

Govt floats draft Petroleum Amendment Bill to decriminalise minor offences

SUDHEER PAL SINGH

New Delhi, 30 September

The Ministry of Petroleum and Natural Gas (MoPNG) on Wednesday floated the draft Petroleum (Amendment) Bill, 2026, for stakeholder consultation, proposing to decriminalise minor offences related to the import, transport, storage, production, refining and blending of petroleum products.

"The objective of the amendments proposed is to rationalize the otherwise generic offence presently under section 23 of Petroleum Act, 1934, which fails to achieve any specific deterrence against the spe-

cific offences but has created a framework whereby breaches of licenses become criminal offences," the ministry said.

The amendment is part of a broader government effort to strengthen the existing legal framework governing offences committed in violation of the Petroleum Act, 1934.

The draft legislation seeks to amend Chapter III of the Act relating to "Penalties and Procedure" by substituting Sections 23 and 25, inserting new Sections 23A, 23B, 23C, 23D and 23E, and amending Section 24.

"The proposed amendments, inter alia, seek to achieve the objectives of de-

PROPOSED AMENDMENTS ARE SAID TO PROVIDE ADEQUATE DETERRENCE AGAINST SPECIFIC OFFENCES RELATING TO VARIOUS ASPECTS OF PETROLEUM OPERATIONS

criminalisation of regulatory issues such as breach of terms and conditions of licenses and provides for a mechanism for imposition of civil penalty through an administrative mechanism," the ministry said.

It added that the proposed amendments would provide adequate deterrence against

specific offences relating to various aspects of petroleum operations.

The Petroleum Act, 1934, established the framework for offences that has remained largely unchanged. It was last amended in 1970 through the Petroleum (Amendment) Act, 1970.

That amendment raised the fine under Section 23 from ₹500 to simple imprisonment of up to one month or a fine of ₹1,000. For repeat offences, the earlier penalty of up to ₹2,000 was replaced with simple imprisonment of up to three months or a fine of up to ₹5,000, or both.

India's oil shield: How strong is it really?

India has so far kept the petrol pumps running despite the turmoil around the Strait of Hormuz, but the claim of 80 days of fuel security masks a thinner strategic cushion

Seven months after the US-Israel war on Iran began, the Strait of Hormuz remains a battlefield, not a shipping lane. Brent crude rose to about \$107 on Monday after President Donald Trump rejected an Iranian proposal, nearly 50 per cent above its pre-war price. The June 17 memorandum to reopen the strait collapsed, and Houthi strikes on Saudi energy sites have widened the war. In Kolkata that same day, Petroleum Minister Hardeep Puri said India holds over 80 days of fuel and has "insulated" itself from the turbulence. How true is that optimism? Partly.

On supply, the record is creditable: pumps have not run dry, refiners now buy from 41 countries against 27 earlier, Russia has cushioned the loss of Gulf barrels, and Gulf supplies have recovered to roughly three million barrels a day. The 80-day figure, however, flatters. India's strategic caverns at Visakhapatnam, Mangaluru and Padur hold 5.33 million tonnes at full capacity, about 9.5 days of crude, and were only 64 per cent full in March. The rest is refinery and commercial inventory, working stock rather than emergency reserve. Japan holds around 254 days; China 110 to 140. IEA members must keep 90. India's Phase-II expansion at Chandikhol and Padur, approved in 2021, is still stuck in land acquisition and tendering. Puri conceded last Thursday: "I cannot say that if the crisis exacerbates, we can still continue." That is more honest than the headline number. Nor has the insulation come free. The Indian crude basket touched \$117 a barrel on September 21, against a 2025-26 average of about \$66, while retail petrol and diesel prices have not moved since the May 25 hike. Oil marketing companies are losing roughly ₹ 530 crore a day. The April-July crude import bill jumped 57 per cent to \$63.4 billion, and Motilal Oswal warns the current account deficit could reach 1.7 per cent of GDP if crude stays above \$90. LPG, which Puri himself calls his most critical concern, remains exposed, and Washington's pressure on buyers of Russian oil threatens the largest single supplier.

What is the way out? Four steps. First, diplomacy. As BRICS chair and a friend to Tehran, Washington and the Gulf alike, India should press for the phased deal negotiators are reportedly exploring, with Hormuz reopened in exchange for the US easing its blockade. Second, stocks. Fill every cavern now, fast-track Chandikhol and Padur, and build LPG and gas storage so 90 days means emergency cover, not accounting. Third, sourcing. Convert spot dependence into long-term contracts with Atlantic-basin suppliers, so Russian crude stays a choice, not a necessity. Fourth, demand. Ethanol, CNG, electric mobility and public transport are the cheapest barrels India will ever find, and prices must reflect costs through staggered pass-through with targeted relief, not an open-ended freeze.

Puri says every crisis is an opportunity. It is one only for governments that use it. Eighty days buys time; what India does with that time is the strategic question.

One fuel won't fit all. India's policies need to agree on that



KUSHAN MITRA

For ten years, India's argument about clean mobility has worked like a knockout tournament, with every fuel and every policy backing a favourite. A new

study from The Energy and Resources Institute (TERI), "Comparative Assessment of Vehicular Fuels in India's Energy Transition", should end that contest. The study compares petrol, diesel, CNG, LNG and electric vehicles across six vehicle segments, nine locations and four time horizons up to 2050. It finds that no fuel comes out on top everywhere.

