GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 2518
ANSWERED ON- 10/08/2026

RETAIL PETROL AND DIESEL PRICES

2518 SHRI IMRAN PRATAPGARHI:

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

(a) whether Government proposes to reduce retail petrol and diesel prices in view of the sustained decline in international crude oil prices;
(b) the reasons for the limited reduction in retail fuel prices despite the fall in global crude oil prices;
(c) whether Government proposes to pass on the full benefit of lower crude prices to consumers; and
(d) the estimated savings accrued to Oil Marketing Companies and Government due to the decline in global crude oil prices during the current financial year?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (d) 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 much 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)

Prior to the West Asia crisis, crude oil prices (Indian basket) were USD 69/barrel (February 2026) and increased to USD 136.68/barrel during March 2026 and have continued to fluctuate due to various geopolitical and market factors. Despite incurring significant under recoveries on sale of petrol and diesel, their prices were increased only marginally by the PSU OMCs. As a result of not passing on the increase in international prices to consumers, all three PSU OMCs have reported losses during the first quarter (Q1) of FY 2026–27. The details of the losses incurred, along with the turnover of the PSU OMCs, are provided below:

(Rs. in Crore)

PSU OMC	**Turnover (Q1 FY 2025-26)**	**Losses (Q1 FY 2025-26)**
IOCL	2,76,357	(2,662)
BPCL	1,60,733	(3,962)
HPCL	1,46,407	(11,526)

Source: Petroleum Planning and Analysis Cell (PPAC)

Further, to protect consumers from its impact, in March 2026, Government reduced the excise duty on petrol and diesel by Rs. 10 per litre each, but at the same time resulting in a substantial reduction of its tax revenues.

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