

**FIPI**

Federation of Indian Petroleum Industry

# VOICE OF INDIAN OIL & GAS INDUSTRY

**ANNUAL REPORT**  
**2023-24**



## History of FIPI

The amalgamation of two important societies, namely, the Petrotech Society and the Petroleum Federation of India (PetroFed), resulted in formation of the "Federation of Indian Petroleum Industry" (FIPI) in December 2016.

FIPI is the apex society of entities in the hydrocarbon sector, serving as a key interface between the industry, government, and regulatory authorities. It plays a leading role in addressing industry concerns with the relevant ministries, regulators, and other stakeholders. FIPI represents the industry on various government bodies, committees, and task forces, actively advocating for the sector's interests and has been instrumental in voicing industry concerns with government.

As the most effective and influential voice of the oil and gas industry, FIPI enjoys the respect and trust of the industry. All major companies operating in India's oil and gas sector are members of FIPI. It has a Governing Council (GC) represented by top-level executives from leading oil and gas companies in the country. Under the leadership of Chairman, FIPI and Director General, FIPI, the society is committed to addressing the challenges faced by the industry. It also has a leadership team consisting of experts drawn from the respective functional domains.

FIPI conducts various committee meetings on upstream & downstream operations, CBM, marketing, petrochemicals, and taxation, among other topics, to engage with industry members and discuss relevant issues related to the oil and gas sector. It has 15 functional committees that addresses every aspect of the oil and gas business, represented by senior executives from member companies.

FIPI organizes seminars, webinars, conferences, exhibitions, workshops, roundtable meetings for knowledge dissemination and brings out study reports to provide the Government with evidence-based policy recommendations.

Every year, FIPI hosts the Annual Award programme to recognize and honour the achievements in the Indian oil and gas sector. The performance of companies is evaluated by a distinguished award committee and an esteemed jury panel, which acknowledges accomplishments across various segments of the industry.

FIPI has tie-ups with international agencies like World Petroleum Council (WPC), World LPG Association (WLPGA), International Energy Forum (IEF), IPIECA and International Gas Union (IGU).

FIPI actively participates in international conferences and exhibitions, and collaborates with global bodies and associations to promote the oil and gas industry and advocate for the interests of its members. On directives from the Ministry of Petroleum and Natural Gas (MoP&NG), FIPI has developed a CGD Helpdesk portal to provide a centralised platform for all CGD entities to raise their issues with the relevant Government Department or Ministries, facilitating necessary interventions at the MoP&NG level.

## FIPI Committees

FIPI has the following committees with members drawn from its member organisations, with scope as indicated against them.

S. No.	Committee	Scope (in brief)
1	Budget and Investment	The committee reviews yearly FIPI budget and its allocation for various activities, and recommends it to the Governing Council (GC) for approval.
2	Tariff, Duties & Taxes	The committee discusses various fiscal issues affecting the sector, including matters on corporate tax, customs duty, excise duty, GST-related concerns within the industry. It seeks support from the Ministry of Finance (MoF), MoP&NG and other governmental agencies on behalf of the member companies.
3	LPG Marketing	The LPG Marketing committee includes members from leading oil and gas production and marketing companies. The Committee engages in discussions about the latest developments and policies related to LPG, including pricing and marketing strategies.
4	Safety, Health & Environment	The HSE committee includes representatives from all major oil & gas companies across upstream, midstream, and downstream sectors, as well as members from service provider companies. The Committee discusses various issues related to health, safety, and environment.
5	Natural Gas/CNG/LNG	The Natural Gas/CNG/LNG committee represents members from major gas production, transportation, and marketing companies. The Committee focusses on discussing the latest developments and policies related to pricing, marketing, and the sustainable role of gas, CNG, and LNG.
6	Alternative Sources of Energy	The committee discusses the ongoing transition in the energy sector towards cleaner energy sources, including renewable energy such as solar and wind, biofuels like methanol, ethanol, and biodiesel, hydrogen, coal gasification, and energy efficiency.
7	Refiner's Forum	The committee includes members from major oil refining and marketing companies. It discusses and highlights the challenges faced by refining companies.
8	Upstream Operations	The committee includes members from major oil & gas production companies as well as service providers. It focusses on discussing the latest technological developments and policies related to the exploration and production of oil & gas, as well as the various challenges faced by these companies.

S. No.	Committee	Scope (in brief)
9	Downstream Marketing	The committee serves as a focal point for all downstream-related matters in the oil and gas industry. It discusses the latest technological developments and policies related to the downstream segment, along with the various challenges faced by these companies.
10	Pipeline's Forum	The committee discusses various issues related to the efficient operation of oil and gas pipelines, including safety and performance standards.
11	IT & Cyber Security	The purpose of the committee is to assess the preparedness of Indian oil and gas industry against cyber threats and to identify ways to further strengthen the cybersecurity systems of Indian oil & gas companies.
12	CBM/Shale Oil/ Gas Hydrates	The CBM/Shale Oil/ Gas Hydrates committee includes representatives from major oil & gas production companies focussed on unconventional sources such as CBM. The committee discusses about the latest technological developments and policies related to the exploration and production of oil and gas from these unconventional sources.
13	Audit Committee	The annual accounts of FIPI for the financial year are presented to the Audit Committee for approval.
14	Petrochemicals Committee	The committee consists of representatives from petrochemical companies and discusses issues pertaining to petrochemicals.
15	City Gas Distribution (CGD)	The CGD committee includes representatives from City Gas Distribution (CGD) companies. The committee discusses various issues, including permissions related to infrastructure development, as well as the promotion, pricing, and regulations of PNG, CNG and LNG.



# **Core Purpose Statement**

To be the credible voice of Indian hydrocarbon industry enabling its sustained growth and global competitiveness.

## **Shared Vision**

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A progressive and credible energy advisory body stimulating growth of Indian hydrocarbon sector with global linkages.

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A healthy and strong interface with Government, legislative agencies and regulatory bodies.

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Create value for stakeholders in all our actions.

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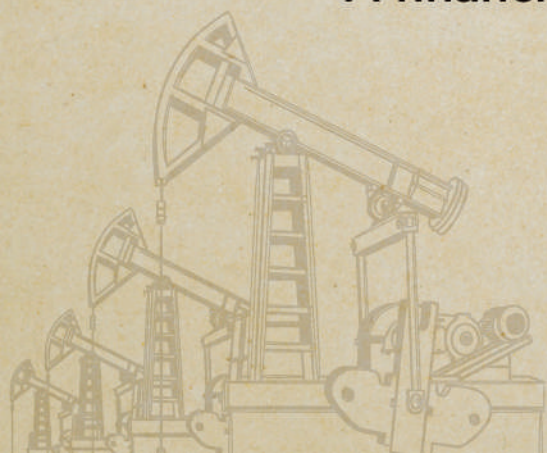
Enablers of collaborative research and technology adoption in the domain of energy and environment.

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A vibrant, adaptive and trustworthy team of professionals with domain expertise.

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A financially self-sustaining, not-for-profit organization.





## Governing Council



**Mr. Arun Kumar Singh**  
Chairman & CEO, ONGC  
Chairman, FIPI



**Mr. A S Sahney**  
Chairman, IOCL  
Co-Chairman, FIPI



**Mr. Sarthak Behuria**  
Chairman, Reliance BP  
Mobility Limited  
Vice Chairman, FIPI



**Mr. Sandeep Kumar Gupta**  
CMD, GAIL (India) Ltd.



**Mrs. Vartika Shukla**  
CMD, EIL



**Mr. Rajneesh Narang**  
CMD (Additional Charge)  
& Director (Finance), HPCL



**Mr. Ranjit Rath**  
CMD, Oil India Ltd.



**Mr. Prabh Das**  
MD & CEO, HMDL



**Mr. Kartikeya Dube**  
Head of Country  
bp India



**Mr. Rakesh Agiwal**  
Chief Policy and  
Regulatory Officer  
Cairn Oil & Gas (Vedanta Ltd)



**Mr. G. Krishnakumar**  
CMD, BPCL



**Mr. Akshay Kumar Singh**  
MD & CEO  
Petronet LNG Ltd.



**Mrs. Mansi Madan Tripathy**  
Country Chair,  
Shell Companies in India



**Mr. Prasad K. Panicker**  
Chairman and Head of Refinery  
Nayara Energy Ltd.



**Mr. Harender Singh Bisht**  
Director, CSIR - IIP



**Prof. Sukumar Mishra**  
Director, IIT (ISM) Dhanbad

## Leadership Team



**Mr. Gurmeet Singh**  
Director General & Member  
Secretary, Governing Council



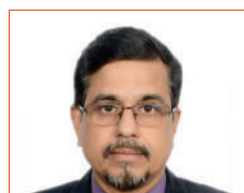
**Mr. Vivekanand**  
Director  
(Finance, Taxation & Legal)



**Mr. D L N Sastri**  
Director  
(Oil Refining & Marketing)



**Mr. SS Pandita**  
Director  
(Major Exhibitions)



**Mr. Deb Adhikari**  
Director  
(Exploration & Production)



**Mr. P S Ravi**  
Director  
(Downstream)

# Our Core Activities



**Advocacy**



Dear Members,

The financial year 2023-24 has been characterized by ongoing challenges and complexities for the oil and gas sector, but it has also shown signs of recovery from the previous fiscal year. Throughout this period, crude oil prices have continued to experience volatility, with average prices hovering between USD 80 and USD 90 per barrel. This ongoing price fluctuation has been influenced by a combination of factors, including geopolitical tensions, supply chain disruptions, and fluctuating demand due to global economic conditions. The Russia-Ukraine conflict has continued to impact oil markets, alongside emerging concerns about inflation and economic slowdowns in key economies.

Despite the above global challenges, it has been a year of growth and transformation, and I am proud of the way we have navigated these changes together. Amidst an uncertain and challenging global macroeconomic environment, the Indian economy has displayed remarkable resilience, exuding confidence, and optimism.

The real GDP is estimated to grow by 8.2% in FY 2023-24, while the nominal GDP has shown a robust growth rate of 9.6% during the same period, according to the data released by National Statistical Office (NSO). Strong domestic demand has been a key driver, positioning India as the fastest-growing major economy and solidifying its status as the fifth-largest economy in the world.

Looking ahead, the International Monetary Fund (IMF) projects that India is set to become the third-largest economy globally by 2027, propelled by ongoing reforms and strategic investments in various sectors. This trajectory highlights the country's potential for sustained growth and development in the years to come.

In the oil and gas sector in India, the government's proactive measures, such as policies aimed at stabilizing energy prices and enhancing domestic manufacturing capabilities, have played a crucial role in supporting the oil and gas sector's recovery. The ongoing transition toward renewable energy sources and green technologies highlights the government's commitment in ensuring a sustainable and robust energy future. Moving forward in 2024-25, these initiatives are expected to be pivotal in shaping the sector's growth trajectory.

#### **A. Key Policy Developments in Oil & Gas Sector during FY 2023-24**

The Indian oil and gas sector witnessed significant policy developments during the financial year 2023-24, reflecting the government's commitment to energy security, sustainability, and economic growth. These initiatives underscore India's ambition to transition to a cleaner and more resilient energy future.

1. **Targeted Subsidy Continuation:** The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, approved the continuation of a targeted subsidy of Rs.300 per 14.2 kg cylinder for beneficiaries of the Pradhan Mantri Ujjwala



- Yojana (PMUY). This subsidy will cover up to 12 refills per year during FY 2024-25, aimed at easing the financial burden on low-income households.
2. **Green Hydrogen Production Support:** In alignment with global sustainability goals, the government has introduced schemes and financial incentives to bolster domestic manufacturing of electrolyzers and promote the production of green hydrogen. This initiative supports the target of producing 5 million tonnes of green hydrogen annually, fostering a sustainable environment for future generations.
  3. **Renewable Energy Capacity Expansion:** The government has set a remarkable goal by inviting bids for 50 GW of renewable energy capacity annually for the next five years until FY 2027-28. This initiative is a crucial step towards achieving the ambitious target of 500 GW of non-fossil fuel capacity by 2030, facilitating a faster energy transition.
  4. **Comprehensive Energy Transition Strategy:** To enhance energy security and self-reliance, the government has taken substantial steps towards energy transition, exploring avenues in renewables, energy storage, e-mobility, biofuels, and green hydrogen. These initiatives are pivotal in helping India achieve its net-zero targets by 2070.
  5. **Revised Domestic Gas Pricing Guidelines:** The Cabinet's decision on revision of domestic gas pricing guidelines aims to establish stable pricing regime for domestic gas consumers. This reform not only protects producers from market fluctuations but also encourages enhanced production, thereby promoting the consumption of natural gas and advancing towards a gas-based economy.
  6. **Mandatory CBG Blending:** The National Biofuels Coordination Committee (NBCC) announced the phased introduction of mandatory blending of Compressed BioGas (CBG) in the CNG and PNG segments. This initiative is expected to stimulate CBG demand in CGD sector, reduce reliance on LNG imports, and promote circular economy and assist in achieving the target of net zero emissions. In addition, Sustainable Aviation Fuel (SAF/Bio-ATF) initial indicative blending percentage targets were also set by the committee.
  7. **City Gas Distribution Expansion:** In November 2023, the Hon'ble Minister of Petroleum & Natural Gas launched the 12<sup>th</sup> CGD bidding round, aiming to achieve 100% coverage across the country. This initiative will expand access to natural gas for households, industrial, and commercial facilities, advancing India's goal of a gas-based economy.
  8. **Electric Vehicle Adoption Platform:** To support the growing electric mobility segment, the Union Minister for Power launched a digital platform providing near real-time data on electric vehicle adoption and battery demand. This platform addresses the need for macroeconomic data and analysis in the burgeoning EV market.
  9. **Carbon Credit Trading Scheme:** The launch of the Carbon Credit Trading Scheme (CCTS) is a significant advancement in incentivizing emission reductions in the industrial and power sectors. This scheme aligns with India's Nationally Determined Contributions (NDC) and long-term net-zero emissions target by 2070.
  10. **OALP Bid Round-IX Launch:** Continuing its focus on Exploration and Production (E&P) activities, the government initiated OALP Bid Round-IX, offering 28 blocks across various sedimentary basins. This initiative reflects the government's commitment to enhancing domestic oil and gas production.

11. **FAME India Scheme Expansion:** The Ministry of Heavy Industries increased the outlay for the FAME India scheme Phase II from Rs.10,000 crore to 11,500 crore. This initiative aims to broaden the landscape for electric vehicles in India, highlighting the government's commitment to a cleaner future.
12. **Green Hydrogen Pilot Projects:** The government announced guidelines for pilot projects on the use of green hydrogen across multiple sectors, including transport, steel, and shipping. These projects will develop necessary infrastructure and contribute to sustainable energy solutions. While the use of green hydrogen in the transport sector will lead to development of necessary infrastructure including refuelling facilities and distribution infrastructure, its use in steel sector will be beneficial in the Direct Reduced Ironmaking (DRI) process; Blast Furnace; and further, substitution of fossil fuels with green hydrogen in the shipping sector would be beneficial in development of necessary infrastructure including refuelling stations, storage, and distribution networks.
13. **Viability Gap Funding for Battery Storage:** The finalization of operational structure for Viability Gap Funding (VGF) for developing Battery Energy Storage Systems (BESS) with a capacity of 4,000 MWh is a welcome step towards energy transition. This initiative will support the growing demand for power while ensuring environmental sustainability.

