

LOK SABHA
UNSTARRED QUESTION NO. 177
TO BE ANSWERED ON 29 JANUARY, 2026

Petrol and Diesel Pricing

177. SHRI T R BAALU:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether it is a fact that despite the sharp fall in crude oil and petroleum products prices in the international market during the last four months, the prices of petrol, diesel and gas have not come down in the country, if so, the details thereof; and

(b) whether the Government proposes to take action against the oil industry for not following the Government policy directives to fix prices of petrol and diesel in line with international prices every fortnight, if so, the details thereof and if not, the reasons therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

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

(a) & (b): Prices of petrol and diesel in the country have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. Government makes fiscal interventions whenever necessary to calibrate the tax structure applicable for petroleum products.

India imports more than 88% of its crude oil requirements. The prices of petroleum products in the country are linked to the price of respective products in the international market and the prices of petroleum products in the international market have been highly volatile in last five years due to various geopolitical developments. The international prices of petrol (FOB) have increased from USD 48 per barrel in 2020-21 to about USD 107 per barrel in 2022-23 and USD 85 per barrel in 2024-25. Similarly, the international prices of Diesel (FOB) have increased from USD 48 per barrel in 2020-21 to about USD 128 per barrel in 2022-23 and USD 89 per barrel in 2024-25 .

Despite these elevated international product prices, retail prices of petrol and diesel in India have actually declined. As of now, the retail prices in Delhi are Rs. 94.77 per litre for petrol and Rs. 87.67 per litre for diesel, compared to Rs. 110.04 per litre and Rs. 98.42 per litre respectively in November 2021. This reduction has been achieved due to various measures taken by the 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. But in April 2025, when excise duty on Petrol and Diesel was increased by Rs. 2 per litre each it was not passed on to consumers.

PSU OMCs have also 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 etc.

India imports about 60% of its LPG requirement and accordingly prices of LPG in the country are linked to its prices in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 35% (from US\$ 385/MT in July 2023 to US\$ 522/MT in January 2026), the prices of domestic LPG were reduced by about 22% (from Rs. 1103 in August 2023 to Rs. 853 in January 2026). For PMUY consumers, effective price for domestic LPG has been reduced by about 39% (from Rs. 903 in August 2023 to Rs. 553 in January 2026).

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) to all

eligible Ujjwala beneficiaries. These are one of lowest LPG prices in the region, as detailed in Annexure.

During the period 2020-21 to 2022-23, as the increase in international LPG prices was not fully passed on in retail prices, the Oil Marketing Companies (OMCs) suffered significant losses on domestic LPG. To compensate the OMCs for these losses, Government paid a one-time compensation of Rs. 22,000 crore to OMCs in January 2023.

The international prices of LPG again went up during 2024-25 and continue to remain high. However, to insulate consumers from fluctuations in international LPG prices, the increase in cost was not passed on to consumers of domestic LPG which led to significant losses for the three OMCs. To compensate the OMCs for these losses, Government has recently approved a compensation of Rs. 30,000 crore to the OMCs.

Annexure

Annexure referred to in reply to Lok Sabha Unstarred Question No. 177 asked by Shri T R Baalu to be answered on 29.01.2026 regarding “Petrol and Diesel Pricing”.

Effective price of domestic LPG in neighbouring countries as on 01.01.2026

S.No	Neighbouring countries	Domestic LPG (Rs./14.2 kg Cyl.)
1	India (Delhi)*	853.00
2	Pakistan	1002.50
3	Bangladesh	694.42
4	Sri Lanka	1221.51
5	Nepal (Kathmandu)	1200.30

Source: Petroleum Planning and Analysis Cell (PPAC)

*Effective cost to PMUY beneficiaries in Delhi, effective cost is Rs. 853 for non-PMUY consumers in Delhi