The details are what matter. On cost of ownership, electric scooters, motorcycles and autorickshaws already win. High daily use, cheap electricity and low maintenance quickly pay back their higher purchase price. That advantage shrinks as vehicles get bigger. For cars, taxis, buses and light commercial vehicles, the study finds that CNG currently gives the best balance of running cost, environmental impact and practicality. For heavy trucks, the problem is weight. A 55-tonne electric truck weighs about 1.7 tonnes more empty than an LNG truck, and every extra kilogram of battery is a kilogram of cargo it cannot carry.

The environmental findings are the most uncomfortable. The study measures emissions over a vehicle's whole life. On that basis, CNG has the lowest overall impact in most categories while India's power grid still runs mostly on coal. Electric vehicles clearly help local air quality because they produce no exhaust. But a zero at the tailpipe does not mean zero emissions overall.

Now look at the two big policy moves of the past few days.

The first is CAFE 3, the new fuel-efficiency rules for carmakers, which the Ministry of Power notified on September 29. They apply from April 2027 to March 2032. Over that period, the average CO₂ allowed across a carmaker's fleet will fall from 94.76 g/km to 78.90 g/km, a cut of 16.7 per cent. The rules also give "super credits", which count cleaner cars more than once. Each battery-electric or range-extender car counts as three cars in the fleet average, a plug-in hybrid counts as 2.5 and a strong hybrid as 1.6. CNG cars get no multiplier. Instead, their emissions are discounted by 5 per cent, or by whatever share of biogas the government requires in CNG, whichever is higher.

This is the gap. TERI's full-life analysis favours CNG for cars today. CAFE 3 measures



emissions only at the tailpipe, so it gives battery cars a threefold reward and treats their electricity as if it came free of carbon. That is a reasonable way to grow a young industry, but it is not the technology-neutral policy TERI recommends.

The link between CNG's discount and biogas blending is the most interesting part of the rules. It means CNG gets more credit as the gas

gets greener. That makes the second policy move important.

The second move is GOBARDHAN, the government's ₹23,731-crore National Circular Bioenergy Scheme. It aims to raise production of compressed biogas (CBG), which is made from cattle dung, crop residue and food waste, by roughly ten times. It also requires city gas companies to include a rising share of biogas in the CNG and household piped gas they sell: 3 per cent this year, 4 per cent next year and 5 per cent from 2028-29.

The scheme is better designed than the ones before it. Producers are guaranteed a buyer and a fixed price of ₹2,110 per MMBTU, roughly ₹98 per kg, until 2036. New plants get capital support of ₹1.25 crore for every tonne of daily capacity, and small businesses get loan guarantees. There is a strong strategic case too. India imports almost half its natural gas, and 55-60 per cent of its LNG passes through the Strait of Hormuz. Gas made from Indian farm waste cannot be blocked at a sea route in the Gulf. TERI estimates that blending 20 per cent biogas into CNG could make the fuel carbon-neutral over its full life cycle.

Some scepticism is fair. The earlier biogas scheme, SATAT, promised 5,000 plants. According to government figures reported in January, only about 133 were running. Collecting enough dung and crop residue reliably, getting farmers to buy the leftover organic manure, and connecting plants to pipelines are hard problems that money alone won't solve. A 5 per cent blend is also well short of TERI's 20 per cent.

What should happen next? CAFE 3 should become a living framework. Its CNG discount should rise automatically as the biogas blend rises. Future versions should move towards full-life accounting as India's grid gets cleaner. That would reward the cleanest overall option, not just the one that looks cleanest at the tailpipe. GOBARDHAN should be judged by plants actually running and gas actually delivered, not by money announced. And support for EVs should go where the economics already work: two-wheelers, three-wheelers, last-mile delivery and city fleets.

TERI puts it simply: the question is no longer "which fuel replaces all others?" but "which fuel suits which vehicle, where and when?" For the first time, India has policies that could answer that. They now need to work in the same direction.

The writer is Director and the Printer & Publisher of The Pioneer

From LPG to UPI rules: Key changes to take effect from today

NEW DELHI, Sep 30: As we approach October, several changes affecting banking, taxes, savings and household expenses are set to take effect from Thursday, such as revised SBI ATM limits, LPG Aadhaar authentication requirements and changes to NPS and UPI rules.

One of the major changes in the next month is a new UPI MDR framework that will apply to specified merchant transactions above Rs 2,000. However, customers will not be charged MDR and person-to-person

UPI transactions will remain free.

In addition, the Central Board of Direct Taxes has extended key deadlines for taxpayers covered by tax audit provisions for assessment year 2026-27.

The deadline for filing the tax audit report has been extended to October 21 from September 30, while the income tax return filing deadline has been extended to November 21 from October 31.

Apart from that, from October 1, domestic LPG consumers will need

to complete biometric Aadhaar authentication to book refills at the regulated retail selling price with applicable subsidy.

Consumers who do not complete the process can still obtain LPG but at the applicable market price without subsidy, subject to oil marketing company rules.

Moreover, India's largest lender, State Bank of India will reduce free monthly transactions at other banks' ATMs for salary package account

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From LPG to UPI rules: Key...

holders from 10 to five starting from the month. The limit will cover both financial and non-financial transactions.

For Basic Savings Bank Deposit accounts, four cash withdrawals a month will continue to be free after which a charge of Rs 15 plus GST will apply.