These policy developments highlight India's proactive approach in navigating the complexities of the oil and gas sector while ensuring a sustainable and secure energy future. By fostering innovation, promoting cleaner technologies, and enhancing energy access, the government is laying the groundwork for a resilient energy landscape.

## B. Various Events/ Conferences/Webinars organized by FIPI during FY 2023-24

In the last financial year, FIPI remained attuned to the rapidly evolving industry landscape, continuing its efforts to enrich the sector by organizing a range of physical and virtual events, conferences, knowledge-sharing sessions, and webinars. Some of the events organized include:

1. On April 19, 2023, FIPI, in collaboration with bp India, organized the bp Energy Outlook – 2023 edition in New Delhi. Mr. Spencer Dale, Group Chief Economist of bp plc, delivered an in-depth presentation on the bp Energy Outlook 2023. He noted that recent events have underscored the complexity and interconnectedness of the global energy system, highlighting the necessity to address all three dimensions of the energy trilemma. Providing India's perspective on the energy transition, Mr. Dale emphasized the strong growth in primary energy in India, driven primarily by renewables, and to a lesser extent, by natural gas and nuclear energy. This growth is underpinned by a rising population, industrialization, and increasing prosperity.
2. On June 7, 2023, FIPI, organized the FIPI Oil & Gas Awards for 2022 in New Delhi. The event was attended by the Hon'ble Minister of Petroleum & Natural Gas and Housing and Urban Affairs, Shri Hardeep Singh Puri, the Hon'ble Minister of State for Petroleum and Natural Gas & Labour and Employment, Shri Rameswar Teli, Secretary, MoP&NG, along with other senior leaders from oil and gas industry and awardees from various companies. The FIPI Oil and Gas Awards were established to recognise the leaders, innovators, and pioneers within the oil and gas sector. In response to the evolving energy landscape, FIPI introduced clean energy awards to recognize the efforts of



organizations in fields such as hydrogen and CBG. The objective of the FIPI Oil & Gas Awards is to felicitate excellence in the Indian oil & gas sector.

3. On June 28, 2023, FIPI, in collaboration with EY, organized a webinar on 'Green Hydrogen'. The session aimed to highlight the strategies adopted by companies worldwide, as well as the key opportunities and challenges in facilitating India's hydrogen transition. The webinar garnered an impressive response, attracting approximately 400 professionals from across the oil and gas value chain.
4. On August 10, 2023, FIPI, in collaboration with KPMG, organised a webinar on the 'Carbon Credit Market'. The session aimed to illuminate the expanding carbon credit market and the regulatory frameworks in India and globally, along with its significance for oil and gas stakeholders. The webinar received a remarkable response, drawing over 250 professionals from various sectors of the oil and gas value chain.
5. On October 18, 2023, FIPI, in collaboration with S&P Global, organised a webinar on 'Carbon Markets'. The session aimed to explore the fundamentals of carbon markets, including carbon credits and allowances, while distinguishing between voluntary and compliance markets. The webinar garnered significant interest, attracting over 200 professionals from various sectors of the oil and gas value chain.
6. On November 17, 2023, FIPI, in collaboration with HDFC Bank Limited, organized a half-day seminar on "Overseas Direct Investment (ODI) Regulations and its Compliance" in New Delhi. The seminar showcased the key changes in ODI regulations and the associated compliance mechanisms. It was attended by senior finance officials from the oil and gas industry.
7. On December 5, 2023, FIPI, in partnership with EY, organised a webinar on the 'Digital Personal Data Protection Act, 2023'. The webinar was conducted to shed light on the Act which governs the processing of digital personal data while recognizing individuals' rights to protect their personal information and the necessity of processing such personal data for lawful purposes.
8. On February 2, 2024, FIPI, organized a post - budget analysis session on Interim Budget, in association with EY as the knowledge partner. The session aimed to analyse the recently presented Interim Budget and assess its impact on the economy and India's oil and gas industry. A panel discussion was held to discuss the main features of the Budget. The session was attended by CFOs from leading public & private sector companies, along with other industry leaders and participants. The session received positive feedback for its content and was appreciated by all.
9. FIPI, under the patronage of the MoP&NG, Government of India, organised India Energy Week (IEW) 2024, India's flagship energy event, held between February 6-9, 2024 in Goa. Hon'ble Prime Minister Shri Narendra Modi inaugurated the India Energy Week (IEW) 2024. The theme of the event "Growth, Collaboration, Transition," reflected India's leadership role in the battle against climate change, thereby providing a platform for stakeholders across the energy spectrum to exchange ideas and explore opportunities. The event attracted over 54,000 attendees, 446 exhibitors, 362 speakers spread across 91 conference sessions and 4,564 delegates from over 120 countries.

Additionally, several ministerial, leadership, technical sessions and roundtables were conducted, exploring various themes such as the energy transition in the Global South, building a future-ready energy stack, chartering the roadmap for

alternative fuels to enhance energy options, and examining the impact of localization, regionalization and globalization on energy-related industrialization and manufacturing processes.

To further enhance the event, FIPI set up a stall at IEW 2024 showcasing infographics related to its core competencies and major advocacy areas, along with publications such as the Annual Report and quarterly and monthly publications, information about member organizations, and various studies conducted.

Moreover, as part of the FIPI student chapters initiative, FIPI provided sponsorship support for the participation of two students from each of the 11 FIPI student chapters at IEW 2024, offering them first-hand exposure to the latest technological advancements in the hydrocarbon industry, as well as networking opportunities.

IEW 2024 also included the Energy Startup Challenge, where EyeROV Technologies Private Limited was awarded the first prize, followed by Vasitars Private Limited in second place and Aloe Ecell in the third. Honorary mentions were given to Biofuels Junction and VDT Pipeline Integrity Solutions, highlighting the innovation and entrepreneurial spirit within the Indian energy sector.

10. On March 21, 2024, FIPI, in collaboration with EY, organized a webinar on 'Biofuels in India'. The session aimed to illuminate the strategies adopted by companies worldwide concerning established biogas/biofuel pathways, as well as the key opportunities and challenges in creating a robust ecosystem for biofuels in India. The webinar received an enthusiastic response, attracting over 300 professionals from various sectors of the oil and gas value chain.

FIPI has participated in the following international events and conferences:

1. **24<sup>th</sup> World Petroleum Congress:** The 24<sup>th</sup> World Petroleum Congress (WPC) was held from September 17 to 21, 2023, in Calgary, Canada. The theme of the conference was "Energy Transition: The Path to NetZero." FIPI coordinated and set up an India Pavilion at the WPC Exhibition on behalf of the Indian oil and gas industry, in partnership with Oil & Natural Gas Corporation Limited, Oil India Limited., Engineers India Limited and Petronet LNG Limited.
2. **Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) 2023:** The Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) 2023 was held from October 2 to 5, 2023, in Abu Dhabi, UAE, under the patronage of the UAE government. FIPI, under the aegis of the MoP&NG, coordinated to set-up the India Pavilion on behalf of the Indian oil & gas industry at ADIPEC 2023. Nine major oil & gas companies participated, showcasing their technologies and facilities to global organizations during the event. The theme for India Pavilion was "Innovation & Collaboration - Driving India's Energy Transformation." The FIPI stall was inaugurated by the Hon'ble Minister of Petroleum & Natural Gas and Housing & Urban Affairs, Shri Hardeep Singh Puri, on October 2, 2023.



FIPI has conducted the following studies:

1. On behalf of its member companies, FIPI conducted a study on 'Emerging Hydrogen Market and its Opportunities in India' to assess the hydrogen market's potential in the country. The study was carried out by ICF as the Knowledge Partner. Following the completion of the study, ICF presented the final findings to all study partners and subsequently submitted the report.
  2. FIPI, representing its member companies, carried out a study on 'Analysis of Revenue and Impact on the Oil Industry and Other Sectors Due to the Exclusion of Five Petroleum Products from GST and Recommendation for their inclusion under GST.' The study was updated by Deloitte for the reference years, FY 2018-19, FY 2019-20, and FY 2020-21. After incorporating feedback and inputs from the study partners, Deloitte submitted its final report.
  3. Under the guidance of the MoP&NG, FIPI carried out a study with BCG as the knowledge partner to promote the Indian Exploration and Production (E&P) sector and enhance E&P activities among international operators and investors. The report identified key issues that require attention and outlined investors' expectations regarding investment opportunities in India's E&P sector. BCG submitted an "Investors Engagement" report to the Ministry and the Directorate General of Hydrocarbon (DGH), highlighting the critical issues related to investment opportunities in the country's E&P sector.
  4. FIPI collaborated with a knowledge partner on study related to the Global Biofuel Alliance, aimed at establishing a Global Biofuel Alliance (GBA) among interested countries under India's G20 Presidency. This Alliance aims at facilitating cooperation and enhancing the use of sustainable biofuels, particularly in the transportation sector. It emphasises strengthening markets, facilitating global biofuels trade, development of concrete policy lesson-sharing, and providing technical support for national biofuels programs worldwide.
  5. FIPI, in collaboration with five partner organizations, initiated a comprehensive study on the "Role and Potential of Natural Gas in Mitigating Industrial Air Pollution." The Energy and Resources Institute (TERI) was appointed as the research partner for this study, which focuses on three key industrial clusters: Gurgaon (Haryana), Varanasi (Uttar Pradesh), and Sangareddy (Telangana). The findings of the submitted report helped in advocating for adoption of natural gas in these industrial clusters, thus moving towards government's vision of gas – based economy.
  6. FIPI, on behalf of its members, had carried out a study on "Role of CCUS in India's Energy Sector" in partnership with EY to evaluate the impact of CCUS in India's energy landscape. Eight industry members- IOCL, BPCL, HPCL, GAIL, HMEL, ONGC, OIL and Nayara Energy agreed to participate in this study. EY had submitted the final report in June 2024.
- C. Recommendations submitted to various Ministries, State Governments and Regulators**
- FIPI has been highly proactive in representing industry concerns to key stakeholders. During the fiscal year 2023-24, FIPI has taken up the following issues with relevant various Ministries, State Governments and Regulators.
1. **Revision of fee for Consent For Operation (CFO) for Oil and Gas in Andhra Pradesh:** Submitted to the Government of Andhra Pradesh, requesting a revision in CFO fees for the oil and gas sector.

2. **Impact of Special Additional Excise Duty ("SAED") on Domestic Upstream Industry:** Raised concerns with the MoP&NG about the burden of SAED on domestic producers.
3. **Exemption from Applicability of Significant Economic Presence (SEP):** Sought exemption from SEP provisions under the Income Tax Act for traditional import transactions.
4. **Exemption from Levies of Non-GST paid Ethanol/Bio diesel:** Requested an exemption for non-GST paid ethanol and biodiesel used in blending with petrol and diesel by OMCs.
5. **Supply of LPG by standalone Refineries / Fractionators to PSU Oil Marketing Companies (OMCs) for the period 01/07/2017 to 24/01/2018:** Appealed to the MoP&NG to issue a suitable clarification to ensure that transactions between PSU OMCs, SARs/Fractionators with PSU OMCs, inter-state stock transfers of PSU OMCs, and transactions from PSU OMCs to retailers for specific end uses of LPG were covered under entry no. 165 & 165A of Schedule I, subject to a 5% GST levy effective from July 1, 2017, to prevent disputes raised by field formations.
6. **Pre-Budget Memorandum 2024-25:** Submitted to the Ministry of Finance (MoF), MoP&NG and Ministry of New & Renewable Energy (MNRE) with proposals related to tax-related reforms and industry incentives.
7. **Update on draft Petroleum (Amendment) Rules, 2021:** Requested updates from the MoP&NG on the status of amendments to the Petroleum Rules.
8. **Removal of Registration of Retail Outlets under Factories Act:** Requested the MoP&NG to remove registration requirements for retail outlets under the Factories Act.

9. **Advocacies from Downstream Committee Meeting:** Submitted proposals to the Ministry of Road Transport and Highways (MoRTH) regarding key outcomes from the FIPI Downstream Committee meeting.

FIPI continues to lead the way in representing its member companies by addressing various challenges pertaining to the oil and gas sector, and will persist in advocating for the resolution of their concerns at relevant forums. Throughout the fiscal year 2023-24, FIPI organised numerous committee meetings with industry members to deliberate on matters relevant to the oil and gas domain.

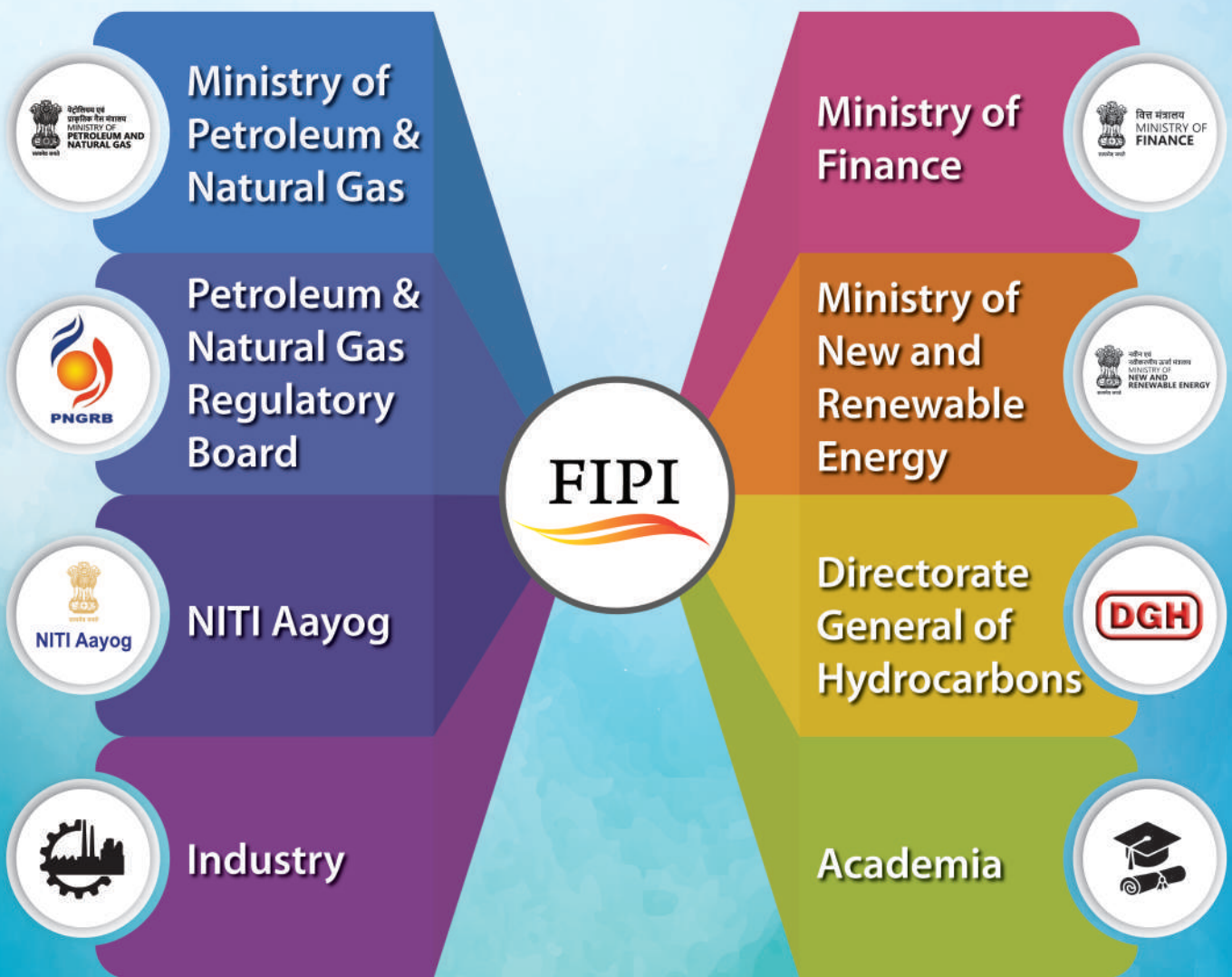
The hydrocarbon sector has been instrumental in driving the nation's economic growth over the last decade. With the introduction of innovative energy alternatives, we are on a path towards a more sustainable and cleaner future. We maintain a robust confident that, bolstered by supportive policies, our sector continues to innovate and integrate low-carbon solutions into the energy landscape, reinforcing its commitment to delivering sustainable energy solutions to diverse segments and businesses throughout the country.

