

India's Petroleum Sector: 2024 Year-End Review

- 10.33 crore connections released under PMUY
- Number of LPG connections increases from 14.52 crores in 2014 to 32.83 crores in 2024, a growth of above 100 percent
- Length of operational Natural Gas Pipeline in the country increases from 15,340 Km in 2014 to 24,945 Kms in 2024
- E20 petrol being dispensed at more than 17,400 retail outlets across the country

The Ministry of Petroleum & Natural Gas is concerned with exploration and production of Oil & Natural Gas, refining, distribution and marketing, import, export and conservation of petroleum products. Oil and Gas being the important import for our economy, many initiatives have been taken by the Ministry for increasing production and exploitation of all domestic petroleum resources to address the priorities like Energy Access, Energy Efficiency, Energy Sustainability and Energy Security. The progress of various schemes undertaken by Ministry in last one year is shared as follows:

1. PRADHAN MANTRI UJJWALA YOJANA (PMUY)

- Ujjwala is today a 10.33 crore strong family
- Since the inception of the Scheme about 222 crore LPG refills have been delivered to the PMUY households. Also about 13 lakh refills are being taken daily.
- A targeted subsidy of Rs. 300/cylinder is being given to all Ujjwala beneficiaries.
- Government's efforts have led to an uptick in LPG consumption by Ujjwala families. Per Capita Consumption, in terms of the number of 14.2 kg domestic LPG cylinders, has gone up from 3.01 in 2019-20 to 3.95 in 2023-24. In the current year, which is still under progress, the PCC (per capita consumption) has reached 4.34 (Pro-rata basis refills till October 2024).

2. LPG COVERAGE

- Since April 2014, the number of LPG connections have gone up from 14.52 crores to 32.83 crores (as on 01.11.2024), a growth of above 100 %.
- As on 01.11.2024, approx. 30.43 crore LPG consumers are enrolled under the PAHAL scheme. Till date, more than 1.14 crore customers have given up their LPG subsidy under 'Give-It-Up' campaign.
- Since 2014, LPG Distributors have increased from 13,896 to 25,532 as on 01.11.2024 enhancing LPG access and availability. It is worth

mentioning that more than 90 % of new distributors are catering to rural areas.

3. FACILITIES

- Under Promotion of Digital Payment infrastructure at Retail Outlets (ROs), as on 01.12.2024, 1,03,224 e-wallet facilities have been provided at 84,203 ROs across the country. 84,203 ROs have been enabled with BHIM UPI.
- Under Swachchh Bharat Mission, toilet facilities are ensured at every retail outlet. As on 01.12.2024, 83618 ROs have toilet facilities which includes 66026 ROs having separate toilet facilities for people of different genders.
- As on 01.12.2024, Oil Marketing Companies (OMCs) have commissioned a total 3,097 Door to Door Delivery (DDD) Browsers through Dealers and Start-ups.
- Electric Vehicle Charging Stations (EVCS) are being provided at Oil Marketing Companies (OMCs) ROs. As on 01.12.2024, OMCs have installed 17,939 EV charging stations and 206 battery swapping stations across India.

4. NATURAL GAS PIPELINES

- The length of the operational Natural Gas Pipeline in the country has increased from 15,340 Km in 2014 to 24,945 Kms as on 30.09.2024. Further, development of about 10,805 Kms Natural Gas Pipeline is under execution. With the completion of these pipelines authorized by PNGRB/GoI, the national gas grid would be completed and would

connect all major demand and supply centers in India. This would ensure easy availability of natural gas across all regions and also help to achieve uniform economic and social progress.

5. UNIFIED PIPELINE TARIFF

- The Petroleum and Natural Gas Regulatory Board (“PNGRB”) has amended PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations to incorporate the regulations pertaining to Unified Tariff for natural gas pipelines with a mission of “One Nation, One Grid and One tariff”.
- PNGRB has notified a levelized Unified Tariff of Rs.80.97/MMBTU w.e.f. 01.07.2024 and created three tariff zones for Unified Tariff, where the first zone is up to a distance of 300 kms from gas source, second zone is 300 – 1200 kms and third zone is beyond 1200 kms.
- The national gas grid covers all the interconnected pipeline networks owned and operated by entities viz. Indian Oil Corporation Limited, Oil and Natural Gas Corporation Limited, GAIL (India) Limited, Pipeline Infrastructure Limited, Gujarat State Petronet Limited, Gujarat Gas Limited, Reliance Gas Pipelines Limited, GSPL India Gasnet Limited and GSPL India Transco Limited.
- The reform will specially benefit the consumers located in the far-flung areas where currently the additive tariff is applicable and facilitate development of gas markets and vision of the government to increase the gas utilisation in the country.