From October 1, resident individuals and Hindu Undivided Families buying property from non-resident sellers will not need a separate TAN for applicable TDS compliance and can use PAN.

Similarly, the revised NPS Point of Presence fee structure will also take effect, including a one-time onboarding charge of Rs 200 per PRAN.

RBI rules on bulk deposit rate disclosures will require regional rural banks to publish applicable rates on their websites by 10 am on business days.

Additionally, the Reserve Bank of India's Monetary Policy Committee will meet from October 5-7 with the policy decision due on October 7. In its last review the central bank kept repo rate unchanged at 5.25 per cent. (IANS)

UAE overtakes US as top LPG supplier, Russia holds top position in crude oil

RAKESH KUMAR @ New Delhi

THE United Arab Emirates has overtaken the United States to become India's largest supplier of LPG in September 2026, with shipments rising nearly 2.7 times from August.

According to data from maritime intelligence firm Kpler, the UAE supplied 529,211 tonne of LPG to India in the month-to-date (MTD) period, accounting for nearly 40% of the total imports. The US was the second-largest supplier with 337,401 tonne, followed by Kuwait at 132,544 tonne in September 2026. Qatar and Iran supplied 115,340 tonnes and 66,231 tonne, respectively.

The US had been India's largest LPG supplier in each of the previous six months. Its shipments stood at 764,456 tonne in August and 933,991 tonne in July.

The UAE's LPG shipments to India stood at 193,985 tonne in August, 102,001 tonne in July and 156,711 tonne in June.

India imports 60% of its total

LPG needs. About 90% of these LPG imports passed via the Strait of Hormuz before the crisis in West Asia. The country has now diversified its purchases of cooking gas, crude oil and LNG from the US and other sources, bypassing the Strait.

Meanwhile, Oman emerged as India's largest supplier of LNG in September, with shipments of 585,736 tonne, accounting for 27.5% of total imports. Nigeria was the second-largest supplier at 351,072 tonne, followed by the US at 347,578 tonne. The UAE supplied 311,144 tonne of LNG during the period, while Angola ranked fifth with 139,056 tonne.

Russia remained India's largest crude supplier in September, with shipments averaging 1.87 million barrels per day (mbpd) during MTD period. Iraq was the second-largest supplier at 557,861 barrels per day, narrowly ahead of Saudi Arabia at 549,015 barrels per day.

529,211 tonne LPG from UAE

As per data from Kpler, the UAE supplied 529,211 tonne of LPG to India in the month-to-date (MTD) period, nearly 40% of the total imports

Hindustan Times 100

‘Vehicles which can run on 100% ethanol may hit roads in 2 mths’

Soumya Chatterjee

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NEW DELHI: India's green mobility transition is set for a major leap, with leading automakers expected to launch flex-fuel vehicles capable of running on 100% ethanol within the next one to two months, Union minister for road transport and highways Nitin Gadkari said on Wednesday at the HT Auto Leaderboard Awards and Summit 2026.

“Mahindra, Toyota, Suzuki and Hyundai will probably launch flex engines within one to two months, in which you can use 100% ethanol or petrol,” Gadkari said.

He said the rollout was part of a broader push to reduce India's dependence on imported fossil fuels and create new markets for agricultural produce. Maruti Suzuki launched a flex-fuel variant of the Wagon R in June.

“Our policy is import substitution, cost-effectiveness and pollution-free mobility. We want to diversify agriculture towards the energy and power sectors,” he said, adding that India currently spends ₹22 lakh crore on fossil-fuel imports.

Gadkari also highlighted the impact of ethanol production on farmers, saying the government's decision to allow ethanol production from corn had helped raise prices for growers.



Nitin Gadkari speaking at the HT Auto Leaderboard Awards and Summit.

“When the government took a decision to make ethanol from corn, the price of corn in the commercial market was ₹1,300 per quintal,” he said. Commercial rates subsequently rose to ₹2,600 per quintal, resulting in a direct benefit of ₹45,000 crore to farmers in Uttar Pradesh and Bihar, he added.

The minister also defended the nationwide rollout of E20 fuel, which contains 20% ethanol blended with petrol, despite the controversy having reached the Supreme Court. “From 2022, we have had 4 crore four-wheelers and 20 crore two-wheelers on E20, and we have never received a single complaint,” he said.

Turning to electric mobility, Gadkari said India's EV market

could reach ₹20 lakh crore by 2030, driven by annual vehicle sales of 10 million and the creation of 50 million jobs. He highlighted the segment's rapid growth, including a 146% year-on-year surge in electric two-wheeler sales.

He also cited key government measures, including the reduction of customs duties on lithium-ion batteries from 21% to 13% and the PM E-DRIVE scheme. Gadkari said J&K's 6-million-tonne lithium reserves, estimated at 6% of global reserves, would be a vital asset for domestic battery manufacturing.

Gadkari also spoke about major safety and technological advancements transforming the automotive sector.

Mind the Diesel Retail-Bulk Gap

PSUs must manage retail demand better

High global diesel prices are straining the finances of government-owned refiners that are selling the fuel to domestic customers at frozen prices. But they are propping up earnings of private refiners that drive major part of India's petroleum exports. The difference between diesel sold to bulk buyers at market-determined prices and through retail outlets has opened considerably to about ₹40 a litre, and there is scope for diversion between market segments. Nayara and Reliance have become proactive about rationing retail sales. IOC, BPCL and HPCL must take the cue to manage surging demand at fuel pumps. With crude oil hovering above \$100 a barrel, Indian refiners need to plug leakage into the bulk market to contain under-recovery in retail sales.