On behalf of the Federation of Indian Petroleum Industry, I convey our sincere gratitude to our valued members for their persistent support, trust, and belief in our endeavours. The Indian oil and gas sector is persistently evolving and is committed to being a frontrunner in providing nationwide, efficient, and green energy solutions. I want to reaffirm that FIPI stands firm in its support to the industry, spearheading dialogues on crucial issues and playing a pivotal role in the unfolding growth story of our sector.

Wishing you the very best!



# Partnering Inclusive Growth



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# Policy Advocacy





# Major Advocacy Areas



## UPSTREAM

### 1. Revision of fee for Consent For Operation (CFO) for Oil and Gas for Andhra Pradesh

Submitted to: The Chief Secretary, Government of Andhra Pradesh

FIPI, on behalf of its member companies, requested the Government of Andhra Pradesh for revision of fee for Consent for Operation (CFO) for Oil & Gas for the state of Andhra Pradesh which was notified by the Government of Andhra Pradesh vide G.O. Ms. No. 10 dated 14<sup>th</sup> February 2023 regarding the annual fee for grant of Consent for Operation pursuant to Air Act and Water Act. Though the industry welcomed the decision of the Government of Andhra Pradesh to downward revision of the annual fee for crude oil and natural gas compared to the rate notified vide G.O. Ms dated 26 February 2021, however, even after the downward revision, the CFO fee continued to be very high as compared to fees before February 2021 and charges by other states.

It was pointed out that oil & gas exploration and production activities do not fall under the category of highly polluting industries as notified by the Central Pollution Control Board (CPCB). On the contrary, a few other industries which have high levels of pollution are asked to pay less fees as per the revised rate under G.O. Ms. No. 10. In this context, the following key points were submitted:

- a. E&P companies are investing in complying the prescribed environmental standards under laws and industry practices. And hence the CFO fee may reflect the administrative cost for processing and issuing CFO/Consent To Operate (CTO).
- b. Despite the revision, the fee imposed by the Government of Andhra Pradesh remains considerably higher than that charged by other states for issuing CFO/CTO for oil and gas projects under the Water and Air Acts.
- c. Another important issue submitted was that the rate on unit volume basis for oil and gas is same i.e., Rs 0.10 per Standard Cubic Metre (SCM). In energy content term One SCM of oil is equivalent more than 1000 SCM of gas. Therefore, there is a need to rationalize the per SCM rate of annual charges by applying energy equivalent conversion factor. It was also submitted that Government of India is making every effort to promote natural gas being cleaner fossil fuel and increase its share to 15% in India's energy mix by 2030.
- d. The annual rate applicable for CFO prior to 14 February 2023 may be the rate prevailing prior to the G.O. Ms dated 26 February 2021 and this rate may be applied for regularization CFOs for intervening period.

In the above background and given the importance of oil and gas to the economy and energy security objective, the Government of Andhra Pradesh was requested to reduce the CFO fee on gas to bring parity with annual CFO/CTO fee on oil in energy term and for the period prior to 14 February 2023, annual fee be charged at the rate prevailing prior to 26 February 2021.

# FINANCE

## 1. Impact of Special Additional Excise Duty ("SAED") on Domestic Upstream Industry

Submitted to: The Secretary, Ministry of Petroleum and Natural Gas

FIPI, on behalf of its member companies appealed the (MoP&NG) for withdrawal of Special Additional Excise Duty (SAED). SAED was imposed under section 147 of Finance Act, 2002, and was levied in July 2022 as a "windfall tax". It was submitted that the upstream industry has been adversely impacted by the SAED and FIPI as an industry body, as well as the upstream operators have been already making requests to the Government of India for the withdrawal of this levy from time to time. In this regard, the following concerns of the upstream operators were submitted:

- a. Given that India has a high dependency on imports at nearly 87% of the country's crude oil requirements, it is vital to take measures towards increasing domestic crude oil production.
- b. Domestic producers are at a disadvantage vis-a-vis imported oil.
- c. The upstream oil & gas producers in India are already subject to various levies such as Royalty, OID Cess, Basic Excise Duty, NCCD, and Profit Petroleum.
- d. The vision of the government is rightly oriented on a shift of focus from 'revenue' to 'production maximization' and is a welcome move.
- e. At the same time, it is to be noted that it is the existing oil & gas fields which can increase production in the immediate future. However, most of the fields in India which are currently producing are already in the mature or declining phase and operators need to make additional investments in recovery methods and growth projects towards enhancing and even sustaining production. In terms of international practices followed, the policy parameters for mature fields accord primacy towards maximization of long-term economic recovery.
- f. Oil & Gas projects are already subjected to volatility in oil prices. Further, oil & gas projects entail long-cycle and high capital - intensive investments with high economic risk. To boost investor confidence and attract investments in this industry, the importance of a predictable policy environment and fiscal stability in the taxation structure is warranted.

## 2. Exemption from Applicability of Significant Economic Presence (SEP) under Income Tax Act on Traditional Import transactions

Submitted to: The Secretary, Ministry of Petroleum and Natural Gas

FIPI, on behalf of its member companies, appealed the MoP&NG to prevent the unintentional inclusion of SEP on conventional import transactions and mitigate the potential negative impact by modifying Explanation 2A to Section 9 of the Income Tax Act to limit SEP's scope to digital transactions and technology – enabled models, aligning with the Finance Bill memorandum's objective.

**Significant Economic Presence (SEP)** - The memorandum accompanying the Finance Bill 2018 emphasized that traditionally, non-residents were taxed based on their physical presence in India. According to the Income Tax Act, non-residents were only taxable if they had a 'Permanent Establishment (PE)' in the country. However, with advances in information and communication technology, new business models have emerged that



allow non-resident entities to interact with customers in other countries (source country) remotely, without any physical presence. This shift has allowed businesses to avoid taxation in the source country. To address this issue, the memorandum proposed expanding the scope of taxation to include SEP.

SEP was introduced in the Finance Act 2018 through an amendment to Section 9 of the Income Tax Act. This section mandates that any income derived through a business connection in India is deemed to accrue in India. The amendment added Explanation 2A, which clarified that a non-resident entity's SEP in India would establish a business connection, thereby bringing them under Indian tax jurisdiction.

The Finance Act 2020 later revised this explanation, with the new definition becoming effective on April 1, 2022. The revised SEP definition covers transactions involving goods, services, or property by non-residents with persons in India, including digital downloads of data or software, provided the aggregate payment for such transactions in a financial year exceeds a prescribed threshold of Rs. 2 crores (as per a CBDT circular dated May 3, 2021).

**Objective of SEP as per the Memorandum to the Finance Bill** - The memorandum to the Finance Bill 2018 clarifies that the purpose of introducing SEP was to address technology-enabled business models that do not require the physical presence of a non-resident in India. While earlier tax laws focused on physical presence, SEP aims to broaden the tax net to include 'digital' presence.

The memorandum also notes that the concept of SEP is derived from the OECD's BEPS Action Plan 1 report. Action Plan 1 addressed tax challenges in the digital economy and proposed several options for resolving these issues. SEP is based on the factors that facilitate purposeful and sustained interaction with an economy through technology and other automated tools.

**Broad Definition of SEP & its Unintended Coverage** - As highlighted earlier, SEP was intended to cover new business models that did not exist when the physical presence nexus was conceived. However, the language of Explanation 2A is not limited to digital transactions. It covers any transaction involving goods, services, or property carried out by a non-resident with an Indian entity, if the aggregate payment exceeds Rs. 2 crores in a year. This broad wording does not distinguish between traditional and digital transactions, which was the focus of the memorandum to the Finance Bill 2018. Therefore, a literal interpretation of the explanation may result in the inclusion of conventional transactions, contrary to the original intent.

The representation was submitted on behalf of FIPPI's member oil and gas companies-upstream, midstream, and downstream, which regularly import raw materials, chemicals, capital goods, and technical services for their routine operations. Many of their suppliers are non-residents under the Act. The broad scope of Explanation 2A raised concerns that these imports may constitute SEP for these non-resident suppliers, bringing them within the Indian tax regime, which may not align with the original legislative intent.

These companies engage in conventional business transactions that have been in place for years. These transactions are tangible and identifiable and are already subject to import-related taxes and duties. Moreover, these companies fully comply with tax withholding provisions under the current physical presence rules, with no issues of revenue leakage or tax evasion, unlike the digital transactions SEP was meant to target.

## Implications

The unintended inclusion could have significant consequences for these companies:

- i) **Increased costs:** The application of withholding tax provisions could substantially raise the cost of raw materials, such as crude oil, chemicals, etc., if the tax liability is borne by the purchaser.
- ii) **Profitability impact:** The cost of other imported raw materials, capital goods, and services would also rise, severely impacting the profitability of the Representing Companies. This increase would be passed on to consumers, causing inflationary pressures in the broader economy.
- iii) **Compliance burden on suppliers:** The imposition of withholding tax would require non-resident suppliers to file income tax returns in India, creating additional compliance burdens for them. This could make exporting goods and services to India less attractive, posing long-term procurement challenges for the Representing Companies.

## Relief Sought

To prevent the unintentional inclusion of SEP on conventional import transactions and mitigate the potential negative impact, the following relief was sought:

- i) **Retrospective amendment:** Modify Explanation 2A to Section 9 of the Income Tax Act to limit SEP's scope to digital transactions and technology-enabled business models, aligning with the Finance Bill memorandum's objectives.
- ii) **Clarification:** In the interim, issue a clarification that SEP does not apply to conventional import transactions.
- 3. **Exemption from further levies of non-GST paid Ethanol/Bio diesel manufactured by Oil marketing companies (OMC) and used for Ethanol Blended MS (Petrol) and Bio Diesel Blended HSD (Diesel)**  
**Submitted to: The Secretary, Ministry of Petroleum and Natural Gas**

FIPI, on behalf of its member companies, had requested the MoP&NG to exempt Ethanol Blended MS (Petrol) and Bio-Diesel Blended HSD (Diesel) from additional excise duties. These blends, which consist of self-produced non-GST paid Ethanol/Bio-Diesel (since self-consumption is not subject to GST) manufactured by Oil Marketing Companies (OMCs) and excise-paid MS/HSD, should receive the same exemption currently granted to GST-paid procurements.

The MoP&NG, through Notification No. F. No. P-13032(16)/18/2017-CC dated June 8, 2018, had notified the National Policy on Biofuels 2018. The goal outlined in the policy was to improve the availability of biofuels and thereby increase the blending percentage. This was to be achieved by strengthening the ongoing supply of ethanol/biodiesel and increasing domestic production through the establishment of Second Generation (2G) bio-refineries. Additionally, to mitigate the issue of crop stubble burning, a significant cause of environmental pollution, OMCs (Oil Marketing Companies) had initiated the process of setting up Second Generation Bio-Diesel and Ethanol Plants.

OMCs had been procuring ethanol and biodiesel from independent manufacturers for blending with MS (Petrol) and HSD (Diesel) to produce Ethanol Blended MS (Petrol) and Biodiesel Blended HSD (Diesel) for the market. To prevent the double payment of excise duties, the Central Board of Indirect Taxes and Customs (CBIC) had issued exemptions for Ethanol Blended MS (Petrol) and Biodiesel Blended HSD (Diesel), which

were blends of GST-paid ethanol/biodiesel and excise-paid MS/HSD.

In support of the government's aim to reduce import dependency and minimize pollution, several OMCs had established their own 2G Ethanol and Bio-Diesel manufacturing plants at various locations where raw materials were available. The ethanol and biodiesel produced were used for blending. Since the OMCs were producing these products themselves, the self-consumption of ethanol/biodiesel produced was not subject to GST, resulting in the non-applicability of the exemptions outlined in the previous notifications, as the self-produced ethanol/biodiesel used by OMCs had not been subject to GST.

The economic viability of the manufacturing facilities established by OMCs had become challenging due to the lack of extension of the current excise exemptions to OMCs producing and consuming their own biofuels. The captive use of self-produced ethanol/biodiesel, which was not subject to GST, had placed these facilities outside the scope of the existing exemptions.

In this regard, FIPI on behalf of its member companies requested that Ethanol Blended MS (Petrol) and Bio Diesel Blended HSD (Diesel) which is a blend of self-produced non – GST paid ethanol/ bio diesel (self-consumption will not attract GST) manufactured by OMC's and Excise paid MS/HSD may be exempted from further duties of excise as is currently being exempted for GST paid procurements.

**4. Supply of LPG by standalone Refineries / Fractionators to PSU Oil Marketing Companies (OMCs) for the period 01/07/2017 to 24/01/2018**

**Submitted to: The Secretary, Ministry of Petroleum and Natural Gas**

FIPI, on behalf of its member companies, appealed the MoP&NG to issue a suitable clarification to ensure that transactions between PSU OMCs, SARs/Fractionators with PSU OMCs, inter-state stock transfers of PSU OMCs, and transactions from PSU OMCs to retailers for specific end uses of LPG were covered under entry no. 165 & 165A of Schedule I, subject to a 5% GST levy effective from July 1, 2017, to prevent disputes raised by field formations.

To meet the growing LPG demand and enhance logistics efficiency, PSU OMCs procured LPG from other PSU OMCs, Standalone Refineries (SARs) such as Reliance Industries Ltd (RIL), Nayara Energy Limited, and fractionators like, Oil and Natural Gas Corporation Limited (ONGC) and GAIL (India) Limited.

Based on the GST notifications issued by CBIC, LPG procured from SARs, fractionators like ONGC/GAIL, and OMCs for onward supply by PSU OMCs to household domestic consumers/NDEC customers through their distributors was levied at a concessional rate of 5% GST. Furthermore, OMC distributors also charged 5% GST on supplies made to household domestic consumers/NDEC customers.