6. CITY GAS DISTRIBUTION (CGD) COVERAGE

- PNGRB has authorized 307 Geographical Areas for development of CGD infrastructure with a potential coverage of about 100% of the country's area and 100 % of the population. As on 30.09.2024, the total number of PNG (D) connections and CNG Stations in the country was 1.36 Cr and 7259, respectively.

7. SATAT INITIATIVES

- SATAT initiative was launched on 1st October 2018, to promote an ecosystem for production and utilization of Compressed Bio Gas (CBG).
- As on 30.11.2024, 80 CBG plants have been commissioned and 72 CBG plants are at various stages of construction.
- The Ministry has issued guidelines for synchronization of CBG with CNG in CGD Network;
- A scheme for the development of pipeline infrastructure (DPI) for injection of CBG into the City Gas Distribution (CGD) network has been launched to provide financial support for extending pipeline connectivity from CBG plant to the city gas distribution grid.
- Online portal for receiving application under DPI Scheme has been activated w.e.f. 1st September, 2024.
- Ministry has also issued detailed guidelines for procurement of Biomass Aggregation Machinery (BAM) on 2nd February 2024. The Scheme envisages financial support to the CBG producers for procuring Biomass Aggregation Machineries.
- Government has announced phase wise mandatory selling of CBG in CNG (T) and PNG (D) segment of CGD network to promote the

production and utilization of CBG. CBG Obligation (CBO) is presently voluntary till FY 2024-2025 and mandatory selling obligation would start from FY 2025-26. CBO shall be kept as 1%, 3% and 4% of total CNG/PNG consumption for FY [2025-26](#), [2026-27](#) and 2027-28 respectively. From 2028-29 onwards CBO will be 5%.

8. REVIEW DOMESTIC GAS ALLOCATION FOR CGD ENTITIES

- To cater the growing demand of CGD sector and to protect the common people from price volatility, the Government has released new CGD sector Gas allocation Guidelines wherein the allocation of PNG (Domestic) segment was increased (i.e. 105% of PNG consumption in the previous quarter) and balance available volume to be supplied to CNG (T) segment on prorate basis.
- The revised methodology has been helpful for the CGD entity as the lag between the allocation and reference period has been reduced from average of 6 months to average of 3 months which reflects a more realistic consumption data.

9. DOMESTIC GAS PRICING

- Revised guidelines have been issued in April 2023 for gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks and pre-NELP blocks, where Production Sharing Contract (PSC) provides for government's approval of prices.
- The price of such natural gas shall be 10% of the monthly average of Indian Crude Basket and shall be notified on a monthly basis and shall have a floor and a ceiling.

- The reduced gas price shall positively impact the domestic, Fertilizer and power consumers.

10. BIO FUELS AND ETHANOL BLENDING

- Under Ethanol Blended Petrol (EBP) Programme, supplies of ethanol have increased from 38 crore litres in Ethanol Supply Year (ESY) 2013-14 to 707.40 crore litres in ESY 2023-24, thereby achieving an average blending of 14.60% ethanol in Petrol. **For the ongoing ESY (2024-2025), Ethanol blending has further improved to 16.23% as on 29.12.2024.** The Public Sector OMCs have started dispensing E20 petrol (20% ethanol in petrol) at more than 17,400 retail outlets across the country.
- In the last ten years, EBP programme has translated into forex impact of over Rs.1,08,600/- crore, net CO2 reduction of 557 Lakh Metric Tonnes (LMT) and expeditious payment to farmers to a tune of over Rs. 92,400/- crores.
- During April to November 2024, OMCs have procured 36.68 crore litres of biodiesel for the bio-diesel blending programme as against 29.25 crore litres during April to November 2023.
- Green Hydrogen: Oil & Gas PSUs have planned for 900 KTPA Green Hydrogen Projects (EPC & BOO mode) by 2030. 42 KTPA tenders have been floated by PSU refineries, which are likely to be awarded by March 2025. Approximately 128 KTPA tenders will be issued by PSU refineries based on the outcome of the ongoing tenders.
- The Government has set an indicative target of 1%, 2% and 5% blending of SAF in Aviation Turbine Fuel (ATF) initially for

international flights with effect from 2027, 2028 and 2030, respectively.

