

Government of India
Ministry of Commerce & Industry
Department for Promotion of Industry and Internal Trade
FDI Policy Section

Press Note No. 3 (2021 Series)

Subject: Review of Foreign Direct Investment (FDI) policy on Petroleum & Natural Gas Sector.

The Government of India has reviewed the extant FDI policy on Petroleum & Natural Gas sector and has made the following amendment in the Consolidated FDI Policy Circular of 2020, as amended from time to time (FDI Policy):

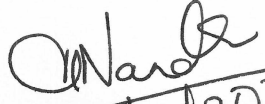
2. A new Para 5.2.4.3 is inserted under Para 5.2.4 of the FDI Policy. Accordingly, Para 5.2.4 of FDI Policy is amended to be read asunder:

5.2.4 Petroleum & Natural Gas

Sector/Activity	% of Equity/ FDI Cap	Entry Route
5.2.4.1 Exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/pipelines, LNG Regasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies.	100%	Automatic
5.2.4.2 Petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs.	49%	Automatic

5.2.4.3 Notwithstanding anything contained at Para 5.2.4.2 above, foreign investment up to 100% under the automatic route is allowed in case an 'in-principle' approval for strategic disinvestment of a PSU has been granted by the Government.

3. The above decision will take effect from the date of FEMA notification.


(Manmeet Kaur Nanda)

Joint Secretary to the Government of India

DPIIT File No.: 15(5)/2020-FDI Policy, dated 29.07.2021.

Copy forwarded to:

1. **Press Information Officer, Press Information Bureau-** for giving wide publicity to the above Press Note.
2. **Joint Secretary, Department of Economic Affairs, North Block, New Delhi**
3. **Reserve Bank of India, Foreign Exchange Department, Mumbai**
4. **NIC Section in the Department for Promotion of Industry and Internal Trade** - for uploading the Press Note on DPIIT's website.
5. **Hindi Section, DPIIT-** for providing Hindi version.

For suitably incorporating the policy changes in Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the relevant schedules thereof and FIRMS portal.