The bulk of the under-recovery is borne by PSU refiners that have held retail fuel rates on GoI's prodding. Private refiners maintain a parity with this rate, but they have about a 10% share of diesel sold through fuel pumps. Their share of sales to bulk consumers is considerably higher at 25%. The scope for diversion of private refinery diesel is limited, and if they manage to contain it, they are setting an example for the much larger market supplied by PSU refiners. If the diversion of diesel from retail to bulk segments is localised to PSU-refined diesel, it adds additional load on refiners with relatively low exposure to the buoyant export market.

There are, of course, certain extra constraints on PSU refiners, such as irrigation demand for diesel during an erratic monsoon season. With that out of the way, they could impose daily limits on diesel purchases at fuel pumps. GoI, too, has barred commercial and industrial users from buying diesel from the retail market. India has an advantage in its excess petroleum-refining capacity to tide over the global spike in diesel prices. But it must ensure the market functions efficiently for targeted delivery of fuel subsidies.



IOC's Gujarat refinery to hit targeted capacity by FY27-end

Avinash Nair
Vadodara

After five years of expansion, Indian Oil's refinery in Vadodara, Gujarat, is yet to fully utilise its targeted 18 million tonne-a-year crude-processing capacity.

That's because the downstream units needed to convert crude into finished fuels, lube base stocks and petrochemicals are expected to be commissioned only by the end of FY27.

SLOW EXPANSION

The refinery currently processes somewhere between its old 13.7 mtpa capacity and the expanded 18 mtpa level, Biplob Biswas, the company's Executive Director and Refinery Head, said on Wednesday. "We can process 18 mtpa of crude even today. But every refinery has primary processing of crude and all the products we obtain from our crude unit go for secondary processing. We will touch 18 mtpa once we complete the secondary processing by the end of this fiscal," he said.

The constraint comes as Indian Oil enters the final phase of its ₹17,825-crore Petrochemicals and Lube Integration Project (LuPech).

"The expansion started



STILL WORKING. The constraint comes as Indian Oil enters the final phase of its ₹17,825-crore Petrochemicals and Lube Integration Project. The expansion started five years ago BLOOMBERG

five years ago. This being a brownfield expansion, most projects are being executed within the operating units. Last year, the two major revamps that were envisaged in the expansions were executed and commissioned successfully. This year, we have commissioned the first two grassroot units. In the near future, we will be starting the balance block. The last in the line will be the propylene unit," Biswas said.

The polypropylene unit, with a capacity of 5 lakh tonnes a year, is estimated to cost around ₹1,000 crore and will use propylene generated from soft gases.

The polypropylene addition comes at a time when

India continues to import significant quantities of the polymer despite having substantial installed capacity.

CRUDE SOURCING

While the refinery's downstream configuration is being expanded, its crude sourcing has also become increasingly diversified. Around 30 per cent of the refinery's crude comes from domestic sources, Biswas said.

"We are gradually diversifying. We have taken some cargoes from the US in the past. Our portfolio remains very diverse. We have also got a couple of cargoes from Venezuela about three months ago," he said.

India emerges as leading refiner

While the US turns protectionist and disrupts supplies, India is rising as a vital force to plug the global gap

**CAPITAL
IDEAS.**



RICHA MISHRA

The global energy architecture is undergoing a structural realignment, but whether it represents a permanent role reversal between traditional powers remains a subject of intense geopolitical debate. In what some critics view as a politically motivated retreat from free market principles, the US has increasingly weighed protectionist measures, including floating the radical notion of refined product export bans to shield domestic consumers from inflationary shocks.

In contrast, India, moving beyond its historically cautious, non-aligned past, has emerged as a vital stabilising force in global trade, leveraging its massive refining capacity to maintain liquidity and keep the lights on across the Western world.

Yet, as Washington balances domestic anxiety against global leadership and New Delhi converts pragmatic self-interest into systemic influence, a critical question emerges: are we simply witnessing a more fragmented, transactional era of energy diplomacy?

RAPID TRANSFORMATION

For India, the numbers reveal a story of rapid transformation. Having overtaken Russia to become the world's second-largest exporter of seaborne diesel, India has dramatically scaled its shipments.

While Washington debates locking down its domestic fuel with a 90-day export ban, New Delhi is taking centre stage as a vital global supplier. By stepping into this vacuum, India is doing more than just capturing market share. This move by New Delhi is not mere geopolitical posturing. Speaking at the 13th Public Affairs Forum of India recently, Petroleum & Natural Gas Minister Hardeep Singh Puri had reportedly countered the Western protectionist trend.

Pointing to long-term pacts, such as India's five-year supply agreement with



POWERING AHEAD. India has emerged as a major global refining hub, with an annual output of 267 mmt of refined petroleum products across 23 refineries GETTY IMAGES

Mauritius, Puri had highlighted a structural reality the West can no longer ignore. While global refining capacities choke, India is aggressively expanding its refining power at 5.8 million barrels per day. In August, during Puri's official visit to Mauritius, a government-to-government MoU for cooperation in oil and gas sector, alongside a long-term sales and purchase agreement between Indian Oil Corporation Ltd and State Trading Corporation (STC) of Mauritius for supply of petroleum products, was exchanged.

