

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO.72
ANSWERED ON 10.02.2025

PRICE FIXATION OF PETROLEUM PRODUCTS

*72 SHRI RAMJI LAL SUMAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether price of petroleum products like petrol, diesel, LPG cylinders and CNG are being determined and decreased/increased as per the schedule of elections issued by Election Commission of India (ECI);
- (b) if so, the details thereof;
- (c) if not, the details of increase/decrease in price of above products during the last two years along with the details of corresponding increase/decrease in price of crude oil (Indian basket) in international market, product-wise and date-wise?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 72 FOR REPLY ON 10.02.2025 REGARDING PRICE FIXATION OF PETROLEUM PRODUCTS ASKED BY SHRI RAMJI LAL SUMAN:

(a) to (c): No. Prices of petrol and diesel are market determined. Public Sector Oil Marketing Companies (OMCs) take decisions on pricing based on the international cost of crude oil, cost of insurance and freight, currency exchange rate, domestic taxes (levied by both Centre and State), cost of inland freight, insurance, refining margins and dealer commission.

India is the world's largest democracy. Elections and by-elections to different assemblies and local bodies, are conducted throughout the year through democratic and constitutional processes. The price of petroleum products like petrol and diesel are not linked to the election schedule.

The Government of India has taken several steps to insulate common citizens from high international prices, which included diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in the domestic market, increasing the blending of ethanol in petrol, etc.

Domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) as a result of various steps taken by Government and PSU OMCs, Central Excise duty was reduced by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each.

PSU OMCs have recently carried out intra-state freight rationalisation. This has benefitted consumers located in remote areas, far from Petroleum Oil & Lubricants (POL) Depots, in the form of reduced Petrol and Diesel prices in remote parts of the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years. Changes in prices of petrol and diesel in some major economies between November 2021 and December 2024 are as under:

Country	% age Change in Prices between Nov-21 and Dec-24	
	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
France	11.07%	10.99%
Germany	3.40%	6.86%
Italy	5.21%	7.38%
Spain	5.14%	8.58%
UK	0.17%	2.22%
Canada	5.55%	15.06%
USA	1.36%	6.90%

Source: Petroleum Planning and Analysis Cell (PPAC)

Changes in prices of petrol and diesel in some neighboring economies between November 2021 and December 2024

Country	% age Change in Prices between Nov-21 and Dec-24	
	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
Pakistan	27.90%	33.37%
Bangladesh	12.62%	29.31%
Sri Lanka	54.29%	98.59%
Nepal	20.06%	31.64%

Source: Petroleum Planning and Analysis Cell (PPAC)

The details of Retail Selling Prices of Petrol and Diesel at Delhi since April 2022 are given below:

(Rs. per Litre)

Effective Date	Petrol	Diesel
As on 1 st April 2022	101.81	93.07
02-Apr-22	102.61	93.87
03-Apr-22	103.41	94.67
04-Apr-22	103.81	95.07
05-Apr-22	104.61	95.87
06-Apr-22	105.41	96.67
22-May-22	96.72	89.62
15-Mar-24	94.72	87.62
30-Oct-24	94.77	87.67

Source: Petroleum Planning and Analysis Cell (PPAC)

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG. While the average Saudi CP (international benchmark for LPG pricing) rose by 64% (from US\$ 385/MT in July 2023 to US\$ 632 /MT in December 2024), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 44% (from Rs. 903 in August 2023 to Rs. 503 in January 2025).

The retail selling price of a 14.2 Kg domestic LPG cylinder is currently Rs 803 in Delhi. After a targeted subsidy of Rs 300/cylinder to PMUY consumers, Government of India is providing 14.2 Kg LPG cylinders at an effective price of Rs.503 per cylinder (in Delhi). This is available to more than 10.33 crore Ujjwala beneficiaries, across the country. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs. 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers. Some state Governments have also been subsidising LPG cylinder refills from their budgets.

Globally, PMUY is the biggest program of its kind that provides Domestic LPG to more than 100 million poor households at an effective price of just about Rs. 35/Kg. Further, the effective price of domestic LPG cylinder in neighbouring countries as on 01.01.2025 is as below:

Country	Domestic LPG (Rs./14.2 kg.cyl.)#
India	503.00*
Pakistan	1094.83
Sri Lanka	1231.53
Nepal	1206.65

Source: Petroleum Planning and Analysis Cell (PPAC)

*Effective cost to PMUY beneficiaries in Delhi, effective price is Rs. 803 for non-PMUY consumers

The details of Retail Selling Prices of domestic LPG at Delhi since April 2022 are given below:

Effective Date	RSP of Domestic LPG at Delhi (Rs./14.2 Kg Cylinder)
As on 1 st April 2022	949.50
07-May-22	999.50
19-May-22	1003.00
22-May-22	1003.00
06-Jul-22	1053.00
01-Mar-23	1103.00
30-Aug-23	903.00
09-Mar-24	803.00

Source: Petroleum Planning and Analysis Cell (PPAC)

The price of Compressed Natural Gas (CNG) in any location is fixed by the City Gas Distribution (CGD) entity authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) after considering cost of gas procured, state taxes, tariff and other components. Price of CNG along with date of price revision for Delhi since April 2022 is at Annexure.

The yearly average prices of Indian Basket of Crude Oil for last two years and current year are given below:

F.Y.	Average Indian Basket of Crude Oil (USD/Barrel)
2022-23	93.15
2023-24	82.58
2024-25 (till 31.01.2025)	79.27

Source: Petroleum Planning and Analysis Cell (PPAC)

Annexure

Annexure referred to in reply to Rajya Sabha Starred Question No. 72 asked by Shri Ramji Lal Suman to be answered on 10.02.2025 regarding “Price fixation of petroleum products”.

Prices of CNG at Delhi

Date Effective from	CNG Price (Rs./Kg)
01.04.2022	60.81
02.04.2022	61.61
04.04.2022	64.11
06.04.2022	66.61
07.04.2022	69.11
14.04.2022	71.61
15.05.2022	73.61
21.05.2022	75.61
08.10.2022	78.61
17.12.2022	79.56
09.04.2023	73.59
23.08.2023	74.59
14.12.2023	76.59
07.03.2024	74.09
22.06.2024	75.09

Source: Petroleum Planning & Analysis Cell (PPAC)