6

STANDING COMMITTEE ON PETROLEUM & NATURAL GAS (2025-26)

(EIGHTEENTH LOK SABHA)

MINISTRY OF PETROLEUM & NATURAL GAS

[Action Taken by the Government on the recommendations contained in the Second Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on ‘Demands for Grants (2025-26) of the Ministry of Petroleum and Natural Gas’]

SIXTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2025/Agrahayana, 1947 (Saka)

CP&NG NO.

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[Action Taken by the Government on the recommendations contained in the Second Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on 'Demands for Grants (2025-26) of the Ministry of Petroleum and Natural Gas']

Presented to Lok Sabha on 17.12.2025
Laid in Rajya Sabha on 17.12.2025

LOK SABHA SECRETARIAT
NEW DELHI

December, 2025/ Agrahayana, 1947 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM & NATURAL GAS (2025-26)

Shri Sunil Dattatrey Tatkare – Chairperson
Members
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
11	Shri Jai Prakash
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
19	Shri Parbhubhai Nagarbhai Vasava
20	Dr. Kalanidhi Veeraswamy
21	Shri Dharmendra Yadav

RAJYA SABHA

22	Shri Chunnilal Garasiya
23	Shri Chandrakant Damodar Handore
24	Prof. Manoj Kumar Jha
25	Shri Mithlesh Kumar
26	Shri Dorjee Tshering Lepcha
27	Shri Manas Ranjan Mangaraj
28	Shri Mayankkumar Nayak
29	Shri K.R.N. Rajeshkumar
30	Dr. V. Sivadasan
31	Shri Ravi Chandra Vaddiraju

SECRETARIAT

1	Shri Rajesh Ranjan Kumar	Additional Secretary
2	Shri Harish Chandra Bist	Joint Secretary
3	Shri Sujay Kumar	Deputy Secretary
4	Shri Narendra Singh	Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas, having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on Action Taken by the Government on the recommendations contained in the Second Report (Eighteenth Lok Sabha) of the Committee on 'Demands for Grants (2025-26) of the Ministry of Petroleum and Natural Gas'.

2. The Second Report of the Standing Committee on Petroleum & Natural Gas was presented to Lok Sabha on 21.03.2025 and laid in Rajya Sabha on 20.03.2025. The Action Taken Replies of the Government to all the recommendations contained in the Second Report were received on 20.06.2025.

3. The Standing Committee on Petroleum & Natural Gas (2025-26) considered and adopted the Report at their sitting held on 15.12.2025.

4. An analysis of the action taken by the Government on the recommendations contained in the Second 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;
***15 December*, 2025**
24 *Agrahayana*,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 (2025-26) deals with the action taken by the Government on the recommendations contained in the Second Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on "Demands for Grants (2025-26) of the Ministry of Petroleum and Natural Gas", which was presented to Lok Sabha on 21.03.2025 and laid in Rajya Sabha on 20.03.2025.

2. Action Taken Notes have been received from the Ministry on 20.06.2025 in respect of all the 14 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, 5, 6, 7, 8, 9, 11, 12, 13 and 14 (Total – 13)

(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: - Reco. No. 10 (Total - 1)

(Chapter- IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited: - Nil

(Chapter- V)

3. The Committee desire that the Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report may be furnished expeditiously.

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

Recommendation No. 2

Deep Sea Exploration/Exploration of Country's Extended Continental Shelf

5. The Committee note that there has not been any significant increase in the crude oil or gas production in the recent years. As a result of this the import dependency of petroleum products is increasing. The Committee also note that even after significant increase in exploration efforts over the years, no new important oil field has been discovered. The Committee feel that the exploration efforts need to be increased substantially, specially in those areas which have been little explored. The Committee find that the Government has taken a number of steps to make it possible for the exploration entities to go in non-conventional areas for exploration. For example, Andaman basin in the Bay of Bengal is a potential petroleum proliferous basin. The basin measures 2,25,918 sq km area most of which is un-appraised as it was declared a no-go area by the Government. However, exploration has now been allowed in the area with the Government launching Deep Andaman Offshore Survey to collect seismic data through OIL.

Similarly appraisal of India's extended Continental Shelf in eastern and western offshore beyond EEZ boundary is being undertaken. The Committee note that 2D seismic API is proposed to be carried out in 30000 LKM in western sector by the ONGC 14500 LKM in eastern sector by the OIL. The Committee feel that these exploration efforts were long overdue and bode well for the future energy production in the country. The Committee recommend that the proposed exploration exercises are undertaken in the right earnest and adequate funds should be allotted for the purpose.

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

"**Exploratory activities in Andaman Basin:**

For a comprehensive appraisal of Andaman offshore, Andaman offshore survey was launched by GoI for acquisition, processing, and interpretation of 22,500 LKM 2D Broadband seismic data covering basinal area of approx. 2,81,613 Sq. Km. The project was implemented through M/s Oil India Limited. The project commenced in August 2021 and was completed in February 2022 after acquisition of 22,555 LKM broadband seismic data in ultra-deepwater at a water depth 1,500-3,000 m. The acquisition and processing was completed in October 2022 and interpretation of the entire dataset has been completed in month of March, 2023.

Moreover, during the Exclusive Economic Zone (EEZ) survey, taken up from Oct, 2022 to June, 2024, 24,852.50 LKM 2D seismic data acquisition was successfully accomplished in the Andaman Basin. 2D seismic data processing and interpretation has been completed and the data deliverables and reports are available in NDR, DGH.

Extended Continental Shelf (ECS) Survey:

On 26th March, 2024, MoPNG approved the launch of the Extended Continental Shelf Survey with the aim of Acquisition, Processing and Interpretation (API) of 30,000 LKM of 2D seismic data in Eastern & Western Offshore areas (15,500 LKM in Western offshore and 14,500 LKM in Eastern offshore) in India's Extended Continental Shelf beyond the Exclusive Economic Zone (EEZ) Boundary. The project will be executed in coordination with Ministry of Earth Sciences and Ministry of Defence (MoD)/Indian Navy.

Good quality high-resolution seismic data with closer spacing in the Continental Shelf (about 0.6 Million SKM) in Western and Eastern offshore beyond the EEZ boundary will provide valuable inputs regarding the presence of sediments and help to ascertain hydrocarbon potential in the Continental Shelf area. It will also help in understanding the Tectonic setup, Basement configuration and depositional pattern of sediments. Apart from gathering crucial seismic information and assessing the hydrocarbon and mineral potential of the sediments, this will also help validate the Govt's claim of extended continental shelf boundary in East and West coast by MoES beyond the EEZ boundary. The Government has entrusted ONGC and OIL to conduct the 2D Seismic API for 15,500 LKM on west coast and 14,500 LKM on the east coast respectively at an estimated cost of Rs.492 Cr.

The seismic survey started on 24.11.2024 in Western Sector and from 04th February, 2025 in Eastern Sector. Till 31st March 2025 a total of 22,,876 LKM (ONGC: 15513 LKM and OIL: 7,363 LKM) of 2D seismic data has been acquired. ONGC has completed the seismic data acquisition under ECS survey in western offshore and awarded the Processing and Interpretation (P&I) contract to M/s Samit Spectrum EIT Pvt. Ltd. on 04.03.2025".

Comments of the Committee

7. The Committee, in their original report, had recommended to the Ministry that there has not been any significant increase in crude oil or gas production in recent years. Due to this, the import dependency on petroleum products is increasing day by day. Further, the Committee had also noted regarding the extensive efforts being made to explore the Andaman Basin in the Bay of Bengal.

In their action-taken reply, the Ministry of Petroleum and Natural Gas stated that the Government has entrusted ONGC and OIL to conduct 2D seismic API surveys for 15,500 LKM in the western offshore and 14,500 LKM in the eastern offshore, respectively, at an estimated cost of ₹492 crore.

As stated by the Ministry, the data acquisition has been completed and the work relating to processing and interpretation has already been awarded. The Committee, hope that the work of processing and interpretation of data will be completed expeditiously and adequate funds for exploration activities will be allocated.

Recommendation No. 4

LPG Connections to Poor Households (Pradhan Mantri Ujjwala Yojana)

8. The Committee note that in BE 2025-26, a provision of Rs. 9100 crore has been made for implementing Pradhan Mantri Ujjwala Yojana (PMUY) which was started in May, 2016 with an objective to provide access to clean cooking fuel to poor households across the country. Under PMUY, deposit free LPG connections are provided to adult women from poor households. As of 01.01.2025, 10.33 Crore PMUY connections have been stated to be issued across the country. The Committee have been apprised that the target to release additional 75 lakh connections under PMUY has been achieved in July 2024 and no fresh targets have been set for PMUY connections for 2025-26. The Committee also note that the Government increased the targeted subsidy by Rs. 100 per 14.2 kg Domestic LPG refill taken by PMUY beneficiaries with effect from 5th October 2023, taking the subsidy to Rs. 300/ per 14.2 Kg refill from Rs. 200/ per cylinder.

The Committee appreciate the efforts of the Ministry and OMCs for the successful implementation of the scheme. However, the Committee feel that Ministry and OMCs need not be complacent about the achievement of targets under the scheme as there are many poor households in the Country which are still not able to avail of benefits under the PMUY scheme due to varied reasons. The Committee, therefore, recommend that the Ministry and the OMCs work in a coordinated manner to identify beneficiaries that are still outside the purview of PMUY and devise the required modalities at the earliest so that the benefits under the scheme is available to the new beneficiaries within the stipulated timeframe. The Committee also recommend that adequate arrangements are put in place by the Government to ensure that all eligible beneficiaries including those living in remote areas with low mobile network coverage are covered under the PMUY. The Ministry may, if required, seek additional funds for the same. The Committee further recommend that in order to enhance the per-capita consumption of LPG among the PMUY beneficiaries, issuance of 5kg and 10kg gas cylinders should also be encouraged.