India is definitely turning into a dependable energy partner as it has emerged as a major global refining hub, with an annual output of 267 mmt of refined petroleum products across 23 refineries, making it a net exporter of refined products. India already meets

The US ban risks triggering local refining bottlenecks and driving global prices higher, but it presents an opportunity to Indian refiners to plug the Western supply gap

the petroleum demand of Nepal and Bhutan, and supplies significant quantities to other countries. Even during the West Asia crisis, India fulfilled its supply commitments to Nepal and Bhutan, making it a dependable energy security provider.

While a US ban risks triggering local refining bottlenecks and driving global prices higher, it presents a market opportunity to Indian refiners stepping in to plug the Western supply gap. If Washington decides to lock down its fuel, it is likely to leave its European allies utterly stranded. By stepping into this vacuum, India becomes Europe's primary energy stabiliser.

If Puri's statement is seen in this context, then it is providing a critical lifeline. The move will also make it politically impossible for the West to criticise India's broader strategic and trade ties with Moscow. Europe cannot condemn the source of the crude while surviving on the refined diesel.

So, can India turn this 90-day US window, if it happens, into multi-year dominance? By duplicating models like its recent supply agreement with Mauritius, New Delhi can pitch itself to stranded European utilities and global distributors as the ultimate, predictable and reliable alternative. Indian refiners

stand to gain an unprecedented commercial advantage here. But much of their windfall profits in all probability will be clawed back by New Delhi's tax mechanisms.

The ban would send global diesel prices and refining margins skyrocketing. Complex refiners such as Reliance Industries would be perfectly positioned to step into the vacuum, capturing market share across European and Latin American trade routes, while supercharging their double-arbitrage model of processing discounted crude for premium international export. However, this massive profit potential comes with a built-in regulatory ceiling.

EXPORT LEVIES

New Delhi recalibrates export levies fortnightly to prevent fuel shortages and curb excess corporate profiteering, which means any explosive surge in global margins would instantly trigger a sharp hike in export duties to protect the domestic economy first. Meanwhile, there is an interesting development in India's power sector.

The government has invoked Section 11 of the Electricity Act, and directed 112 captive coal-fired plants above 50 MW to maximise generation from October 1 through December and sell the surplus power to the grid. Plants have also been asked to report generation, spare capacity and coal inventories weekly to the CEA, underlining the concern around fuel availability and system reliability.

"For refining and demand, this is relevant because the order also includes captive plants linked to Reliance, IndianOil and Nayara. It could mean higher captive coal burn and utility costs, but also potentially some incremental support for liquid-fuel demand if power availability tightens further," said Sumit Ritolia, Lead Research Analyst, Refining & Modeling at Kepler.

One wonders if this internal grid management will trap diesel at home, causing New Delhi to miss out on an unprecedented export boom? However, this is not an opportunity lost. It is a calculated policy blueprint to shield domestic assets while aggressively capturing global market share.

Margherita LPG crisis: administration tightens grip

OUR CORRESPONDENT

DIGBOI, Sept 30: The LPG distribution crisis in Margherita has taken a sharper turn, with the co-district administration tightening its grip on the lone agency serving around 17,000 consumers, enforcing doorstep delivery and prohibiting direct distribution from the godown and retail outlet amid mounting complaints over delayed refills and pending bookings.

The latest intervention fol-

lowed a tense Tuesday, when aggrieved consumers gathered outside M/s Margherita Gas Supply demanding immediate refills. The situation turned into a commotion, with some women reportedly kicking the agency shutters in frustration over the delay.

Later that evening, the Margherita co-district administration, led by the Co-District Commissioner, launched a crackdown against suspected black marketing and misuse of domestic LPG cylinders in

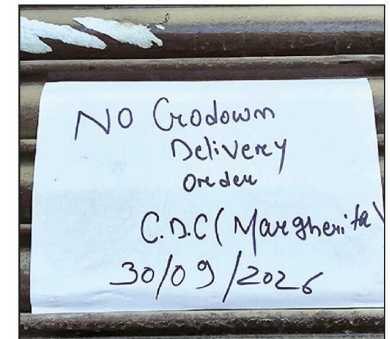
commercial establishments, besides alleged unauthorised multiple-cylinder use and LPG pipeline connections. Around 16 domestic LPG cylinders were reportedly seized during the operation.

On Wednesday, the administration moved to overhaul the distribution mechanism, introducing location-wise doorstep delivery and stopping direct distribution of cylinders from the godown and retail outlet.

The intervention assumes sig-

nificance as the agency has around 17,000 consumers attached to it, while the immediate crisis concerns the backlog accumulated among this large consumer base. A pending list displayed during the crisis contained 310 consumers.

Meanwhile, an official source said that the entire findings and report of the administrative exercise have been submitted to the Deputy Commissioner, Tinsukia, and further action is awaited.



Oil Min seeks feedback on amending Petroleum Act 1934

Our Bureau
New Delhi

The Ministry of Petroleum & Natural Gas (MoPNG) has sought responses from the public and stakeholders on amending the Petroleum Act, 1934 to decriminalise minor offences. The Petroleum Act was enacted to consolidate and amend the law relating to the import, transport, storage, production, refining and blending of petroleum (products), the Ministry said adding that it has been examining the issue of strengthening the existing legal framework relating to offences.

