GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-935
ANSWERED ON- 27/07/2026

PROPOSAL TO REDUCE THE PRICES OF PETROL AND PETROLEUM PRODUCTS

935 SHRI P. P. SUNEER:

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

(a) whether it is a fact that the price of Brent Crude has dropped nearly 44 per cent from \$126.41 a barrel on April 30 to about \$70.78 on July 2, 2026;

(b) if so, the details there of; and

(c) the decision taken by Government about reducing the prices of petrol and petroleum products including LPG proportionately?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (c) The price of Brent crude oil was USD 122.86/barrel on 30th April 2026 and USD 68.17/barrel on 2nd July 2026. However, the Brent crude prices continue to heavily fluctuate and have again increased to USD 94.17/barrel on 22nd July 2026. India imports around 88% of its crude oil requirements. Since March 2026, due to the West Asia crisis, international crude oil prices have risen significantly. To protect consumers from its impact, in March 2026, Government reduced the excise duties on petrol and diesel by Rs. 10 per litre each, resulting in a substantial negative impact on its tax revenues.

The conflict in the West Asia has not abated and the resultant geopolitical situation continues to be volatile. PSU OMCs have incurred huge under recoveries on the sale of petrol, diesel, LPG, etc. Against this, Petrol and Diesel prices were increased only marginally by the PSU OMCs. The current RSPs of Petrol and Diesel are Rs.102.12 and Rs.95.20 per litre respectively (Delhi).

Prices of LPG in the country are linked to its prices in the international market. Government continues to modulate the effective price to consumer for domestic LPG.

Prior to the outbreak of conflict in the Middle East in February 2026, India used to import about 60 percent of its LPG consumption, out of which about 90 percent was transiting through the Strait of Hormuz. With the closure of Strait of Hormuz, supplies of imported LPG were severely constrained. The Government took a series of proactive measures to ensure stability in LPG supplies post the outbreak of the conflict. These include rapid increase in production of LPG from 34 to 54 TMT per day, prioritization of household usage of LPG, diversification of import sources, dynamic stock management, inter-regional allocation to address localized shortages, etc. Despite this unprecedented crisis, supply of LPG to all households in the country has been ensured without any disruption. During the peak of this crisis, more than 56 crore domestic LPG cylinders were delivered between March and June 2026, including more than 12 crore cylinders to Ujjwala families.

With the onset of the West Asia crisis, the average Saudi CP (the international benchmark for LPG pricing) rose upto US$ 780/MT in April and May 2026. In June 2026, as the Saudi CP rose further to US$ 796/MT (excluding premium), the Market Determined Price (MDP) of a 14.2 kg domestic LPG cylinder went to Rs.1,695 per 14.2 Kg cylinder.

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-recovery of the PSU OMCs on domestic LPG was more than Rs 51000 crores as of 30th June 2026 itself.

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