstock, has reached a significant milestone with the successful production of diluted ethanol from its fermentation section. The plant is expected to be commissioned shortly.

The stable operation of these plants and advancements in 2G technology will encourage private project developers to adopt 2G technology for biofuel production.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

<u>Recommendation No. 12</u>

<u>Need to expedite Numaligarh Refinery Expansion Project Work</u>

The Committee note that Numaligarh Refinery is implementing a major refinery expansion project to treble its crude oil refining capacity from 3 MMTPA to 9 MMTPA at an estimated capital expenditure of about Rs. 28000 crore. Out of this amount, the Central Government committee Rs. 1020 crore as Viability Gas Funding (VGF). The project was to be completed by 2024. The Committee find that an amount of Rs. 500 crore was earmarked in BE 2023-24 which was reduced at RE stage to Rs. 475.50 crore. This year an amount of Rs. 275 crore has been earmarked as grant-in-aid to NRL for implementing its expansion. However, the Committee have been informed that as on 31.08.2024, the physical and financial progress of the project were 67.6 percent and 59.2 percent respectively. The completion date of the project has been revised upto December, 2025. The Committee are concerned about the apparent delay in completion of the expansion project and recommend the Ministry to closely monitor the project the highest level so as to avoid any further time overrun and consequent cost escalation. The Committee may be appraised to the progress made in the expansion project in due course.

Reply of the Government

As on 31 December, 2024, physical and financial progress of the project is 72.78% and 68.82% respectively. Out of Rs 1020 Crore towards Viability Gap Funding (VGF) for the project, Rs. 803.00 Crore has been released till 31.12.2024. NRL Board has approved the revised completion schedule with Commercial Operation Date (COD) date for the 6 million Metric Tons Per Annum (MMTPA) Refinery in December 2025 and for Paradip-Numaligarh crude oil pipeline in October 2025. The project cost of the project is being pending for approval from Cabinet Committee on Economic Affairs (CCEA). All Project is being monitored at the highest level in the Ministry and all efforts are being made to expedite the project.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation No. 13

Oil Industries Development Cess (OID Cess)

The Committee note that the levy of OID Cess on domestic production of crude oil mostly impacts public sector upstream oil and gas companies viz. ONGC and OIL. The Committee further note that OID Cess paid by ONGC during last three financial year are Rs.14126, 15951 and 13921 crore respectively. The OID Cess paid by OIL during the last three years are Rs.2011,2513 and 2440 crore respectively.

The Ministry of Petroleum & Natural Gas in a note stated that OID Cess has the effect of reducing the resources available with the NOCs (ONGC/OIL) for exploratory efforts to bring larger area of the country under exploratory coverage. Given 85% import dependent in case of crude oil, it is essential that more resources are made available to NOCs to enhance exploration coverage in the country for energy security reasons. The Ministry further emphasized that the Government may consider allocating a portion of OID Cess collection to NOCs and thereby supplement the internal accruals of NOCs for the exploration activities. The Committee was further informed by the Ministry that they had taken up the matter of creation of an OID Fund and credit of cess to the Fund with the Ministry of Finance. The Committee acknowledged the efforts made by the Ministry of Petroleum & Natural Gas and expect that they will vigorously pursue the matter with the Ministry of Finance so that the sum provided through OID Fund may be utilized by the upstream oil and gas sector towards enhancement of exploration coverage in the larger interest of energy security of the country.

Reply of the Government

As per section 16 of Oil Industry (Development) Act 1974, the proceeds of the duties of excise levied are first credited to the Consolidated Fund of India. The Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think it for being utilized exclusively for the purposes of this Act.

The cess allocated to OIDB together with internal generation are being utilized as per the mandate defined in the Oil Industry (Development) Act, 1974.

As regards, the recommendation regarding vigorously pursuing the matter with the Ministry of Finance so that the fund is provided through OID Fund for utilization by the upstream Oil and Gas sector towards enhancement of exploration coverage in the larger interest of energy security of the country, it is stated that OIDB has requested the Ministry to provide fund from OID Cess for the development of oil and gas sector.