Accordingly, the Ministry has proposed to amend Chapter three of the Act, which relates to “Penalties and Procedure”.

“The proposed amendments, *inter alia*, seek to achieve the objectives of decriminalisation of regulatory issues such as breach of terms and conditions of licences and provides for a mechanism for imposition of civil penalty through an administrative mechanism. Further, the proposed amendments provide adequate deterrence against specific offences relating to various aspects of petroleum operations,” MoPNG emphasised. Stakeholders



can share their responses with the Ministry till October 30, 2026.

GRADED FRAMEWORK

The Petroleum Act established the framework for offences that has remained largely the same and was last amended in 1970, which increased the fine from ₹500 to simple imprisonment up to one month or

Aim is to decriminalise some issues while ensuring deterrence against specific offences

with fine of ₹1,000. For repeat offences, it replaced the penalty of up to ₹2,000 with simple imprisonment of up to three months or with fine up to ₹5,000 or both, the Ministry said. “The penalty, although significant in terms of the 1970s, is now insignificant, considering that in 1970, the price of petrol was

₹0.90 per litre and in 2026 it fluctuates between ₹95 and ₹105, which is an increase of over 10,000 per cent, it added.

Even the critical infrastructure that is integral to national security has increased manifold.

“The objective of the amendments proposed is to rationalise the otherwise generic offence presently under Section 23 of the Petroleum Act, 1934, which fails to achieve any specific deterrence against the specific offences but has created a framework whereby breaches of licenses become criminal offences,” it emphasised.

Natural gas expansion

The sharp rise in imported natural gas prices amid the West Asia crisis has brought the expansion of piped natural gas (PNG) and compressed natural gas (CNG) networks in Assam's commercial and industrial sectors to an abrupt slowdown. The widening gap between imported gas, now around USD 30 per MMBtu, and domestic APM gas, at about USD 7 per MMBtu, has made new connections increasingly difficult to justify for businesses. Cheaper APM gas is largely reserved for priority sectors such as domestic PNG and CNG for transportation, leaving many commercial and industrial consumers dependent on market-priced domestic gas or imported liquefied natural gas (LNG). Gas distributors themselves are also facing higher operating costs, including fuel requirements and gas used for pipeline line-packing. This comes at a time when Assam is trying to accelerate the transition towards cleaner fuels. The State government had set expansion targets and relaxed certain guidelines to speed up PNG and CNG infrastructure. Yet high gas prices, limited consumer awareness and marketing challenges have slowed the momentum. In Guwahati, PNG connections have increased substantially to around 2,200 from 1,090 in mid-May, but the pace of expansion has weakened.

There is, however, a potential solution closer to home. Gas produced by Oil India Limited (OIL) in Upper Assam is expected to be supplied to central and western Assam once the pipeline network connecting Numaligarh with Guwahati is completed. Access to locally produced gas could reduce dependence on expensive imports and restore the economic viability of city-gas expansion. The opportunity is significant. Assam accounts for the bulk of the Northeast's onshore natural-gas resources, with estimated recoverable reserves of around 163 billion cubic metres. Gas from fields around Digboi, Naharkatiya and other production centres already supports power generation, fertiliser, petrochemicals and emerging city-gas networks. For the Northeast, wider access to natural gas is more than an energy-sector expansion. CNG can lower transport costs, while PNG can reduce dependence on cylinders and improve the reliability of household fuel supply. Greater use of gas can also help industries adopt cleaner production practices and reduce emissions and indoor pollution. The region's energy paradox – abundant hydrocarbon resources alongside continued dependence on traditional and relatively polluting fuels – cannot be resolved by infrastructure announcements alone. The government's Hydrocarbon Vision 2030 provides a broad framework for expanding production, pipelines and city-gas distribution. The immediate priority should be execution. Completing the pending pipelines, ensuring access to competitively priced domestic gas and improving consumer awareness can help Assam convert its natural-gas wealth into cleaner fuel access, industrial growth and wider economic opportunity.

The mystery of the vanishing oil

ONGC's wells in the KG Basin are struggling to live up to the promise of deepwater production

SUBHANGI KATHUR
New Delhi, 30 September

State-run Oil and Natural Gas Corporation (ONGC) is struggling to draw oil from its wells in the vast Krishna-Godavari (KG) Basin off the coast of Andhra Pradesh. Production is declining at its rapidly deepwater KG-DWN-98/2 block after an initial spurt, leaving engineers and scientists looking for answers.

After the ramp-up of commercial production in January 2024, crude oil production at the block has fallen to around 20,000 barrels per day (bpd) currently. From around 20,000 bpd at the end of the June quarter of financial year 2023-24 (FY23), production averaged 30,000 bpd in 2024.

The continual decline has raised questions over the pace at which ONGC can manage production and move towards its targeted peak output of 40,000 bpd.

Industry insiders attributed the decline in production primarily to the basin's complex geology rather than technological constraints. The reservoirs are characterised by poorly connected pockets, or zones within the underground reservoir that contain hydrocarbons. Production from individual wells can decline even when hydrocarbons remain in adjoining pockets.

This in turn can limit the flow and drainage of hydrocarbons and make it difficult to sustain production from individual wells, said a former ONGC official closely involved in the project operations.