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

"Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May, 2016 with an objective to provide deposit free LPG connection to adult women from poor households across the country. The target to release 8 crore connections under PMUY was achieved in September 2019. To cover the remaining poor households, Ujjwala 2.0 was launched in August 2021 with a target to release 1 crore additional PMUY connections, which was achieved in January 2022. Subsequently, the Government decided to release 60 lakh more LPG connections under Ujjwala 2.0 and the target of 1.60 crore Ujjwala 2.0 connections was also achieved during December 2022. Further, Government approved release of additional 75 lakh connections under PMUY Scheme for the period FY 2023-24 to 2025-26 which has already been achieved during July 2024.

LPG connection under PMUY is released in the name of adult women of the poor households, provided no LPG connection exists in the name of any family member of the household and fulfilling other terms and conditions. Households belonging to Socio Economic Caste Census (SECC) list or from seven other categories such as Scheduled Caste(SC) Households, Scheduled Tribe(ST) Households, Most Backward Classes (MBC), Beneficiaries of PM Awas Yojana (Gramin), Beneficiaries of Antyodaya Anna Yojana (AAY), Forest Dwellers, Resident of islands/ river islands, Tea garden / ex-tea garden workers or poor households not covered under the above categories by submitting 14 point declaration are eligible for a PMUY connection. Under Ujjwala 2.0, a special provision has been made for migrant families who can use a self-declaration instead of Proof of Address and Ration Card to apply for a PMUY connection. As on 01.04.2025, there are 10.33 crore PMUY connections across the country.

Under PMUY, women beneficiaries can register their complaints through various options. A dedicated PMUY call centre is set up to resolve any issues related to the scheme, ensuring women can easily seek assistance. Additionally, Oil Marketing Companies (OMCs) provide multiple platforms, including websites, mobile apps, and call centers, where women can lodge complaints or queries. For issues raised on social media, OMCs ensure that complaints are captured and transferred to their respective portals for swift resolution. In case of unresolved matters, women beneficiaries can approach Customer Service Cell officers at OMC's regional or divisional offices for in-person support. Written complaints can also be submitted to OMC offices for further action. In all established cases of irregularities in PMUY, necessary action is taken against the responsible LPG distributorships in accordance with the Marketing Discipline Guidelines (MDG) and the distributorship agreement.

In order to improve access to LPG across the country, various steps have been taken inter alia, including organizing campaigns for improving awareness about PMUY, organizing melas/camps to enroll and distribute connections, promotion through Out of Home (OOH) hoardings, radio jingles, Information, Education and Communication (IEC) Vans etc., spreading awareness about advantages of using LPG over other conventional fuels and safe usage of LPG through LPG Panchayats, enrolment/awareness camps under Viksit Bharat Sankalp Yatra, facilitation of consumers and their families for Aadhar enrolment and opening of bank accounts for getting PMUY connections.

Since the launch of PMUY till financial year 2022-23, Government has been bearing an expenditure of up to Rs.1,600 per PMUY connection for Security Deposit (SD) of Cylinder, Pressure Regulator, Suraksha Hose, DGCC booklet and installation charges. From financial year 2023-24, this expenditure has been increased to Rs.2,200 per connection for 14.2 Kg Single Bottle Connection/ 5 Kg Double Bottle Connection & Rs.1,300 per connection for 5 Kg Single Bottle Connection.

To make LPG more affordable to PMUY consumers and ensure sustained usage of LPG by them, Government started a targeted subsidy of Rs.200/- per 14.2 kg cylinder for up to 12 refills per year (and proportionately pro-rated for 5 Kg connections) to the PMUY consumers in May 2022. In October 2023, Government increased the targeted subsidy Rs.300 per 14.2 kg cylinder for up to 12 refills per year (and proportionately pro-rated for 5 Kg connections).

Further, as a result of various steps taken by Government to improve access and affordability of domestic LPG for PMUY consumers, per capita consumption of PMUY beneficiaries (in terms of no. of 14.2 kg LPG cylinders taken per year) has increased from 3.68 (FY 2021-22) to 3.95 in FY 2023-24, and 4.47 in FY 2024-25.

Per capita consumption (in terms of 14.2 Kg cylinder per year) of PMUY beneficiaries over the past five financial years is as follows:

Financial Year	**Per capita consumption of PMUY Beneficiaries**
FY 2020-21	4.39
FY 2021-22	3.68
FY 2022-23	3.71
FY 2023-24	3.95
FY 2024-25	4.47

Comments of the Committee

10. The Committee in its original report had recommended that the Ministry and the OMCs may work in coordination to identify poor households in the country who are still not covered under the PMUY due to various reasons and take steps to bring them under the PMUY in a stipulated time frame.

In their action-taken reply, the Ministry has stated that the Government had approved the release of an additional 75 lakh connections under the PMUY scheme for the period 2023–24 to 2025–26 which has already been achieved in July, 2024.

The Committee had also urged the Government to encourage the 5 kg and 10 kg LPG cylinders for the PMUY beneficiaries. From the reply of the Ministry, it may be seen that per capita consumption of 14.2 kg cylinders in 2024-25 is almost at the same level as in 2020-21. The Committee feel that a detailed study may help understand the reasons as to why there has not been any significant increase in consumption of PMUY gas cylinders in spite of incentives being given by the Government. The Committee, therefore, wish to be apprised of the steps taken to enhance the per-capita consumption of LPG among PMUY beneficiaries and encourage the issuance of 5 kg and 10 kg cylinders.

Recommendation No. 7

Indian Strategic Petroleum Reserves Limited (ISPRL)

11. The Committee have been apprised that Government, through a Special Purpose Vehicle called Indian Strategic Petroleum Reserves Limited (ISPRL), has established Strategic Petroleum Reserves (SPR) facilities with total capacity of 5.33 Million Metric Tonnes (MMT) of crude oil at 3 locations, namely, Vishakhapatnam, Mangaluru and Padur. Once completed and at full capacity, the crude oil stored in the caverns will be adequate for about 9.5 days of crude oil requirement of the country. The Committee further note that an allocation of Rs. 5876 crore has been made in the BE 2025-26 towards payment to ISPRL for filling up of crude oil caverns. In BE 2024-25, Rs 628.04 crore was allocated for ISPRL while at RE stage it was reduced to Rs 130 crore. The Committee were informed that the allocation will be used for filling ISPRL during the current year depending on price of crude oil prevailing at the time of purchase.

The Committee, feel that the basic objective behind setting up of SPRs was to ensure energy security in the country in case of supply chain disruptions. A substantial amount has already been invested in construction of strategic oil caverns and filling them with oil. The Committee would urge the Government to ensure that the caverns are filled with oil as early as possible so that the energy supply security is ensured at the earliest. The Committee while appreciating the intention of the Government to wait for the right time and the right price point to procure oil for the purpose of filling caverns in order to avoid overpaying for the crude oil, also recommend the Ministry to remain proactive towards exploring the possibilities of arranging cheaper crude oil for strategic storage particularly keeping in view the current geo-political considerations. The Committee would also urge upon the Government to strive to achieve global standard of maintaining 90 days of crude oil storage in the country as a long term measure.

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

“Indian Strategic Petroleum Reserves Limited (ISPRL)- Procurement of Crude oil and Increasing Strategic petroleum Reserves in the country to the level of 90 days storage

Rs. 5,597 Crore have been allocated to ISPRL for filling the sovereign crude in SPRs in B.E. 2025-26. Necessary actions will be taken to explore the options for utilisation of the same depending on the market and geopolitical conditions.

Presently, ISPRL has crude reserves equivalent to about 9 days of net imports of the previous year. Industry has reserves of crude and other petroleum products for about 65 days storage. With this, India has total reserves of about 74 days.

In its endeavor to reach the figure of 90 days storage, G.O.I. has already approved projects under phase-II at Padur and Chandikhol, which would add 6.5 MMT capacity.

ISPRL has acquired land for setting up additional SPR’s at Mangalore after obtaining DIB approvals. Feasibility studies for the project have been completed and ISPRL is in process of putting up note for necessary approvals for setting up SPR’s of about 1.75 MMT capacity.

In addition, to further augment the strategic storage capacity. Government and OMCs evaluate, from time to time, the possibility of augmentation of storage capacities based on technical and commercial feasibility”.

<u>Comments of the Committee</u>

13. The Committee, in their original Report, had recommended the Ministry to ensure energy security in the country in the event of supply chain disruptions. Further, the Committee urged the Government to achieve the global standard of maintaining 90 days of crude oil storage in the country on a long-term basis.

The Ministry, in their action-taken reply, stated that at present ISPRL has crude reserves equivalent to about 9 days of the previous year’s net imports. Industry has reserves of crude and other petroleum products sufficient for about 65 days. With this, India has total reserves sufficient for about 74 days. The Ministry in its reply has also stated that the G.O.I. in its efforts to achieve strategic petroleum reserves of 90 days in the country has approved projects under Ph-II at Padur & Chandikhol to add 6.5 MMT capacity. The Committee while appreciating the Ministry’s actions, desire to be informed of the latest developments in this regard.

Recommendation No. 8

Indradhanush Gas Grid Limited (IGGL) - Part of the North East Natural Gas Pipeline Grid

14. The Committee note that the North East Gas Grid (NEGG) natural gas pipeline project is being implemented by Indradhanush Gas Grid Limited (IGGL), a Joint Venture of IOCL, ONGC, GAIL, NRL & OIL, at an estimated cost of Rs. 9,265 crores in line with the Hydrocarbon Vision 2030 for the Northeast region. As regards budgetary allocations, a provision of Rs. 700.00 crores has been made in BE 2025-26, whereas in BE 2024-25, allocation of Rs. 1000 crore was made which was reduced to Rs. 611.92 crore at RE 2024-25 and even this reduced allocation could not be utilized in the current financial year.