- The PM JI-VAN Yojana has been amended vide notification dated 21.08.2024, incorporating key changes, such as Inclusion of advanced biofuels in place of "2G ethanol.", Eligibility for bolt-on and brownfield projects and Extension of the scheme's timeline up to FY 2028-29.

11. REFINING CAPACITY

- The country has 22 operating refineries with a total refining capacity of 256.8 Million Metric Tonnes Per Annum (MMTPA).
- Eighteen refineries are in the public sector, three are in the private sector and one as a joint venture. Out of the total refining capacity of 256.8 MMTPA, 157.3 MMTPA is in the public sector, 11.3 MMTPA in joint venture, and the balance 88.2 MMTPA is in the private sector.
- Further, refining capacity is likely to increase from 256.80 MMTPA to 309.50 MMTPA by 2028 on account of refinery capacity expansion projects being implemented in 11 PSU refineries as well as setting up of new grassroot refinery.

12. EXPLORATION AND PRODUCTION

- **Hydrocarbon Exploration Licensing Policy (HELP):** To exploit the huge potential of oil and gas in Indian sedimentary basins, the government launched the **Open Acreage Licensing Program (OALP)** as a part of the Hydrocarbon Exploration Licensing Policy

(HELP) in March 2016. The new exploration policy provides for a paradigm shift from Production Sharing Contract (PSC) regime to Revenue Sharing Contract (RSC) regime. Total **144 blocks** covering more than **2,42,056 Sq. Km.** area have been allocated to the companies in eight concluded OALP Bid Rounds with committed investment of ~ **3.137 billion USD**. Till date, **13 hydrocarbon discoveries** have been made in blocks awarded under OALP and **one discovery is already producing gas (0.44 MMSCMD)** in Gujarat while other discoveries are under appraisal phase. Further in round IX of OALP, area of approximately 1,36,596 Sq. Km. spread over 8 sedimentary basins was offered and the same has received a very good response from the bidders. The bids received are under evaluation and Blocks will be awarded to successful bidders very soon. Thereafter, an area of 1,91,986.21 Sq. Km. have been finalized for International Competitive Bidding in OALP Bid Round-X.

- Further, a total of 741 (132 exploratory and 609 development) wells have been drilled in FY 2023-24. The gas production has increased from 34.45 BCM in FY 2022-23 to 36.44 BCM in FY 2023-24. A total of 12 discoveries have been made in nomination and contractual regimes in FY 2023-24. A total of 16645.31 LKM of 2D seismic and 15701.17 SKM of 3D seismic surveys have been conducted during FY 2023-24. Moreover, during FY 2023-24, under Airborne Gravity Gradiometry and Gravity Magnetic Survey (AGG & GM) Survey, a total of 42,944 Flight LKM 2D Seismic Data was also acquired.
- **Discovered Small Field Policy (DSF) Policy:** Government introduced DSF Policy in Year 2015. Three Rounds of DSF Bidding

concluded till date and 85 Contracts signed whereas 55 Contracts are currently active. 5 fields are on Production and cumulative production till March 2024 is 520 Mbbl Oil and 138 MMSCM Gas. DSF Rounds has brought 15 New Players.

- **CBM in India:** With 15 Blocks and a production rate of 1.8 MMSCMD, CBM has achieved a cumulative production of ~6.38 BCM, with more than **USD 2.46 billion** investment received till date. More blocks are being identified for offer in future bid rounds.
- **No-Go areas opened for E&P:** Around 99% of erstwhile 'No-Go' area of the Exclusive Economic Zone (EEZ) which were blocked exploration for decades have been opened for E&P. After the release of 'No-Go' areas, so far bids/expression of interests for 1,52,325 Sq. Km. area have been received. Two gas discoveries have also been made by ONGC in Mahanadi offshore recently in a block having 94% area in 'No-Go' area. The Andaman offshore area has also been opened for exploration and production activities after a long-time post removal of restrictions imposed by defense and space agencies.
- **Government Funded Programs for E&P:** The Government is committed to increase exploration in Indian sedimentary basins. An investment of around Rs. 7,500 crore is planned for acquisition of new seismic data, including that of the Exclusive Economic Zone (EEZ), financing stratigraphic wells and acquiring aerial survey data in difficult terrains in the recently launched Mission Anveshan and Extended Continental Shelf Survey Schemes.

