

‘India cannot wait; risk must be taken’, Vedanta's Anil Agarwal urges faster domestic energy push amid Iran tensions

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Vedanta Group chairman Anil Agarwal on Tuesday called on the government to fast-track domestic oil, gas and mineral production, warning that escalating geopolitical tensions in Iran highlight **India's deep vulnerability to external supply shocks**.



“A major geopolitical shock in a resource-rich region, like the ongoing conflict in Iran, makes India vulnerable because of its huge import dependence,” Agarwal said, adding that the natural resources sector should be declared a national priority.

Import exposure and macro risks

Agarwal pointed to India’s heavy reliance on imported energy. Nearly 90% of the country’s oil requirement is imported, along with about 66% of LPG and 50% of LNG. Oil and gas together account for roughly \$176 billion annually in imports, making them the largest components of India’s import bill.

Any sharp spike in crude prices, he said, has a direct impact on macroeconomic indicators such as the current account deficit, the rupee, fiscal deficit and inflation.

For the context, Vedanta Group, through its subsidiary Cairn Oil & Gas, is among India’s largest private-sector crude oil producers and accounts for a major share of the country’s domestic output. The

company operates key oilfields in Rajasthan and has been advocating policy reforms to accelerate exploration and production.

Agarwal also highlighted gold — India's second-largest import at around \$65 billion a year — noting that demand and prices typically surge during global uncertainty. Oil, gas and gold together account for nearly 30% of India's total imports.

Call for regulatory overhaul

The industrialist urged the government to ease regulations and accelerate approvals in the natural resources sector. He proposed exempting projects from prolonged processes such as public hearings and expanding self-certification norms for environmental clearances.

“Some risk has to be taken and we should take it,” he said, arguing that faster approvals and greater private participation would lead to higher domestic production, job creation and investment.

Agarwal also suggested partial divestment of government-owned assets, proposing that up to 50% stakes be offered to proven operators while ensuring employee shareholding and no retrenchment.

Framing the issue as both economic and strategic, Agarwal said the global geopolitical environment has become increasingly unsettled and unpredictable.

“There are no permanent friends or partners in today's geopolitics. Self-reliance is more than a desirable aspiration. It is an immediate economic and strategic imperative,” he said.