The Committee have been apprised that construction activities pertaining to this project are in progress with the achievement of physical progress of 84.08% as on 16.02.2025. The Committee have been further apprised that phase I of the project covering 553 km of pipeline of NEGG is expected to be completed by July 2025 whereas in respect of phase II and phase III covering 723 km and 394 km, respectively, falling in hilly terrain, PNGRB has extended the completion schedule and the construction activities may go beyond the stipulated timeframe. Although the PNGRB has given 31st July as the completion schedule for laying, building, operating or expanding of North East Gas Grid, as per IGGL, even that completion schedule is unlikely to be met.

Given the importance of the NEGG project, which aims at integrating the northeastern states of India with the National Gas Grid and facilitating the region's long standing gas evacuation challenges, the Committee are concerned that such an important infrastructural project is lagging behind its completion schedule. The Committee feel that it is important that various gas pipeline projects across the country particularly NEGG-IGGL project are completed without undue delay. Completing crucial infrastructure projects on time should be a national priority as the gas produced in the area has to be flared in the absence of sufficient evacuation mechanism. This project of IGGL, therefore, needs to be completed at the earliest. For this clear accountability has to be fixed with implementing agencies. The Committee, therefore, recommend the Ministry to urgently work towards removing the bottlenecks hampering the completion of the projects and take up the issue at the highest level with appropriate authorities in coordination with all the stakeholders and ensure availability of sufficient budgetary allocation for the scheme.

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

"The Cabinet Committee on Economic Affairs (CCEA) while according approval to the NEGG project, also approved the proposal for constituting an Inter-Ministerial Committee (IMC) for effective monitoring of its implementation. Accordingly, an IMC comprising officials from various Ministries and Departments was constituted. Representatives from NHIDCL and concerned State authorities have also been coopted into the IMC to facilitate quicker resolution of field-level issues and expedite pending permissions. So far, seven meetings of the IMC have been convened. Various hindrances/challenges (viz. Right of User (RoU) challenges; permission from various authorities/ State Government; allotment of land for SV, RT etc.) have been addressed based on the directions of the IMC. Further, MoPNG has regularly taken up the issues with the concerned State Governments urging them to extend all necessary support for the expeditious execution of the project by Indradhanush Gas Grid Limited (IGGL). Also, IGGL has been making every possible effort to accelerate the execution of the North East Gas Grid project to ensure its timely completion".

<u>Comments of the Committee</u>

16. The Committee, in their original report, had recommended that the Ministry take serious steps towards the completion of this project and pursue the matter at the highest level.

In their action-taken reply, the Ministry has stated that the Cabinet Committee on Economic Affairs (CCEA) has approved the North East Gas Grid project and has also approved the setting up of an Inter-Ministerial Committee (IMC) for effective monitoring of its implementation. The said IMC has coopted representatives of the stakeholders including state governments for expeditious removal of local bottlenecks and early completion and commissioning of the project.

The Committee hope that the IMC will closely monitor the implementation of the project. The composition of the IMC will also result in timely resolution of the issues arising at the local level. The Committee urge the Ministry to ensure that the project is completed without any further delay.

<u>Recommendation No. 10</u>

<u>Timely completion of Pipeline projects: Need for Adequate Compensation for Land Acquisition</u>

17. The Committee note that various on-going projects of Oil PSUs are facing time and cost over-runs mainly due to delay in land acquisition/RoU issues, delay in receipt of environment and forest clearances, statutory approvals, local body/municipal permissions, contractual issues, etc. This scenario is especially true in case of pipeline projects. As regards gas pipeline projects, the Committee note that many pipeline construction projects in various states are facing inordinate delay on account of

resistance by local farmers/landowners. One such example is in Uran-Usar gas pipeline project connected with GAIL PDH-PP plant in Usar, Raigad, Maharashtra. The pipeline construction project is considerably delayed reportedly due to protest/resistance by local farmers and land-owners on the issue of compensation.

The Committee feel that this problem is of universal nature and similar issues are being faced or are likely to be faced elsewhere in the country. The use of land in the areas where pipelines are being constructed has become contentious because of the ambiguity in legal provisions. The Committee feel that legal provisions governing the RoU in pipeline areas are obsolete and it needs to be amended as early as possible. The method of distributing compensation for RoU for laying pipelines under the existing Petroleum and Minerals Pipelines (P&MP) Act, 1962 is no longer acceptable to farmers/landowners in the current perspective. The Committee feel that it is important to find a suitable way out so that farmers whose land fall under pipeline construction/expansion areas are compensated appropriately and judiciously as in the case of the farmers whose lands are acquired under relevant land acquisition laws.

The Committee also feel that it may not be in the interest of the plant operations that the local people feel alienated. The Committee also understand that extensive pipeline network for transportation of crude oil, natural gas, petroleum products, etc. is vital not only for strengthening country's energy security and energy accessibility to the people but also for the sake of operational safety, reliability and environmental benefits for reduction in carbon emissions.

The Committee, therefore, recommend that the Ministry make all out efforts to suggest suitable amendments to existing Acts/Rules/Guidelines etc. related to land acquisition by taking up the issue at the highest level in coordination with other Central and State authorities to provide fair and acceptable compensation to pipeline project affected persons in order to make land acquisition/RoU a smooth process. The Committee also recommend that subject to fulfillment of eligibility conditions, local people whose lands have been affected by the pipeline projects, may be given preference in employment by the Oil PSUs. The Committee may be informed about the steps taken in the matter.

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

"The compensation to farmers for Right of Use (RoU) land is provided in accordance with the Petroleum and Minerals Pipelines (P&MP) Act, 1962. The Competent Authority appointed for the pipeline project finalizes the compensation as per the provisions of the P&MP Act, 1962. In the event of any dispute by the aggrieved parties, the Act contains provisions for resolution, including recourse to the District Judge. Further, RoU acquisition does not involve transfer of land title, and the livelihood of farmers remains largely unaffected".

Comments of the Committee

19. The Committee, in their original report, had recommended the Ministry to take note of the fact that many pipeline construction projects in various states are facing inordinate delays due to resistance by local farmers and landowners, including the Uran-Usar gas pipeline project connected with the GAIL PDH-PP plant in Usar, Raigad, Maharashtra. In their action-taken reply, the Ministry have stated that the competent authority finalizes the compensation as per provisions of the P&MP Act, 1962. The Ministry has also stated that in the event of any dispute raised by aggrieved parties, the Act contains provisions for resolution, including recourse to the District Judge. However, the Committee wish to reiterate its earlier recommendation that all-out efforts should be made to amend the existing Act, rules and guidelines to ensure better compensation to farmers/landowners whose lands are used for pipeline construction and urge the Government to find a solution to this issue.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1

ANALYSIS OF BUDGETARY ALLOCATION: NEED TO PROVIDE BUDGETARY SUPPORT FOR CAPITAL EXPENDITURE

The Committee note that the total allocation of the Ministry of Petroleum and Natural Gas for BE 2025-26 has been Rs. 26702.93 Cr as against Rs. 15930.26 cr in the BE 2024-25 and of Rs. 20305.61 cr in the RE 2024-25 with actual expenditure of Rs. 7321.63 (as on 31.01.2025) during FY 2024-25.

The Committee observe that the budgetary allocations of the Ministry of Petroleum & Natural Gas during the last three financial years have been Rs. 41007.72 cr for BE 2023-24, which got reduced to Rs. 14757.014 cr at RE stage, Rs. 15930.26 cr for BE 2024-25 which got unwardly revised to 20305.61 cr at RE stage and allocation of Rs. 26702.93 cr has been made in BE 2025-26 with around 30 percent increase in budget allocations thereby revealing substantial variations. The Committee understand that it may not be possible for the Ministry to accurately anticipate the movement of international price of crude oil and gas which is the core reason for such a side variation in estimates of the Ministry. However, it may be appropriate to enhance the efficiency in forecasting the estimates which do not have substantial linkage with international prices of crude oil and gas. The Ministry may also exercise proper monitoring and supervision in order to ensure that the funds earmarked for specific projects are properly utilized.

The Committee also note that the trend of capital expenditure budget of the Ministry has not been satisfactory. In the year 2023-24, the actual expenditure in capital account was Rs. 40.77 crore whereas in the 2024-25, the BE on capital account was Rs. 1128.97 crore and Rs. 340.86 crore at the RE stage. The budget estimate for the year 2025-26 is Rs. 6626.13 crore which appears to be substantially high from the previous years. This allocation appears to be mostly for exploration purpose. The Committee would urge upon the Ministry to ensure that the allocation is properly spent for the purpose it is allocated during the year.

The Committee understand that most of the expenditure on capital account are undertaken by the Oil PSUs from own internal resources. But it may be desirable that some support for capital expenditure is provided by the Government from its Budget to supplement the efforts of the PSUs. Accordingly, the Committee recommend that the Ministry may approach the Government for funding the specific projects required to be funded through government budgetary support. The Committee may be informed of the steps taken in this direction.

The Committee, while analyzing the trend of allocation and utilization of budgetary outlays, also recommend that the Ministry fully utilize the funds allocated for the different programmes and schemes in a time-bound manner by having regular monitoring of fund utilization pattern. In case the need for additional funds arises, they may approach the Government in time so that the necessary funds are allocated during Revised Estimate stage. The Committee also desire the Ministry to make all out efforts to raise awareness about the new schemes and prepare a road map for implementing these schemes so that intended benefits reach the targeted beneficiaries.

