

LOK SABHA
UNSTARRED QUESTION NO. 5520
TO BE ANSWERED ON 03 APRIL, 2025

Reduction in Prices of Petroleum Products

†5520. Shri Rahul Kaswan:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the prices of petroleum products are increasing day by day in the country, if so, the details thereof and if not, the reasons therefor along with the steps being taken to stabilize these prices;
- (b) the new measures taken by the Government to reduce the rising prices of petroleum products including petrol and diesel in view of the sanctions imposed on the various Oil Producing Companies (OPCs) globally; and
- (c) whether any high-level review has been conducted regarding the increase and decrease in the prices of petrol, diesel, crude oil and domestic LPG in the country, if so, the details thereof along with the conclusions drawn and the measures taken by the Government in this regard?

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 (c): Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

Government of India is closely monitoring global energy markets as well as potential energy supply disruptions as a fall-out of the evolving geopolitical situation. To ensure security of crude supplies and to mitigate the risk of dependence on crude oil from single region, Public Sector Undertakings (PSUs) have diversified their petroleum import basket and are procuring crude from countries located at various geographical locations.

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, increasing the blending of ethanol in petrol, etc.

Domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) as a result of various steps taken by 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.

PSU OMCs have recently 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.

India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years. Changes in prices of petrol and diesel in some major economies between November 2021 and January 2025 are as under:

	% age Change in Prices between Nov-21 and Jan-25	
Country	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
France	14.21%	15.08%
Germany	7.87%	12.43%
Italy	8.65%	11.39%
Spain	8.67%	12.93%
UK	0.08%	2.61%
Canada	10.52%	23.05%
USA	4.83%	12.86%

Source: Petroleum Planning and Analysis Cell (PPAC)

Changes in prices of petrol and diesel in some neighboring economies between November 2021 and January 2025

	% age Change in Prices between Nov-21 and Jan-25	
Country	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
Pakistan	29.76%	34.97%
Bangladesh	13.94%	30.82%
Sri Lanka	53.98%	101.59%
Nepal	22.02%	31.32%

Source: Petroleum Planning and Analysis Cell (PPAC)

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 63% (from US\$ 385/MT in July 2023 to US\$ 629/MT in February 2025), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 44% (from Rs. 903 in August 2023 to Rs. 503 in February 2025).

To make LPG more affordable to PMUY consumers and ensure sustained usage of LPG by them, in May 2022 Government started a targeted subsidy of Rs.200/- per 14.2 kg cylinder for up to 12 refills per annum (and proportionately pro-rated for 5 Kg connections) to the PMUY consumers. LPG prices were reduced by Rs. 200 in August, 2023 and Rs. 100 in March, 2024 for all domestic LPG consumers. In October 2023, Government increased the targeted subsidy to Rs.300 per 14.2 kg cylinder for up to 12 refills per annum (and proportionately pro-rated for 5 Kg connections). All LPG consumers receive domestic LPG at Rs. 803 per 14.2 Kg cylinder (Delhi price). There is currently no proposal under consideration of Government for increasing the amount of subsidy.

Globally, PMUY is the biggest program of its kind that provides Domestic LPG to more than 10.33 crore poor households at an effective price of just about Rs. 35/Kg. Further, the effective price of domestic LPG cylinder in neighbouring countries as on 01.01.2025 is as below:

Country	Domestic LPG (Rs./14.2 kg.cyl.)
India	503.00*
Pakistan	1094.83
Sri Lanka	1231.53
Nepal	1206.65

Source: Petroleum Planning and Analysis Cell (PPAC)

*Effective cost to PMUY beneficiaries in Delhi, effective price is Rs. 803 for non-PMUY consumers
