Ministry of Petroleum & Natural Gas

Government takes multiple steps to safeguard citizens from impact of global crude oil price fluctuations: Petroleum Minister

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Union Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri, in a written reply to a starred question in Lok Sabha today, stated that the Government is committed towards ensuring energy security, affordability and accessibility for every citizen. He highlighted that despite international crude oil price fluctuations, domestic petrol and diesel prices have been reduced owing to various steps taken by the Government and Public Sector Oil Marketing Companies (OMCs).

The Minister Informed that prices of petrol and diesel are market determined and Public Sector OMCs take appropriate decisions on pricing. The prices of petroleum products in the country are linked to the international market, with India importing more than 85% of its crude oil requirements.

Crude oil prices (Indian basket) rose from \$55/bbl (March 2015) to \$113/bbl (March 2022) and further to \$116/bbl (June 2022), continuing to fluctuate due to geopolitical and market factors. However, domestically, petrol and diesel prices have reduced to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) from Rs. 110.04 and Rs. 98.42 per litre in November 2021.

He stated that the Central Government reduced excise duty by Rs. 13/litre on petrol and Rs. 16/litre on diesel in two tranches in November 2021 and May 2022, fully passing the benefit to consumers. Some State Governments also reduced VAT to provide further relief. In March 2024, OMCs reduced retail prices of petrol and diesel by Rs. 2 per litre each. In April 2025, excise duty on petrol and diesel was increased by Rs. 2 per litre each, but this was not passed on to consumers.

Shri Puri informed that PSU OMCs have carried out intra-state freight rationalisation, benefiting consumers in remote areas by reducing petrol and diesel prices in far-flung regions. This has also reduced the difference between maximum and minimum retail prices within a state.

The Government also took several measures to insulate citizens from high international prices, including diversifying the crude import basket, invoking provisions of Universal Service Obligation to ensure availability of petrol and diesel in the domestic market, and augmenting domestic exploration and production of crude oil. Additionally, the Government is promoting ethanol blending and enhancing the share of renewable energy in India’s energy basket.

Replying to a question on Government’s strategy to promote alternative energy sources, Shri Puri stated that the Government is actively encouraging the adoption of CNG, LNG, Hydrogen, biofuels including ethanol, and electric vehicles.

The National Policy on Biofuels – 2018 had set a target of 20% ethanol blending in petrol and 5% biodiesel blending in diesel by 2030. This target was subsequently advanced to 2025-26. During the ongoing Ethanol Supply Year (ESY) 2024-25, Public Sector OMCs have achieved an average blending of 19.05% as on 31.07.2025, with 19.93% blending achieved in July 2025.

To promote biofuels, the Government has implemented initiatives such as the Ethanol Blended Petrol (EBP) Programme, Biodiesel blending programme, and the SATAT initiative for marketing Compressed Bio Gas (CBG) along with CNG.

Further, steps have been taken to boost biofuel production across the country, including rural India. These include pricing incentives, opening alternate routes for ethanol production, notifying the Pradhan Mantri JI-

VAN Yojana for establishing second-generation ethanol bio-refineries using agri-residues, SATAT initiative for CBG and bio-manure production from waste and biomass, and an interest subvention scheme for enhancing and expanding ethanol distillation capacity.

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