

LOK SABHA
UNSTARRED QUESTION NO. 1881
TO BE ANSWERED ON 30 JULY, 2026

Retail Fuel Prices of Petrol, Diesel and Domestic LPG

1881. DR. RAJ KUMAR CHABBEWAL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of the average international crude oil price and the corresponding average retail prices of petrol, diesel and domestic LPG during the last five years, year-wise;
- (b) the policy followed by the Government for determining the pass-through of international crude oil price movements to domestic consumers;
- (c) whether the Government has conducted any study on the impact of high petrol, diesel and LPG prices on household expenditure and inflation and if so, the details and findings thereof;
- (d) whether the Government has taken note of the substantial decline in international crude oil prices in recent months, if so, the details thereof; and
- (e) whether the Government proposes to pass on the benefit of lower international crude oil prices to consumers by reducing the retail prices of petrol, diesel and domestic LPG cylinders, 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) 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.

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. Even as of 23rd July 2026, crude oil prices were USD 103.33/barrel. Despite incurring significant losses on sale of petrol and diesel, their prices were increased only marginally by the PSU OMCs. The current RSP of Petrol and Diesel are Rs.102.12 and Rs. 95.20 per litre respectively (Delhi prices).

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.

Prices of LPG in the country are linked to Saudi CP, the international benchmark for LPG prices. Government continues to modulate the effective price to consumer for domestic LPG.

With the onset of the West Asia crisis, the average Saudi CP 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.

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 yearly average prices of Indian basket crude oil and Retail Selling Prices (RSP) of Petrol, Diesel & Domestic LPG at Delhi since 2022-23 are given at Annexure.

Annexure referred to in reply to Lok Sabha Unstarred Question No. 1881 asked by Dr. Raj Kumar Chabbewal on 30.07.2026 regarding “Retail Fuel Prices of Petrol, Diesel and Domestic LPG”.

Yearly average prices of Indian basket crude oil and RSP of Petrol, Diesel & Domestic LPG at Delhi

FY	Average Indian Basket of Crude Oil (\$/bbl)	Average RSP of Petrol (Rs./Ltr)	Average RSP of Diesel (Rs./Ltr)	Average RSP of Domestic LPG (Rs./14.2 KG Cyl.)
2022-23	93.15	97.90	90.58	1038.70
2023-24	82.58	96.63	89.53	979.23
2024-25	78.56	94.74	87.64	803.00
2025-26	70.99	94.77	87.67	856.15
2026-27 (Till 22 nd July'2026)	95.73	98.93	91.93	926.07

Source: Petroleum Planning and Analysis Cell (PPAC)