

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1719**  
ANSWERED ON- 04/08/2025

**PRICING OF PETROLEUM PRODUCTS**

1719 DR. V. SIVADASAN:

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

- (a) whether Government has granted permission or policy flexibility to Public Sector Oil Marketing Companies to reduce the retail prices of petrol, diesel, or LPG;
- (b) if so, the details of such directions or approvals; and
- (c) whether Government monitors or intervenes in pricing decisions of PSU oil companies, and the rationale for such interventions?

**ANSWER**

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

(a) & (b) Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements.

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. Government continues to modulate the effective price to consumer for domestic LPG. 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) Government monitors the crude oil prices and retail prices of POL products through Petroleum Planning & Analysis Cell (PPAC), an organisation attached to the Ministry of Petroleum and Natural Gas, which maintains data and analyses the trends in prices of crude oil, petroleum products and natural gas and their impact on the oil companies and consumers, and provides appropriate technical inputs to Government for informed policy making. PPAC also prepares periodic reports on various aspects of oil and gas sector. The analysis and compilation prepared by PPAC is widely relied upon.

While the OMCs take pricing decisions for Petrol and Diesel independently, Government have made fiscal interventions whenever necessary to calibrate the tax structure applicable for petroleum products.

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