Ministry of Finance, Department of Economic Affairs has initiated action for constitution of the Oil Industry Development Fund (OID Fund) with Ministry of Petroleum and Natural Gas being the Nodal Ministry to take up the matter of accounting procedure for constitution of the OID Fund with the office of Controller General of Accounts in consultation with the Budget Division.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation No. 14

Need for higher allocation for R&D projects in Petroleum Sector and better synchronization between stakeholders.

The Committee note that research and development activities in petroleum sector is of paramount importance especially as the sector is of crucial importance for the national economy. Moreover, petroleum sector is already undergoing rapid changes in view of higher emphases on energy transition nationally as well as globally. R&D will have an important role in this. The Committee also note that OIDB has committee Rs.2 crore in last three years for R&D Projects. This amount appears to be inadequate, oil and gas sector being a technology intensive sector. The Committee, however, also understand that bulk of expenditure in R&D projects in the sector is being undertaken in the OMCs.

Accordingly, the Committee recommend that the Ministry may look into the issue of greater budgetary support for R&D projects of national importance. Moreover, the Committee also recommend that the Ministry may take steps to ensure better synchronization in R&D activities between OMCs and other public sector institutions having R&D activities in the sector to achieve better outcomes.

Reply of the Government

During the last three years, OIDB had released R&D grant of Rs.55.37 crore to Indian Oil Corporation Ltd. (R&D) and Rs.60 lakh to Indian Institute of Technology, Indian School of Mines, Dhanbad.

In addition to the above, Centre for High Technology (CHT) fully funded by OIDB grant had also released R&D grants amounting to Rs.1.93 crore during the last three years.

In terms of OID Board's approval, Directorate General of Hydrocarbons (DGH), being the expert body for Upstream Sector, the funding of the Upstream Sector R&D Projects are being done by DGH and the Downstream R&D Projects are being executed and funded by CHT. Both the Organisations are the grantee institutions of OIDB. DGH and CHT are also monitoring the progress and utility of the Upstream Sector and Downstream related R&D Projects respectively.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation No. 15

Need to expedite completion of North-East Gas Grid (NEGG) Project

The Committee note that the current physical progress of the North-East Gas Grid (NEGG) Project is 83.24 percent and the project is expected to be completed by 31.03.2025. In this regard, the Committee recall that the Ministry had informed the Committee during examination of Demands for Grants (2023-24) that project would be operational by 2024. However, considering the current physical progress of the project, there is an apparent delay in completion of the project. Accordingly, the Committee recommend the Ministry to make vigorous efforts to complete the project by revised deadline and ensure that no further delay takes place.

Reply of the Government

The North East Gas Grid (NEGG) project, a 1670 Km and 4.75 MMSCMD capacity natural gas pipeline network, is being implemented by Indradhanush Gas Grid Limited (IGGL) to connect the eight North eastern states and the regional gas sources to the National Gas Grid.

Present Status: Construction activities of the NEGG project are in progress with the achievement of a physical progress of 84.06%.

Original Timeline: March 2024

Revised Timeline: July 2025.

Cost Outlay: Rs 9265 Crore with Viability Gap Funding of Rs 5559 Crore.

VGF released as on 12.02.2024: Rs 3601.91 Crore. (VGF request of Rs. 400 crore by IGGLis being processing for the FY 2024-25.)

The progress of the project has been affected due to various hindrances. The Phase-II sections are delayed due to various hindrances viz. slow progress in ROU compensation disbursement by the Competent Authorities on account of non-availability of land documents with affected landowners in Cachar & Karimganj districts in Assam and several districts in the state of Tripura, delay in allotment of permanent land by the respective State Governments in Meghalaya and Mizoram for establishing stations/ terminals.

Further, Phase-III sections are delayed due to the non-availability of working permissions from NHIDCL in the states of Nagaland, Manipur, West Bengal, and Sikkim, owing to ongoing national highway widening works. Besides this, a lot of difficulties are being faced in getting administrative clearance from State Government of Nagaland and there is also delay in allotment of permanent lands in Nagaland and Manipur.