The geology of the basin is the main issue. The pockets within the reservoir are not well connected, which affects drainage and, in turn, production, ONGC's also examining the use of artificial gas lift as a way to improve output, the official said.

These lifts make it easier for the oil to rise from the bottom of the well to the surface. ONGC had expected its overall oil production to rise by around 11 per cent and gas output by 16 per cent by the end of 2024-25, on the assumption that the KG-98/2 block would reach its targeted peak production. The company had set a peak output target of 40,000 bpd of oil and 10 million standard cubic metres per day (mmscfd) of gas from the block.

These estimates were themselves significantly lower than the projections made in 2017, when ONGC envisaged peak production of 70,000 bpd of oil and 14.5 mmscfd of gas. Gas production currently stands at 1.5 mmscfd. To address the shortfall in production, the company has brought in British energy major BP to diagnose the root cause of the production problem and identify measures that could help improve output.



Located about 35 km off the Andhra Pradesh coast, the KG-DWN-98/2 block spans water depths of around 300 metres to 3,200 metres and involves complex subsea infrastructure and a floating production, storage and offloading vessel (FPSO) vessel.

The Reliance parallel Reliance Industries Ltd's (RIL) experience in the KG Basin offers a parallel to ONGC's current production challenges. Reliance's KG-D6 block made a major gas discovery in 2004, with the company initially estimating that the block could produce around 40 mmscfd. The development plan was subsequently expanded, with the targeted production doubled to 80 mmscfd.

However, when Reliance finally began production from its April 2006, output declined sharply, with unanticipated water and sand ingress among the problems reported in the wells. Reliance and BP later invested about \$1 billion to develop three new deepwater projects, which helped revive production from near zero to over 20 mmscfd in 2022-23.

The geology of the KG-D6 gas production to a peak of 40 mmscfd in 2005 but then, too, output has since declined. In FY23, the block produced about 38 mmscfd of gas and 2,000 bpd of oil and condensate. By FY24, gas production had fallen further to nearly 26 mmscfd and oil production to about 8,000 bpd.

Following a pattern Experts attribute the sharp production decline seen in some of the KG Basin's deepwater fields to reservoir characteristics. The fields appear to follow a pattern of relatively strong initial output and then a steep decline, suggesting that sub-siding production over a longer term could be a challenge.

The nature of the Krishna-Godavari Basin appears to be such that reservoir pressure is not sustained over time. As pressure declines, the ability to maintain the initial level of gas production also diminishes. So, even if you apply the lessons from Reliance's experience, operators need to follow the right procedures, the natural decline profile of these fields appears to be much steeper than what we have seen in fields such as Bombay High, said Anish

De, global head for Energy, Natural Resources and Chemicals (ONGC) at EPMG. However, it would be too simplistic to attribute the KG Basin's production challenges to geology alone, particularly after years of reservoir studies and development work by energy behemoths such as Reliance Industries and ONGC.

The Comptroller and Auditor General of India (CAG), in its audit of Reliance's KG-D6 block, repeatedly flagged the failure of the company to meet its approved 80 mmscfd production target and the resulting under-utilisation of gas-handling facilities. The

2016 CAG audit report also found several instances where it believed Reliance had obtained cost recovery in excess of what was permissible under its production sharing contract.

Revising strategies In the case of ONGC, the company has acknowledged challenges in its KG-DWN-98/2 block. In a recent panel results analyst call, the management said it is studying the complexity of the reservoir, including the interconnection between different reservoirs, with the help of an international geological study centre. Based on the study's findings,

ONGC may re-enter some wells and revise its development strategy. Each such re-entry could cost more than \$500 crore, which would mean meeting the economic criteria of the intervention against revenue from the additional oil recovery expected from the wells.

"Timing geology entirely for the under-performance of the block would not be correct. Evaluation of reservoirs, development and appraisal of wells are also necessary to understand the reason behind the sharp fall in output from the basin," said another former ONGC official, on the condition of anonymity.

A long journey ONGC's KG-DWN-98/2 journey has been a long one. After acquiring a 90 per cent participating interest and operating from Cairn in March 2015, the state-run company gradually took full control of the block, supplying the remaining stake in September 2017. Nearly two decades later, the deepwater asset began producing crude, with oil production commencing on January 1, 2024.

Located about 35 km off the Andhra Pradesh coast, the block spans water depths of around 300 metres (m) to 3,200 m and involves complex subsea infrastructure and a floating production,

KG-DWN-98/2 BLOCK'S OUTPUT MISSES TARGET

Crude oil production from the block is currently around 20,000 barrels per day (bpd), less than half of its estimated peak output of 40,000 bpd.

Gas production from the block stands at 1.5-1.7 million standard cubic metres per day (mmscfd), well below the estimated peak output of 10 mmscfd.

Industry insiders attribute the decline in production primarily to the basin's complex geology.

ONGC expected its oil and gas output to rise 11% and 15%, respectively, by end-FY25, but by the block reaching peak production

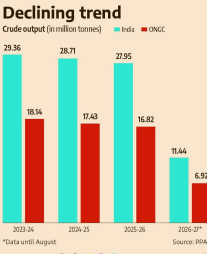
approved the Cluster-II development project with an estimated investment of \$4.4 billion, or \$5,078 billion, in 2016.

ONGC had counted on the project to provide a significant boost to its overall oil and gas production and help reverse a projected decline in domestic output.