CBIC issued Circular No. 80/54/2018-GST dated December 31, 2018, clarifying that LPG supplied in bulk, whether by a refiner or fractionator to an OMC or by one OMC to another for bottling and further supply for domestic use, would fall under S. No. 165A of Notification No. 1/2017-Central Tax (Rate) dated June 28, 2017, and would, accordingly, attract a GST rate of 5%, effective from January 25, 2018.

However, this circular raised concerns regarding the GST rate for LPG supplied in bulk by refineries or fractionators to OMCs, or between OMCs, for the period between July 1, 2017, and January 24, 2018 (before the effective date of the circular).



Following the issuance of this clarification, show cause notices were issued in November 2018 by the Commissioner of GST, Gujarat to Nayara Energy, Reliance Industries Limited, GAIL, and ONGC, demanding a differential GST of 13% on sales made during the period from July 1, 2017, to January 24, 2018. The demand was based on the claim that LPG supplied by these companies to PSU OMCs for onward supply to household domestic consumers/NDEC customers was not eligible for the concessional 5% tax rate. Additionally, the GST Audit Cell of Madhya Pradesh issued an audit memo noting a short payment of GST of 13% during this period on GAIL's transactions.

This clarification led to unintended consequences, as the LPG purchased during this period was exclusively used for domestic purposes. The omission of the period from July 1, 2017, to January 24, 2018, from the concessional GST rate appears to have been unintended and is considered unjustified.

Therefore, FIPI on behalf of its member companies, submitted that suitable clarification may be issued so that transactions between PSU OMCs, SARs/Fractionators with PSU OMCs, inter-state stock transfers of PSU OMCs, and PSU OMCs to the retailers for specific end use for LPG are covered under entry no. 165 & 165A of the Schedule I for the levy of 5% GST right from 1st July 2017 and disputes raised by the field formation are avoided.

## **5. Pre-Budget Memorandum 2024-25**

FIPI, on behalf of its member companies, submitted the Pre-Budget Memorandum 2024-25 to the MoP&NG, MoF, and MNRE. The memorandum proposed various tax relief measures, clarifications, and modifications to ensure the continued growth and competitiveness of the sector.

### **1. Some key points include:**

#### **a) Direct Taxes:**

- **Tax Holidays & Deductions:** Proposals to restore tax holidays for new blocks under the Open Acreage Licensing Policy (OALP) and increase deductions for enhanced oil recovery (EOR) and exploration expenses.
- **Investment Allowances:** Recommends the restoration of investment allowances for the sector, which would incentivize capital investments in plant and machinery.
- **TDS Exemptions:** Seeks clarification and exemptions for the deduction of tax at source (TDS) in certain transactions, particularly those affecting public sector oil marketing companies (OMCs).

#### **b) Indirect Taxes (GST & Customs):**

- **Inclusion of Petroleum Products in GST:** Recommends the inclusion of petroleum products like natural gas and aviation turbine fuel (ATF) under GST to create a uniform tax regime.
- **Customs Relief:** Proposes various exemptions from customs duties for LNG imports and oilfield equipment to support upstream and downstream operations.

### **2. Natural Gas Pricing:** Advocates for clear guidelines and safe harbor rules for transfer pricing, specifically for LNG imports, to avoid complex litigation and promote smooth trade operations.

3. **Site Restoration Funds:** Proposes modifications to allow oil and gas companies to withdraw from the site restoration funds for ongoing abandonment activities, even if they are not tied to the expiry of agreements or contract terminations.
4. **General Proposals:** Suggestions for refining industry taxation mechanisms, such as tax loss carry back and the removal of inventory valuation requirements, to ease compliance burdens.

These recommendations were aimed at driving investment, reducing the tax burden, and supporting sustainable energy transition efforts in the oil and gas industry.

## Downstream

1. **Request for an update on the draft Petroleum (Amendment) Rules, 2021**  
Submitted to: Joint Secretary (Mktg. & Oil Refinery), Ministry of Petroleum and Natural Gas

FIPI, on behalf of its member companies, requested the MoPNG to convert the draft Petroleum (Amendment) Rules, 2021 into Gazette at the earliest. These draft rules were initially published by MoPNG following representations from member companies. One key rule that was emphasized as beneficial for members pertains to the import of samples i.e., small quantities of petroleum products into India by air for Research and Development (R&D). This would ensure that time-sensitive samples arrive within their shelf-life, significantly boosting R&D activities, positioning India as a leading R&D hub in the oil & gas sector, and contributing to the upskilling of local professionals in the R&D industry.

2. **Removal of Registration of Retail Outlets under Factories Act and Rules**  
Submitted to: Minister of State, Ministry of Petroleum and Natural Gas

FIPI, on behalf of its member companies, requested the MoPNG for reforms in the Factories Act, 1948, specifically the removal of "Retail Outlets" from its purview to facilitate Ease of Doing Business. Currently, the establishment and operations of Retail Outlets are governed by the Petroleum Act, 1934, and Petroleum Rules, 2002, which prescribe strict regulations for safety, storage, transportation, sale, and day-to-day monitoring. However, the Factories Act 1948, includes "Pumping of Oil" under the definition of a manufacturing process, which mandates Petroleum Retail Outlets that use pumps to fill vehicles with MS/HSD from underground tanks to register as factories under the Act. In this regard, it was submitted that no manufacturing activity occurs at Retail Outlets, as there is no change of product or alteration of fuel, and the magnitude of operation is limited to dispensing fuel to vehicles. Mere dispensing of MS/HSD and other automotive fuels like CNG/Auto LPG/CBG/ethanol blended MS from storage facilities to vehicles may not be classified as a manufacturing activity.

Setting up an RO already requires around 25 approvals, which typically take 6 to 8 months before construction can even begin. In this regard, relevant extracts of the Factories Act along with suggested amendments to the definition of a "Manufacturing Process" were submitted by FIPI to the Ministry.

**3. Downstream Committee Meeting held on 21<sup>st</sup> September 2023 for advocacy on Way Side Amenities development**  
**Submitted to: Secretary, Ministry of Road Transport and Highways**

FIPI, on behalf of its member companies, requested the MoPNG to convert the draft e Ministry.

FIPI organized a Downstream Committee meeting on September 21, 2023, attended by all major downstream oil and gas companies in India. Following discussions at the meeting, FIPI, on behalf of its member downstream companies, submitted key requests to the Ministry of Road Transport and Highways (MoRTH), focusing on the below mentioned critical issues:

**Development of Way Side Amenities (WSA):** The National Highways Authority of India (NHAI) offers sites along national highways for the establishment of Way Side Amenities (WSA) in conjunction with fuel stations through a bidding. The successful bidder is required to set up WSA facilities and fuel stations and begin operations as per the Request for Proposal (RFP) timeline. Failure to do so results in penalties and interest imposed on the concessionaire. However, upon reviewing the progress of WSA sites, it was found that several common issues were hindering development, including:

- a. **The signing/registration of the lease agreement of the allotted WSA site should only occur after compliance of the following:**
  - i. Land title clearance and land conversion (if applicable).
  - ii. Site demarcation and removal of any unauthorized constructions, encroachments, and removal/re-routing of HT Lines, rocks, trees or roads on the site and approach/exit lanes.
  - iii. Completion of facilities by NHAI in line with RFP specifications, including the provision of essential utilities like power and water.
  - iv. To ensure there is no litigation/court cases involving the site.
  - v. Joint identification of facility gaps and deficiencies by a team, with signed minutes. As a standard checklist between the concessionaire and NHAI at the time of handing/taking over the WSA site.

FIPI emphasized that, based on these issues, the zero date for the concessionaire period (i.e., the signing/registration of the lease agreement) should only be counted once NHAI has fulfilled these fundamental requirements.

Additionally, FIPI requested NHAI's support on the following points:

- i. **Completion of facility gaps:** FIPI requested NHAI That these activities can be carried out simultaneously with the lessee's scope of work to expedite the process.
  - ii. **Approval of WSA layout and access permissions:**
  - iii. **Lease rental payment:** The lease rental payment to NHAI should follow the conditions outlined in the RFP, i.e., the payment will commence after 8-10 months from either the registration of the lease deed or the handover of the site, whichever comes later.
- b. **Bidding process restrictions:** NHAI's current norms specify that entities with more than 10 WSA sites in development or operational stages are ineligible for additional WSA land parcels. FIPI highlighted that this clause restricts oil marketing companies from establishing fuel and gas stations on important new greenfield expressways. FIPI emphasized that the existing condition is restrictive and should be reconsidered to foster fair competition and encourage broader participation.



- c. Oil Companies are forming partnerships with private WSA concessionaires to award fuel station dealerships and sign lease/sub lease/dealership agreements, following the standard practice outlined in the MoP&NG communication dated August 13, 2021, to Oil Marketing PSUs. These companies are making significant investments in setting up fuel and gas stations. However, if NHAI prematurely terminates the concessionaire agreement, the oil companies' dealership contracts with the concessionaire would become null and void, putting their investments at risk.

To mitigate this concern, FIPI requested NHAI to issue general guidelines or a letter of assurance to oil companies, ensuring that the operation of fuel and gas stations can continue for the remaining concessionaire period in such cases. They further suggested that NHLML (National Highways Logistics Management Limited) work with the oil companies to finalize the specific modalities for addressing such situations.

- d. FIPI also requested that NHAI issue GST tax invoices for lease rental services provided to concessionaires, as any services supplied by NHAI to private entities or concessionaires are covered under the forward charge mechanism of GST provisions. This would ensure compliance with GST regulations and provide clarity for concessionaires regarding tax obligations.
- e. FIPI also highlighted an issue with NHAI that advertising WSA sites located on national highways or brownfield highways lack warm shell/civil construction, demarcation, or fencing. FIPI requested that NHAI may advertise these sites after the necessary development work is completed, including the approach/exit/service road, land filling, and the construction of boundary or retention walls/fencing. This would enable potential bidders to accurately assess the capital expenditure (capex) required for the site before participating in the tender process.

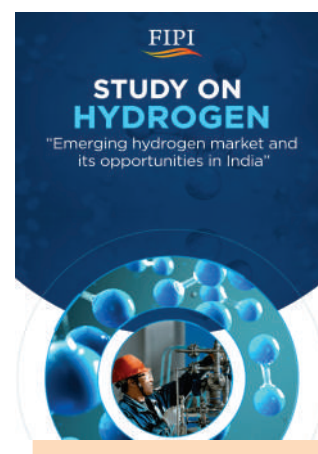
# Research Reports



## 1. Study on Hydrogen- “Emerging hydrogen market and its opportunities in India”

FIPI, with the support of various oil and gas organizations including IOCL, Jio BP, BPCL, HPCL, HMEL, GAIL, Shell, ONGC, PIL, Exxon Mobil, and Nayara Energy, initiated a study on the emerging hydrogen market and its opportunities in India. ICF was engaged as the research partner for this study and was awarded the work in July 2022. On July 17, 2023, ICF submitted the final report to all stakeholders involved.

The primary objective of the study was to assess the hydrogen market potential in India by identifying trends in consumption, production, storage, and distribution. The study also aimed to analyse technological barriers, cost competitiveness of hydrogen technologies, and explore innovative applications of low-cost hydrogen to reduce India's carbon footprint.



## 2. GST impact study on Excluded Petroleum Products



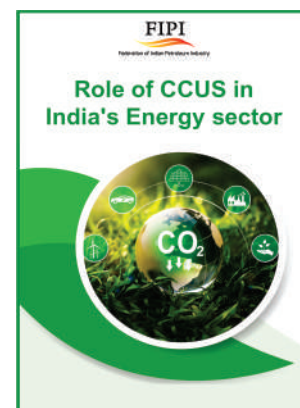
FIPI, at the request of MoP&NG and on behalf its industry members, conducted a study on the impact of GST on excluded petroleum products. The study aimed to analyse how keeping petroleum products outside the GST framework affects the oil and gas sector and government revenues. It also provided recommendations for bringing these products under GST and assessed the potential impact on allied sectors. Deloitte served as the knowledge partner for this study.

In Phase 1, Deloitte examined the effects of excluding five petroleum products from GST during the periods July 2016 - June 2017 and July 2017 – June 2018, estimating the Revenue neutral Rate (RNR) for each product. In Phase 2, Deloitte updated the study for FY 2018-19, FY 2019-20, and FY 2020-21, estimating the RNR for these products. The final report was submitted in June 2023.

## 3. Role of CCUS in India's Energy sector

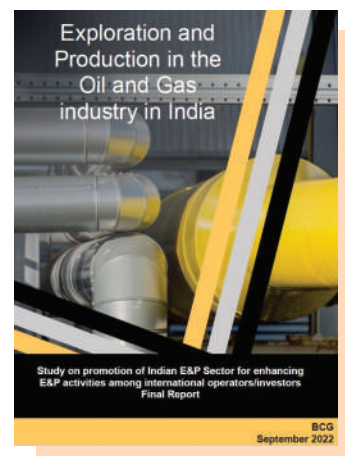
FIPI, on behalf its industry members, conducted a study on the "Role of CCUS in India's Energy Sector." The objective of the study was to assess the significance and role of Carbon Capture, Utilization, and Storage (CCUS) in the energy sector, examining technology trends, cost pathways, market potential, carbon pricing, and the interventions needed to create a robust CCUS environment in India.

The study was conducted in partnership with eight industry members: IOCL, BPCL, HPCL, GAIL, HMEL, ONGC, OIL and Nayara. EY was engaged as the research partner for this study, and the final report was submitted in June 2024.



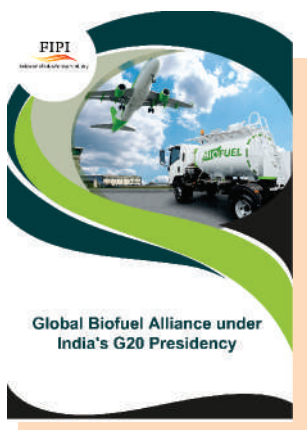
#### 4. Promotion of Indian E&P Sector for enhancing E&P activities among International Operators/Investors – Phase I and II

Under the guidance of the MoP&NG, FIPI carried out a study with BCG as the knowledge partner to promote the Indian Exploration and Production (E&P) sector and enhance E&P activities among international operators and investors. To achieve this goal, BCG organized roadshows in London and Houston. BCG submitted an "Investors Engagement" report to the Ministry and DGH, which highlighted the key issues that need attention and outlined investors' expectations regarding investment opportunities in India's E&P sector. The phase I & II of this study/assignment has been completed and the partnering organisations for the study were ONGC and OIL.



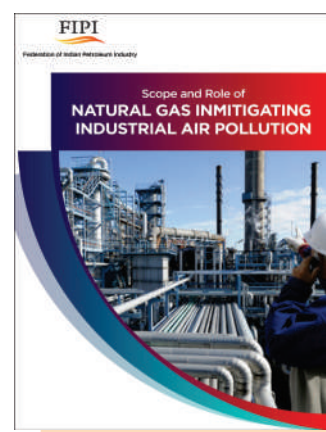
#### 5. Global Biofuel Alliance under India's G20 Presidency

FIPI collaborated with a knowledge partner on a study related to the Global Biofuel Alliance, aimed at establishing a Global Biofuel Alliance (GBA) among interested countries under India's G20 Presidency. This Alliance aims at facilitating cooperation and enhancing the use of sustainable biofuels, particularly in the transportation sector. It emphasises strengthening markets, facilitating global biofuels trade, development of concrete policy lesson-sharing, and providing technical support for national biofuels programs worldwide. Two phases of the study have been successfully completed and the report has been submitted to the MoP&NG. Third phase of the study commenced in April 2024.