- **Stratigraphic Wells:** Four offshore stratigraphic wells in Category-II and Category-III basins, namely Mahanadi, Bengal, Saurashtra and Andamans, with the outlay of Rs 3200 crores will help us understand the sub surface geology better in these basins where prospectivity is yet to be commercially established. *[figure Rs.3200 crore is included in the figure of Rs.7500 crore mentioned in the above point]*
- **National Data Repository:** In July 2017, Government of India has set up an E&P data bank, National Data Repository (NDR), with state-of-the-art facilities and infrastructure for preservation, upkeep and dissemination of data to enable its systematic use for future exploration and development. Having an NDR for India has helped in enhancing prospects of petroleum exploration and facilitating the Bidding Rounds by improving the availability of quality data. National Data Repository (NDR) is being upgraded to a cloud based NDR, which will enable instant dissemination of seismic, well and production data. The project is expected to be completed by the end of this financial year.
- **National Seismic Program:** Government formulated National Seismic Programme (NSP) in October, 2016 to appraise the unappraised areas in all sedimentary basins of India where no/scanty data was available. Under the programme, the government approved the proposal for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48,243 Line Kilo Metres (LKM). A total of 46,960 LKM (~97%) 2D seismic data could be acquired out of the target 48,243 LKM. Processing and interpretation

of 46,960 LKM data has been completed and the data has been submitted to National Data Repository (NDR) along with reports.

13. INTERNATIONAL CO-OPERATION

Diversification of Oil & Gas Sources:

- In the financial year 2023-24, the Ministry of Petroleum and Natural Gas undertook robust measures to strengthen India's energy security. We expanded our crude oil sourcing, reducing dependency on specific geographies.
- To transition towards a gas-based economy and diversification, Indian PSUs IOCL and GAIL executed long-term LNG supply agreements with ADNOC, UAE, securing approximately 2.7 MMT of LNG annually.

Global Biofuels Alliance:

- The Global Biofuels Alliance (GBA), launched in September 2023 by the Hon'ble Prime Minister during the G20 Summit, has seen remarkable growth, with 28 member countries and 12 international organizations joining the alliance and continues to expand.
- Additionally, GBA signed a Head Quarters Agreement with Government of India in October 2024 for establishment of the GBA Secretariat in India underscores our commitment to global leadership in clean energy.

Engagement with Neighbouring countries:

- India has proactively fostered energy linkages with neighboring countries. For instance, with Nepal, the Government of India signed a

G2G MoU in May 2023 for development of petroleum infrastructure, followed by a commercial B2B agreement between IOCL and NOC of Nepal in October 2024.

- Additionally, the Government of India signed a landmark MoU with Bhutan for the supply of petroleum products.

International partnership on clean energy and hydrocarbon sector:

- India and the United States continued to deepen their partnership through the Strategic Clean Energy Partnership (SCEP), aligning with the India-US Climate & Clean Energy Agenda 2030. The September 2024 Ministerial Meeting marked significant advancements in clean energy collaboration.
- In November 2024, during the Hon'ble Prime Minister's state visit, India and Guyana entered into a landmark agreement to strengthen cooperation in the hydrocarbon sector.
- India's commitment to clean energy extends to 2G/3G biofuels, green hydrogen, and other emerging fuels. Recently in June 2024, India signed a Letter of Intent (LOI) with Italy for collaboration in green hydrogen and sustainable biofuels.
- Hon'ble Minister PNG along with the Minister of Mines and Energy of Brazil issued a joint statement on Sustainable Aviation Fuel for a coordinated position at an international forum to promote SAF.

14. STRATEGIC PETROLEUM RESERVES

- Hon'ble Prime Minister in February 2019 dedicated 5.33 MMT of strategic crude oil storage in SPR Phase-I (1.5 MMT SPR facility in Mangalore and 2.5 MMT SPR facility in Padur and 1.3 MMT SPR facility in Vishakhapatnam).
- Under Phase II of the petroleum reserve programme, Government has given approval in July 2021 for establishing two additional commercial-cum-strategic facilities with total storage capacity of 6.5 MMT (underground storages at Chandikhol (4 MMT) and Padur (2.5 MMT)) on PPP mode.
- Indian Strategic Petroleum Reserve Limited (ISPRL) had completed the Detailed Feasibility Report (DFR) and geotechnical surveys for the project site in Chandikhol, District Jajpur, Odisha. [Environmental Impact Assessment \(EIA\)](#) for the project has also been carried out by National Environmental Engineering Research Institute (NEERI), Nagpur.
- In December 2022, Government of Odisha requested ISPRL to explore other sites in Odisha. In view of anticipated delay in pursuing alternate land and need for carrying out feasibility studies once again, Government of Odisha has been requested to allocate the same land at Chandikhol for which ISPRL had earlier submitted application and completed feasibility studies.