The sharp fall in production since the initial ramp-up, however, has complicated calculations. For ONGC, the performance of KG-DWN-98/2 now hinges on whether reservoir studies and well interventions —

such as re-entry of underperforming wells and the use of artificial gas lifts — can arrest the decline and enable the company to recover a larger share of the resource it has spent years developing.

India's domestic oil and gas production has been on a prolonged downward trajectory, increasing its reliance on imported energy demand continues to grow. Output has remained constrained by the natural decline of mature fields and delays in weaker-than-expected production from newer assets such as the KG Basin. With ONGC's wells accounting for around 10 per cent of India's oil production, turning the tide at KG-DWN-98/2 to gas could help boost the country's energy security.





Windfall tax on diesel & ATF exports slashed

New Delhi: The government on Wednesday cut the windfall gains tax on export of diesel and ATF, while retaining it at the same level for petrol for the fortnight beginning October 1. The rate of special additional excise duty (SAED) along with road and infrastructure cess on export of diesel will now be Rs 16 per litre, down from Rs 20 a litre. SAED on export of ATF is set at Rs 10.5 per litre, as against Rs 15 per litre currently. PTI

प्रोजेक्ट • होर्मुज में तनाव के बीच खाड़ी में नए विकल्पों की तलाश

भारत-यूएई के बीच समुद्र में तेल पाइपलाइन बिछाने की तैयारी

भास्कर न्यूज | नई दिल्ली

होर्मुज संकट के बीच भारत अब ऊर्जा आपूर्ति सुरक्षित रखने के लिए नई रणनीति पर काम कर रहा है। इसके तहत भारत और यूएई के बीच तेल और गैस पाइपलाइन बिछाने की तैयारी है। हाल ही में यूएई के विदेश व्यापार मंत्री थानी बिन अहमद अल जेउदी से मुलाकात के बाद केंद्रीय मंत्री पीयूष गोयल ने इसकी पुष्टि कर दी है। गोयल ने कहा कि केंद्र सरकार अब ओमान और यूएई से भारत तक समुद्र के नीचे सीधी पाइपलाइन परियोजना को अपनी सर्वोच्च प्राथमिकताओं में शामिल कर चुकी है। इससे पहले, जून में सरकार ने इसे एक निजी प्रोजेक्ट बताया था।

एमईआईडीपी (मिडिल ईस्ट टू इंडिया डीप-वॉटर पाइपलाइन) परियोजना के तहत यह पाइपलाइन ओमान और यूएई के तट से शुरू होकर अरब सागर के नीचे से गुजरते हुए सीधे भारत में गुजरात और महाराष्ट्र के तट पर पहुंचेगी। पहले इसमें सिर्फ गैस पाइपलाइन की योजना थी, लेकिन अब समुद्र के रास्ते कच्चा तेल लाने की संभावना पर भी तकनीकी अध्ययन शुरू हो गया है। इसके लिए गहरे समुद्र में पाइपलाइन बिछाने की तकनीक, लागत और सुरक्षा समेत दूसरे पहलुओं की जांच होगी। पेट्रोलियम मंत्रालय के निर्देश पर सरकारी कंपनियां इसकी विस्तृत रिपोर्ट तैयार कर रही हैं।

भास्कर एक्सप्लेनर

एनर्जी कॉरिडोर: इंजीनियरिंग का अनोखा कारनामा



- **लागत:** लगभग 40,000 करोड़
- **दूरी:** 1,200 से 2,000 किमी
- **क्षमता:** रोज 3.1 करोड़ मानक क्यूबिक मीटर प्राकृतिक गैस
- **जरूरत:** भारत 88% कच्चा तेल आयात करता है। देश में आने वाली आधी से अधिक एलपीजी व एलएनजी कतर, यूएई से इसी रास्ते से होकर जहाजों से आती है।

फायदा: खर्च में कमी, कीमत बढ़ने पर दबाव कम होगा

- सीधे ओमान, यूएई, कतर और सऊदी के गैस/तेल रिजर्व से निर्बाध आपूर्ति।
- समुद्री जहाजों के जरिए गैस और तेल लाने पर लगने वाले परिवहन और बीमा खर्च में कमी आ सकती है।
- अंतरराष्ट्रीय बाजार में अचानक कीमत बढ़ने की स्थिति में भारत पर पड़ने वाला दबाव भी कम होगा।

चुनौती: समुद्र में रिकॉर्ड 3,450 मीटर की गहराई

- समुद्र में करीब 3,450 मीटर की गहराई तक पाइपलाइन बिछाना बड़ी इंजीनियरिंग चुनौती होगी। इतनी गहराई में पानी का दबाव बहुत अधिक होता है।
- पाइपलाइन की सुरक्षा, समुद्र तल की चट्टानों और खाइयों से रास्ता निकालना तथा भविष्य में मरम्मत करना इसके प्रमुख तकनीकी सवाल हैं।

उम्मीद: सर्वे के लिए बिछाई 3 किमी पाइपलाइन, 25 करोड़ खर्च
परियोजना विकसित करने वाली संस्था साउथ एशिया गैस एंटरप्राइज ने 25 करोड़ रु. की लागत से लगभग 3 किलोमीटर की पाइपलाइन बिछाकर परीक्षण किया है। सभी शर्तें पूरी होने के बाद निर्माण में करीब पांच से सात साल लगने का अनुमान है।