#### 6. Scope and Role of Natural Gas in Mitigation of Industrial Air Pollution

FIPI, in collaboration with five partner organizations, initiated a comprehensive study on the "Role and Potential of Natural Gas in Mitigating Industrial Air Pollution". The Energy and Resources Institute (TERI) was appointed as the research partner for this study, which focuses on three key industrial clusters: Gurgaon (Haryana), Varanasi (Uttar Pradesh), and Sangareddy (Telangana). The final report has been submitted by TERI and its findings will help in advocating for adoption of natural gas in these industrial clusters, thus moving towards government's vision of gas – based economy.



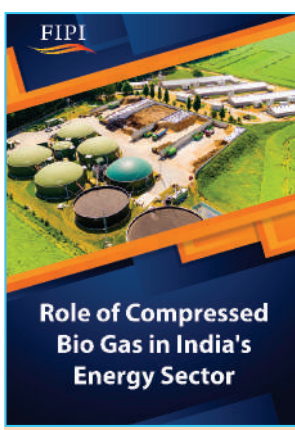


## UPCOMING RESEARCH REPORTS IN 2024-25

### 1. Impact of Skill Development Institutes under Ministry of Petroleum & Natural Gas

FIPI is conducting a study in collaboration with Grant Thornton on the impact of Skill Development Institutes (SDIs) under the MoP&NG. The objective of the study is to address skill gaps, assess the effectiveness of these institutes in creating livelihood opportunities (both social & economic impacts), identify best practices across all functional SDIs, evaluate their readiness for Industry requirements and develop a strategic way forward for the SDIs.

Currently, there are six SDIs operating at various locations across the country, each sponsored by major Oil & Gas Public Sector Undertakings (PSUs). These institutes are situated in Bhubaneswar, Vizag, Kochi, Ahmedabad, Guwahati, and Raebareli.



### 2. Role of Compressed Bio Gas in India's Energy Sector

FIPI is conducting a study for the benefit of its industry members on the "Role of Compressed Bio Gas (CBG) in India's Energy Sector."

The study aims to evaluate the significance and role of CBG, focusing on production technology trends, feedstock requirements, cost pathways, market potential, environmental impact, economic viability, and the current challenges faced by CBG operators in meeting the targets established by the SATAT scheme. Furthermore, the study will provide concrete recommendations and suggestions for necessary policy interventions to enhance the growth and effectiveness of CBG in India's energy landscape.

# Events



## bp Energy Outlook - April 19, 2023

FIPI, in collaboration with BP India, hosted the BP Energy Outlook - 2023 edition on April 19 2023, at Hotel Le Meridien, New Delhi. The event was graced by distinguished guests, including Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum & Natural Gas and Housing & Urban Affairs; Shri Rameswar Teli, Hon'ble Minister of State in the Ministry of Petroleum & Natural Gas and Ministry of Labour & Employment; Shri Pankaj Jain, Secretary, MoP&NG; Mr Spencer Dale, Group Chief Economist of BP Plc; Shri S. M. Vaidya, the then Chairman of Indian Oil Corporation Limited and FIPI; Shri Sashi Mukundan, President of BP India and Senior Vice President of BP Group; as well as CEOs of major oil and gas companies in India.

Mr Spencer Dale presented a comprehensive overview of the BP Energy Outlook 2023, emphasizing key trends and uncertainties associating with the energy transition. He outlined three primary scenarios for exploring energy transition: Accelerated, Net Zero and New Momentum. Notably, he mentioned that these scenarios are based on existing technologies and do not account for potential new or unknown innovations. The Outlook of the year was updated to reflect significant global events, including the Russia-Ukraine war and the Inflation Reduction Act passed in the US.

Mr. Dale noted the global oil and gas industry's commitment to investing in cleaner forms such as wind, solar, green hydrogen, and biofuels, thereby emphasizing a New Momentum in addressing climate change. He highlighted three critical dimensions of the energy system- security, affordability, and sustainability - forming the energy trilemma. The complexities of the global energy system had understood the necessity to address all three dimensions, with the Energy Outlook serving as a valuable resource for navigating the

uncertainties of the future and accelerating the transition to Net Zero.

Regarding India's energy transition, Mr. Dale pointed out that the country is witnessing robust growth in primary energy, primarily driven by renewables, with natural gas and nuclear also contributing. He highlighted that India's primary energy consumption is projected to more than double by 2050, with an annual growth rate of 2.4% to 2.6%. Consequently, India will account for about 14% of global primary energy consumption by 2050, up from around 7% in 2019.

In his address, Hon'ble Minister Shri Hardeep Singh Puri commended Mr. Dale for his insightful presentation, acknowledging that while precise predictions are challenging due to numerous variables, the BP outlook serves as a crucial guide for the industry in shaping strategies. He emphasized that how crucial is Outlook's role in helping oil and gas companies navigate potential uncertainties surrounding the energy transition.

Hon'ble Minister of State, Shri Rameswar Teli remarked that rising industrialisation and urbanisation in India are driving increased energy demand. He mentioned that at the recently concluded India Energy Week held in Bengaluru, the Hon'ble Prime Minister of India, Shri Narendra Modi said that the country's energy strategy is being developed around four verticals and the government is rapidly working in the four directions namely- increasing domestic exploration and production; diversifying supply sources; expanding the use of alternative fuels such as biofuels, and promoting decarbonization through electric vehicles and hydrogen.

Mr Sashi Mukundan, President of BP India, concluded the event with a vote of thanks,

underlining the significance of this year's BP Energy Outlook amid the ongoing energy transition and global developments. He also added that BP is encouraged by the government's progressive policies aimed at maximizing production, enhancing energy security, and providing affordable, reliable energy sustainably to millions of Indians.



Mr. Spencer Dale, Group Chief Economist, bp unveiled the bp Energy Outlook 2023 edition for India, highlighting the emerging trends in global energy transition and the need to build systems capable of providing sustainable and affordable energy security.



Our Guest of Honour, Hon'ble Minister of State in the Ministry of Petroleum & Natural Gas and Ministry of Labour & Employment, Shri Rameswar Teli addressed the august gathering and highlighted the steps being taken by India to address India's energy demand and ensure a smooth energy transition to low carbon energy future.



Our Chief Guest, Hon'ble Minister of Petroleum & Natural Gas and Housing & Urban Affairs, Shri Hardeep Singh Puri in his address at bp Energy Outlook 2023, shared his vision on the changing energy scenario, the effects global trends have on energy security in India and the way forward.



Shri Sashi Mukundan, President, bp India and Senior Vice President, bp Group in closing remarks at the unveiling of bp Energy Outlook 2023 thanked the industry members for their participation in large numbers and very engaging Q&A session.



## Webinar on Green Hydrogen - June 28, 2023

FIPI in collaboration with EY hosted a webinar on 'Green Hydrogen' on June 28, 2023. The event aimed to highlight the key opportunities and challenges in facilitating India's hydrogen transition. The session garnered significant interest, attracting approximately 400 professionals from across the oil and gas value chain.

Mr. DLN Sastri, Director (Oil Refining & Marketing) at FIPI, opened the session, emphasizing the oil and gas industry's transition towards cleaner energy initiatives in response to climate change. He noted that while companies are investing in renewable energy options like offshore wind, solar, they are also channelling resources into capital-intensive clean energy technologies, including carbon capture, utilisation, and storage (CCUS) and green hydrogen. He underscored the importance of National Green Hydrogen Mission announced by Hon'ble Prime Minister of India, Shri Narendra Modi, which aims to position India as a hub for green hydrogen production and export, ultimately contributing to the country's goal of achieving net-zero carbon neutrality by 2070 and enhancing energy security.

Mr. Kapil Bansal, Partner EY, discussed the growing energy demand and the necessity to balance this with carbon reduction goals. He referenced the net-zero targets of major oil companies, including Shell, bp, Chevron, and ExxonMobil, highlighting the significant role of green hydrogen and ammonia in decarbonizing hard-to-abate sectors and heavy-duty mobility, as well as their applications in fertilizers and refineries. He mentioned EY's initiatives in assisting clients to build a hydrogen ecosystem and discussed global investments in clean energy by oil and gas companies, which have increased tenfold in the past seven years.

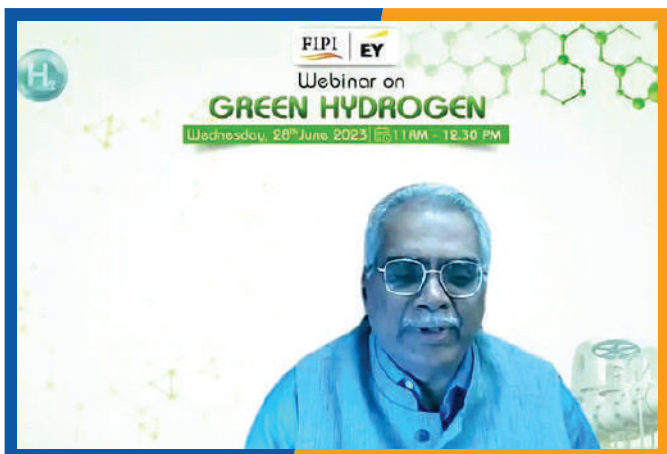
Mr. Emil Thomas, Senior Manager at EY, provided an Indian perspective on how government policies are shaping the hydrogen ecosystem in India. He

highlighted the critical government outlay of Rs. 19,744 crores aimed at achieving a target of 5 MMTPA of green hydrogen production by 2030, which is projected to lead to a 50 MMT reduction in greenhouse gas emissions and approximately Rs. 1 lakh crore in reduced fossil fuel imports. He noted that while India's hydrogen demand is primarily driven by established markets such as refineries & fertilizers, applications in power generation (ammonia co-firing, fuel cells), fuel cell electric vehicles, and industrial heating are also expected to rise. Mr. Thomas mentioned that improvements in electrolyser efficiency, longer equipment lifespan, economies of scale, and lower financing costs could bring green hydrogen production costs down to \$1.7 to \$2 per kg from the current \$4.2 per kg.

Ms. Neetu Vinayek, Partner at EY, discussed direct tax and policy interventions that could transform India into a hydrogen hub. She pointed out that a concessional tax rate of 17.16% is available for new manufacturing companies which commenced operations before March 31, 2024. Additionally, she suggested that capital and revenue expenditures for R&D could be eligible for weighted deductions for tax purposes. Mr. Bhavesh Thakkar, also a Partner at EY, highlighted state-level incentives such as stamp duty exemptions and interest subsidies, and provided recommendations for government consideration to promote deployment of green hydrogen. These included revamping the current duty structure, establishing concessional duties for importing capital goods needed for production units, clarifying GST rates for green hydrogen production, extending the SEZ Act (DESH bill) for setting-up a production unit, and introducing a carbon credit scheme in India.

In his vote of thanks, Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI, emphasized the key takeaway from the presentations, noting that many countries and companies are targeting net zero goals by 2050 and are actively implementing

strategies to achieve these objectives. He commended the EY team for their insights into the fiscal and non-fiscal incentives available and necessary to promote green hydrogen in India, and thanked both the EY and FIPI teams for their efforts in making the event a success, as well as the participants for their active engagement throughout the webinar.



Shri. D.L.N. Sastri, Director (Oil, Refining & Marketing) FIPI, welcomed all the esteemed speakers and distinguished participants from Oil & Gas industry at the webinar on 'Green Hydrogen'.



Mr. Kapil Bansal, Ms. Neetu Vinayek, Mr. Bhavesh Thakkar & Mr. Emil Thomas from EY gave an overview of international and domestic landscape in the area of green hydrogen. They also shared their views on Oil & Gas industry's significant role in energy transition, increased investments in clean energy & how Green Hydrogen is emerging as an alternative to fossil fuel.



Shri. Vivekanand, Director (Finance, Taxations & Legal) FIPI, in his vote of thanks recapitulated the key message from presentation that major countries and companies are targeting Net Zero target by 2050 and actions they are taking in this regard.

## Webinar on Carbon Credit Market – 10<sup>th</sup> August 2023

FIPI, in collaboration with KPMG as the knowledge partner, organised a webinar focused on the 'Carbon Credit Market' on August 10, 2023. This session aimed to illuminate the growing carbon credit market and the regulatory framework, both in India and globally, emphasizing its significance for players in the oil and gas value chain. The event attracted over 250 professionals from various segments of the oil and gas value chain.

Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI, opened the session by discussing the pressing challenges posed by global warming and climate change. He referred to India's commitment during COP 2026, where the Government of India set a target of achieving net-zero emissions by 2070 under the leadership of Prime Minister Shri Narendra Modi. He also outlined India's Nationally Determined Contributions (NDC), which include a commitment to reduce emissions intensity by 45 % by 2030 (up from 33-35 per cent) and to achieve 50 % installed electric power capacity from non-fossil fuel-based sources. He highlighted the green credit programme announced in the Union Budget 2023, aligning it with India's climate goals under the Paris Agreement, and welcomed the notification of Carbon Credit and Trading Scheme as vital for managing carbon and greenhouse gas emissions in India.

Ms. Apurba Mitra, Partner in KPMG's ESG practice, discussed carbon offset schemes that enable companies to invest in environmental projects to balance their carbon footprints. She outlined various types of carbon offset projects, including energy efficiency, fuel switching, afforestation, agricultural land management, Carbon Capture, Utilization and Storage ('CCUS'). She pointed out that hard-to-abate sectors like cement and steel could use carbon credits to offset CO<sub>2</sub> emissions while technology evolves and the cost of decarbonization decreases. Ms. Mitra mentioned a study projecting that the global carbon credit market could reach USD1.6 trillion by 2028, growing at a compound annual growth rate (CAGR) of 31%. She explained the distinction between the Voluntary Carbon Market (VCM), which includes platforms like Gold Standard, Verra, and GCC (Global Carbon Council) and the

Compliance Carbon Market (CCM), such as the EU-ETS ('EU Emissions Trading Systems') and UK ETS ('United Kingdom's Emissions Trading System'), emphasizing their roles in reducing greenhouse gas emissions through financial incentives.

Mr. Ajoy Gupta, Associate Director in KPMG's ESG practice, elaborated on the recent Government of India notification regarding Carbon Credit Trading Scheme. The scheme's main feature is a "cap to trade" mechanism, where industries are assigned emission targets. He discussed the importance of carbon credits for oil and gas players, citing potential greenhouse gas emissions avoidance strategies such as flare reduction, utilizing gas from oil wells, and recovering methane-rich vapours in midstream operations, from hydrocarbon storage tanks, and for downstream- recovery and utilization of waste gas in refineries. He also talked about carbon project registration process and how it can be adopted by various organizations to offset their carbon emissions.

Ms. Nidhi Kansal, Chartered Accountant and Partner at BSR & Co. LLP, addressed the taxation aspects of carbon credit markets, explaining that income generated from trading carbon credits is considered a capital receipt, not taxable as business income. She highlighted the introduction of Section 115BBG under the Finance Act of 2017, which taxes income from certified carbon credits at 10%.