REPLY OF THE GOVERNMENT

Reasons for variations in BE/RE vis-à-vis actual expenditure for the FY 2022-23, 2023-24, 2024-25 and 2025-26

(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	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.

			were additionally allocated in a New Scheme viz. Flagging of merchantship				(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	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

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

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	20305.61	4375.35	(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) Additional funds of Rs 1000 Crore provided in OID Fund. The funds are parked funds for utilization in FY 2025-26. (iii) Additional funds of Rs 2100 Crore provided as transfer to OID Fund which will be matched with equivalent recoveries from OIDF for LPG Subsidy schemes and Rs. 30 Crore provided as transfer to OID Fund which will be matched with equivalent	20305.61	19887.55	418.06	(i) Rs. 22.43 Crores surrendered in Scheme viz. PM JI-VAN Yojana, due to less bills received from HPCL due to non-achievement of 2nd Milestones of disbursement conditions. (ii) Rs. 124.73 Crores surrendered in Scheme viz. Direct Benefit Transfer for LPG due to accumulated amount of monthly bills upto Dec-24 submitted by PPAC was negative for IOCL. (iii) Rs. 96.27 Crores surrendered in Scheme viz. Other Subsidies payable including NE Region (Domestic Natural Gas) due to

			recoveries from OIDF for Strategic Sovereign crude oil schemes. (iv) Funds of Rs. 807.91 Crore towards adjustment of prior period issue of Bonus Shares by BPCL.				ONGC and OIL have submitted bills of lesser amount than expected. Subsidy under this scheme is provided on sale of APM gas in the North-Eastern region. (iv) Rs. 18.28 Crores surrendered in Scheme viz. Financial Assistance to CBG producers for collection of Biomass due to Limited numbers of agri residue-based plants (beneficiaries) are commissioned/have achieved 50% plant completion presently. Further, the beneficiaries have to submit the claim after they have procured the BAM sets. Also, some of the beneficiaries have sought extension of time for procurement of sets as per the scheme guidelines. (v) Rs. 30.00 Crores surrendered in Scheme viz. Scheme for

							Financial Assistance to Entity (CGD Entity/ CBG Producers) Developing CBG_CGD Connecting Pipeline In. Since, this is a new scheme; applications for availing financial assistance have been received recently, which are under evaluation. Disbursement of funds would be done after laying of pipelines and submission of relevant documents. (vi) Rs. 88.08 Crores surrendered in Scheme viz. Setting up of Indian Institute of Petroleum Energy (IIPE) Visakhapatnam due to non receipt of approval with regard to extension of time for the Project from MoF. (vii) Rs. 12.75 Crores surrender in Schemes viz. Payment to ISPRL for construction of Caverns Phase-II due

							to non receipt of no demand from Govt. of Odisha for land at Chandikhol.

BE 2024-25	BE 2025-26	Variance in BE 2025-26 from BE 2024-25	Major reasons for Variance
15930.26	26702.98	10772.67	(i) Rs. 5597 Crore has been provisioned in BE 2025-26 in the Scheme "Payment to Indian Strategic Petroleum Reserve Limited (ISPRL) for Crude Oil Reserve". (ii) Rs. funds of Rs 679.03 Crore provided as transfer to OID Fund which will be matched with equivalent recoveries from OIDF for LPG Subsidy schemes and Rs. 5697 Crore provided as transfer to OID Fund which will be matched with equivalent recoveries from OIDF for Strategic Sovereign crude oil schemes. Further, few schemes viz. Indradhanush Gas Grid Limited(IGGL)-part of the North East Natural Gas Pipeline Grid (Programme Component), Numaligarh Refinery Expansion Project, Scheme for promotion of flagging of merchant ships in India have their budget reduced in BE 2025-26 as compared to BEc 2024-25. Thus resulting in net effective variance of Rs. 10772.67 Crore.

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.

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Recommendation No. 2

DEEP SEA EXPLORATION/ EXPLORATION OF COUNTRY'S EXTENDED CONTINENTAL SHELF

The Committee note that there has not been any significant increase in the crude oil or gas production in the recent years. As a result of this the import dependency of petroleum products is increasing. The Committee also note that even after significant increase in exploration efforts over the years, no new important oil field has been discovered. The Committee feel that the exploration efforts need to be increased substantially, specially in those areas which have been little explored. The Committee find that the Government has taken a number of steps to make it possible for the exploration entities to go in non-conventional areas for exploration. For example, Andaman basin in the Bay of Bengal is a potential petroleum proliferous basin. The basin measures 2,25,918 sq km area most of which is unappraised as it was declared a no-go area by the Government. However, exploration has now been allowed in the area with the Government launching Deep Andaman Offshore Survey to collect seismic data through OIL.

Similarly appraisal of India's extended Continental Shelf in eastern and western offshore beyond EEZ boundary is being undertaken. The Committee note that 2D seismic API is proposed to be carried out in 30000 LKM in western sector by the ONGC 14500 LKM in eastern sector by the OIL. The Committee feel that these exploration efforts were long overdue and bode well for the future energy production in the country. The Committee recommend that the proposed exploration exercises are undertaken in the right earnest and adequate funds should be allotted for the purpose.

REPLY OF THE GOVERNMENT

Exploratory activities in Andaman Basin:

For a comprehensive appraisal of Andaman offshore, Andaman offshore survey was launched by GoI for acquisition, processing, and interpretation of 22,500 LKM 2D Broadband seismic data covering basinal area of approx. 2,81,613 Sq. Km. The project was implemented through M/s Oil India Limited. The project commenced in August 2021 and was completed in February 2022 after acquisition of 22,555 LKM broadband seismic data in ultra-deepwater at a water depth 1,500-3,000 m. The acquisition and processing was completed in October 2022 and interpretation of the entire dataset has been completed in month of March, 2023.

Moreover, during the Exclusive Economic Zone (EEZ) survey, taken up from Oct, 2022 to June, 2024, 24,852.50 LKM 2D seismic data acquisition was successfully accomplished in the Andaman Basin. 2D seismic data processing and interpretation has been completed and the data deliverables and reports are available in NDR, DGH.

Extended Continental Shelf (ECS) Survey:

On 26th March, 2024, MoPNG approved the launch of the Extended Continental Shelf Survey with the aim of Acquisition, Processing and Interpretation (API) of 30,000 LKM of 2D seismic data in Eastern & Western Offshore areas (15,500 LKM in Western offshore and 14,500 LKM in Eastern offshore) in India's Extended Continental Shelf beyond the Exclusive Economic Zone (EEZ) Boundary. The project will be executed in coordination with Ministry of Earth Sciences and Ministry of Defence (MoD)/Indian Navy.

Good quality high-resolution seismic data with closer spacing in the Continental Shelf (about 0.6 Million SKM) in Western and Eastern offshore beyond the EEZ boundary will provide valuable inputs regarding the presence of sediments and help to ascertain hydrocarbon potential in the Continental Shelf area. It will also help in understanding the Tectonic setup, Basement configuration and depositional pattern of sediments. Apart from gathering crucial seismic information and assessing the hydrocarbon and mineral potential of the sediments, this will also help validate the Govt's claim of extended continental shelf boundary in East and West coast by MoES beyond the EEZ boundary. The Government has entrusted ONGC and OIL to conduct the 2D Seismic API for 15,500 LKM on west coast and 14,500 LKM on the east coast respectively at an estimated cost of Rs.492 Cr.

The seismic survey started on 24.11.2024 in Western Sector and from 04th February, 2025 in Eastern Sector. Till 31st March 2025 a total of 22,,876 LKM (ONGC: 15513 LKM and OIL: 7,363 LKM) of 2D seismic data has been acquired. ONGC has completed the seismic data acquisition under ECS survey in western offshore and awarded the Processing and Interpretation (P&I) contract to M/s Samit Spectrum EIT Pvt. Ltd. on 04.03.2025.

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COMMENTS OF THE COMMITTEE

Refer Para 7 of the Chapter I of this Report

Recommendation No. 3

OIL INDUSTRY DEVELOPMENT FUND

The Committee are happy to note that the Government has agreed to set up the Oil Industry Development Fund (OIDF) with the main objective of ensuring the development of oil and gas sector. The Committee understand that the fund outlay is Rs 19,300 crore for the FY 2025-26, The OIDF will be financed through collections from the existing oil cess. The establishment of this Fund has filled a significant gap as there was no specific fund created for development of oil and gas sector, even though the OID coss is being collected for a number of years. This will also bring transparency in budgeting for Oil sector. The Committee have also been informed that the fund will be utilized funding the subsidies under the PMUY and also for the subsidies being offered by the Department of Chemicals and Fertilizers. A part of the fund will also be used for strategic petroleum reserves. While the Government may have good reason to use the OIDF proceeds in this manner, the Committee feel that the basic objective of OID cess was for using the proceeds for the development of oil sector. The use of OID Cess proceeds for non-developmental activities is not desirable in the long run. The Committee, accordingly, recommend that the proceeds of the Fund may be utilized for the purpose of development of oil gas sector, i.e, for the formation of capital assets. Petroleum sector is capital heavy sector and huge investments are required to boost our exploration and production efforts. The OIDF funds can be used to give a boost in this direction. The Ministry is advised to actively pursue the matter with the Government. The Committee would like to be informed of the action in the matter and the results thereof.

REPLY OF THE GOVERNMENT

Oil Industry Development Fund

Section 15 of the Oil Industry (Development) Act, 1974 which provides for levy of cess on crude oil as part of the excise duty on the items specified therein. While Section 16 of the OID Act provides for crediting of proceeds of duty of Consolidated Fund of India. Section 17 provides that the Central Government may, after due appropriation made by Parliament by law in this behalf, transfer such sums of money as the Central Government may consider necessary for the purpose of the Act. Section 18 of the Act further provides for creation of Oil Industry Development Fund wherein the money collected under Section 16 or Section 17 shall be credited and applied for the purposes defined therein.