Regular review of the project status is taken by Ministry of Petroleum and Natural Gas, Cabinet Secretariat, PMO etc on the progress status along with status of the mitigating measure taken for removal of the hindrances.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation No.17

Indian Institute of Petroleum and Energy (IIPE)- Progress in construction work

The committee was informed that the land for construction of the permanent campus of IIPE was handed over in March, 2023 and the institute entrusted the construction work to the CPWD. The Committee have also been informed that the physical progress of the construction work is 37 percent and financial progress is merely 30 percent. Moreover, the scrutiny of the budget figures submitted by the Ministry of Petroleum & Natural gas reveals that the actual expenditure during the last three years were as low as 25 percent, 19.5 percent and 53.5 percent to the BE in 2021-22, 2022-23 and 2023-24 respectively. During 2023-24, Only Rs. 90 crore could be utilized against the BE of Rs. 168 crore even after handing over of the land in March, 2023. This shows the slow progress of work for constructing permanent campus of the institute. The Committee recommend the Ministry of Petroleum& Natural Gas to monitor and get the pace of work expedited so that the institute may start operating from their own permanent campus as early as possible.

Reply of the Government

IIPE entrusted the construction work for permanent campus of IIPE to CPWD. The CPWD awarded the contract on 03.10.2023 for construction of the buildings. As on 31.12.2024, the physical and financial progress of the construction of the permanent campus of the Institute is 44% and 34% respectively. The CPWD conveyed that the essential buildings required for the commencement of academic activities at the permanent campus will be handed over by May, 2025 and the remaining buildings of the project by October, 2025 except that of Central Administrative Building which is likely to be completed by July, 2026.
The construction of the compound wall around the alienated land is already completed by the Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC).
The Institute is continuously coordinating with the authorities of the CPWD and regularly monitoring the work progress.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF
THE GOVERNMENT'S REPLIES

-Nil-

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation No. 5

Need to increase subsidy on LPG gas cylinders issued under PMUY

The Committee note that the current refill rate of LPG cylinders issued under PMUY is 3.95 per year. This is much less than the refill rate of non-PMUY LPG cylinder which is about 6.5. The Committee further note that the provision of subsidy on refilling of LPG cylinders issued under PMUY, currently being Rs. 300 per cylinder, has contributed towards increase in refill rate of LPG cylinders issued under the Yojana from 3.01 in 2019-20 to 3.95 in 2023-24. Thus, there is direct causal relationship between increase in amount of subsidy on LPG cylinders issued under the PMUY and increase in refill rate of such cylinders over the years. The Committee further note that the current refill rate of LPG cylinders issued under PMUY is much below the stated policy of Government of India to issue 12 subsidized LPG cylinders per year to the beneficiaries of PMUY.

The Committee appreciate that the PMUY has brought positive changes in the living standards and life style of women specially rural women. However, the Committee feel that the low refill rate of LPG cylinders issued under PMUY is indicative of the fact that the target consumers are not able to take full benefit of the scheme. The Committee, therefore, urge the Ministry to find out the reasons there for and work out suitable remedies. Increasing the subsidy amount on refilling of LPG cylinders may be a solution. The Committee, therefore, recommend that the Ministry may increase the subsidy to such an extent that makes the price of LPG refill cylinders affordable to the poor beneficiaries. This will not only increase the refill rate of cylinders but also help in widening the coverage of beneficiaries.

Reply of the Government

Per capita consumption of LPG amongst PMUY families has increased from 3.01 in 2019-20 to 3.95 in 2023-24 which has further increased to 4.4 in the current FY 2024-25 (Prorated based on the consumption during Apr-Dec'24). This gradual increase is a testament to the fact that LPG refills are becoming affordable to PMUY beneficiaries.

