GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1730
ANSWERED ON- 03/08/2026

HIKE IN PETROLEUM PRODUCTS

1730 SHRI PRAMOD TIWARI:

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

(a) whether price hikes of petrol, diesel, LPG and other fuels causing distress to the common men;
(b) if so, over the last five years, the percentage by which fuel costs making public and freight transportation expensive and compounding inflation;
(c) over the same period, the percentage increase in prices of petroleum products;
(d) over the last five years, the amount collected by taxing petrol and diesel and the number of times excise duty revised and hikes effected; and
(e) the steps taken to accelerate the push towards energy security?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a) to (e) Prices of petrol and diesel in the country are market-determined and the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

Despite unprecedented volatility in international crude oil and product prices due to conflicts and other extraneous factors/developments, the increase in prices of Petrol and Diesel at retail outlets in India between June 2021 and June 2026 has been order of magnitudes lower than in major developed and neighbouring countries, as under:

S.No	Country	% increase in Petrol prices between June-21 & June-26	% increase in Diesel prices between June-21 & June-26
1	India (Delhi)	**8.1**	**11.5**
2	France	59.9	71.2
3	Germany	51.1	63.0
4	Italy	44.5	65.5
5	Spain	34.4	58.0
6	UK	46.9	62.5
7	Canada	41.5	70.0
8	USA	70.6	97.4
9	Pakistan (Lahore)	160.6	148.9
10	Bangladesh (Dhaka)	46.3	59.0
11	Sri Lanka (Colombo)	148.6	207.1
12	Nepal (Kathmandu)	76.0	111.8

Source: Petroleum Planning and Analysis Cell (PPAC)

India provides domestic LPG cylinders at one of the lowest effective prices in the world. The effective price of domestic LPG cylinder in India's neighbouring countries as on 01.07.2026 is as below:

Country	Domestic LPG (Rs./14.2 kg.cyl.)
India	642.00*
Pakistan	1192.88
Sri Lanka	1475.31
Nepal	1297.29

#Effective 7th June'2026
*Effective cost to PMUY beneficiaries in Delhi, effective cost is Rs. 942 for non-PMUY consumers
Source: Petroleum Planning and Analysis Cell (PPAC)

The Retail Selling Price of domestic LPG is being maintained at Rs. 942 per 14.2 Kg cylinder, carrying an implicit subsidy (under-recovery) of more than Rs 700 per 14.2 Kg cylinder, in June 2026. Even for the month of July 2026, the implicit subsidy on each 14.2 Kg domestic LPG cylinder is more than Rs 500 per cylinder. For more than 10.5 crore PMUY consumers, the effective price is only Rs. 642 per cylinder (Delhi), after a targeted subsidy of Rs. 300 per cylinder, in addition to the implicit subsidy of more than Rs 500 per cylinder.

Government have been ensuring availability of domestic LPG at affordable prices to households in the country for which Government have paid to the OMCs a compensation of Rs. 22,000 crore in FY 2022-23 and paying Rs. 30,000 crore during FY 2025-26 and FY 2026-27. Even after the payment of this compensation, accumulated under-recoveries of the PSU OMCs on domestic LPG were more than Rs 51000 crores as of 30th June 2026 itself.

The details of Retail Selling Prices of domestic LPG in July-21 and July-26 are given below:

	Price in July-21	Price in July-26
Non-PMUY consumers	834.50	942.00
PMUY consumers	834.50	642.00

The impact of increase/decrease in prices of Petrol, Diesel and LPG on household inflation can be assessed through their weightage in the Wholesale Price Index (WPI). The weightage of Petrol, Diesel and LPG in the WPI index is 1.73%, 4.03% & 0.44% respectively.

The details of excise duty levied on petrol and diesel and contribution of petroleum sector to exchequer since 2021-22 are given at Annexure.

Diversification of LPG imports is being pursued to ensure supply security and mitigate risks arising from regional disruptions or geopolitical events. The number of LPG sourcing countries has increased from 10 to 15. As part of this strategy, PSU OMCs have concluded contracts for the import of ~2.2 Million Metric Ton (MMT) of US-origin LPG, covering nearly 10% of the country's total LPG import requirement. This marks a significant step in strengthening India's energy resilience by establishing a reliable alternate LPG supply source outside the traditional Gulf region.

Government has adopted a multi-pronged strategy to reduce the dependency on crude oil which, inter alia, include demand substitution by promoting usage of natural gas as fuel/feedstock across the country towards increasing the share of natural gas in economy and moving towards gas based economy, promotion of renewable and alternate fuels like ethanol, second generation ethanol, compressed bio gas and biodiesel, refinery process improvements, promoting energy efficiency and conservation, efforts for increasing production of oil and natural gas through various policies initiatives, etc. For promoting the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has also been launched.

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Annexure

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 1730 asked by Shri Pramod Tiwari on 03.08.2026 regarding "Hike in petroleum products".

Excise duty on Petrol and Diesel

(Rs./Litre)

Effective Date	Petrol	Diesel
As on 01.04.2021	32.90	31.80
04.11.2021	27.90	21.80
22.05.2022	19.90	15.80
08.04.2025	21.90	17.80
27.03.2026	11.90	7.80

Source: Petroleum Planning and Analysis Cell (PPAC)

Contribution of Petroleum Sector to Exchequer

(Rs. in Crore)

Year	Total Contribution to Central Exchequer	Total Contribution to State Exchequer	Total Contribution of Petroleum Sector to Exchequer
2021-22	4,92,302.5	2,82,122.5	7,74,425.0
2022-23	4,28,067.1	3,20,651.1	7,48,718.3
2023-24	4,32,394.1	3,18,761.8	7,51,155.9
2024-25 (P)	4,24,826.7	3,33,396.8	7,58,223.5
2025-26 (P)	4,75,739.0	3,41,821.0	8,17,560.1

The above is based on data provided to Petroleum Planning and Analysis Cell (PPAC) by 15 major oil & gas companies. The amount reported by the companies to PPAC is the consolidated amount of all taxes/cess/ duties /GST etc. for crude oil and petroleum products.

Totals may not tally due to round off (P) - Provisional