In terms of Section 6 of OID act, the Board renders financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry viz. all activities by way of prospecting or exploring for or production of mineral oil, refining, processing, transportation, storage, handling and marketing of mineral oil production and marketing of all products, down - stream of an oil refinery and the production of fertilizers and petro chemicals and all activities directly or indirectly connected therewith.

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Recommendation No. 4

LPG CONNECTIONS TO POOR HOUSEHOLDS (PRADHAN MANTRI UJJWALA YOJANA):

The Committee note that in BE 2025-26, a provision of Rs. 9100 cr has been made for implementing Pradhan Mantri Ujjwala Yojana (PMUY) which was started in May, 2016 with an objective to provide access to clean cooking fuel to poor households across the country. Under PMUY, deposit free LPG connections are provided to adult women from poor households. As of 01.01.2025, 10.33 Crore PMUY connections have been stated to be issued across the country. The Committee have been apprised that the target to release additional 75 lakh connections under PMUY has been achieved in July 2024 and no fresh targets have been set for PMUY connections for 2025-26. The Committee also note that the Government increased the targeted subsidy by Rs. 100 per 14.2 kg Domestic LPG refill taken by PMUY beneficiaries with effect from 5th October 2023, taking the subsidy to Rs. 300/ per 14.2 Kg refill from Rs. 200/ per cylinder.

The Committee appreciate the efforts of the Ministry and OMCs for the successful implementation of the scheme. However, the Committee feel that Ministry and OMCs need not be complacent about the achievement of targets under the scheme as there are many poor households in the Country which are still not able to avail of benefits under the PMUY scheme due to varied reasons. The Committee, therefore, recommend that the Ministry and the OMCs work in a coordinated manner to identify beneficiaries that are still outside the purview of PMUY and devise the required modalities at the earliest so that the benefits under the scheme is available to the new beneficiaries within the stipulated timeframe. The Committee also recommend that adequate arrangements are put in place by the Government to ensure that all eligible beneficiaries including those living in remote areas with low mobile network coverage are covered under the PMUY. The Ministry may, if required, seek additional funds for the same. The Committee further recommend that in order to enhance the per-capita consumption of LPG among the PMUY beneficiaries, issuance of 5kg and 10kg gas cylinders should also be encouraged.

REPLY OF THE GOVERNMENT

Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May, 2016 with an objective to provide deposit free LPG connection to adult women from poor households across the country. The target to release 8 crore connections under PMUY was achieved in September 2019. To cover the remaining poor households, Ujjwala 2.0 was launched in August 2021 with a target to release 1 crore additional PMUY connections, which was achieved in January 2022. Subsequently, the Government decided to release 60 lakh more LPG connections under Ujjwala 2.0 and the target of 1.60 crore Ujjwala 2.0 connections was also achieved during December 2022. Further, Government approved release of additional 75 lakh connections under PMUY Scheme for the period FY 2023-24 to 2025-26 which has already been achieved during July 2024.

LPG connection under PMUY is released in the name of adult women of the poor households, provided no LPG connection exists in the name of any family member of the household and fulfilling other terms and conditions. Households belonging to Socio Economic Caste Census (SECC) list or from seven other categories such as Scheduled Caste(SC) Households, Scheduled Tribe(ST) Households, Most Backward Classes (MBC), Beneficiaries of PM Awas Yojana (Gramin), Beneficiaries of Antyodaya Anna Yojana (AAY), Forest Dwellers, Resident of islands/ river islands, Tea garden / ex-tea garden workers or poor households not covered under the above categories by submitting 14 point declaration are eligible for a PMUY connection. Under Ujjwala 2.0, a special provision has been made for migrant families who can use a self-declaration instead of Proof of Address and Ration Card to apply for a PMUY connection. As on 01.04.2025, there are 10.33 crore PMUY connections across the country.

Under PMUY, women beneficiaries can register their complaints through various options. A dedicated PMUY call centre is set up to resolve any issues related to the scheme, ensuring women can easily seek assistance. Additionally, Oil Marketing

Companies (OMCs) provide multiple platforms, including websites, mobile apps, and call centers, where women can lodge complaints or queries. For issues raised on social media, OMCs ensure that complaints are captured and transferred to their respective portals for swift resolution. In case of unresolved matters, women beneficiaries can approach Customer Service Cell officers at OMC's regional or divisional offices for in-person support. Written complaints can also be submitted to OMC offices for further action. In all established cases of irregularities in PMUY, necessary action is taken against the responsible LPG distributorships in accordance with the Marketing Discipline Guidelines (MDG) and the distributorship agreement.

In order to improve access to LPG across the country, various steps have been taken inter alia, including organizing campaigns for improving awareness about PMUY, organizing melas/camps to enroll and distribute connections, promotion through Out of Home (OOH) hoardings, radio jingles, Information, Education and Communication (IEC) Vans etc., spreading awareness about advantages of using LPG over other conventional fuels and safe usage of LPG through LPG Panchayats, enrolment/awareness camps under Viksit Bharat Sankalp Yatra, facilitation of consumers and their families for Aadhar enrolment and opening of bank accounts for getting PMUY connections.

Since the launch of PMUY till financial year 2022-23, Government has been bearing an expenditure of up to Rs.1,600 per PMUY connection for Security Deposit (SD) of Cylinder, Pressure Regulator, Suraksha Hose, DGCC booklet and installation charges. From financial year 2023-24, this expenditure has been increased to Rs.2,200 per connection for 14.2 Kg Single Bottle Connection/ 5 Kg Double Bottle Connection & Rs.1,300 per connection for 5 Kg Single Bottle Connection.

To make LPG more affordable to PMUY consumers and ensure sustained usage of LPG by them, Government started a targeted subsidy of Rs.200/- per 14.2 kg cylinder for up to 12 refills per year (and proportionately pro-rated for 5 Kg connections) to the PMUY consumers in May 2022. In October 2023, Government increased the targeted subsidy Rs.300 per 14.2 kg cylinder for up to 12 refills per year (and proportionately pro-rated for 5 Kg connections).

Further, as a result of various steps taken by Government to improve access and affordability of domestic LPG for PMUY consumers, per capita consumption of PMUY beneficiaries (in terms of no. of 14.2 kg LPG cylinders taken per year) has increased from 3.68 (FY 2021-22) to 3.95 in FY 2023-24, and 4.47 in FY 2024-25.

Per capita consumption (in terms of 14.2 Kg cylinder per year) of PMUY beneficiaries over the past five financial years is as follows:

Financial Year	Per capita consumption of PMUY Beneficiaries
FY 2020-21	4.39
FY 2021-22	3.68
FY 2022-23	3.71
FY 2023-24	3.95
FY 2024-25	4.47

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COMMENTS OF THE COMMITTEE

Refer Para 10 of the Chapter I of this Report

Recommendation No. 5

PRADHAN MANTRI JAIV INDHAN VATAVARAN ANUKOOL FASAL AWASHESH NIVARAN (PM JI-VAN YOJANA)

The Committee note that "Pradhan Mantri JI-VAN (Jaiv Indhan Vatavaran Anukool fasal awashesh Nivaran) Yojana" was launched in 2019 with a total outlay of Rs. 1969.50 crore to provide financial support for integrated bio-ethanol projects for setting up Advanced Biofuels projects in the country using lingo cellulosic biomass and other renewable feedstock. The Committee have been apprised that under this scheme, a total of 14 commercial scale proposals and 8 demonstration scale proposals were received for approval, of which 8 commercial scale proposals including one from Karnataka and 4 demonstration scale proposals including one from Karnataka have been approved so far. The Committee further note that the Ministry have floated Request for Selection (RFS) Document four times to invite bids from prospective project developers. However, the responses received against issued RFS's were found to be not satisfactory by the Ministry. Accordingly, the Scheme was amended in August 2024 which provides for extension of the scheme's timeline up to FY 2028-29. inclusion of advanced biofuels in place of 2G ethanol and eligibility for bolt-on and brown field projects. The Ministry also plan to issue fresh Request for Selection (RFS) for new projects under the PM JI-VAN Yojana.

As regards budgetary allocations, in BE 2024-25, allocation of Rs. 117.41 cr was made which was reduced to Rs. 30 cr in RE 2024-25. The actual expenditure as on 31.01.2025 is shown to be nil. In BE 2025-26, a provision of Rs. 117.41 cr has been made for implementing projects under PM Ji-van Yojana.

The Committee acknowledge the decision of the Government to extend the timeline for implementing PM-JI-VAN Yojana by five years i.e. upto 2028-29. However, the Committee are constrained to point out that despite the efforts made by the Ministry very little progress has been made under the Scheme and only one commercial plant located at Panipat Haryana has been commissioned. One commercial plant located at Odisha has been stated to be physically completed. As regards Demonstration scale projects, only one project at Haryana has been stated to be mechanically completed whereas in respect of other projects only pre-project activities are being undertaken. This is probably the reason for non-utilisation of fund allocation for BE 2024-25. The Committee feel that developing bio-fuels and other alternate fuels are vital for ensuring energy security and reducing import dependency on crude oil and natural gas. Taking note of the fact that technologies of advanced biofuels (including 2G technologies) are relatively new and complex, and are still in their nascent stages worldwide and also the technological challenges being faced by the project developers in implementing the PM-JIVAN Yojana projects, the Committee are of the view that there is need to address specific technical issues in collaboration with the respective technology providers to fast-track the completion of on-going projects. The Committee, therefore, recommend the Ministry to devise robust monitoring and co-ordination mechanism to closely review the progress of the ongoing commercial and demonstration projects and strive towards sorting out bottlenecks affecting timely completion of projects by taking up the matter with all the stakeholders including the concerned authorities at Central/State and local Government levels so that funds are gainfully utilized.