Mr. Koshal Agarwal, also a Chartered Accountant and Partner at BSR & Company, discussed GST implications related to carbon credit market. He stated that carbon credits are subject to an 18 % GST rate, raising issues regarding input tax credit availability since five petroleum products are exempt from the GST regime. He also mentioned about other renewable certificates issued by banks under GST regulations, all of which are taxable.

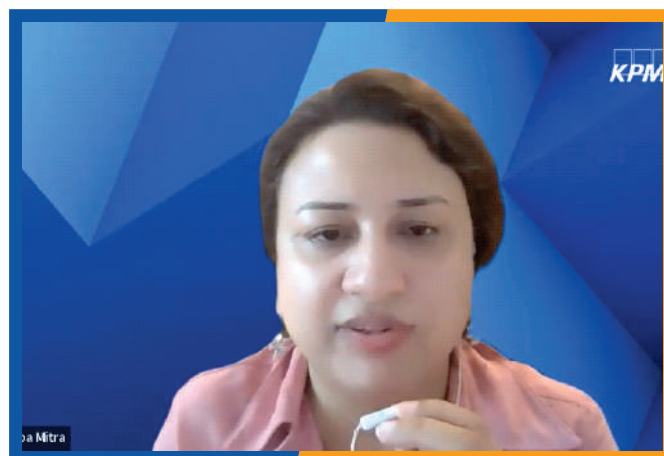
In his closing remarks, Mr. DLN Sastri, Director (Oil Refining & Marketing) at FIPI, underscored the importance of carbon credit as a valuable tool in the global effort to combat climate change. He pointed out that carbon credits incentivize emission



reductions and promote sustainable practices across industries and nations. Given the nascent stage of the carbon credit market in India, he emphasized the need to understand its nuances to fully benefit from carbon credit management. He thanked the KPMG team for their detailed presentation and expressed gratitude to the participants for their active engagement during the event.



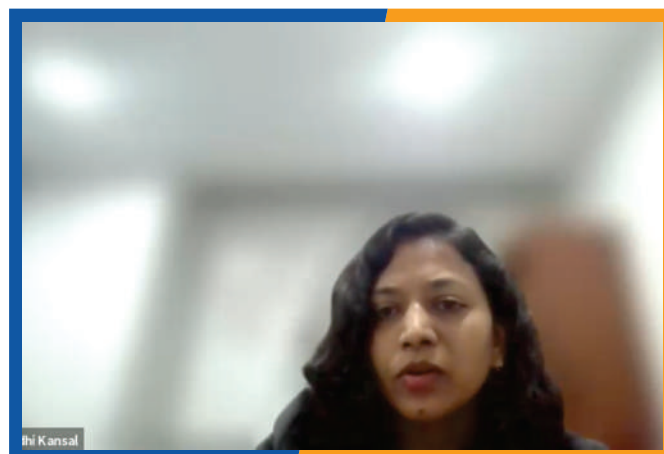
Mr. Vivekanand, Director (Finance, taxation and Legal), FIPI welcomed all the esteemed speakers and distinguished participants at the webinar on Carbon Credit Market.



Ms. Apurba Mitra, Partner in ESG practice of KPMG in India, talked about the carbon offset schemes that allow companies to invest in environmental projects in order to balance out their own carbon footprints.



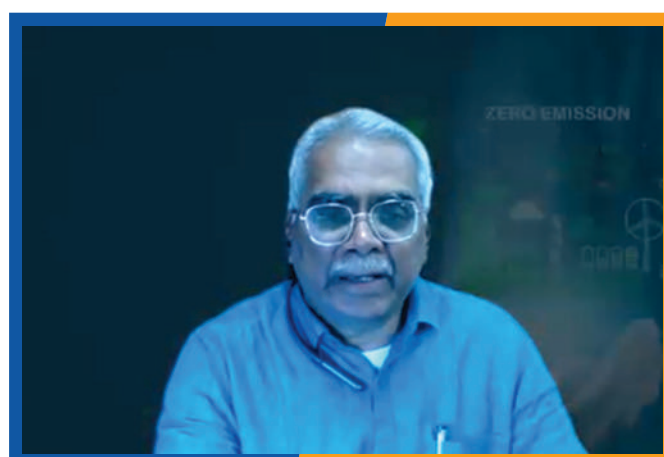
Mr. Ajay Gupta, Associate Director in ESG practice of KPMG in India, talked about the recent Government of India notification of carbon credit trading scheme.



Ms. Nidhi Kansal, Chartered Accountant and Partner in BSR & Co. LLP, talked about the taxation aspects of carbon credit markets



Mr. Koshal Agarwal, Chartered Accountant and Partner in BSR & Company, talked about the GST implications pertaining to carbon credit market.



Mr. DLN Sastri, Director (Oil Refining & Marketing), FIPI sharing his vote of thanks.



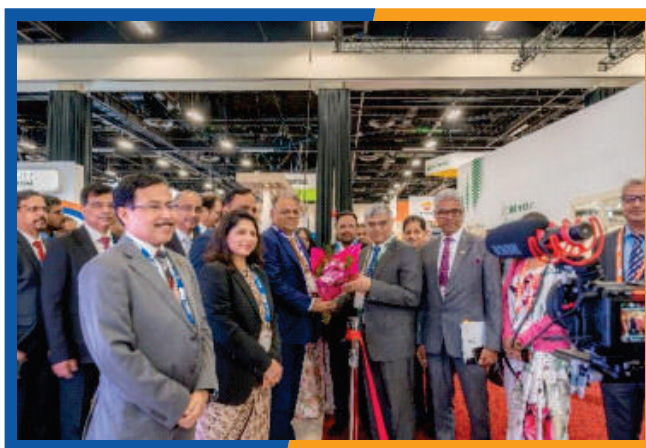
## World Petroleum Congress 2023 – 17 - 21 September 2023

The 24<sup>th</sup> World Petroleum Congress took place from 17<sup>th</sup> to 21<sup>st</sup> September 2023 at the BMO Centre in Calgary, Canada. With the theme “Energy Transition: The Path to NetZero.” Representing India, FIPI set up an India Pavilion in collaboration with four major organizations: Oil & Natural Gas Corporation limited, Oil India Limited, Engineers India Limited, and Petronet LNG Limited. The Indian Pavilion was inaugurated on September 18<sup>th</sup> by Mr Pankaj Jain, Secretary, MoP&NG, Government of India, in the presence of senior officials and heads of major public sector companies. Mr. Jain was also invited to speak during the WPC 2023 Ministerial Session on the topic “What does the energy transition mean for your country?”. Mr. Jain had

several one-on-one meetings with upstream service providers, DGH had organized a technical session titled “E&P Opportunities in India”. The session was chaired by Joint Secretary (Exploration & Basin Reforms), MoP&NG. It featured key speakers from India's oil and gas industry, focussing on the session aimed to showcase India's E&P sector as a dynamic and attractive investment destination, supported by policy reforms and increasing geological exploration opportunities. Heads of the partnering organizations were also invited to speak at various Plenary Sessions and CEO Strategic Sessions during WPC 2023, adding to the country's visibility on the global stage.



Inauguration of India Pavilion by Shri Pankaj Jain, Secretary, Ministry of Petroleum & Natural Gas during 24<sup>th</sup> World Petroleum Congress at Calgary, Canada



During the meeting with Mr. Satinder Chopra, Founder & President and Dr. Ritesh K. Sharma, Co-founder, SamiGeo Consulting Ltd, it was informed that SamiGeo provides creative solutions to E & P companies through the interpretation of seismic data to decide on further exploration plans including deciding drilling locations.



Mr. Chris White of M/s Katch Kan had lively discussions at India pavilion to set up interactions with Indian E&P Companies to understand various technological solutions being provided by Katch Kan for drilling and well servicing activities.



During the discussions with Mr. Chris Sankey, President and Chief Executive Officer, Blackfish Industries provides Construction and Project Management Services to industries in Western Canada, it was advised that Indian NOCs can further engage with Blackfish for upcoming LNG projects in Canada for investment decisions. Blackfish and OIL may jointly engage to find a technology solution for extraction of heavy oil in Rajasthan oil fields.



During the meeting with Mr. Satinder Chopra, Founder & President and Dr. Ritesh K. Sharma, Co-founder, SamiGeo Consulting Ltd, it was informed that SamiGeo provides creative solutions to E & P companies through the interpretation of seismic data to decide on further exploration plans including deciding drilling locations.



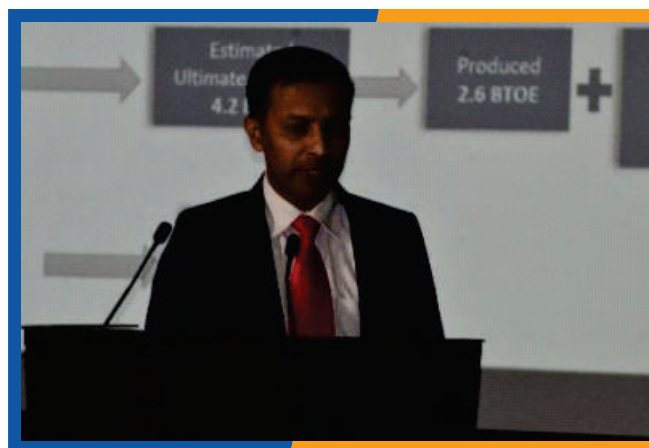
Technical Session Organized by Directorate General of Hydrocarbons (DGH):- During the WPC 2023, DGH had organized a Technical Session on "E&P Opportunities in India" on 18th September chaired by JS (E & BR) MoP&NG.



Prof. Hemant Sarma, Department of Chemical and Petroleum Engineering, University of Calgary provided details about his ongoing research on the potential that Assam, in North-East India, has to offer for producing untapped oil. He presented that an integrated approach is required to be adopted by Indian E & P companies for the development of oil and gas fields and realization of optimum production level and consequent reduction of Reserves to production (R/P) ratio. Appropriate EOR schemes including Alkaline Surfactant Polymer (ASP) flooding can be explored in some of the matured fields in Assam to increase recovery. He informed that he has engaged with IIT, Guwahati to organize a Workshop on Enhanced Oil Recovery Processes from 30th October – 2nd November 2023.



## Glimpses of the Technical Session organized by DGH





Dr Ranjit Rath, Chairman & Managing Director, Oil India Ltd during the Plenary on "Access and Affordability of Energy"



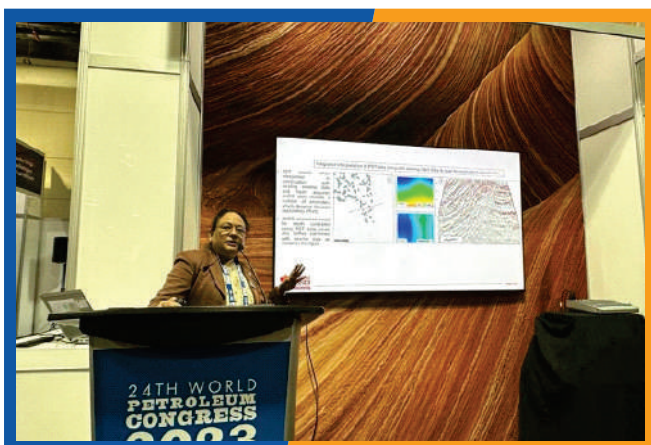
Ms Vartika Shukla, C&MD Engineers India Ltd attended the CEO Strategic Session on "The Role of Renewables and Other Energy Sources"



Shri Akshay Kumar Singh, MD & CEO Petronet LNG Ltd participated in CEO Strategic Session on "Translating Net Zero Ambitions into Oil and Gas Upstream"



Shri Rajashri Gupta, Managing Director ONGC Videsh Ltd attended the CEO Strategic Session on "Alleviating Energy Poverty – Industry Responses to Providing Access to Energy for All".



Ms Sushma Rawat, Director (Exploration) ONGC presented Technical Paper on 'New Technologies in Geosciences'



FIPI promoted India Energy Week 2024 during the WPC at Calgary



Photograph captured during the meetings JS (E&BR),  
MoP&NG had during WPC 2023



Shri Arun Kumar Singh, Chairman &CEO, ONGC and Chairman  
FIPI was a Panellist in the Session on "Transformation of Industry,  
people and Products"

## India Pavilion at ADIPEC 2023 held between October 2 - 5, 2023

The Indian Pavilion at the Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) 2023, held from 2<sup>nd</sup> to 5<sup>th</sup> October in Abu Dhabi, UAE, under the patronage of the UAE President His Highness Sheikh Mohamed bin Zayed Al Nahyan, showcased India's role in accelerating the global energy transition. Organised by Abu Dhabi National Oil Company (ADNOC), the conference brought together the international energy industry to discuss and collaborate on energy-related technology, innovation, and digitalization under the theme of 'Decarbonizing. Faster. Together.' ADIPEC included four specialised areas that facilitated cross-sector collaboration and game-changing partnerships – Decarbonisation Accelerator, Maritime and Logistics Zone, Digitalisation in Energy Zone, and, Manufacturing, Industrialisation Exhibition and Conference.

### Key Highlights

**India Pavilion:** India was among 30 countries which had dedicated country pavilion at ADIPEC which hosts 160,000 participants from 164 countries. FIPI, under the aegis of MoP&NG co-ordinated to set-up the India Pavilion on behalf of the Indian Oil & Gas industry in ADIPEC 2023. India's major oil & gas companies viz. ONGC, IOCL, BPCL, HPCL, OIL, GAIL, EIL, PLL and, Nayara Energy participated and displayed their technologies & facilities to the global organizations during the event. The theme for this year's India Pavilion was "Innovation & Collaboration-Driving India's Energy Transformation" wherein capabilities of Indian Oil & Gas companies were displayed to the world.

Shri Hardeep Singh Puri, Minister of Petroleum & Natural Gas and Housing & Urban Affairs, inaugurated the pavilion on 2<sup>nd</sup> October, accompanied by dignitaries from major Indian oil and gas companies such as ONGC, IOCL, BPCL, and others. The pavilion represented India's oil and gas sector and was lauded for displaying technological innovations and fostering business partnerships in the global energy sector.

**Ministerial and Bilateral Meetings:** Hon'ble Minister Shri Hardeep Singh Puri held bilateral discussions with H.E. Mr. Suhail Mohamed Al Mazrouei, UAE Minister of Energy & Infrastructure, and H.E. Dr. Sultan Ahmed Al Jaber, Group CEO & Managing Director, ADNOC & Minister of Industry & Advanced Technology, UAE. The meetings emphasized growing energy collaboration between India and the UAE and the upcoming COP28. He also met with heads of international energy organizations, including OPEC, Baker Hughes, BP, TotalEnergies, Equinor, and SLB, discussing trends and exploring partnership opportunities.

**India's Role in Global Energy Transition:** On October 3, 2023, in a session titled "Energy Talks – India's Energy Industry: From Diversification to Economic Growth," Hon'ble Minister Puri underscored India's position as the world's 3rd largest energy consumer and expressed concerns over rising global oil prices while reiterating India's resilience in addressing energy challenges. The discussions highlighted India's approach to energy diversification and economic growth amidst global challenges, especially for developing nations.