15. HYDROCARBON PROJECTS & INVESTMENTS

- Oil and Gas sector is a key driver of economic growth and, therefore, infrastructure projects provide a boost to the national economy and would contribute towards job creation, material movement, etc. As of October 2024, there are 283 projects under implementation of the Oil & Gas CPSEs costing ₹ 5 crore & above with a total anticipated cost of ₹ 5.70 lakh crore. The targeted expenditure on these projects in FY 2024-25 is ₹ 79,264 crore against which Rs.37,138 crore is the actual expenditure as of October, 2024. These projects, inter-alia, include Refinery projects, Bio Refineries, E&P Projects, Marketing infrastructure projects, Pipelines, CGD projects, drilling/survey activities, etc. Out of 283 projects, 89 are major projects costing ₹500 crore & above with an anticipated cost of ₹ 5.51 lakh crore. 50 projects have been completed in the current FY 2024-25 with an anticipated cumulative cost of ₹ 4,519 crore.
- **Reducing Energy Dependence:** Government has adopted a multi-pronged strategy to reduce the import dependency on oil & gas which, inter alia, includes demand substitution by promoting the usage of natural gas as fuel/feedstock across the country towards increasing the share of natural gas in the economy and moving towards gas-based economy, promotion of renewable and alternate fuels like ethanol, second-generation ethanol, compressed biogas and biodiesel, refinery process improvements, promoting energy efficiency and conservation, efforts for increasing production of oil and natural gas through various policies initiatives, etc. The Government has been promoting the blending of ethanol in petrol

under the Ethanol Blended Petrol (EBP) Programme. Blending of Petrol has reached approximately 14.6% during Ethanol Supply Year (ESY) 2023-24. During the last ten years, EBP Programme helped in expeditious payment of approx. Rs. 92,409 crore to the farmers as on 30.09.2024. During the same period, EBP programme has also resulted in approximate savings of more than Rs. 1,08,655 crore of foreign exchange, crude oil substitution of 185 lakh metric tonnes and net CO₂ reduction of about 557 lakh metric tonnes. It is anticipated that 20% ethanol blending in petrol is likely to result in payment of more than Rs. 35,000 crore annually to the farmers. For promoting the use of Compressed Bio Gas (CBG) as automotive fuel, the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has also been launched.

- **Financial performance of Oil PSUs :** Financial performance of Oil PSUs: Total budgeted Internal and Extra Budgetary Resources (IEBR) for CPSEs' under the Ministry of Petroleum and Natural Gas in FY 2024-25 is ₹ 1,18,499 crore against which Rs 97,667 crore is the actual expenditure as on 30.11.2024 which is 82.4 % of the budgeted IEBR. During the same period of FY 2023-24, against IEBR of Rs 1,06,401 crore, actual expenditure was Rs.75418 crore which was 70.9% of the budgeted IEBR.

16. FLAGSHIP PROGRAMMES

- **StartUp India:** The PSUs under the Ministry of Petroleum and Natural Gas have created startup funds aggregating to Rs. 547.35 Crore. At present, a total no. of 303 Startups have been funded by Oil

and Gas PSUs with disbursed fund value of approximately Rs. 286.36 Crores.

- **Skill Development:** Skill Development Institutes (SDIs) for hydrocarbon sector have been set up at six cities viz Bhubaneswar, Vizag, Kochi, Ahmedabad, Guwahati and Raebareli by IOCL, HPCL, BPCL, ONGC, OIL and GAIL respectively. Till Nov '24, more than 41547 trainees have been trained in these SDIs. Several high priority trades have been identified in consultation with the Industry members for National Occupational Standard (NOS)/ Qualification Pack (QP) development. Till date, 55 QPs have been approved by the National Skill Qualification Committee (NSQC).

Source: [Year End Review 2024- Ministry of Petroleum and Natural Gas](#)

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