REPLY OF THE GOVERNMENT

Advanced biofuel technologies, including 2G technologies, are relatively new and more complex than conventional technologies, necessitating additional time for stabilization and optimization. The PM-JIVAN scheme outlines an institutional mechanism to track and report the projects under the scheme for their selection, evaluation and implementation. Progress of the projects are periodically reviewed to ensure their compliance with guidelines to safeguard the interest of the Government and ensure timely completion of the projects. Accordingly, 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.

Additionally, the 2G plant at Numaligarh (ABRPL), which utilizes bamboo as feedstock, has achieved a significant milestone with the successful production of diluted ethanol from its fermentation section. The plant is expected to be commissioned soon.

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Recommendation No. 6

INDIAN INSTITUTE OF PETROLEUM ENERGY (IIPE), VISAKHAPATNAM

The Committee note that as per provisions under the Andhra Pradesh Re-organization Act, 2014, the Government of India established the Indian Institute of Petroleum and Energy (IIPE), in the year 2016 at Visakhapatnam. Since its inception, the Institute is operating from temporary campus situated at Andhra University College of Engineering, Visakhapatnam as the land allocated for the construction of a permanent campus of IIPE at Vangali Village, Sabbavaram Mandal, Anakapalli District(erstwhile Visakhapatnam District) could be handed over to IIPE only in March 2023 consequent upon the order passed by Hon'ble High Court of Andhra Pradesh after a prolonged legal dispute.

Apprising the Committee about the current status of construction work at permanent campus of IIPE, it has been stated that as on date 46% of the construction work has been completed and IIPE has entrusted the work of preparation of revised Detailed Project Report (DPR) to EDCIL on 30.08.2024.

As far as budgetary allocations for IIPE are concerned, the Committee note that the Government has not made any budgetary allocation in respect of IIPE during the FY 2025-26 due to pending extension of project's timelines. In BE 2024-25 a provision of Rs. 168 cr was made which got reduced to Rs. 88 cr in RE 2024-25 and even this reduced amount could not be utilized during the FY 2024-25.

The Committee while taking note of the progress of the construction activities being undertaken at the IIPE campus, observe that the project has faced considerable time and cost over-run due to land acquisition related issues. The Committee, therefore, recommend the Ministry to fast track the completion of the construction activities on the allocated land for IIPE campus and to undertake proper coordination with implementing agencies like M/s EDCIL and CPWD so that a full fledged permanent campus of IIPE becomes a reality without any avoidable delay. The Committee may be kept abreast about the progress of the construction activities at the campus.

REPLY OF THE GOVERNMENT

The Institute entrusted the construction work to the CPWD at the permanent campus which includes Central Administration Block, Eastern Academic Block, Work Shop, Boys Hostel Blocks-1 & 2, Type-III Qtrs, Type-V Qtrs, Type-VIII Qtrs, Dining Block, Guest House & Water Tank including ancillary works such as construction of sewage lines and roads.

As on date, a total of 53% of the construction work of the project has been completed. However, the essential buildings required for the commencement of academic activities at the permanent campus which comprises Eastern Academic Block, Hostel Blocks 1 & 2, Mess Block, Guest House and Workshop E&M Building will be handed over by the CPWD by July 2025 and the remaining buildings of the project by October 2025, except 01 Central Administrative Building. A total of 71% of the construction work has been completed in respect of the essential buildings.

The construction of the Boundary Wall around the alienated land was completed by the 'Andhra Pradesh Industrial Infrastructure Corporation (APIIC)' in April, 2024. 90% of the work for laying of 33KV overhead High Tension (HT) line from the nearest tapping point, entrusted to the Andhra Pradesh Eastern Power Distribution Corporation Limited (APEPDCL) is completed. 80% of the work for street lighting, entrusted to the CPWD has been completed at the permanent campus.

The work for preparation of revised Detailed Project Report (DPR) for setting up of permanent campus of IIPE, is entrusted to EdCIL India Limited, a CPSE under MoE, GoI. The authorities from the Institute are continuously coordinating with the CPWD and EdCIL India Limited for fast-tracking the activities.

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Recommendation No. 7

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL)

The Committee have been apprised that Government, through a Special Purpose Vehicle called Indian Strategic Petroleum Reserves Limited (ISPRL), has established Strategic Petroleum Reserves (SPR) facilities with total capacity of 5.33 Million Metric Tonnes (MMT) of crude oil at 3 locations, namely, Vishakhapatnam, Mangaluru and Padur. Once completed and at full capacity, the crude oil stored in the caverns will be adequate for about 9.5 days of crude oil requirement of the country. The Committee further note that an allocation of Rs. 5876 crore has been made in the BE 2025-26towards payment to ISPRL for filling up of crude oil caverns. In BE 2024-25, Rs 628.04 crore was allocated for ISPRL while at RE stage it was reduced to Rs 130 crore. The Committee were informed that the allocation will be used for filling ISPRL during the current year depending on price of crude oil prevailing at the time of purchase.

The Committee, feel that the basic objective behind setting up of SPRs was to ensure energy security in the country in case of supply chain disruptions. A substantial amount has already been invested in construction of strategic oil caverns and filling them with oil. The Committee would urge the Government to ensure that the caverns are filled with oil as early as possible so that the energy supply security is ensured at the earliest. The Committee while appreciating the intention of the Government to wait for the right time and the right price point to procure oil for the purpose of filling caverns in order to avoid overpaying for the crude oil, also recommend the Ministry to remain proactive towards exploring the possibilities of arranging cheaper crude oil for strategic storage particularly keeping in view the current geo-political considerations. The Committee would also urge upon the Government to strive to achieve global standard of maintaining 90 days of crude oil storage in the country as a long term measure.

REPLY OF THE GOVERNMENT

Indian Strategic Petroleum Reserves Limited (ISPRL) - Procurement of Crude oil and Increasing Strategic petroleum Reserves in the country to the level of 90 days storage

Rs. 5,597 Crore have been allocated to ISPRL for filling the sovereign crude in SPRs in B.E. 2025-26. Necessary actions will be taken to explore the options for utilisation of the same depending on the market and geopolitical conditions.

Presently, ISPRL has crude reserves equivalent to about 9 days of net imports of the previous year. Industry has reserves of crude and other petroleum products for about 65 days storage. With this, India has total reserves of about 74 days.

In its endeavor to reach the figure of 90 days storage, G.O.I. has already approved projects under phase-II at Padur and Chandikhol, which would add 6.5 MMT capacity.

ISPRL has acquired land for setting up additional SPR's at Mangalore after obtaining DIB approvals. Feasibility studies for the project have been completed and ISPRL is in process of putting up note for necessary approvals for setting up SPR's of about 1.75 MMT capacity.

In addition, to further augment the strategic storage capacity. Government and OMCs evaluate, from time to time, the possibility of augmentation of storage capacities based on technical and commercial feasibility.

Ministry of Petroleum and Natural Gas
O.M. No. G-38010/04/2025-Fin.I (E-52222) dated 20.06.2025

<u>COMMENTS OF THE COMMITTEE</u>

Refer Para 13 of the Chapter I of this Report

Recommendation No. 8

<u>INDRADHANUSH GAS GRID LIMITED (IGGL) – PART OF THE NORTH EAST NATURAL GAS PIPELINE GRID</u>

The Committee note that the North East Gas Grid (NEGG) natural gas pipeline project is being implemented by Indradhanush Gas Grid Limited (IGGL), a Joint Venture of IOCL, ONGC, GAIL, NRL and OIL, at an estimated cost of Rs. 9,265 crores in line with the Hydrocarbon Vision 2030 for the Northeast region. As regards budgetary allocations, a provision of Rs. 700.00 crores has been made in BE 2025-26, whereas in BE 2024-25, allocation of Rs. 1000 cr was made which was reduced to Rs. 611.92 crore at RE 2024-25 and even this reduced allocation could not be utilized in the current financial year.

The Committee have been appraised that construction activities pertaining to this project are in progress with the achievement of physical progress of 84.08% as on 16.02.2025. The Committee have been further appraised that phase I of the project covering 553 km of pipeline of NEGG is expected to be completed by July 2025 whereas in respect of phase II and phase III covering 723 km and 394 km, respectively, falling in hilly terrain, PNGRB has extended the completion schedule and the construction activities may go beyond the stipulated timeframe. Although the PNGRB has given 31st July as the completion schedule for laying, building, operating or expanding of North East Gas Grid, as per IGGL, even that completion schedule is unlikely to be met.

Given the importance of the NEGG project, which aims at integrating the northeastern states of India with the National Gas Grid and facilitating the region's long standing gas evacuation challenges, the Committee are concerned that such an important infrastructural project is lagging behind its completion schedule. The Committee feel that it is important that various gas pipeline projects across the country particularly NEGG-IGGL project are completed without undue delay. Completing crucial infrastructure projects on time should be national priority as the gas produced in the area has to be flared in the absence of sufficient evacuation mechanism. This project of IGGL, therefore, needs to be completed at the earliest. For this clear accountability has to be fixed with implementing agencies. The Committee, therefore, recommend the Ministry to urgently work towards removing the bottlenecks hampering the completion of the projects and take up the issue at the highest level with appropriate authorities in coordination with all the stakeholders and ensure availability of sufficient budgetary allocation for the scheme.