**Collaborations and MoUs:** Discussions were held between API, FIPI, and IOCL regarding renewing their Memorandum of Understanding (MoU) and the potential establishment of an API office in India for closer collaboration with local standards organizations such as BIS, PESO and OISD.

India's participation at ADIPEC 2023 reflects its strong commitment to the global clean energy transition and decarbonisation, showcasing its innovations and collaborations to international stakeholders. With a notable presence, India highlighted its growing role in the global energy landscape, attracting significant interest from energy companies, researchers, and innovators.



Inaugural of India Pavilion by Honourable Minister Shri Hardeep Singh Puri: ADIPEC 2023



Honourable Minister Shri Hardeep Singh Puri with HE Suhail Al Mazrouei, UAE's Minister of Energy and Infrastructure



Honourable Minister Shri Hardeep Singh Puri with HE Dr Sultan Al Jaber, UAE Minister of Industry and Advanced Technology and COP28 President Designate



Honourable Minister Shri Hardeep Singh Puri with OPEC Secretary General, HE Haitham Al Ghais





Session on 'Energy Talks: India's energy industry: from diversification to economic growth



India's oil and gas industry leadership team and Additional Secretary, Ministry of Petroleum and Natural Gas, Govt. of India addressing the gathering at the India Pavilion in ADIPEC showcasing the India's Growth story and encouraging them to be a part of India Energy Week 2024



Senior Officials of FIPI, Indian Oil & Gas Industry and DMG Events discussing about the 2nd edition of India Energy Week 2024



Team FIPI at ADIPEC, Abu Dhabi



## Webinar on 'Carbon Markets' – 18<sup>th</sup> October 2023

FIPI, in collaboration with S&P Global as its knowledge partner, hosted a webinar on 'Carbon markets' on October 18, 2023. The webinar aimed to explore fundamentals of carbon markets, including carbon credits and allowances, and to differentiate between Voluntary and Compliance markets. The session also shed light on India's proposed carbon market model (ICM) and the potential impact of Carbon Border Adjustment Mechanism (CBAM) on Economically Important Trade-Exposed (EITE) economies, including India's oil and gas sector. The event drew significant interest, with over 200 professionals from across the oil and gas value chain.

Mr. DLN Sastri, Director (Oil Refining & Marketing) at FIPI, opened the session with his remarks. He discussed various measures the Government of India has implemented to bolster enhance energy security and improve energy efficiency for inclusive growth and sustainable development. While acknowledging the benefits of carbon markets in supporting emission targets and sustainable project, he highlighted several challenges, such as need for harmonized standards, monitoring and verification issues, price volatility and the lack of project standardisation. He also mentioned Indian government's announcement of the Green Credit Programme as a step towards environmental sustainability, aligning with India's climate goals under the Paris Agreement.

Ms. Marie-Louise Du Bois, Global Head of Carbon Pricing at S&P Global Commodity Insights, emphasized the importance of carbon pricing, calling for standardized pricing that serves as a benchmark for buyers, sellers, and traders. She outlined the methodology adopted by Platts, explaining how they gather market data from various participants, review of bid, offers, and trade and assess market value at a specified point of time. Ms. Du Bois also noted that Platts regularly updates its methodologies to ensure transparency and market reliability.

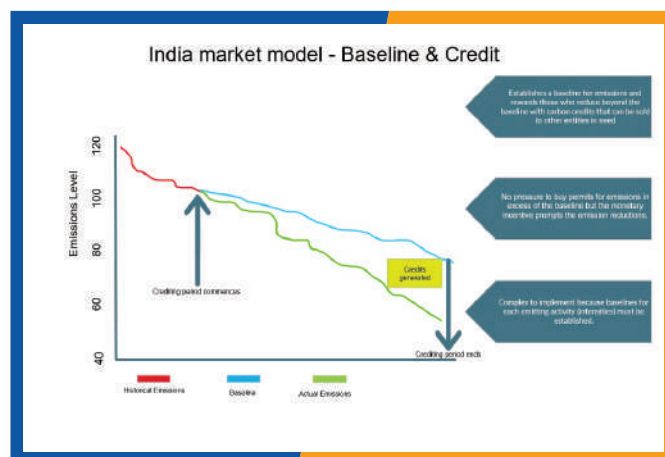
Ms. Agamoni Ghosh, Managing Editor for Global Compliance Carbon Markets at S&P Global Commodity Insights, provided highlights into both Voluntary Credit Markets (VCM) and the Compliance Credit Market (CCM). She explained that the international VCM is driven by project-based credits overseen by private standards such as Verra and the Gold Standard. In contrast, CCMs are regulated by government or authorised entities. She also elaborated on Article 6 of the Paris Agreement, which concerns future credits that are yet to be generated. Ms. Ghosh highlighted the distinction between carbon allowances, which permit future emissions, and carbon credits, which are awarded for initiatives that reduce or removes emissions. She further discussed the major global compliance carbon pricing schemes, such as the UK ETS, EU ETS, China's National ETS and the New Zealand ETS, and forecasted that India's fossil fuel emissions would peak by 2045.

Finally, Ms. Ghosh touched on the Carbon Border Adjustment Mechanism (CBAM), the European Commission's initiative to level the carbon cost between domestic EU businesses and foreign imports. She explained that under CABM, certain sectors importing goods into EU would face a carbon levy, protecting the interests of domestic producers. She highlighted sectors like iron and steel, which are the primary targets of this policy, and noted key trade-exposed countries such as Canada, South Africa, Brazil, Turkey and India.

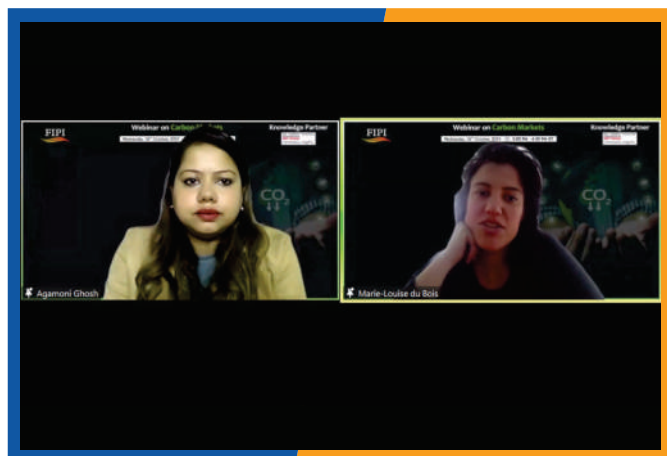
In his vote of thanks, Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI, commended the S&P Global team for their comprehensive presentations on topics such as voluntary and compliance markets, carbon pricing methodologies, and carbon pricing mechanisms across different geographies. He emphasized the critical role carbon credits play in the global fight against climate change and noted that India's emerging carbon credit scheme will be pivotal in this effort. He concluded by thanking the participants for their active engagement throughout the event.



Shri. Vivekanand, Director (Finance, Taxation & Legal) FIPI, in his closing remarks thanked S&P Global Commodity Insights for detailed presentation covering multiple aspects on carbon markets.



Ms. Marie-Louise du Bois and Ms. Agamoni Ghosh from S&P Global Commodity Insights gave overview on carbon markets highlighting carbon price assessment, voluntary & compliance markets. They also illustrated India's proposed carbon market roadmap & sustainability practices in the Indian Oil & Gas industry.



Shri. D.L.N. Sastri, Director (Oil, Refining & Marketing) FIPI, welcomed all the esteemed partners from S&P Global Commodity Insights & distinguished participants from the Oil & Gas sector at the webinar on 'Carbon Markets'.

## Seminar on Overseas Direct Investment (ODI) regulations and compliance – 17<sup>th</sup> November 2023

FIPI, in collaboration with HDFC Bank Limited as the knowledge partner, organized a half-day seminar on “Overseas Direct Investment (ODI) Regulations and Compliance” on November 17<sup>th</sup>, 2023, at the Indian Habitat Centre, Lodhi Road, New Delhi. The seminar highlighted key changes in ODI regulations and their compliance mechanisms. Senior finance officials from the oil and gas industry attended the event.

The session commenced with opening remarks from Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI, who welcomed the distinguished guests, participants and experts from HDFC Bank and the oil and gas sector. He shared his thoughts on the Overseas Direct Investment regulations launched last year, discussing compliance issues faced by the Indian oil and gas industry. He encouraged participants to share their practical challenges and experiences, thereby fostering a productive discussion with HDFC Bank experts.

Mr. Sanjay Thakur, Cluster Head at HDFC Bank, alongside Mr. Somesh Kakkar, Retail Trade & Foreign Exchange Services (RTFX) Retail Sales Head, began their presentation by outlining HDFC Bank's strengths. These included its leadership in holding the highest number of Unique Identification Number (UINs) for Overseas Direct Investments with a 15.45% market share, its position as a preferred banker for filing Foreign Direct Investment (FDI) forms on the RBI's FIRMS portal, and its approximately 9% market share in India's foreign trade (merchandise).

Mr. Mehul Sachde, Head of the Capital Account Team (ODI Desk) at HDFC Bank, delivered a tailored presentation on the extant ODI regulations. He explained the changes introduced by Reserve Bank of India (RBI) in August 2022, detailing the differences between Overseas Direct Investments (ODI) and Overseas Portfolio Investment (OPI). He also

discussed new RBI definitions, such as “Control,” “Equity Capital,” “Net worth,” “Disinvestment” and “Last Audited Balance Sheet.”

Mr. Sachde elaborated on the three ODI routes:

1. **Automatic Route** – No prior approval from RBI is required.
2. **Approval Route** – Prior approval from RBI is needed before being processed by Authorized Dealers (AD).
3. **Prohibited Activities** – Activities like real estate, banking business, and dealing in INR-linked financial products without specific RBI approval are not allowed.

He also reviewed various reporting forms such as Form FC, Form APR, Form OPI, along with their submission timelines to AD Banks. Additionally, he discussed different disinvestment methods, including sale, dilution, gifts, buybacks, slump sales, mergers, demergers, and accounting write offs. Mr. Sachde touched on the mechanics of ODI in Gift City and ODI in the financial sector, highlighting the relaxation in profitability criteria for the COVID years (2020-21 and 2021-22), which allowed non-financial entities to invest in financial sector companies.

In his closing remarks, Mr. Vinod Hallan, Executive Director of ONGC Videsh Limited (OVL), expressed his gratitude to the HDFC bank team for delivering a comprehensive presentation. He praised their practical approach, which helped attendees from the oil and gas industry gain a deeper understanding of the topic. He also thanked FIPI for organising the engaging session and commended the participants for their active involvement.





Shri. Vivekanand, Director (Finance, Taxations & Legal) FIPI, welcomed all the distinguished members and participants from HDFC Bank and the Oil & Gas industry at the seminar on 'Overseas Direct Investment (ODI) regulations & its compliance'.



Mr. Sanjay Kumar Thakur, Sr. Vice President, HDFC Bank in his introductory remarks gave an overview on HDFC Bank, furthermore set the tone for the seminar by sharing a snapshot on Overseas Direct Investment (ODI) regulations.



Mr. Mehul Sachde Head-Capital Account Team, HDFC Bank gave a detailed presentation on Extant Regulations on ODI. During the course of the seminar he covered multiple topics such as ODI, OPI, FEMA Guideline, Disinvestment & Financial commitments.



Mr. Vinod Hallan, ED, ONGC Videsh concluded a very intriguing seminar on "ODI Regulations & its Compliance" by profoundly thanking FIPI, HDFC Experts for organising a very Insightful seminar & also thanked all the distinguished participants & members for active participation.



A very insightful and interactive seminar on "ODI regulations and its compliances" concludes, comprising various important topics and practical issues faced by the esteemed participants of Oil and Gas industry.



## Digital Personal Data Protection (DPDP) Act, 2023 – 5<sup>th</sup> December 2023

FIPI, in collaboration with EY as the knowledge partner, organised a webinar on 'Digital Personal Data Protection Act (DPDP), 2023' on December 5, 2023. The webinar aimed to provide insights into the Act, which balances individual's rights to protect their personal data with the need to process such data for lawful purposes.

Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI, opened the session by discussing India's digital landscape, noting that with over 1.4 billion people and 700 million active internet users, including approximately 470 million social media users, digital data generation has become a significant issue. He emphasized the importance of data protection laws, given the vast amount of data created, and highlighted the necessity of the DPDP Act in safeguarding data ownership, privacy, and trust. He welcomed the notification on the DPDP Act, noting that it marks India's first law to address personal data protection and will ensure responsible digital data management.

Mr. Rajiv Chugh, Partner and National Leader of Policy Advisory and Specialty Services at Ernst & Young LLP, underlined the importance of the DPDP Act in building a strong data privacy regime in India. He referred major data breaches in the country, such as the ICMR leak affecting 815 million Indians, the Taj Hotel breach, and the RailYatri data leak. He stressed that robust data privacy governance is not only a legal requirement but also essential for long-term business sustainability.

Mr. Chugh also clarified that companies should not view the period between the Act's notification and the constitution of the Act, under Data Protection Board (DPB) as a grace period. The DPB will take necessary action in case of data breaches during this interim phase. He further noted that many Indian companies are already aligned with the Global Data Protection Regulations (GDPR), positioning them well for compliance with the DPDP Act.

He then outlined the key provisions of the Act, which applies to personal data collected or processed within India or shared with individuals outside India for the purpose of supplying goods or services in the country. He explained the five pillars of the Act: Data Principal, Data Fiduciary, Consent, Processing, and Legitimate Uses, noting that Data Fiduciaries must provide clear notices to data Principals about how their data will be processed.

In his vote of thanks, Mr. DLN Sastri, Director (Oil Refining & Marketing) at FIPI, emphasised the relevance of the topic for both individuals and corporations handling personal data. He thanked the EY team for their detailed presentation, which raised awareness on the legal aspects of personal data protection. He appreciated the active participation of industry professionals, which contributed to a lively and informative session.



Shri. Vivekanand, Director (Finance, Taxations & Legal) FIPI, welcomed the esteemed partner from EY and distinguished participants from the Oil & Gas industry at the webinar on 'Digital Personal Data Protection Act (DPDP), 2023'.



Mr. Rajiv Chugh, Partner & National Leader EY gave an overview on new data protection policies and procedures under Digital Personal Data Protection Act (DPDP) 2023.



Shri. D.L.N. Sastri, Director (Oil, Refining & Marketing) FIPI, in his closing remarks thanked EY esteemed speaker Mr. Rajiv Chugh on elaborate presentation on the topic & distinguished participants from the Oil & Gas industry for active participation in the webinar.

## FIPI Interim Post Budget Analysis 2024 - 2<sup>nd</sup> February 2024

FIPI organized its flagship FIPI Post Budget Analysis 2024 February 2, 2024, with EY as the knowledge partner. The session, held virtually, was attended by around 100 delegates from the oil and gas sector and focussed on analysing the impact of the recently announced Interim Budget on the Indian economy and the energy industry.