After getting connections, sustained usage of LPG by Ujjwala beneficiaries needs a behavioural change to happen. Creating behavioural change in a predominantly rural and traditional society takes significant time and continuous efforts. Traditional cooking methods, preferences around taste and flavours, absolutely free and unlimited availability of firewood in hilly, rural and forest areas and orthodox beliefs connected to existing ways of cooking are issues beyond affordability and sometimes more important decision-making factors. Therefore, while price plays an important role in refill purchase decision by poor families, it is not the only factor. Further, an increase in subsidy beyond current levels may also escalate the financial burden on the government finances.

Careful calibration of approach is hence required to balance affordability for consumers, financial sustainability for OMCs, and the government's fiscal responsibilities while ensuring sustained growth in LPG adoption.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

Recommendation Serial No.16

Rajiv Gandhi Institute of Petroleum Technology (RGIPT)

The Committee note that the RGIPT is an Institute of National Importance mandated to conduct high quality R&D work and award Bachelors, Masters, Doctoral and PG Diploma Degrees in different streams related to Petroleum Science and Technology including Management. The Committee further note that The Institute has two Centres i.e. Assam Energy Institute (AEI) Sivasagar & Energy Institute Bengaluru (EIB) in addition to the main campus at Jais, Amethi, Uttar Pradesh.

The Committee have been informed that RGIPT, Jais, Amethi is currently offering 14 B.Tech., 2 M.Tech, 2 MBA and Phd in Engineering, Sciences, Management Studies and Humanity Subjects. Thereis a sanctioned strength of 706 seats for B.Tech., 20 for M. Tech. and 60 seats for MBA. Moreover, 234 nos, of Phd Scholars are enrolled at RGIPT Jais Campus.

As regards, Assam Energy Institute (AEI), Sivasagar, the Committee was informed that the Institute is offering Diploma courses in various streams. It has increased the number of Diploma seats from 260 to 400 in 2023-24. After the recommendation of the Committee on P&NG, it has also started offering 6-year Integrated Dual Degree (IDD) programme from Academic Session 2024-25 with a provision to award Diploma after completion of 3-year course and B.Tech. degree after completion of 6-year course.

The Committee are of the opinion that the prime objective behind setting up of RGIPT is to provide high quality education, training and research to generate efficient human resources to meet growing human resources requirement in Petroleum and Energy Sector.

The Committee desire that Ministry may look into the feasibility of opening new centres in different parts of the country covering wide rang of undergraduate and post graduate courses so that the requirement of skilled professionals for the rapidly growing Petroleum Industries is fulfilled.

Reply of the Government

Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi, was established as an Institution of National Importance through an act of Parliament in 2007 under the aegis of the Ministry of Petroleum & Natural Gas, Government of India. Further, the Institute has established two centers in Assam and Karnataka, namely Assam Energy Institute (AEI), Sivasagar, and Energy Institute, Bengaluru (EIB). Requirement of human resources depends on the dynamics of the market. New courses are started in these Institutes considering the demand supply gap and newer developments in rapidly changing energy domain.

Another domain specific institute namely Indian Institute of Petroleum and Energy (IIPE), Visakhapatnam has also been setup by this Ministry. Apart from these domain specific institutes, many other educational institutes also run various courses including degree in Petroleum Engineering, Geophysics etc which are required in petroleum sector.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation No. 14

Need for higher allocation for R&D projects in Petroleum Sector and better synchronization between stakeholders.

The Committee note that research and development activities in petroleum sector is of paramount importance especially as the sector is of crucial importance for the national economy. Moreover, petroleum sector is already undergoing rapid changes in view of higher emphases on energy transition nationally as well as globally. R&D will have an important role in this. The Committee also note that OIDB has committee Rs.2 crore in last three years for R&D Projects. This amount appears to be inadequate, oil and gas sector being a technology intensive sector. The Committee, however, also understand that bulk of expenditure in R&D projects in the sector is being undertaken in the OMCs.

Accordingly, the Committee recommend that the Ministry may look into the issue of greater budgetary support for R&D projects of national importance. Moreover, the Committee also recommend that the Ministry may take steps to ensure better synchronization in R&D activities between OMCs and other public sector institutions having R&D activities in the sector to achieve better outcomes.