REPLY OF THE GOVERNMENT

The Cabinet Committee on Economic Affairs (CCEA) while according approval to the NEGG project, also approved the proposal for constituting an Inter-Ministerial Committee (IMC) for effective monitoring of its implementation. Accordingly, an IMC comprising officials from various Ministries and Departments was constituted. Representatives from NHIDCL and concerned State authorities have also been co-opted into the IMC to facilitate quicker resolution of field-level issues and expedite pending permissions. So far, seven meetings of the IMC have been convened. Various hindrances/challenges (viz. Right of User (RoU) challenges; permission from various authorities/ State Government; allotment of land for SV, RT etc.) have been addressed based on the directions of the IMC. Further, MoPNG has regularly taken up the issues with the concerned State Governments urging them to extend all necessary support for the expeditious execution of the project by Indradhanush Gas Grid Limited (IGGL). Also, IGGL has been making every possible effort to accelerate the execution of the North East Gas Grid project to ensure its timely completion.

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COMMENTS OF THE COMMITTEE

Refer Para 16 of the Chapter I of this Report

Recommendation No. 9

CITY GAS DISTRIBUTION NETWORK (CGD)

The Committee note the PNGRB has authorized 307 Geographical Areas (GAs) across the country covering almost entire mainland in order to expand the coverage of CGD Networks. As per the total minimum work program, the target for the entities authorized by PNGRB is to provide 12.63 Crore Piped Natural Gas (PNG) connections, establish 18,336 CNG stations and lay 5.46 Lakh Inch-Km pipeline network by 2033. The Committee further note from the information provided by the Ministry that as on 31st December, 2024, CGD entities have provided 1.42 crore domestic PNG connections, established 7,513 CNG stations and laid 5.64 lakh inch-km pipeline across the country. In this regard, the Committee observe that the implementation of City Gas Distribution Network Projects has been relatively slow and pro-rata targets regarding Minimum Work Programme (MWP) have been revised on account of Covid, delay in commissioning of Natural Gas Pipeline (NGPL) etc.

The Committee, while appreciating the efforts made by the Government in expanding CGD network across length and breadth of the country, feel that a lot still needs to be done for CGD expansion to reach more households that have been still left out particularly in rural and semi-ruban areas. In this regard, the Committee are concerned to point out that even in metro-cities, there are significant gaps. The number of households covered under CGD network does not seem to be adequate and there is issue of long queues at some CNG stations and also long waiting period to get PNG connection in certain areas.

The Committee, therefore, recommend that the Ministry/PNGRB should make all out efforts to enhance the usage of CNG/PNG in cities by focusing on expanding coverage and actual availability so that the objective of the Government to increase the share of natural gas from the current level of 6% to 15% by 2030 in the overall energy mix of the country is achieved at the earliest. The Committee also desire that the Ministry/PNGRB should facilitate CGD entities in overcoming the difficulties facing the CGD sector like the issue of obtaining permissions, land, bidding criteria as well as NOC requirements from local authorities. Adequate funds should be made available fulfill the objectives.

REPLY OF THE GOVERNMENT

India's energy sector is undergoing a significant transformation, with a growing focus on cleaner sources of energy. To realize the vision, the Government has ben taking various initiatives to increase the share of natural gas in India's energy mix. These initiatives include expansion of National Gas Grid Pipeline, expansion of City Gas Distribution (CGD) network, setting up of Liquefied Natural Gas (LNG) Terminals, allocation of domestic gas to Compressed Natural Gas (Transport) / Piped Natural Gas (Domestic) CNG(T)/PNG(D) as priority sector, allowing marketing and pricing freedom with a ceiling price to gas produced from high pressure/high temperature areas, deep water & ultra-deep water and from coal seams, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative to promote Bio-CNG, etc.

Further, Government has taken various steps to enable growth of CGD sector in the country. These inter alia include

- allocating domestic natural gas to CGD sector on priority
- Grant of Public Utility Status to CGD Projects.
- Guidelines for the use of PNG in Defence residential area/unit lines.
- Guidelines to Public Sector Enterprises to have provisions of PNG in their respective residential complexes.
- CPWD and NBCC to have provisions of PNG in all Government Residential Complexes.

In addition, Government conducts regular interactions and meetings with State Governments for the development of CGD network in respective States and address challenges in this regard. Furthermore, this Ministry has noted the observation of the Committee and will continue to facilitate resolutions of issues faced by the CGD entities.

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Recommendation No. 11

GENERATION OF GEO-SCIENTIFIC DATA UNDER MISSION ANVESHAN

The Committee note that in order to further explore the indian sedimentary basins and plug the gap areas in seismic coverage, the Government has approved "Mission Anveshan" with budgetary outlay of Rs. 792 cr for conducting 2D Seismic Survey (Acquisition, Processing & Interpretation) of 20,275 LKM (Line Kilometers) in seven on-land sedimentary basins i.e. Ganga-Punjab, Rajasthan, Saurasthra, Deccan Synclise, Cuddappah, Krishna-Godavari & Chhattisgarh. The scheme is being executed through ONGC and OIL and has an Outlay of Rs. 792 crore to be utilized in FY 2024-25 and 2025-26.

The Committee have been apprised that OIL has commenced seismic data acquisition under the scheme in the Rajasthan and Ganga-Punjab Basins and a total of approx. 1683.0 LKM of 2D seismic data has been acquired by OIL. Commencement of work by ONGC was delayed due to litigation regarding finalisation of contract. Currently ONGC has started Experimental Survey in Cuddapah area and the seismic data acquisition is expected to commence shortly.

The Committee while appreciating the initiatives made by the Government for generation of geo-scientific data in respect of unappraised areas, recommend the Ministry to closely monitor the progress under the scheme and make efforts for completion of 2D seismic (API) surveys in a time bound manner so that availability and interpretation of geo-scientific data can be offered to attract global investors for more proactive participation in Indian E&P sector particularly for deep sea and ultra deep sea exploration of hydrocarbon resources. Funds should be released timely to ensure that work is not hampered. The Committee also expect upstream majors ONGC and OIL to make earnest efforts for time bound completion of the targets under the scheme by addressing the challenges being faced in their operations.

REPLY OF THE GOVERNMENT

Mission Anveshan has been launched in continuity with the National Seismic Program (NSP) to further explore the hydrocarbon resources in India's onshore Basins. Mission Anveshan is a scheme of 2D Seismic Data Acquisition, Processing, and Interpretation (API) of 20,275 LKM spread over seven onland Indian sedimentary basins namely Rajasthan, Ganga-Punjab, Chhattisgarh, Cuddapah, Krishna-Godavari, Deccan Syneclise and Saurashtra with an outlay of INR 792 crores.

The Objective of Mission Anveshan is a comprehensive appraisal of the identified sedimentary basins based on leads generated during the interpretation of National Seismic Program (NSP) data.

Under Mission Anveshan, seismic data acquisition started on 29th October 2024 (Rajasthan and Ganga-Punjab Basin) by Oil India Limited and in Cuddapah basin by ONGC Ltd on 29.01.2025. Till 31st March 2025, a total of approx. 2954 LKM (ONGC: 351 LKM and OIL: 2,603 LKM) data have been acquired. The project is expected to be completed during FY 2025-26.

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Recommendation No. 12

NEED TO AUGMENT BUDGETARY ALLOCATION FOR R&D PROJECTS IN PETROLEUM SECTOR

The Committee note that petroleum sector is technology intensive, sector and R&D activities currently being undertaken focuses on improving the reliability, efficiency, and safety of oil and gas production facilities and pipelines. A robust R&D structure is crucial to ensure that production as well as emission targets are achieved. As regards budgetary allocations for R&D activities, the Committee have been apprised that since Public Sector Oil Companies are Board driven commercial companies, R&D expenditure by PSUs is primarily met through Internal Resources and generally there is no significant budgetary support from the Government for R&D activities. Taking note of the fact that various R&D initiatives are being taken to achieve net-zero emissions targets, to support enhancing the fuel efficiency, and developing sustainable alternatives in areas of biofuels, Green Hydrogen, waste utilization, petrochemicals, etc. the Committee feel that the expenditure on R&D need to be supplemented by the Government particularly in view of our ambitious energy transition goals. A minimum level of synergy in the R&D efforts of the PSUs is also necessary to ensure optimum use of resources.

The Committee, therefore, recommend that the Ministry may pursue-for additional budgetary support from Government for funding R&D projects so as to augment the financial resources of the Oil PSUs. The Committee also desires the Ministry to explore establishing an umbrella research organization for the petroleum sector on the lines of CSIR or ICAR for ensuring better synchronization in R&D activities between OIL PSUs, and to consider setting a norm for all Oil PSUs mandating spending a minimum percentage of their turnover on R&D activities.

REPLY OF THE GOVERNMENT

All CPSEs under the administrative control of Ministry are profit making CPSEs having sufficient funds at their disposal, the R&D expenditure by CPSEs is primarily met through Internal Resources and generally there is no budgetary support from the Government for R&D activities is provided.

For selected projects such as PM-JI-VAN Yojana for setting up demonstration plants, National Green Hydrogen Mission (NGHM), etc. support is provided by government agencies such as Centre for High Technology (CHT), Oil Industry Development Board (OIDB), etc., For FY 2025-26, MRPL has received a grant-in-aid of Rs 6.7 Crore from OIDB for PET plastic waste depolymerisation pilot cum demo plant.

MoPNG has set up a Scientific Advisory Committee on Hydrocarbons (SAC) and CoEOGE to foster R&D and innovation in the oil and gas sector to guide and provide support for development of sustainable alternatives in areas of biofuels, Green Hydrogen, carbon capture, wastes utilisation, alternative energies, renewable energies, storage systems, fuel cells, enhance fuel efficiency, plastic circularity, etc. Scientific Advisory Committee on Hydrocarbons (SAC), promote research and innovation in downstream hydrocarbon sector.