In his opening remarks, Mr. Vivekanand, Director (Finance, Taxation and Legal) at FIPI, welcomed the attendees and emphasized the energy sector's prominence in the Interim Budget. He highlighted that the Interim Budget presented by the Hon'ble Finance Minister laid special focus on wide spectrum of energy including bioenergy, incentives for solar, electric vehicles, bio-manufacturing, bio-foundry, and allocation of funds for research work. The country has strong economic growth trajectory, with GDP projected to grow by 7.3% in 2023-24, supported by robust infrastructure investments and growth in GST collections. He noted that the average monthly gross collection of GST amounted to Rs. 1.66 lakh crores and the growth of economy is further poised by an infrastructure budget allocation of Rs. 11, 11,111 crores.

Ms. Neetu Vinayek, Partner at EY, set the context by noting India's resilience in maintaining growth despite global challenges, emphasizing the importance of the Production Linked Incentives (PLI) schemes and tax reforms like prevalence of triangulation of GST, TDS and TCS that have formalized the economy and enhanced compliance. She discussed the role of digitization, energy transition, and labour force challenges as key focus areas for India's economic future.

She further highlighted several key tax reform impacts, such as a 32% increase in GST filers compared to April 2018 and a 123% rise in individual income tax filers compared to FY 2014.

One significant outcome of these reforms is the acceleration of tax refunds, with 80% now being issued within 30 days of filing the last tax return.

Ms. Uma Iyer, EY partner, spoke on indirect taxes, emphasizing that there were no rate changes for Customs or GST. However, she pointed out a change in the Input Service Distributor (ISD) law, making ISD registration mandatory to transfer input tax credit (ITC) on third-party/self-received services through the Reverse Charge Mechanism (RCM).

The presentation was followed by a panel discussion focusing on the outcome for the oil and gas companies. The panel comprised of experts such as Shri A K Tiwari, Member, PNGRB, Shri Hitesh Vaid, CFO of Cairn Oil & Gas, Vedanta Limited and Shri Vinod Tahiliani, CFO, RBML. The panel welcomed the increased focus on renewables and bio-energy, including rooftop solar, biomass aggregation, and offshore wind energy, including financial assistance, and emphasized the need for greater inclusion of petroleum products like natural gas under GST to unlock tax credits. Further, to ensure green mobility, the allocation of funds under the FAME policy to develop a robust EV ecosystem within India, was also considered a positive step towards energy sustainability.

The panel reached a consensus on the importance of including all petroleum products, including natural gas, under the GST framework. This inclusion would prevent significant losses in input tax credits resulting from their current exclusion under GST. By doing so, the industry could better optimize tax benefits and streamline operations.

Additionally, the panel emphasized the ongoing efforts to establish the necessary gas infrastructure, particularly in the North-Eastern region, through the 12<sup>th</sup> City Gas Distribution (CGD) bidding round. This

infrastructure development is crucial for realizing the government's vision of transforming India into a gas-based economy.

The panelists also discussed the intermittency of renewable energy sources like solar and wind. They suggested that a combination of renewables with natural gas could enhance energy reliability and sustainability. This hybrid approach would not only address the intermittent nature of renewables but

also underline the growing importance of natural gas in India's energy transition.

In conclusion, the session highlighted the importance of integrating renewable energy with natural gas to support a sustainable energy future. FIPI extended its thanks to the panelists, subject matter experts, and participants for their insights and engagement during the event.



Mr. Vivekanand, Director (Finance, Taxation and Legal), FIPI, welcomed the panelists and the participants.



Ms. Neetu Vinayek, Partner, EY provided a backdrop to the Interim Budget 2024.



Ms. Uma Iyer, Partner, EY highlighted the provisions made under the indirect tax.



Panel Discussion on Interim Budget 2024-25, focusing on the outcome for oil and gas companies in the interim budget.



## India Energy Week (IEW) 2024 - 6 - 9 February 2024

The India Energy Week (IEW) 2024, organised by FIPI and dmG events, and held under the patronage of the MoPNG, concluded successfully from 6<sup>th</sup> to 9<sup>th</sup> February 2024 at the ONGC's Institute of Petroleum Safety, Health, and Environment Management (IPSHEM) campus in Betul, Goa. The theme for this year's event was "Growth. Collaboration. Transition," addressing the global challenge of ensuring secure, affordable, and sustainable energy for all.

The event, inaugurated by Hon'ble Prime Minister of India, Shri Narendra Modi, witnessed the participation of ministers, policymakers, global CEOs, and key decision-makers from both regional and international energy sectors. The event witnessed over 54,000 attendees, 446 exhibitors, 362 speakers spread across 91 conference sessions and 4,564 delegates from over 120 countries. During his address, the Prime Minister emphasised India's commitment to expanding the energy sector and encouraged global investments. His speech focussed on government's extensive spending plans to meet the increasing demand for clean and affordable energy while ensuring energy security. He also hosted a roundtable discussion with energy experts, showcasing India's growth-oriented reforms and its potential as a sustainable energy hub.

India Energy Week 2024 created a unique platform for collaboration and innovation in the energy sector, bringing together industry leaders, policymakers, and innovators to form partnerships, discuss solutions, and set policies for energy transition. This interaction reinforced India's leading role in global energy transition efforts. Prominent dignitaries, including the Hon'ble Governor of Goa, Shri P.S. Sreedharan Pillai, Hon'ble Chief Minister of Goa, Shri Pramod Sawant Hon'ble Union Minister of Petroleum & Natural Gas and Housing & Urban Affairs, Shri Hardeep Singh Puri and Hon'ble Minister of State for Petroleum & Natural Gas and Labour & Employment, Shri Rameshwar Teli, were present at the event.

On the inaugural day, Shri Hardeep Singh Puri participated in a ministerial panel discussing energy security in a VUCA (Volatile, Uncertain, Complex, and

Ambiguous) world, alongside Hon'ble Minister(s), Saad bin Sherida Al Kaabi, Energy Affairs, Qatar, Vickram Bharrat, Minister of Natural Resources Republic of Guyana, and Secretary General OPEC, Haitham Al Ghais. In a press conference, Shri Puri praised the event's technological innovations, particularly in biofuels and renewable energy, and emphasized that while India will account for 25% of global oil demand growth over the next two decades, this expansion will also encompass biofuels.

The event featured several ministerial, leadership, and technical sessions covering themes such as:

- Energy transition in the Global South,
- Creating a future-ready energy stack,
- Alternate fuels for energy optionality,
- Impact of localization, regionalization, and globalization on energy-related industrialization and manufacturing.

FIPI also played a pivotal role at IEW 2024, hosting an exhibition stall that highlighted its core competencies, advocacy areas, publications, and collaborations with member organizations. Additionally, FIPI supported student participation through sponsorships, allowing students from its chapter institutions to engage with industry experts. Local students and citizens from Goa also visited the exhibition, gaining valuable insights into developments within the oil and gas sector, particularly regarding the energy transition.



Hon'ble Prime Minister Shri Narendra Modi inaugurated India Energy Week (IEW) 2024 at IPSHEM- ONGC Training Institute, Goa, on 6th February 2024, under the theme of Growth, Collaboration, Transition.



Hon'ble Prime Minister Shri Narendra Modi emphasised India's commitment to unprecedented levels of investment in the energy sector while addressing the gathering of global energy leaders.



Hon'ble Union Minister of Petroleum & Natural Gas and Housing & Urban Affairs, Shri Hardeep Singh Puri participated in a ministerial panel titled "Ensuring energy security for nations and industry in a VUCA world" along with Hon'ble Minister(s), Saad bin Sherida Al Kaabi, Energy Affairs, Qatar, Vickram Bharrat, Minister of Natural Resources Republic of Guyana, and Secretary General OPEC, Haitham Al Ghais



Energy Startup Challenge awards were presented.



Closing Ceremony

## Webinar on Biofuels in India – 21<sup>st</sup> March 2024

FIPI, in association with EY as its knowledge partner, organized a webinar titled “Biofuels in India” on March 21, 2024. The webinar aimed to explore global approaches to mature biogas/biofuel pathways and identify the opportunities and challenges in creating a robust ecosystem in India. The session saw significant engagement, with over 300 professionals from across the oil and gas value chain.

Mr. Vivekanand, Director (Finance, Taxation & Legal) at FIPI opened the session by highlighting the Indian government's commitment to energy transition, decarbonization, and environmental sustainability through policies like the National Biofuels Policy and the Ethanol Blending Programme. He noted the achievement of 10% ethanol blending in petrol in June 2022, ahead of the original schedule of November 2022, and the advancement of the 20% blending target to 2025-26 from the earlier target of 2030. This policy is a step towards reducing India's reliance on crude oil imports and curbing greenhouse gas (GHG) emissions. In addition, the government is pursuing biodiesel and bio jet fuel programmes, with targets of 5% biodiesel blending by 2030 and bio jet fuel blending of 1% by 2027 and 2% by 2028 for international flights. He highlighted that as provided for ethanol, production support, guaranteed pricing, and feedstock support are also crucial elements for achieving targets for biodiesel and bio jet fuel.

He also mentioned the formation of the **Global Biofuel Alliance (GBA)**, which will serve as a central hub for knowledge sharing and technology acceleration on a global scale.

Mr. Kapil Bansal, Partner at EY specializing in Energy Transition & Decarbonization, provided an overview of the different generations of biofuels:

- **First-generation fuels** (derived from sugar, grains, etc.)
- **Second-generation advanced biofuels** (produced from non-food crops and waste)
- **Synthetic fuels**, combining renewable energy, water, and captured Co2.

Mr. Bansal emphasized the crucial role biofuels will play in meeting Net Zero Emissions (NZE) targets, especially in hard-to-decarbonize sectors like aviation and shipping. He further highlighted the rising demand for biofuels as a solution to mitigate global temperature increases, which are projected to rise between 2.5 to 2.9 degrees Celsius by 2100 under the current policy scenario.

Mr. Rajesh Rawat from EY detailed the commercially mature biofuel production pathways, such as hydrotreatment for bio-gasoline, anaerobic digestion for biomethane, and transesterification for biodiesel. He noted India's significant biomass energy potential, with the country's abundant resources capable of generating over 50 GWe of untapped energy. He also noted that globally, biomass is expected to contribute 30% in fuel and heat energy mix and 15-20% in overall energy mix in 2050 net zero scenario with similar trend expected in India as well.

Mr. Rawat further cited several government initiatives, such as the National Biomass Programme, the New National Biogas and Organic Manure Programme (NNBOMP), the National Biofuel Policy, the National Biogas Mission, and the SATAT scheme, all implemented in the past six years to support the biofuels sector. He projected that biomass's contribution to India's energy mix could reach 15% by 2040, primarily in the transportation and industrial sectors. Traditional biomass usage for cooking is expected to diminish, replaced by LPG-LNG with hydrogen blending and electricity.



Lastly, he identified key challenges for the biofuels sector, including:

- Feedstock availability
- High upfront costs for biomass technologies and infrastructure
- Price volatility of biomass feedstocks
- Seasonal fluctuations in biomass supply
- Crop burning, which hampers residue collection for biofuel production.

The session concluded with a Q&A session, where Mr. Kapil Bansal and Mr. Rajesh Rawat addressed various participant queries, followed by Mr. DLN Sastri, Director (Oil Refining & Marketing) at FIPI, delivering the vote of thanks. He emphasized the pivotal role of biofuels in achieving India's net-zero targets and praised the contributions from the EY team and the participants.



Shri. Vivekanand, Director (Finance, Taxations & Legal) FIPI, in his opening remarks welcomed the esteemed partner from EY India and all the participants joining the webinar on 'Biofuels in India' held today.



Mr. Kapil Bansal, Partner EY India along with team EY gave a comprehensive presentation on Biofuel potential in India. They focused on the role of Biofuel in the energy transition and decarbonization, along with the biomass potential in India and current challenges for Biofuels.



Shri. D.L.N. Sastri, Director (Oil, Refining & Marketing) FIPI, in his closing remarks thanked team EY India on elaborate presentation covering multiple aspects on Biofuels in India & distinguished participants from hydrocarbon industry for active participation in the webinar.

# Membership Services



## FIPI Journal

The quarterly FIPI Journal is regularly published and has been widely appreciated for its content and contribution by member companies and recipients. The Journal is also available on the website of FIPI.



## Economic Policy Report



FIPI publishes a monthly policy report focusing on Economic and Policy issues pertaining to global as well as national oil & gas sector. This report contains a detailed analysis of the various policy issues and the oil & gas market trends. The report is published in the first week of every month and is also uploaded on our website.

## Weekend Reading

With an objective of keeping our members updated on the latest developments in the field of oil & gas, FIPI brings you Weekend Reading every Friday covering the latest news and energy stories from across the globe and provide various reports & analysis on a wide range of subjects.

## Website

The FIPI website [www.fipi.org.in](http://www.fipi.org.in) carries information about the Federation and its activities which is regularly updated. The "Oil & Gas in Media" is uploaded daily to provide the latest news and happenings in the global as well as domestic markets. It is proposed to enrich it further with assistance from members and other organisations in the hydrocarbon sector.



## Member Organisations

### Corporate - Group A Members: 13

Bharat Petroleum Corp. Limited
BP Exploration (Alpha) Limited
Cairn Oil & Gas, Vedanta Limited
Chennai Petroleum Corp. Limited
GAIL (India) Limited
Hindustan Petroleum Corporation Limited
Indian Oil Corporation Limited
Mangalore Refinery & Petrochemicals Limited
Nayara Energy Limited
Oil & Natural Gas Corporation Limited
Oil India Limited
Petronet LNG Limited
Reliance Industries Limited

### Corporate - Group C Members: 8

Bliss Anand Private Limited
Engineers India Limited
FMC Technologies India Private Limited
HPCL-Mittal Energy Limited
Numaligarh Refinery Limited
Pipeline Infrastructure Limited
Shell Companies in India
Sun Petrochemicals Private Limited

### Ordinary Members: 25

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Axens India (P) Limited
Baker Hughes
Central U.P. Gas Limited
Dynamic Drilling & Services Pvt. Limited
Ernst & Young LLP
ExxonMobil Gas (India) Pvt. Limited

GSPC LNG Limited
IMC Limited
Indian Strategic Petroleum Reserves Limited
Indraprastha Gas Limited
IndianOil Adani Ventures Limited
Jindal Drilling & Industries Limited
LanzaTech Private Limited
Larsen & Toubro Ltd.
Marine Solutionz Ship Management Private Limited
Reliance BP Mobility Limited
SLB
S&P Global Commodity Insights
Scottish Development International
Siemens Limited
South Asia Gas Enterprise Private Limited
Topso A/S
TotalEnergies Gas & Power Projects India Pvt. Ltd.
VCS Quality Services Private Limited

### Ordinary Members against Cross-membership: 4 (without payment of any fee by either party)

Decom North Sea
IPIECA
World LPG Association
International Gas Union

## Institutional Members: 6

Chandigarh University
CSIR-Indian Institute of Petroleum, Dehradun
IIT (ISM) Dhanbad
MIT World Peace University Pune
Rajiv Gandhi Institute of Petroleum Technology
University of Petroleum & Energy Studies

## Introductory Member: 11

ASAP Energie Private Limited
CHI Energie Private Limited
Goa Natural Gas Private Limited
h2e Power Systems Private Limited
Indian Gas Exchange Limited
Indradhanush Gas Grid Limited
IRM Energy Private Limited
Secure Meters Limited
SNF Flopam India Private Limited
THINK Gas Distribution Pvt. Ltd.





# FIPI



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