

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
RAJYA SABHA  
UNSTARRED QUESTION NO-142  
ANSWERED ON- 21/07/2025

**FUEL PRICE STABILITY AND TAX STRATEGIES: INSIGHTS FOR 2025**

142 SHRI AKHILESH PRASAD SINGH:

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

- (a) the strategy being adopted to maintain price stability in light of rising global oil prices;
- (b) whether Government is contemplating a revision of fuel taxes; and
- (c) the manner in which the ethanol blending program has advanced as of June, 2025?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI SURESH GOPI)

(a) & (b) Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

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.

In April 2025, excise duty on Petrol and Diesel was increased by Rs. 2 per litre each but this was not passed on to consumers.

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

Government also took several other 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 domestic market, increasing the blending of ethanol in petrol, etc.

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 51% (from US\$ 385/MT in July 2023 to US\$ 582/MT in June 2025), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 38% (from Rs. 903 in August 2023 to Rs. 553 in July 2025).

The retail selling price of a 14.2 Kg domestic LPG cylinder is currently Rs. 853 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.553 per cylinder (in Delhi). This is available to about 10.33 crore Ujjwala beneficiaries, across the country.

(c) Public Sector OMCs achieved the target of 10% ethanol blending in petrol in June 2022 i.e. five months ahead of the target during ESY 2021-22, 12.06% in ESY 2022-23 and 14.60% in ESY 2023-24. During the ongoing ESY 2024-25, the blending percentage has improved to 18.93% as on 30.06.2025. During the month of June, 2025, ethanol blending of 19.92% has been achieved.

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