LOK SABHA
UNSTARRED QUESTION NO. 1917
TO BE ANSWERED ON 30 JULY, 2026

Impact of Rising Fuel Prices

1917. SHRI JANARDAN SINGH SIGRIWAL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the prices of petroleum products and natural gas have been increased recently and if so, the details thereof, product-wise;

(b) whether the Government has assessed the impact of the increase in petroleum and gas prices on the cost of transportation, manufacturing, agriculture and other sectors of the economy and if so, the details thereof;

(c) whether the Government has assessed the effect of rising petroleum and gas prices on retail inflation and the cost of living of the common people and if so, the details thereof;

(d) whether the Government has received any representations from industry bodies, transport operators, farmers' organisations and consumers regarding the adverse impact of increasing fuel and gas prices and if so, the details thereof; and

(e) whether the Government proposes to take any measures to mitigate the impact of rising petroleum and gas prices, including reduction in taxes and duties, enhancement of domestic production and diversification of energy sources and if so, the details thereof?

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 under recoveries 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).

Government regularly receives representations from various stakeholders like industry bodies, transport operators, farmers' organisations and consumers and takes necessary action as appropriate from time to time.

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.

The details of increase/decrease in Retail Selling Prices (RSP) of petrol and diesel at Delhi since 01.04.2026 are given below:

(Rs./Litre)

Price effective from	Petrol	Diesel
As on 01.04.2026	94.77	87.67
15.05.2026	97.77	90.67
19.05.2026	98.64	91.58
23.05.2026	99.51	92.49
25.05.2026	102.12	95.20

Source: Petroleum Planning and Analysis Cell (PPAC)

The details of monthly average prices of Indian Basket of Crude Oil since April 2026 are given below:

(USD/Barrel)

Month	Average price of Crude Oil (Indian Basket)
Apr-26	114.48
May-26	106.23
Jun-26	83.22

Source: Petroleum Planning and Analysis Cell (PPAC)

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.

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.

The details of increase/decrease in Retail Selling Prices (RSP) of domestic LPG at Delhi since April 2026 are given below:

Price effective from	Domestic LPG (Rs./14.2 Kg cylinder)
As on 01.04.2026	913.00
07.06.2026	942.00

Source: Petroleum Planning and Analysis Cell (PPAC)

Note: 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. 642 per cylinder (in Delhi) to all eligible Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries.

The impact of increase/decrease in prices of Petrol, Diesel and LPG on 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 Retail Selling Prices (RSP) of CNG and PNG at Delhi since 01.04.2026 are given below:

Effective Date	CNG Prices (Rs./Kg)	PNG Prices (Rs./SCM)
As on 1 April 2026	77.09	49.59
15-May-26	79.09	
17-May-26	80.09	
23-May-26	81.09	
26-May-26	83.09	

Source:PPAC and IGL

The Government has undertaken a series of comprehensive policy, regulatory and fiscal measures to boost domestic crude oil and natural gas production and reduce dependency on imports with the objective of strengthening the country's energy security and reducing foreign exchange expenditure through participation by both public and private sector companies, as given below:

i. **Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime, 2014** for early monetization of hydrocarbon discoveries.

ii. **Discovered Small Field (DSF) Policy, 2015**, which provides a transparent mechanism to award discovered but undeveloped fields to expedite production.

iii. **Hydrocarbon Exploration and Licensing Policy (HELP), 2016**, providing a uniform licensing framework and revenue sharing regime for exploration and production of hydrocarbons.

iv. **Policy for Extension of PSCs (2016 and 2017)** to facilitate continued production from producing blocks.

v. **Policy for Early Monetization of Coal Bed Methane (CBM), 2017**, enabling marketing and pricing freedom and addressing operational issues in CBM blocks.

vi. **Constitution of Committee of Eminent External Experts (CEEE)** for dispute resolution through Notifications dated 28.02.2019 and 16.12.2019. Implementation of this mechanism has yielded excellent results till date, wherein in 31 cases, recommendations made by CEEE have been accepted and implemented.

vii. Collaboration with international technology partners and global oil companies as technical service providers to leverage advanced exploration, drilling and reservoir management technologies. To augment domestic production from existing fields, National Oil Companies have also entered into strategic international technical collaborations. In February 2025, ONGC appointed BP Exploration (Alpha) Limited as Technical Services Provider for Mumbai High, and in May 2026 extended the engagement to the remaining Western Offshore region to support implementation of advanced interventions aimed at arresting production decline and enhancing recovery.

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.

To strengthen energy security and reduce supply risks, Government continuously monitors and assesses the threats, which can lead to potential supply disruptions of LPG. Public Sector Oil Marketing Companies (OMCs) also continuously monitor international shipping, freight, supply conditions, and undertake appropriate procurement and logistics management measures to ensure uninterrupted LPG availability across the country.