In 2019, the Centre of Excellence in Oil, Gas, and Energy (CoEOGE) at IIT Bombay was established, as an umbrella platform, through an MoU signed by major seven oil and gas PSUs (IOCL, ONGC, HPCL, BPCL, GAIL, OIL and EIL) and IIT Bombay. The centre provides a unique common knowledge sharing platform for Oil and Gas PSUs to engage with academic expertise and students, promoting innovation and solutions that transcend company-specific boundaries.The Centre is headed currently by Dr Anil Kakodkar and represented by a member from MoPNG along-with senior functionaries of participating PSUs.

The CoEOGE carries out R&D works through mission, seed modes and PhD Fellowships. The CoEOGE also follows Strategized Research Approach (SRA) for carrying out specific research work in Battery, catalyst and Digitalization etc. CoEOGE has undertaken 71 R&D projects through its various channels, namely exploratory seed projects, PhD fellowships, mission mode projects, and translational bridge-the-gap projects. The R&D projects completed at CoEOGE are now at the stages of further testing at relevant industrial conditions for translation to industrial applications and commercialization.

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Recommendation No. 13

CONSTRUCTION OF CAVERNS OF LPG STORAGE

The Committee note that the country is developing underground LPG storage caverns to increase storage capacity of LPG and also to enhance safety and security. The Committee note that the storage of LPG in caverns offer a secure and eco-friendly way to store large quantities of gas. Underground caverns are less susceptible to natural disasters or external threats in comparison to surface storage tanks. OMCs are exploring the use of rock caverns for LPG storage thereby augmenting India's energy infrastructure and enhancing logistical efficiency. The Committee have been apprised that OMCs are utilizing LPG cavern storage in Visakhapatnam for import of Propane and Butane and HPCL is in the process of constructing another LPG cavern having 80 TMT storage capacity at Mangalore which is expected to be operational this year The Committee while appreciating the initiative of OMCs for construction of underground caverns for LPG storage, recommend the Ministry/OMCs to explore possibility of constructing more such cavern projects across the country wherever geological conditions are favorable keeping in view overall energy security of the country.

REPLY OF THE GOVERNMENT

OMCs are exploring various options to augment the LPG storage in the country, inter-alia, by identifying suitable locations for caverns. OMCs shall be carrying out detailed technical and economic feasibility study for putting up additional LPG caverns in the country as per requirement.

Ministry of Petroleum and Natural Gas
O.M. No. G-38010/04/2025-Fin.I (E-52222) dated 20.06.2025

Recommendation No. 14

NEED TO ENSURE FUTURE READINESS OF EXISTING OIL REFINERIES

The Committee note that even though India's energy intensity per GDP has been falling, its energy demand has been on rise for sustaining growth and higher economic activities. As a result of this, the demand for refining capacity is expected to remain high in near future. This is the reason oil refining capacity of the country will increase from current 258.1 MMT to 309,5 MMT by 2028 to help Country meet its future demand of petroleum fuels.

The Committee understand that new refining capacity is built after detailed study of product demand and that Refineries are focusing on building flexible production capabilities and strategic planning while keeping long-term objectives in mind and maintaining a balance between need for smooth transition, local energy resources and ultimate goal of decarbonized energy systems. The Committee have been informed that the existing refineries are diversifying their operations to include the production of biofuels, petrochemicals, and other alternative fuels like Sustainable Aviation Fuels. The newer refineries are being built as integrated complex with petrochemicals. This will help them adapt to changing market demands and reduce their reliance on traditional petroleum products.

While appreciating the steps taken by the Oil PSUs to ensure that the refineries are kept future ready, the Committee feel that more efforts are needed to ensure that the huge refining infrastructure created in the Country are properly utilized even after the demand of petroleum products start falling as a result of energy transition and shift towards green energy. The Committee accordingly recommend that the Government may move towards establishing an institutional mechanism at appropriate time to ensure that proper guidance and advice are available to the PSUs to facilitate smooth transition of its refineries.

REPLY OF THE GOVERNMENT

The Centre for High Technology (CHT), a technical arm of Ministry of Petroleum and Natural Gas (MoPNG) monitors the present and future refinery capacity requirements. Public Sector Undertakings (PSUs) conduct detailed studies on domestic and global demand, future outlook, while planning refinery capacities and stay updated with global energy transition trends and technological advancements.

Ministry of Petroleum and Natural Gas
O.M. No. G-38010/04/2025-Fin.I (E-52222) dated 20.06.2025

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE GOVERNMENT 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. 10

Timely completion of Pipeline projects : Need for Adequate Compensation for Land Acquisition

The Committee note that various on-going projects of Oil PSUs are facing time and cost over-run mainly due to delay in land acquisition/RoU issues, delay in receipt of environment and forest clearances, statutory approvals, local body/municipal permissions, contractual issues, etc. This scenario is especially true in case of pipeline projects. As regards gas pipeline projects, the Committee note that many pipeline construction projects in various states are facing inordinate delay on account of resistance by local farmers/landowners. One such example is in Uran-Usar gas pipeline project connected with GAIL PDH-PP plant in Usar, Raigad, Maharashtra. The pipeline construction project is considerably delayed reportedly due to protest/resistance by local farmers and land-owners on the issue of compensation.

The Committee feel that this problem is of universal nature and similar issues are being faced or are likely to be faced elsewhere in the country. The use of land in the areas where pipelines are being constructed has become contentious because of the ambiguity in legal provisions. The Committee feel that legal provisions governing the RoU in pipeline areas are obsolete and it needs to be amended as early as possible. The method of distributing compensation for RoU for laying pipelines under the existing Petroleum and Minerals Pipelines (P&MP) Act, 1962 is no longer acceptable to farmers/landowners in the current perspective. The Committee feel that it is important to find a suitable way out so that farmers whose land fall under pipeline construction/expansion areas are compensated appropriately and judiciously as in the case of the farmers whose lands are acquired under relevant land acquisition laws.

The Committee also feel that it may not be in the interest of the plant operations that the local people feel alienated. The Committee also understand that extensive pipeline network for transportation of crude oil, natural gas, petroleum products, etc. is vital not only for strengthening country's energy security and energy accessibility to the people but also for the sake of operational safety, reliability and environmental benefits for reduction in carbon emissions.

The Committee, therefore, recommend that the Ministry make all out efforts to suggest suitable amendments to existing Acts/Rules/Guidelines etc. related to land acquisition by taking up the issue at the highest level in coordination with other Central and State authorities to provide fair and acceptable compensation to pipeline project affected persons in order to make land acquisition/Roll a smooth process. The Committee also recommend that subject to fulfillment of eligibility conditions, local people whose lands have been affected by the pipeline projects, may be given preference in employment by the Oil PSUs. The Committee may be informed about the steps taken in the matter.

REPLY OF THE GOVERNMENT

The compensation to farmers for Right of Use (RoU) land is provided in accordance with the Petroleum and Minerals Pipelines (P&MP) Act, 1962. The Competent Authority appointed for the pipeline project finalizes the compensation as per the provisions of the P&MP Act, 1962. In the event of any dispute by the aggrieved parties, the Act contains provisions for resolution, including recourse to the District Judge. Further, RoU acquisition does not involve transfer of land title, and the livelihood of farmers remains largely unaffected.

Ministry of Petroleum and Natural Gas
O.M. No. G-38010/04/2025-Fin.I (E-52222) dated 20.06.2025

COMMENTS OF THE COMMITTEE

Refer Para 19 of the Chapter I of this Report

CHAPTER V

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

- Nil -

New Delhi;
***15 December*, 2025**
24 Agrahayana,1947 (Saka)

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

***Annexure* I**

MINUTES

STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2025-26)

SIXTH SITTING
(15.12.2025)

The Committee sat on Monday, the 15th December, 2025 from 1530 hrs. to 1620 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Sunil Dattatrey Tatkare - Chairperson

MEMBERS

LOK SABHA

2 Shri Gurjeet Singh Aujla
3 Shri Benny Behanan
4 Shri Dileshwar Kamait
5 Shri Vinod Lakhamshi Chavda
6 Shri Laxmikant Pappu Nishad
7 Shri Dilip Saikia
8 Smt. Kamaljeet Sehrawat
9 Dr. Amar Singh

RAJYA SABHA

10 Shri Chunnilal Garasiya
11 Shri Mithlesh Kumar
12 Shri Mayankkumar Nayak
13 Dr. V. Sivadasan
14 Shri Ravi Chandra Vaddiraju

SECRETARIAT

1.	Shri Harish Chandra Bist	-	Joint Secretary
2.	Shri Sujay Kumar	-	Deputy Secretary

- 2 -

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft report on action taken by the Government on the observations/recommendations contained in the Second Report (Eighteenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2024-25) on ‘Demands for Grants (2025-26) of the Ministry of Petroleum and Natural Gas'. After considerable deliberations, the Committee adopted the Report without any modifications.

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

The Committee then adjourned.

Annexure II

(*Vide* Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SECOND REPORT (EIGHTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2025-26) ON 'DEMANDS FOR GRANTS (2025-26) OF THE MINISTRY OF PETROLEUM AND NATURAL GAS'.

I	Total No. of Recommendations	14
II	Recommendations/Observations which have been accepted by the Government . (*Vide* Recommendation Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13 and 14)	13
	Percentage to Total	93.00%
III	Recommendations/Observations which the Committee do not desire to pursue in view of Government's Replies. (*Vide* Recommendation 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* Recommendation No. 10)	01
	Percentage of Total	7.00%
V	Recommendations/Observations in respect of which final replies of the Government are still awaited (*Vide* Recommendation No. Nil)	0.00
	Percentage of Total	Nil