Reply of the Government

During the last three years, OIDB had released R&D grant of Rs.55.37 crore to Indian Oil Corporation Ltd. (R&D) and Rs.60 lakh to Indian Institute of Technology, Indian School of Mines, Dhanbad.

In addition to the above, Centre for High Technology (CHT) fully funded by OIDB grant had also released R&D grants amounting to Rs.1.93 crore during the last three years.

In terms of OID Board's approval, Directorate General of Hydrocarbons (DGH), being the expert body for Upstream Sector, the funding of the Upstream Sector R&D Projects are being done by DGH and the Downstream R&D Projects are being executed and funded by CHT. Both the Organisations are the grantee institutions of OIDB. DGH and CHT are also monitoring the progress and utility of the Upstream Sector and Downstream related R&D Projects respectively.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

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Reply of the Government

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The construction of the compound wall around the alienated land is already completed by the Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC).

The Institute is continuously coordinating with the authorities of the CPWD and regularly monitoring the work progress.

Ministry of Petroleum & Natural Gas
No.G-38011/09/2024-Fin.I (E-50569) dated 10th March, 2025

New Delhi;
August, 2025
Shravan,1947 (Saka)

Sunil Dattatrey Tatkare,
Chairperson,
Standing Committee on
Petroleum & Natural Gas

Confidential

STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS

(2024-25)

Minutes of the Fourteenth Sitting of the Committee

……….

The Committee sat on Thursday, the 07th August, 2025 from 1500 hrs. to 1530 hrs. in Committee Room Samanvay-2, First Floor, Parliament House, New Delhi-110001.

PRESENT

Shri Sunil Dattatrey Tatkare - Chairperson

MEMBERS

LOK SABHA

2	Shri Benny Behanan
3	Shri Maddila Gurumoorthy
4	Shri Dileshwar Kamait
5 6	Smt. Pratima Mondal Shri Laxmikant Pappu Nishad
7	Smt. Kamaljeet Sehrawat
8	Shri Janardan Singh Sigriwal
9	Dr. Amar Singh
10	Shri Ve Vaithilingam
11	Shri Balashowry Vallabhaneni
12	Shri Prabhubhai Nagarbhai Vasava
13	Shri Dharmendra Yadav
RAJYA SABHA	
14 15 16	Shri Chunnilal Garasiya Shri Mithlesh Kumar Shri Mayankbhai Jaydevbhai Nayak
17	Dr. V. Sivadasan
18	Shri Ravi Chandra Vaddiraju

SECRETARIAT

1.	Shri Rajesh Ranjan Kumar	-	Joint Secretary
2.	Shri Sujay Kumar	-	Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the following 03 Action Taken Reports:

(i) Draft Report on the action taken by the Government on the Observations/Recommendations contained in the First Report (18th LS) of the Standing Committee on Petroleum and Natural Gas on 'Demands for Grants (2024-25) of the Ministry of Petroleum and Natural Gas'.

(ii) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

(iii) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

3. The Committee considered and adopted the Reports at 2 (i) and xxxxxx above without any modifications; xxxxxxxxxxxxxxxxx

4. The Committee then authorised the Chairperson to finalize the Reports and present/lay the Reports in both the Houses of Parliament.

The Committee then adjourned.

XXXX- Matter not related to this Report.

Annexure II

(*Vide* Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRD REPORT (EIGHTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2024-25) ON THE SUBJECT 'DEMAND FOR GRANTS (2024-25)' OF THE MINISTRY OF PETROLEUM AND NATURAL GAS'.

I	Total No. of Recommendations	18
II	Recommendations/Observations which have been accepted by the Government (*Vide* Recommendations Nos. 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 18)	14
	Percentage to Total	78.00%
III	Recommendations/Observations which the Committee do not desire to pursue in view of Government's (*Vide* Recommendations No. Nil)	0.00
	Percentage of Total	Nil
IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (*Vide* Recommendations Nos. Nos. 5 and 16)	02
	Percentage of Total	11.00%
V	Recommendations/Observations in respect of which final replies of the Government are still awaited (*Vide* Recommendation No. 14 and 17)	02
	Percentage of Total	11.00%